

BLACKROCK MUNICIPAL BOND TRUST  
Form N-CSRS  
May 04, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21036

Name of Fund: BlackRock Municipal Bond Trust (BBK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2018

Date of reporting period: 02/28/2018

Item 1 Report to Stockholders

FEBRUARY 28, 2018

**SEMI-ANNUAL REPORT (UNAUDITED)**

**BlackRock Municipal Bond Trust (BBK)**

**BlackRock Municipal Income Investment Quality Trust (BAF)**

**BlackRock Municipal Income Quality Trust (BYM)**

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

**BlackRock MuniHoldings Investment Quality Fund (MFL)**

**BlackRock MuniVest Fund, Inc. (MVF)**

**Not FDIC Insured   May Lose Value   No Bank  
Guarantee**

## The Markets in Review

Dear Shareholder,

In the 12 months ended February 28, 2018, assets with higher risk and return potential, such as stocks and high-yield bonds, continued to deliver strong performance. Faster global growth drove the equity market, while rising interest rates constrained bond returns.

Emerging market stocks posted the strongest performance, as accelerating growth in China, the second-largest economy in the world, improved the outlook for corporate profits and economic growth across most developing nations. Chinese demand for commodities and other raw materials allayed concerns about the country's banking system, leading to rising equity prices and foreign investment. Higher prices for industrial metals also bolstered the outlook for emerging-market countries.

Rising interest rates worked against high-quality assets with more interest rate sensitivity. Consequently, the 10-year U.S. Treasury—a bellwether of the bond market—posted a negative return, as rising energy prices, higher wages, and steady job growth drove expectations of higher inflation and interest rate increases by the U.S. Federal Reserve (the Fed).

The market's performance reflected reflationary expectations early in the reporting period, as investors began to sense that a global recovery was afoot. Thereafter, many countries experienced sustained and synchronized growth for the first time since the financial crisis. Growth rates and inflation are still relatively low, but they are finally rising together.

The Fed responded to these positive developments by increasing short-term interest rates three times during the year. In October 2017, the Fed also began to reduce its balance sheet, while setting expectations for additional rate hikes in 2018.

By contrast, the European Central Bank (ECB) and the Bank of Japan (BoJ) continued to expand their balance sheets despite nascent signs of sustained economic growth. Rising global growth and inflation, as well as limited bond supply, put steady pressure on other central banks to follow in the Fed's footsteps. In October 2017, the ECB announced plans to cut its bond purchases in half for 2018, while the BoJ reiterated its commitment to economic stimulus, as the country's inflation rate remained below 2.0%.

Rising consumer confidence and improving business sentiment are driving momentum for the U.S. economy. If the Fed maintains a measured pace of stimulus reduction, to the extent that inflation rises, it's likely to be accompanied by rising real growth and higher wages. That could lead to a favorable combination of moderately higher inflation, steadily rising interest rates, and improving growth in 2018. We continue to believe the primary risks to the economic expansion are trade protectionism, rapidly rising interest rates, and geopolitical tension. In particular, we are closely monitoring trade protectionism and the rise of populism in Western nations.

In December 2017, Congress passed a sweeping tax reform bill. The U.S. tax overhaul is likely to accentuate the existing reflationary themes, including faster growth and rising interest rates. Changing the corporate tax rate to a flat 21% will create many winners and losers among high-and-low tax companies, while the windfall from lower taxes could boost business and consumer spending.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **blackrock.com** for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of February 28, 2018**

|   | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| U.S. large cap equities<br>(S&P 500 <sup>®</sup> Index)   | 10.84%         | 17.10%          |
| U.S. small cap equities<br>(Russell 2000 <sup>®</sup> Index)                                      | 8.30           | 10.51           |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                           | 7.12           | 20.13           |
| Emerging market equities<br>(MSCI Emerging Markets Index)   | 10.58          | 30.51           |
| 3-month Treasury bills<br>(ICE BofAML 3-Month U.S. Treasury Bill Index)                           | 0.58           | 0.99            |
| U.S. Treasury securities<br>(ICE BofAML 10-Year U.S. Treasury Index)                              | (5.47)         | (2.54)          |
| U.S. investment grade bonds<br>(Bloomberg Barclays U.S.<br>Aggregate Bond Index)                  | (2.18)         | 0.51            |
| Tax-exempt municipal bonds<br>(S&P Municipal Bond Index)  | (1.15)         | 2.32            |
| U.S. high yield bonds<br>(Bloomberg Barclays U.S. Corporate High Yield 2% Issuer<br>Capped Index) | 1.11           | 4.18            |

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

Table of Contents

|  | <b>Page</b> |
|--|-------------|
| <u>The Markets in Review</u>                 | 2           |
| <b>Semi-Annual Report:</b>                   |             |
| <u>Municipal Market Overview</u>             | 4           |
| <u>The Benefits and Risks of Leveraging</u>  | 5           |
| <u>Derivative Financial Instruments</u>      | 5           |
| <u>Trust Summaries</u>                       | 6           |
| Financial Statements:                        |             |
| <u>Schedules of Investments</u>              | 18          |
| <u>Statements of Assets and Liabilities</u>  | 57          |
| <u>Statements of Operations</u>              | 59          |
| <u>Statements of Changes in Net Assets</u>   | 61          |
| <u>Statements of Cash Flows</u>              | 67          |
| <u>Financial Highlights</u>                  | 69          |
| <u>Notes to Financial Statements</u>         | 75          |
| <u>Trustee and Officer Information</u>       | 84          |
| <u>Additional Information</u>                | 85          |
| <u>Glossary of Terms Used in This Report</u> | 87          |

---

Municipal Market Overview For the Reporting Period Ended February 28, 2018

**Municipal Market Conditions**

Municipal bonds experienced positive performance during the period alongside a favorable technical backdrop and a flattening yield curve resulting from continued Fed monetary policy normalization and benign inflation expectations. Ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in continued demand for fixed income investments. More specifically, investors favored the tax-exempt income, diversification, quality, and value of municipal bonds amid fiscal policy uncertainty, which saw tax reform ultimately lower the top individual tax rate just 2.6% while eliminating deductions and increasing demand for tax shelter. During the 12 months ended February 28, 2018, municipal bond funds experienced net inflows of approximately \$30 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance remained elevated from a historical perspective at \$389 billion (though well below the robust \$445 billion issued in the prior 12-month period). Notably, issuance in December posted the highest monthly total on record at \$56 billion, as issuers rushed deals to market ahead of the expected elimination of the tax-exemption for advanced refunding bonds and possibly private activity bonds (PABs). Ultimately, the final version of the Tax Cuts and Jobs Act left PABs unchanged, though the elimination of advanced refundings will likely suppress supply going forward, providing a powerful technical.

**A Closer Look at Yields**

S&P Municipal Bond Index  
Total Returns as of February 28, 2018  
6 months: (1.15)%  
12 months: 2.32%

From February 28, 2017 to February 28, 2018, yields on AAA-rated 30-year municipal bonds increased by just 1 basis point ( bp ) from 3.05% to 3.06%, while 10-year rates increased by 18 bps from 2.29% to 2.47% and 5-year rates increased by 47 bps from 1.50% to 1.97% (as measured by Thomson Municipal Market Data). The municipal yield curve flattened significantly over the 12-month period with the spread between 2- and 30-year maturities flattening by 55 bps.

During the same time period, on a relative basis, tax-exempt municipal bonds strongly outperformed U.S. Treasuries with the greatest outperformance experienced in the front and intermediate portions of the yield curve. Notably, January saw interest rates move rapidly higher alongside strong global growth and a more hawkish bias from global central banks. The relative positive performance of municipal bonds was driven largely by a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities became increasingly scarce. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

## Financial Conditions of Municipal Issuers

The majority of municipal credits remain strong, despite well-publicized distress among a few issuers. Four of the five states with the largest amount of debt outstanding—California, New York, Texas and Florida—have exhibited markedly improved credit fundamentals during the slow national recovery. However, several states with the largest unfunded pension liabilities have seen their bond prices decline noticeably and remain vulnerable to additional price deterioration. On the local level, Chicago's credit quality downgrade is an outlier relative to other cities due to its larger pension liability and inadequate funding remedies. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery while the overall market is fundamentally sound. We continue to advocate careful credit research and believe that a thoughtful approach to structure and security selection remains imperative amid uncertainty in a modestly improving economic environment.

The opinions expressed are those of BlackRock as of February 28, 2018, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

The Standard & Poor's Municipal Bond Index, a broad, market value-weighted index, seeks to measure the performance of the U.S. municipal bond market. All bonds in the index are exempt from U.S. federal income taxes or subject to the AMT. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.



## The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the distribution rate on, and net asset value ( NAV ) of, their common shares ( Common Shares ). However, there is no guarantee that these objectives can be achieved in all interest rate environments.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trusts (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trusts' shareholders benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, a Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by a Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Trust's financing cost of leverage is significantly lower than the income earned on a Trust's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trusts' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Trusts had not used leverage. Furthermore, the value of the Trusts' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Trusts' obligations under their respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Trusts' intended leveraging strategy will be successful.

The use of leverage also generally causes greater changes in each Trust's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trusts to incur losses. The use of leverage may limit a Trust's ability to invest in certain types of securities or use certain types of hedging strategies. Each Trust incurs expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares. Moreover, to the extent the calculation of the Trusts' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Trusts' investment adviser will be higher than if the Trusts did not use leverage.

To obtain leverage, each Trust has issued Variable Rate Demand Preferred Shares ( VRDP Shares ), and Variable Rate Muni Term Preferred Shares ( VMTP Shares ) (collectively, Preferred Shares ) and/or leveraged its assets through the use of tender option bond trusts ( TOB Trusts ) as described in the Notes to Financial Statements.

## Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

Under the Investment Company Act of 1940, as amended (the 1940 Act ), each Trust is permitted to issue debt up to 33 1/3% of its total managed assets or equity securities (e.g., Preferred Shares) up to 50% of its total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by the Preferred Shares governing instruments or by agencies rating the Preferred Shares, which may be more stringent than those imposed by the 1940 Act.

If a Trust segregates or designates on its books and records cash or liquid assets having a value not less than the value of a Trust's obligations under the TOB Trust (including accrued interest), then the TOB Trust is not considered a senior security and is not subject to the foregoing limitations and requirements imposed by the 1940 Act.

### Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the instrument. The Trusts' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trusts' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Trust Summary as of February 28, 2018

**BlackRock Municipal Bond Trust****Trust Overview**

**BlackRock Municipal Bond Trust s (BBK) (the Trust )** investment objective is to provide current income exempt from regular U.S. federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from regular U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its managed assets in municipal bonds that are investment grade quality or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Trust Information**

|  |                |
|--|----------------|
| Symbol on New York Stock Exchange ( NYSE )                                     | BBK            |
| Initial Offering Date  | April 30, 2002 |
| Yield on Closing Market Price as of February 28, 2018 (\$14.47) <sup>(a)</sup> | 5.27%          |
| Tax Equivalent Yield <sup>(b)</sup>  | 8.90%          |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                   | \$0.0635       |
| Current Annualized Distribution per Common Share <sup>(c)</sup>                | \$0.7620       |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                       | 38%            |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

<sup>(d)</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|  | Returns Based On    |            |
|--|---------------------|------------|
|  | <i>Market Price</i> | <i>NAV</i> |
| BBK <sup>(a)(b)</sup>  | (7.16)%             | (0.55)%    |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | (6.78)              | (1.29)     |

## Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

### **The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

The Trust's largest detractors were its positions in longer-dated, high-quality securities that were issued in the past two years. These bonds had longer call structures, which translated to higher durations and lower income than their lower-rated and/or shorter-call counterparts. (Duration is a measure of interest rate sensitivity; a call is when an issuer redeems a bond prior to its maturity date).

The Trust had a modest weighting in zero-coupon bonds, which underperformed the overall market and detracted from performance due to their long durations. The Trust maintained a position in these securities due to their above-average income.

At a time in which short-term bonds lagged, some of the Trust's shorter-maturity holdings detracted.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's strategy had a positive effect on returns.

Positions in BBB, non-rated, and non-investment grade securities were positive contributors as a result of their higher income and superior price performance.

Holdings in the tobacco sector also outperformed the broader market due to their above-average yields and the elevated demand for liquid, higher-yielding securities.

The Trust's use of leverage contributed to performance by enhancing income. However, the use of leverage also amplified the impact of falling prices.

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



Trust Summary as of February 28, 2018  
(continued)

**BlackRock Municipal Bond Trust**

### Market Price and Net Asset Value Per Share Summary

|                 | 02/28/18 | 08/31/17 | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 14.47 | \$ 15.99 | (9.51)% | \$ 16.14 | \$ 14.28 |
| Net Asset Value | 15.82    | 16.32    | (3.06)  | 16.49    | 15.82    |

### Market Price and Net Asset Value History For the Past Five Years

### Overview of the Trust's Total Investments\*

#### SECTOR ALLOCATION

|  | 02/28/18 | 08/31/17 |
|--|----------|----------|
| County/City/Special District/School District | 22%      | 23%      |
| Health                                       | 20       | 18       |
| Transportation                               | 20       | 18       |
| Education                                    | 11       | 11       |
| Utilities                                    | 8        | 9        |
| State  | 7        | 11       |
| Tobacco                                      | 6        | 5        |
| Corporate                                    | 5        | 5        |
| Housing                                      | 1        |          |

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

#### CALL/MATURITY SCHEDULE <sup>(c)</sup>

|                                  |    |
|----------------------------------|----|
| Calendar Year Ended December 31, |    |
| 2018                             | 9% |
| 2019                             | 4  |
| 2020                             | 6  |
| 2021                             | 10 |
| 2022                             | 7  |

(c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

|                    | 02/28/18 | 08/31/17 |
|--------------------|----------|----------|
| AAA/Aaa            | 3%       | 3%       |
| AA/Aa              | 37       | 40       |
| A                  | 25       | 26       |
| BBB/Baa            | 16       | 15       |
| BB/Ba              | 6        | 6        |
| B                  | 3        | 3        |
| N/R <sup>(b)</sup> | 10       | 7        |

(a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of February 28, 2018 and August 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1% and 3%, respectively, of the Trust's total investments.

\* Excludes short-term securities.

Trust Summary as of February 28, 2018

**BlackRock Municipal Income Investment Quality Trust****Trust Overview**

**BlackRock Municipal Income Investment Quality Trust s (BAF) (the Trust )** investment objective is to provide current income exempt from U.S. federal income tax, including the alternative minimum tax and Florida intangible property tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its managed assets in municipal bonds exempt from U.S. federal income taxes, including the alternative minimum tax. The Trust also invests at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular U.S. federal income tax would now satisfy the foregoing objective and policy.

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

**Trust Information**

|  |                  |
|--|------------------|
| Symbol on NYSE   | BAF              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as February 28, 2018 of (\$14.01) <sup>(a)</sup> | 5.87%            |
| Tax Equivalent Yield <sup>(b)</sup>  | 9.92%            |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                   | \$0.0685         |
| Current Annualized Distribution per Common Share <sup>(c)</sup>                | \$0.8220         |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                       | 41%              |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The distribution rate is not constant and is subject to change.

<sup>(d)</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|  |                                |
|--|--------------------------------|
|  | Returns Based On               |
|  | <i>Market Price</i> <i>NAV</i> |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |         |         |
|--|---------|---------|
| BAF <sup>(a)(b)</sup>  | (4.67)% | (0.98)% |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | (6.78)  | (1.29)  |

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

**The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

Positions in single A rated securities, which outperformed higher-quality issues during the period, contributed positively. In addition, high-quality and short-dated pre-refunded bonds did well compared to those with longer durations. (Duration is a measure of interest rate sensitivity.) Overall, however, the Trust's concentration in higher-rated securities detracted from performance.

Positions in longer-duration bonds hurt performance relative to shorter-duration issues.

Portfolio income, enhanced by leverage, made the largest contribution to performance. However, the use of leverage also amplified the impact of falling prices.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

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

Trust Summary as of February 28, 2018  
(continued)

**BlackRock Municipal Income Investment Quality Trust**

**Market Price and Net Asset Value Per Share Summary**

|                 | <i>02/28/18</i> | <i>08/31/17</i> | <i>Change</i> | <i>High</i> | <i>Low</i> |
|-----------------|-----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 14.01        | \$ 15.11        | (7.28)%       | \$ 15.58    | \$ 13.70   |
| Net Asset Value | 15.11           | 15.69           | (3.70)        | 15.75       | 15.11      |

**Market Price and Net Asset Value History For the Past Five Years**

**Overview of the Trust's Total Investments\***

**SECTOR ALLOCATION**

|  | <i>02/28/18</i> | <i>08/31/17</i> |
|--|-----------------|-----------------|
| Transportation                               | 29%             | 31%             |
| County/City/Special District/School District | 27              | 28              |
| Utilities                                    | 15              | 15              |
| Health                                       | 12              | 12              |
| State  | 7               | 6               |
| Education                                    | 6               | 5               |
| Housing                                      | 2               | 1               |
| Tobacco                                      | 1               | 1               |
| Corporate                                    | 1               | 1               |

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

**CALL/MATURITY SCHEDULE <sup>(c)</sup>**

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2018                             | 8% |
| 2019                             | 17 |
| 2020                             | 2  |
| 2021                             | 28 |
| 2022                             | 6  |

(b) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

|         | <i>02/28/18</i> | <i>08/31/17</i> |
|---------|-----------------|-----------------|
| AAA/Aaa | 4%              | 3%              |
| AA/Aa   | 64              | 70              |
| A       | 21              | 17              |
| BBB/Baa | 8               | 8               |
| N/R     | 3               | 2               |

(a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

\* Excludes short-term securities.

Trust Summary as of February 28, 2018

BlackRock Municipal Income Quality Trust

**Trust Overview**

**BlackRock Municipal Income Quality Trust s (BYM) (the Trust )** investment objective is to provide current income exempt from U.S. federal income taxes, including the alternative minimum tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its managed assets in municipal bonds exempt from U.S. federal income taxes, including the U.S. federal alternative minimum tax. The Trust also invests at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Trust Information**

|  |                  |
|--|------------------|
| Symbol on NYSE   | BYM              |
| Initial Offering Date  | October 31, 2002 |
| Yield on Closing Market Price as of February 28, 2018 (\$13.26) <sup>(a)</sup> | 5.43%            |
| Tax Equivalent Yield <sup>(b)</sup>  | 9.17%            |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                   | \$0.0600         |
| Current Annualized Distribution per Common Share <sup>(c)</sup>                | \$0.7200         |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                       | 38%              |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The monthly distribution per Common Share, declared on March 1, 2018, was decreased to \$0.0520 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>(d)</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|                       |                     |            |
|-----------------------|---------------------|------------|
|                       | Returns Based On    |            |
|                       | <i>Market Price</i> | <i>NAV</i> |
| BYM <sup>(a)(b)</sup> | (8.33)%             | (1.16)%    |

Lipper General & Insured Municipal Debt Funds (Leveraged)<sup>(c)</sup>

(6.78)

(1.29)

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

**The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

The Trust's largest detractors were its positions in longer-dated, high-quality securities that were issued in the past two years. These bonds had longer call structures, which translated to higher durations and lower income than their lower-rated and/or shorter-call counterparts. (Duration is a measure of interest rate sensitivity; a call is when an issuer redeems a bond prior to its maturity date).

An underweight in high-grade bonds with intermediate maturities also detracted given the outperformance of municipal bonds near the 10-year part of the yield curve.

The Trust's emphasis on higher-quality securities detracted from performance.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

Holdings in the tobacco sector outperformed the broader market due to their higher yields and the elevated demand for liquid, higher-yielding securities.

Longer-dated holdings with call structures in the four- to seven-year range outperformed.

The Trust's use of leverage made a positive contribution to performance by enhancing income. However, the use of leverage also amplified the impact of falling prices.

## Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

The Trust had a sizable position in zero coupon bonds, which are especially vulnerable to market selloffs due to their long durations. The Trust maintained a position in these securities due to their above-average income. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Summary as of February 28, 2018  
(continued)

**BlackRock Municipal Income Quality Trust**

### Market Price and Net Asset Value Per Share Summary

|                 | 02/28/18 | 08/31/17 | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.26 | \$ 14.84 | (10.65)% | \$ 15.24 | \$ 13.24 |
| Net Asset Value | 14.76    | 15.32    | (3.66)   | 15.40    | 14.76    |

### Market Price and Net Asset Value History For the Past Five Years

### Overview of the Trust's Total Investments\*

#### SECTOR ALLOCATION

|  | 02/28/18 | 08/31/17 |
|--|----------|----------|
| Transportation                               | 28%      | 32%      |
| County/City/Special District/School District | 21       | 22       |
| Health                                       | 16       | 14       |
| Utilities                                    | 14       | 15       |
| State  | 8        | 7        |
| Education                                    | 7        | 5        |
| Tobacco                                      | 4        | 3        |
| Corporate                                    | 2        | 2        |

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

#### CALL/MATURITY SCHEDULE <sup>(b)</sup>

| Calendar Year Ended December 31, |    |
|----------------------------------|----|
| 2018                             | 8% |
| 2019                             | 8  |
| 2020                             | 8  |
| 2021                             | 7  |
| 2022                             | 7  |

(b) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

|         | <i>02/28/18</i> | <i>08/31/17</i> |
|---------|-----------------|-----------------|
| AAA/Aaa | 11%             | 11%             |
| AA/Aa   | 50              | 48              |
| A       | 21              | 24              |
| BBB/Baa | 15              | 11              |
| N/R     | 3               | 6               |

(a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

\* Excludes short-term securities.



Trust Summary as of February 28, 2018

**BlackRock Municipal Income Trust II****Trust Overview**

**BlackRock Municipal Income Trust II s (BLE) (the Trust )** investment objective is to provide current income exempt from regular U.S. federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Trust Information**

|  |               |
|--|---------------|
| Symbol on NYSE American  | BLE           |
| Initial Offering Date  | July 30, 2002 |
| Yield on Closing Market Price as of February 28, 2018 (\$13.56) <sup>(a)</sup> | 5.75%         |
| Tax Equivalent Yield <sup>(b)</sup>  | 9.71%         |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                   | \$0.0650      |
| Current Annualized Distribution per Common Share <sup>(c)</sup>                | \$0.7800      |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                       | 39%           |

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

(b) Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

(c) The distribution rate is not constant and is subject to change.

(d) Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|  | Returns Based On    |            |
|--|---------------------|------------|
|  | <i>Market Price</i> | <i>NAV</i> |
| BLE <sup>(a)(b)</sup>  | (9.75)%             | (0.29)%    |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | (6.78)              | (1.29)     |

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Trust moved from a premium to NAV to a discount during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

**The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

The Trust's investments in longer-term bonds, which experienced larger price declines than other segments of the market, detracted from performance.

Portfolio income, enhanced by leverage, contributed to the Trust's results over the last six months. However, the use of leverage also amplified the impact of falling prices.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's strategy had a positive effect on returns.

The Trust's yield curve positioning also added value, as positions in short-dated, high-quality, and defensive pre-refunded bonds proved the most resilient in a challenging market environment.

Holdings in the low investment-grade and high yield categories performed well amid investors' ongoing appetite for credit risk.

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

Trust Summary as of February 28, 2018  
(continued)

**BlackRock Municipal Income Trust II**

### Market Price and Net Asset Value Per Share Summary

|                 | 02/28/18 | 08/31/17 | Change   | High     | Low      |
|-----------------|----------|----------|----------|----------|----------|
| Market Price    | \$ 13.56 | \$ 15.45 | (12.23)% | \$ 15.59 | \$ 13.44 |
| Net Asset Value | 14.71    | 15.17    | (3.03)   | 15.23    | 14.71    |

### Market Price and Net Asset Value History For the Past Five Years

### Overview of the Trust's Total Investments\*

#### SECTOR ALLOCATION

|  | 02/28/18 | 08/31/17 |
|--|----------|----------|
| Transportation                               | 21%      | 24%      |
| Utilities                                    | 15       | 16       |
| County/City/Special District/School District | 14       | 14       |
| Health                                       | 13       | 12       |
| State  | 11       | 11       |
| Education                                    | 9        | 8        |
| Corporate                                    | 8        | 7        |
| Tobacco                                      | 7        | 7        |
| Housing                                      | 2        | 1        |

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

#### CALL/MATURITY SCHEDULE <sup>(c)</sup>

|                                  |     |
|----------------------------------|-----|
| Calendar Year Ended December 31, |     |
| 2018                             | 11% |
| 2019                             | 16  |
| 2020                             | 13  |
| 2021                             | 14  |
| 2022                             | 9   |

(c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

|                    | <i>02/28/18</i> | <i>08/31/17</i> |
|--------------------|-----------------|-----------------|
| AAA/Aaa            | 4%              | 4%              |
| AA/Aa              | 37              | 40              |
| A                  | 18              | 19              |
| BBB/Baa            | 21              | 19              |
| BB/Ba              | 7               | 7               |
| B                  | 3               | 2               |
| N/R <sup>(b)</sup> | 10              | 9               |

(a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of February 28, 2018 and August 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1% and 2%, respectively, of the Trust's total investments.

\* Excludes short-term securities.

Trust Summary as of February 28, 2018

**BlackRock MuniHoldings Investment Quality Fund****Trust Overview**

**BlackRock MuniHoldings Investment Quality Fund s (MFL) (the Trust )** investment objective is to provide shareholders with current income exempt from U.S. federal income tax and to provide shareholders with the opportunity to own shares the value of which is exempt from Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in long-term, investment grade (as rated or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment) municipal obligations exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular U.S. federal income tax would now satisfy the foregoing objective and policy.

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

**Trust Information**

|  |                    |
|--|--------------------|
| Symbol on NYSE   | MFL                |
| Initial Offering Date  | September 26, 1997 |
| Yield on Closing Market Price as of February 28, 2018 (\$13.76) <sup>(a)</sup> | 6.24%              |
| Tax Equivalent Yield <sup>(b)</sup>  | 10.54%             |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                   | \$0.0715           |
| Current Annualized Distribution per Common Share <sup>(c)</sup>                | \$0.8580           |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                       | 42%                |

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

(b) Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

(c) The monthly distribution per Common Share, declared on March 1, 2018, was decreased to \$0.0565 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

(d) Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|  | Returns Based On    |            |
|--|---------------------|------------|
|  | <i>Market Price</i> | <i>NAV</i> |
| MFL <sup>(a)(b)</sup>  | (5.68)%             | (1.33)%    |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | (6.78)              | (1.29)     |

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.
- (b) The Trust moved from a premium to NAV to a discount during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

**The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

The Trust's positions in intermediate-term issues detracted from performance amid the backdrop of rising yields, particularly in the second half of the period.

Positions in higher-rated securities—those rated AA and AAA—also detracted. Higher-quality issues suffered a larger adverse impact from rising rates than their lower-rated counterparts due to their above-average interest-rate sensitivity and the strong demand for higher-yielding investments.

The Trust's lack of exposure to high yield was a detractor. For example, tobacco was the top performing sector in the semiannual period, and the Trust held a zero weighting in this area.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

Positions in pre-refunded securities were positive contributors largely due to their short durations and above-average yields at issuance. Investments in longer-maturity issues (those with maturities of 25 years and above) also contributed due primarily to their higher income.

The Trust's use of leverage made a positive contribution to performance by enhancing income. However, the use of leverage also amplified the impact of falling prices.

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

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

Trust Summary as of February 28, 2018 (continued)

BlackRock MuniHoldings Investment Quality Fund

**Market Price and Net Asset Value Per Share Summary**

|                 | 02/28/18 | 08/31/17 | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 13.76 | \$ 15.03 | (8.45)% | \$ 15.29 | \$ 13.70 |
| Net Asset Value | 14.28    | 14.91    | (4.23)  | 14.96    | 14.28    |

**Market Price and Net Asset Value History For the Past Five Years****Overview of the Trust's Total Investments\*****SECTOR ALLOCATION**

|  | 02/28/18 | 08/31/17 |
|--|----------|----------|
| Transportation                               | 40%      | 41%      |
| Health                                       | 17       | 15       |
| Utilities                                    | 16       | 17       |
| County/City/Special District/School District | 11       | 12       |
| State  | 8        | 8        |
| Education                                    | 6        | 5        |
| Tobacco                                      | 1        | 1        |
| Housing                                      | 1        | 1        |
| Corporate <sup>(a)</sup>                     |          |          |

<sup>(a)</sup> Represents less than 1% of total investments.

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

**CALL/MATURITY SCHEDULE <sup>(d)</sup>**

|                                  |    |
|----------------------------------|----|
| Calendar Year Ended December 31, |    |
| 2018                             | 9% |
| 2019                             | 20 |
| 2020                             | 4  |
| 2021                             | 16 |



2022

1

(d) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(b)</sup>

|         | 02/28/18         | 08/31/17 |
|---------|------------------|----------|
| AAA/Aaa | 8%               | 9%       |
| AA/Aa   | 57               | 59       |
| A       | 26               | 26       |
| BBB/Baa | 5                | 4        |
| N/R     | 4 <sup>(c)</sup> | 2        |

(b) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(c) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of February 28, 2018, the market value of unrated securities deemed by the investment adviser to be investment grade represents 1% of the Trust's total investments.

\* Excludes short-term securities.

TRUST SUMMARY

15

Trust Summary as of February 28, 2018

BlackRock MuniVest Fund, Inc.

**Trust Overview**

**BlackRock MuniVest Fund, Inc. s (MVF) (the Trust )** investment objective is to provide shareholders with as high a level of current income exempt from U.S. federal income taxes as is consistent with its investment policies and prudent investment management. The Trust seeks to achieve its investment objective by investing at least 80% of an aggregate of the Trust s net assets (including proceeds from the issuance of any preferred shares) and the proceeds of any borrowing for investment purposes, in municipal obligations exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). Under normal market conditions, the Trust primarily invests in long term municipal obligations rated investment grade at the time of investment (or, if unrated, are considered by the Trust s investment adviser to be of comparable quality at the time of investment) and in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest up to 20% of its total assets in securities rated below investment grade or deemed equivalent at the time of purchase. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

**Trust Information**

|   |                    |
|---|--------------------|
| Symbol on NYSE American   | MVF                |
| Initial Offering Date   | September 29, 1988 |
| Yield on Closing Market Price as of February 28, 2018 (\$9.21) <sup>(a)</sup> | 5.99%              |
| Tax Equivalent Yield <sup>(b)</sup>   | 10.12%             |
| Current Monthly Distribution per Common Share <sup>(c)</sup>                  | \$0.0460           |
| Current Annualized Distribution per Common Share <sup>(c)</sup>               | \$0.5520           |
| Economic Leverage as of February 28, 2018 <sup>(d)</sup>                      | 38%                |

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

<sup>(b)</sup> Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 40.8%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>(c)</sup> The monthly distribution per Common Share, declared on March 1, 2018, was decreased to \$0.0410 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>(d)</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits

and Risks of Leveraging on page 5.

**Performance**

Returns for the six months ended February 28, 2018 were as follows:

|  | Returns Based On    |            |
|--|---------------------|------------|
|  | <i>Market Price</i> | <i>NAV</i> |
| MVF <sup>(a)(b)</sup>  | (3.64)%             | (0.32)%    |
| Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>(c)</sup> | (6.78)              | (1.29)     |

(a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

(b) The Trust moved from a premium to NAV to a discount during the period, which accounts for the difference between performance based on market price and performance based on NAV.

(c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

**The following discussion relates to the Trust's absolute performance based on NAV:**

U.S. municipal bonds lost ground during the semi-annual period, with declining prices offsetting the benefit of income. Stronger economic growth and concerns about emerging inflation pressures fueled expectations that the Fed would continue to tighten monetary policy, dampening returns across the fixed-income market.

Long-term bonds outperformed short-term debt, leading to a flattening of the yield curve. In this environment, the Trust's short duration posture contributed positively to relative performance. However, the Trust's positions in short- and intermediate-term debt detracted. The Trust's allocation to zero-coupon bonds, while limited, also detracted from performance since their longer duration accentuated the impact of the down market. (Duration is a measure of interest rate sensitivity.)

Reinvestment had an adverse effect on the Trust's income, as the proceeds of higher-yielding bonds that matured or were called needed to be reinvested at lower prevailing rates.

Bonds rated BBB and lower contributed to performance, as continued investor demand for higher yields helped support prices. In addition, these positions generated above-average income. Conversely, the Trust's positions in higher-quality investments underperformed their lower-rated counterparts.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

## Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

At the sector level, positions in corporate-related tax-exempt bonds contributed to performance. The tobacco sector also generated positive absolute returns due to the announcement of a potential refunding of New Jersey's outstanding tobacco bonds, which could result in \$2.9 billion high yield tobacco issues being removed from the market. The announcement created a tailwind for all tobacco bonds due to the prospect of a reduced supply of liquid, high yield securities.

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

Trust Summary as of February 28, 2018  
(continued)

**BlackRock MuniVest Fund, Inc.**

### Market Price and Net Asset Value Per Share Summary

|                 | 02/28/18 | 08/31/17 | Change  | High   | Low    |
|-----------------|----------|----------|---------|--------|--------|
| Market Price    | \$ 9.21  | \$ 9.84  | (6.40)% | \$9.97 | \$9.15 |
| Net Asset Value | 9.44     | 9.75     | (3.18)  | 9.78   | 9.44   |

### Market Price and Net Asset Value History For the Past Five Years

### Overview of the Trust's Total Investments\*

#### SECTOR ALLOCATION

|  | 02/28/18 | 08/31/17 |
|--|----------|----------|
| Transportation                               | 24%      | 26%      |
| Health                                       | 23       | 23       |
| County/City/Special District/School District | 11       | 11       |
| Education                                    | 10       | 9        |
| Corporate                                    | 9        | 8        |
| State  | 7        | 7        |
| Tobacco                                      | 6        | 3        |
| Utilities                                    | 6        | 7        |
| Housing                                      | 4        | 6        |

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

#### CALL/MATURITY SCHEDULE <sup>(c)</sup>

|                                  |     |
|----------------------------------|-----|
| Calendar Year Ended December 31, |     |
| 2018                             | 17% |
| 2019                             | 19  |
| 2020                             | 4   |
| 2021                             | 6   |
| 2022                             | 5   |

(c) Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

**CREDIT QUALITY ALLOCATION** <sup>(a)</sup>

|                    | <i>02/28/18</i> | <i>08/31/17</i> |
|--------------------|-----------------|-----------------|
| AAA/Aaa            | 5%              | 7%              |
| AA/Aa              | 38              | 39              |
| A                  | 15              | 16              |
| BBB/Baa            | 23              | 21              |
| BB/Ba              | 4               | 4               |
| B                  | 3               | 2               |
| N/R <sup>(b)</sup> | 12              | 11              |

(a) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings

(b) The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of February 28, 2018 and August 31, 2017, the market value of unrated securities deemed by the investment adviser to be investment grade each represents 2%, of the Trust's total investments.

\* Excludes short-term securities.

Schedule of Investments (unaudited)

BlackRock Municipal Bond Trust (BBK)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Municipal Bonds</b>   |                      |              |
| <b>Alabama 0.7%</b>  |                      |              |
| Opelika Utilities Board, Refunding RB, 4.00%, 06/01/41   | \$ 960               | \$ 984,605   |
| UAB Medicine Finance Authority, Refunding RB, Series B, 5.00%, 09/01/41  | 130                  | 147,703      |
|  |                      | 1,132,308    |
| <b>Arizona 7.5%</b>  |                      |              |
| Arizona Health Facilities Authority, Refunding RB, Phoenix Children s Hospital, Series A, 5.00%, 02/01/42                        | 2,200                | 2,312,244    |
| City of Phoenix Arizona IDA, Refunding RB, Basis Schools, Inc. Projects, 5.00%, 07/01/45 <sup>(a)</sup>                          | 460                  | 469,301      |
| County of Pinal Arizona Electric District No.3, Refunding RB:<br>4.75%, 07/01/21 <sup>(b)</sup>                                  | 680                  | 746,171      |
| 4.75%, 07/01/31  | 3,070                | 3,293,404    |
| Salt Verde Financial Corp., RB, Senior:<br>5.00%, 12/01/32   | 1,500                | 1,744,200    |
| 5.00%, 12/01/37  | 2,065                | 2,416,380    |
| University Medical Center Corp., RB, 6.50%, 07/01/19 <sup>(b)</sup>  | 500                  | 531,565      |
| University Medical Center Corp., Refunding RB, 6.00%, 07/01/21 <sup>(b)</sup>  | 900                  | 1,019,142    |
|  |                      | 12,532,407   |
| <b>Arkansas 2.3%</b>   |                      |              |
| City of Benton Arkansas, RB, 4.00%, 06/01/39   | 505                  | 522,190      |
| City of Fort Smith Arkansas Water & Sewer Revenue, Refunding RB, 4.00%, 10/01/40   | 840                  | 860,975      |
| City of Little Rock Arkansas, RB, 4.00%, 07/01/41  | 1,835                | 1,873,021    |
| County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42  | 465                  | 507,738      |
|  |                      | 3,763,924    |
| <b>California 22.7%</b>  |                      |              |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 5.88%, 08/15/31                                   | 1,900                | 2,084,452    |
| Carlsbad California Unified School District, GO, Election of 2006, Series B, 0.00%, 05/01/34 <sup>(c)</sup>                      | 1,000                | 1,125,380    |
| Chaffey Joint Union High School District, GO, Election of 2012, Series C, 5.25%, 08/01/47  | 3,000                | 3,486,240    |
| City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International Airport SJC, Series A-1, AMT, 5.75%, 03/01/34 | 2,000                | 2,201,180    |
| County of San Diego Regional Airport Authority, ARB, Subordinate, Series B, AMT, 5.00%, 07/01/42                                 | 2,405                | 2,685,880    |
| Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 0.00%, 08/01/34 <sup>(c)</sup>              | 1,650                | 1,658,267    |
| Los Angeles Unified School District California, GO, Election of 2008, Series B-1, 5.25%, 07/01/42 <sup>(d)</sup>                 | 1,450                | 1,714,683    |
|  | 8,000                | 3,393,040    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 08/01/38 <sup>(e)</sup>  |              |              |
| Palomar Community College District, GO, CAB, Election of 2006, Series B:   |              |              |
| 0.00%, 08/01/30 <sup>(e)</sup>   | 1,500        | 985,815      |
| 0.00%, 08/01/33 <sup>(e)</sup>   | 4,000        | 1,631,680    |
| 0.00%, 08/01/39 <sup>(e)</sup>   | 2,605        | 2,465,945    |
| San Diego Community College District, GO, CAB, Election of 2002, 0.00%, 08/01/33 <sup>(c)</sup>                                  | 2,800        | 3,240,748    |
| State of California, GO, Refunding, Various Purposes, 5.00%, 02/01/38  | 3,000        | 3,334,440    |
| State of California, GO, Various Purposes:   |              |              |
| 5.75%, 04/01/31  | 2,000        | 2,090,960    |
| 6.00%, 03/01/33  | 1,000        | 1,085,740    |
| 6.50%, 04/01/33  | 1,950        | 2,056,041    |
| 5.50%, 03/01/40  | 2,350        | 2,521,268    |
|  |              | 37,761,759   |
|  | <i>Par</i>   |              |
|  | <i>(000)</i> | <i>Value</i> |
| <b>Security</b>  |              |              |
| <b>Colorado 0.7%</b>   |              |              |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33                                 | \$ 1,070     | \$ 1,096,333 |
| <b>Connecticut 0.4%</b>  |              |              |
| Connecticut State Health & Educational Facility Authority, Refunding RB, Lawrence & Memorial Hospital, Series F, 5.00%, 07/01/36 | 550          | 580,795      |
| <b>Delaware 1.4%</b>   |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40                                 | 1,200        | 1,263,264    |
| Delaware Transportation Authority, RB, U.S. 301 Project, 5.00%, 06/01/55   | 950          | 1,046,216    |
|  |              | 2,309,480    |
| <b>Florida 5.0%</b>  |              |              |
| Capital Trust Agency Inc., RB, M/F Housing, The Gardens Apartment Project, Series A, 4.75%, 07/01/40                             | 600          | 620,220      |
| County of Broward Florida Airport System Revenue, ARB, AMT, 5.00%, 10/01/42  | 345          | 385,317      |
| County of Miami-Dade Florida, RB, AMT, Seaport Department, Series B, 6.00%, 10/01/31   | 4,135        | 4,767,944    |
| County of Orange Florida Health Facilities Authority, Refunding RB, Mayflower Retirement Center, 5.00%, 06/01/36                 | 125          | 131,447      |
| South Miami Health Facilities Authority, Refunding RB, Baptist Health South Florida Obligated Group, 5.00%, 08/15/42             | 1,660        | 1,849,008    |
| Stevens Plantation Community Development District, RB, Special Assessment, Series A, 7.10%, 05/01/35 <sup>(f)(g)</sup>           | 860          | 602,000      |
|  |              | 8,355,936    |
| <b>Georgia 0.4%</b>  |              |              |
| County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care System Obligation, 4.00%, 08/15/48              | 705          | 705,564      |
| <b>Hawaii 0.3%</b>   |              |              |
| State of Hawaii Department of Budget & Finance, Refunding RB, Special Purpose, Senior Living, Kahala Nui, 5.25%, 11/15/37        | 400          | 441,956      |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**Idaho 0.3%**

|  |     |         |
|--|-----|---------|
| Idaho Health Facilities Authority, RB, St. Lukes Health System Project, Series A,<br>5.00%, 03/01/39 | 500 | 538,105 |
|--|-----|---------|

**Illinois 8.6%**

|  |       |           |
|--|-------|-----------|
| Chicago Board of Education, GO, Series H, 5.00%, 12/01/36  | 235   | 237,331   |
| Chicago Board of Education, GO, Refunding, Dedicated Revenues:<br>Series C, 5.00%, 12/01/34  | 235   | 239,524   |
| Series F, 5.00%, 12/01/23  | 310   | 329,521   |
| Chicago Board of Education, GO, Refunding Series C, 5.00%, 12/01/25  | 425   | 450,143   |
| City of Chicago Illinois, Refunding ARB, O Hare International Airport Passenger Facility<br>Charge, Series B, AMT, 4.00%, 01/01/29 | 1,600 | 1,639,936 |
| City of Chicago Illinois, Refunding GARB, O Hare International Airport, Senior Lien:<br>Series B, 5.00%, 01/01/35                  | 2,000 | 2,274,940 |
| Series B, 5.00%, 01/01/41  | 2,000 | 2,225,560 |
| Series C, 5.00%, 01/01/38  | 1,000 | 1,118,620 |
| City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A,<br>AMT, 5.00%, 01/01/41                 | 870   | 947,343   |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40  | 665   | 721,066   |
| Illinois Finance Authority, RB, Chicago LLC, University of Illinois at Chicago Project,<br>Series A:<br>5.00%, 02/15/37            | 300   | 316,641   |
| 5.00%, 02/15/47  | 205   | 214,586   |
| 5.00%, 02/15/50  | 100   | 104,283   |

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Bond Trust (BBK)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Illinois (continued)</b>  |                      |              |
| Illinois Finance Authority, Refunding RB:  |                      |              |
| OSF Healthcare System, 6.00%, 05/15/39   | \$ 295               | \$ 310,033   |
| Roosevelt University Project, 6.50%, 04/01/44  | 1,000                | 1,050,430    |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project Bonds,<br>Series A, 5.00%, 06/15/57  | 645                  | 684,951      |
| Railsplitter Tobacco Settlement Authority, RB:   |                      |              |
| 6.00%, 06/01/21 <sup>(b)</sup>   | 1,150                | 1,300,868    |
| 5.00%, 06/01/28  | 155                  | 175,798      |
|  |                      | 14,341,574   |
| <b>Iowa 0.2%</b>   |                      |              |
| Iowa Finance Authority, Refunding RB, Iowa Fertilizer Co. Project, Series B,<br>5.25%, 12/01/50 <sup>(h)</sup>   | 250                  | 259,560      |
| <b>Kansas 2.7%</b>   |                      |              |
| County of Seward Kansas Unified School District No. 480 Liberal, GO, Refunding:  |                      |              |
| 5.00%, 09/01/22 <sup>(b)</sup>   | 3,280                | 3,716,306    |
| 5.00%, 09/01/39  | 720                  | 807,516      |
|  |                      | 4,523,822    |
| <b>Kentucky 3.7%</b>   |                      |              |
| County of Boyle Kentucky, Refunding RB, Centre College of Kentucky, 5.00%, 06/01/37  | 2,500                | 2,758,600    |
| Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives,<br>Series A, 5.38%, 01/01/40   | 1,830                | 1,970,233    |
| Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project,<br>Convertible CAB, 1st Tier, Series C <sup>(c)</sup> :            |                      |              |
| 0.00%, 07/01/34  | 500                  | 464,030      |
| 0.00%, 07/01/39  | 830                  | 761,907      |
| 0.00%, 07/01/43  | 270                  | 248,289      |
|  |                      | 6,203,059    |
| <b>Louisiana 1.5%</b>  |                      |              |
| City of Alexandria Louisiana Utilities, RB, 5.00%, 05/01/39  | 860                  | 947,453      |
| Louisiana Local Government Environmental Facilities & Community Development<br>Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35 | 1,050                | 1,163,568    |
| Louisiana Public Facilities Authority, RB, Belle Chasse Educational Foundation Project,<br>6.50%, 05/01/31   | 400                  | 426,476      |
|  |                      | 2,537,497    |
| <b>Maryland 0.2%</b>   |                      |              |
| County of Anne Arundel Maryland Consolidated, RB, Special Taxing District, Villages at<br>Two Rivers Project:  |                      |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |              |              |
|---|--------------|--------------|
| 5.13%, 07/01/36   | 170          | 171,496      |
| 5.25%, 07/01/44   | 170          | 171,086      |
|   |              | 342,582      |
| <b>Massachusetts 2.1%</b>   |              |              |
| Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A:  |              |              |
| 5.00%, 01/01/47   | 630          | 692,679      |
| 5.25%, 01/01/42   | 565          | 634,048      |
| Massachusetts Development Finance Agency, Refunding RB, International Charter School,   |              |              |
| 5.00%, 04/15/40   | 400          | 423,788      |
| Massachusetts Port Authority, Refunding ARB, Series A, AMT, 5.00%, 07/01/42   | 1,500        | 1,686,615    |
|   |              | 3,437,130    |
| <b>Michigan 5.7%</b>  |              |              |
| Michigan Finance Authority, RB, Detroit Water & Sewage Disposal System, Senior Lien,<br>Series 2014 C-2, AMT, 5.00%, 07/01/44 | 240          | 256,627      |
|   | <i>Par</i>   | <i>Value</i> |
| <i>Security</i>   | <i>(000)</i> |              |
| <b>Michigan (continued)</b>   |              |              |
| Michigan Finance Authority, Refunding RB:   |              |              |
| Henry Ford Health System, 5.00%, 11/15/41   | \$ 5,560     | \$ 6,115,055 |
| Trinity Health Credit Group, Series A, 4.00%, 12/01/36  | 850          | 869,967      |
| Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group,<br>Series C, 4.00%, 12/01/32            | 2,100        | 2,150,190    |
| State of Michigan Building Authority, Refunding RB, Facilities Program, Series I,<br>6.25%, 10/15/38                          | 40           | 41,161       |
|   |              | 9,433,000    |
| <b>Minnesota 4.5%</b>   |              |              |
| City of Maple Grove Minnesota, Refunding RB, Maple Grove Hospital, Corp.,<br>4.00%, 05/01/37                                  | 880          | 886,002      |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC),<br>6.50%, 11/15/38                     | 3,890        | 4,017,242    |
| Minneapolis-St. Paul Metropolitan Airports Commission, Refunding ARB, Sub Series D,<br>AMT, 5.00%, 01/01/41                   | 290          | 325,360      |
| Minnesota Higher Education Facilities Authority, RB:  |              |              |
| Augsburg College, Series B, 4.25%, 05/01/40   | 1,185        | 1,184,881    |
| College of St. Benedict, Series 8-K, 5.00%, 03/01/37  | 660          | 730,481      |
| College of St. Benedict, Series 8-K, 4.00%, 03/01/43  | 385          | 391,064      |
|   |              | 7,535,030    |
| <b>Mississippi 1.9%</b>   |              |              |
| County of Warren Mississippi, RB, Gulf Opportunity Zone Bonds, International Paper Co.<br>Project, Series A, 5.38%, 12/01/35  | 400          | 442,688      |
| Mississippi Development Bank, RB, Special Obligation:   |              |              |
| CAB, Hinds Community College District (AGM), 5.00%, 04/01/21 <sup>(b)</sup>   | 845          | 927,802      |
| County of Jackson Limited Tax Note (AGC), 5.50%, 07/01/32   | 1,750        | 1,829,152    |
|   |              | 3,199,642    |
| <b>Missouri 2.7%</b>  |              |              |
|   | 900          | 978,282      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |           |
|---|-------|-----------|
| Missouri Development Finance Board, RB, Annual Appropriation Sewer System, Series B,<br>5.00%, 11/01/41 |       |           |
| Missouri State Health & Educational Facilities Authority, RB:   |       |           |
| A.T. Still University of Health Sciences, 5.25%, 10/01/31   | 500   | 548,785   |
| A.T. Still University of Health Sciences, 4.25%, 10/01/32   | 320   | 332,887   |
| A.T. Still University of Health Sciences, 5.00%, 10/01/39   | 500   | 549,135   |
| Heartland Regional Medical Center, 4.13%, 02/15/43  | 300   | 306,336   |
| University of Central Missouri, Series C-2, 5.00%, 10/01/34   | 1,000 | 1,113,460 |
| Missouri State Health & Educational Facilities Authority, Refunding RB, Kansas City                     |       |           |
| University of Medicine and Biosciences, Series A, 5.00%, 06/01/42                                       | 540   | 600,334   |
|   |       | 4,429,219 |
| <b>Montana 1.2%</b>   |       |           |
| County of Cascade Montana High School District A Great Falls, GO:                                       |       |           |
| 4.00%, 07/01/34   | 570   | 605,095   |
| 4.00%, 07/01/35   | 550   | 582,043   |
| Montana State Board of Regents, RB, Montana State University Facilities Improvement,<br>5.00%, 11/15/43 | 745   | 852,049   |
|   |       | 2,039,187 |
| <b>Nebraska 1.1%</b>  |       |           |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 09/01/42                          | 600   | 650,136   |
| County of Douglas Nebraska Hospital Authority No. 3, Refunding RB, Health Facilities                    |       |           |
| Nebraska Methodist Health System, 5.00%, 11/01/45   | 400   | 435,520   |
| Nebraska Public Power District, Refunding RB, Series A:   |       |           |
| 5.00%, 01/01/32   | 250   | 273,837   |
| 4.00%, 01/01/44   | 400   | 406,520   |
|   |       | 1,766,013 |

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Bond Trust (BBK)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Nevada 1.2%</b>   |                      |              |
| City of Las Vegas Nevada, RB, Special Assessment, No. 809 Summerlin Area, 5.65%, 06/01/23                                    | \$ 995               | \$ 1,002,303 |
| County of Clark Nevada, Refunding ARB, Department of Aviation, Subordinate Lien, Series A-2, 4.25%, 07/01/36                 | 1,000                | 1,039,910    |
|  |                      | 2,042,213    |
| <b>New Jersey 15.2%</b>  |                      |              |
| New Jersey EDA, RB:  |                      |              |
| Continental Airlines, Inc. Project, Series B, AMT, 5.63%, 11/15/30   | 660                  | 746,506      |
| Goethals Bridge Replacement Project (AGM), AMT, 5.13%, 07/01/42  | 200                  | 219,986      |
| School Facilities Construction, Series UU, 5.00%, 06/15/40   | 425                  | 440,496      |
| New Jersey EDA, Refunding RB:  |                      |              |
| Series B, 5.50%, 06/15/30  | 2,500                | 2,836,775    |
| Special Assessment, Kapkowski Road Landfill Project, 6.50%, 04/01/28   | 7,500                | 8,774,250    |
| New Jersey Health Care Facilities Financing Authority, Refunding RB:   |                      |              |
| Hospital Asset Transfer Program, 5.00%, 10/01/37   | 685                  | 726,744      |
| St. Barnabas Health Care System, Series A, 4.63%, 07/01/21 <sup>(b)</sup>  | 510                  | 554,120      |
| St. Barnabas Health Care System, Series A, 5.63%, 07/01/21 <sup>(b)</sup>  | 1,700                | 1,901,637    |
| St. Barnabas Health Care System, Series A, 5.00%, 07/01/25   | 500                  | 552,900      |
| New Jersey State Turnpike Authority, RB, Series E, 5.00%, 01/01/45   | 1,860                | 2,061,475    |
| New Jersey Transportation Trust Fund Authority, RB:  |                      |              |
| CAB, Transportation System, Series A, 0.00%, 12/15/35 <sup>(c)</sup>   | 1,000                | 428,650      |
| Transportation Program, Series AA, 5.00%, 06/15/45   | 900                  | 935,001      |
| Transportation Program, Series AA, 5.00%, 06/15/46   | 400                  | 415,300      |
| New Jersey Turnpike Authority, Refunding RB, Series B, 5.00%, 01/01/40   | 875                  | 991,900      |
| South Jersey Port Corp., RB, Marine Terminal, Series B, AMT, 5.00%, 01/01/35   | 625                  | 666,969      |
| Tobacco Settlement Financing Corp., Refunding RB, Series 1A, 5.00%, 06/01/41   | 3,000                | 2,985,060    |
|  |                      | 25,237,769   |
| <b>New Mexico 0.3%</b>   |                      |              |
| New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 08/01/44                  | 450                  | 498,065      |
| <b>New York 5.8%</b>   |                      |              |
| City of New York New York Industrial Development Agency, RB, PILOT (AMBAC), 5.00%, 01/01/39                                  | 925                  | 932,160      |
| Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 06/01/41 <sup>(a)</sup> | 900                  | 927,603      |
| Erie Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 06/01/45                               | 1,160                | 1,110,027    |
| Hudson Yards Infrastructure Corp., Refunding RB, Series A, 5.00%, 02/15/37   | 1,000                | 1,138,310    |
| New York Liberty Development Corp., Refunding RB:  |                      |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |              |              |
|---|--------------|--------------|
| 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 07/15/49  | 800          | 855,336      |
| 3 World Trade Center Project, Class 2, 5.38%, 11/15/40 <sup>(a)</sup>   | 405          | 442,410      |
| New York Transportation Development Corp., ARB, LaGuardia Airport Terminal B<br>Redevelopment Project, Series A, AMT, 5.00%, 07/01/41                         | 1,000        | 1,088,610    |
| New York Transportation Development Corp., Refunding ARB, American Airlines, Inc.,<br>AMT, 5.00%, 08/01/31  | 1,295        | 1,371,068    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>New York (continued)</b>   |              |              |
| Niagara Area Development Corp., Refunding RB, Solid Waste Disposal Facility, Covanta<br>Energy Project, Series A, AMT, 5.25%, 11/01/42 <sup>(a)</sup>         | \$ 400       | \$ 400,248   |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 206th Series,<br>AMT, 5.00%, 11/15/37   | 1,250        | 1,419,587    |
|   |              | 9,685,359    |
| <b>North Carolina 0.2%</b>  |              |              |
| North Carolina Medical Care Commission, Refunding RB, The United Methodist Retirement<br>Homes, Series A, 5.00%, 10/01/42                                     | 300          | 326,829      |
| <b>North Dakota 0.3%</b>  |              |              |
| County of Burleigh North Dakota, Refunding RB, St. Alexius Medical Center Project,<br>Series A, 5.00%, 07/01/21 <sup>(b)</sup>                                | 480          | 527,299      |
| <b>Ohio 2.4%</b>  |              |              |
| Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term,<br>Series A-2, 6.50%, 06/01/47   | 2,000        | 1,979,780    |
| City of Dayton Ohio Airport Revenue, Refunding ARB, James M. Cox Dayton International<br>Airport, Series A (AGM), AMT, 4.00%, 12/01/32                        | 2,000        | 2,034,320    |
|   |              | 4,014,100    |
| <b>Oklahoma 1.8%</b>  |              |              |
| Norman Oklahoma Regional Hospital Authority, Refunding RB, 4.00%, 09/01/37  | 1,275        | 1,291,524    |
| Oklahoma City Public Property Authority, Refunding RB, 5.00%, 10/01/39  | 720          | 809,698      |
| Oklahoma Development Finance Authority, RB, Provident Oklahoma Education Resources,<br>Inc., Cross Village Student Housing Project, Series A, 5.25%, 08/01/57 | 820          | 892,340      |
|   |              | 2,993,562    |
| <b>Oregon 1.6%</b>  |              |              |
| County of Lane Oregon School District No. 19 Springfield, GO, CAB, Series B,<br>0.00%, 06/15/40 <sup>(c)</sup>  | 1,000        | 419,150      |
| Oregon Health & Science University, RB, Series A, 4.00%, 07/01/37   | 675          | 700,009      |
| State of Oregon State Facilities Authority, Refunding RB, University of Portland Project,<br>Series A, 5.00%, 04/01/45  | 1,475        | 1,620,420    |
|   |              | 2,739,579    |
| <b>Pennsylvania 9.3%</b>  |              |              |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment:<br>5.00%, 06/01/33   | 335          | 371,843      |
| 5.00%, 06/01/34   | 750          | 829,110      |
| (AGM), 4.00%, 06/01/39  | 1,365        | 1,370,119    |
|   | 1,695        | 1,757,240    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| County of Allegheny Pennsylvania IDA, Refunding RB, U.S. Steel Corp. Project,<br>6.55%, 12/01/27        |       |            |
| Delaware River Port Authority, RB:  |       |            |
| 4.50%, 01/01/32   | 1,500 | 1,601,265  |
| Series D (AGM), 5.00%, 01/01/40   | 2,600 | 2,745,236  |
| Pennsylvania Turnpike Commission, RB, Sub-Series B-1, 5.00%, 06/01/42                                   | 5,000 | 5,455,700  |
| Pottsville Hospital Authority, Refunding RB, Lehigh Valley Health Network, Series B,<br>5.00%, 07/01/45 | 1,250 | 1,365,688  |
|   |       | 15,496,201 |
| <b>Puerto Rico 1.0%</b>   |       |            |
| Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds:                             |       |            |
| 5.50%, 05/15/39   | 940   | 883,939    |
| 5.63%, 05/15/43   | 890   | 829,364    |
|   |       | 1,713,303  |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Bond Trust (BBK)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Rhode Island 4.6%</b>   |                      |              |
| Rhode Island Health & Educational Building Corp., Refunding RB, Series A (AGM),<br>3.75%, 05/15/32   | \$ 1,155             | \$ 1,164,818 |
| Rhode Island Turnpike & Bridge Authority, Refunding RB, Series A, 5.00%, 10/01/40  | 1,540                | 1,709,338    |
| State of Rhode Island, COP, School for the Deaf Project, Series C (AGC),<br>5.38%, 04/01/19 <sup>(b)</sup>   | 900                  | 937,926      |
| Tobacco Settlement Financing Corp., Refunding RB:<br>Series A, 5.00%, 06/01/40   | 1,000                | 1,068,800    |
| Series B, 4.50%, 06/01/45  | 2,730                | 2,756,754    |
|  |                      | 7,637,636    |
| <b>South Carolina 0.9%</b>   |                      |              |
| Spartanburg Regional Health Services District, Refunding RB, Series A, 4.00%, 04/15/43   | 1,500                | 1,487,025    |
| <b>Tennessee 2.9%</b>  |                      |              |
| Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives,<br>Series A, 5.25%, 01/01/40   | 1,950                | 2,088,723    |
| County of Chattanooga-Hamilton Tennessee Hospital Authority, Refunding RB, Series A,<br>5.00%, 10/01/44  | 875                  | 930,886      |
| County of Memphis-Shelby Tennessee Sports Authority, Inc., Refunding RB, Memphis<br>Arena Project, Series A, 5.38%, 11/01/28   | 275                  | 291,643      |
| County of Nashville & Davidson Metropolitan Government Health & Educational Facilities<br>Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40 | 675                  | 744,505      |
| Johnson City Health & Educational Facilities Board, RB, Mountain States Health, Series A,<br>5.00%, 08/15/42   | 800                  | 839,976      |
|  |                      | 4,895,733    |
| <b>Texas 8.8%</b>  |                      |              |
| County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Senior Lien,<br>Series G (NPFGC), 0.00%, 11/15/41 <sup>(e)</sup>                                 | 11,690               | 3,643,890    |
| County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power &<br>Light Co., Project, Series A, 6.30%, 11/01/29                                  | 1,500                | 1,613,025    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland<br>Project, Series A, 0.00%, 09/15/38 <sup>(e)</sup>                             | 10,760               | 4,454,640    |
| Leander ISD, GO, Refunding CAB, Series D (PSF-GTD) <sup>(e)</sup> :<br>0.00%, 08/15/24 <sup>(b)</sup>  | 370                  | 189,403      |
| 0.00%, 08/15/35  | 3,630                | 1,749,261    |
| Red River Texas Education Financing Corp., RB, Texas Christian University Project,<br>5.25%, 03/15/38  | 760                  | 854,103      |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ<br>Infrastructure Group LLC, 7.00%, 06/30/40  | 2,000                | 2,210,340    |
|  |                      | 14,714,662   |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**Utah 0.2%**

|  |     |         |
|--|-----|---------|
| Utah State Charter School Finance Authority, Refunding RB, Mountainville Academy,<br>4.00%, 04/15/42 | 400 | 402,796 |
|--|-----|---------|

**Vermont 0.8%**

|   |     |         |
|---|-----|---------|
| University of Vermont & State Agricultural College, Refunding RB, 4.00%, 10/01/37 | 500 | 514,275 |
| Vermont Student Assistance Corp., RB, Series A, 4.13%, 06/15/30                   | 735 | 751,104 |

1,265,379

**Virginia 2.2%**

|  |     |         |
|--|-----|---------|
| Ballston Quarter Community Development Authority, Tax Allocation Bonds, Series A,<br>5.38%, 03/01/36 | 490 | 510,751 |
|--|-----|---------|

|   |     |         |
|---|-----|---------|
| Virginia Small Business Financing Authority, RB, AMT:<br>Senior Lien, Elizabeth River Crossings OpCo LLC Project, 6.00%, 01/01/37 | 725 | 814,871 |
|---|-----|---------|

*Security*

|              |              |
|--------------|--------------|
| <i>Par</i>   | <i>Value</i> |
| <i>(000)</i> |              |

**Virginia (continued)**

|  |          |              |
|--|----------|--------------|
| Virginia Small Business Financing Authority, RB, AMT<br>(continued):<br>Transform 66 P3 Project, 5.00%, 12/31/49 | \$ 2,135 | \$ 2,299,737 |
|--|----------|--------------|

3,625,359

**Washington 0.4%**

|   |     |         |
|---|-----|---------|
| Washington State Housing Finance Commission, Refunding RB, Horizon House Project,<br>5.00%, 01/01/38 <sup>(a)</sup> | 600 | 653,430 |
|---|-----|---------|

**Wisconsin 0.6%**

|   |     |         |
|---|-----|---------|
| Public Finance Authority, Refunding RB, National Gypsum Co., AMT, 4.00%, 08/01/35 | 280 | 271,440 |
| WPPI Energy Power Supply Systems, Refunding RB, Series A, 5.00%, 07/01/37         | 665 | 745,618 |

1,017,058

**Total Municipal Bonds 138.3%**

|                             |  |             |
|-----------------------------|--|-------------|
| <b>(Cost \$216,679,312)</b> |  | 230,239,239 |
|-----------------------------|--|-------------|

**Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(i)</sup>**

**Colorado 2.3%**

|  |       |           |
|--|-------|-----------|
| Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM),<br>5.00%, 05/01/18 <sup>(b)</sup> | 3,750 | 3,771,600 |
|--|-------|-----------|

**Connecticut 1.7%**

|   |       |           |
|---|-------|-----------|
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity<br>Health Credit Group, 5.00%, 12/01/45 | 2,611 | 2,911,209 |
|---|-------|-----------|

**Georgia 2.7%**

|   |       |           |
|---|-------|-----------|
| City of Atlanta Georgia Water & Wastewater Revenue, Refunding RB, 5.00%, 11/01/43 | 4,003 | 4,499,017 |
|---|-------|-----------|

**New Jersey 0.9%**

|  |       |           |
|--|-------|-----------|
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B,<br>5.25%, 06/15/36 <sup>(j)</sup> | 1,400 | 1,473,025 |
|--|-------|-----------|

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**New York 12.7%**

|   |       |            |
|---|-------|------------|
| City of New York New York, GO, Refunding Fiscal 2015, Series B, 4.00%, 08/01/32   | 3,990 | 4,198,358  |
| City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A:<br>5.75%, 06/15/18 <sup>(b)</sup>       | 104   | 104,769    |
| 5.75%, 06/15/40   | 346   | 350,352    |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40 | 405   | 424,831    |
| City of New York New York Water & Sewer System, Refunding RB, 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 06/15/47                         | 6,000 | 6,690,301  |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 02/15/47 <sup>(j)</sup>  | 2,500 | 2,760,267  |
| New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43                                      | 2,505 | 2,765,909  |
| State of New York Dormitory Authority, RB, State University Dormitory Facilities, New York University, Series A, 5.00%, 07/01/18 <sup>(b)</sup>       | 2,199 | 2,223,837  |
| State of New York Thruway Authority, Refunding RB, Transportation, Personal Income Tax, Series A, 5.00%, 03/15/31                                     | 1,560 | 1,720,805  |
|   |       | 21,239,429 |
| <b>Ohio 0.8%</b>  |       |            |
| County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 04/28/18 <sup>(b)</sup>  | 1,260 | 1,267,365  |

SCHEDULES OF INVESTMENTS

21

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Bond Trust (BBK)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i>   |
|--|----------------------|----------------|
| <b>Texas 1.0%</b>  |                      |                |
| City of San Antonio Texas Electric and Gas Systems, RB, Junior Lien, 5.00%, 02/01/43               | \$ 1,580             | \$ 1,733,090   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 22.1%</b><br>(Cost \$35,805,279) |                      | 36,894,735     |
| <b>Total Long-Term Investments 160.4%</b><br>(Cost \$252,484,591)                                  |                      | 267,133,974    |
|  | <i>Shares</i>        |                |
| <b>Short-Term Securities 0.1%</b>  |                      |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class,<br>0.94% <sup>(k)(l)</sup>               | 143,967              | 143,982        |
| <b>Total Short-Term Securities 0.1%</b><br>(Cost \$143,969)  |                      | 143,982        |
| <b>Total Investments 160.5%</b><br>(Cost \$252,628,560)  |                      | 267,277,956    |
| <b>Other Assets Less Liabilities 0.4%</b>  |                      | 571,614        |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (12.9)%</b>   |                      | (21,465,101)   |
| <b>VMTP Shares at Liquidation Value (48.0)%</b>  |                      | (79,900,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |                      | \$ 166,484,469 |

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (d) When-issued security.
- (e) Zero-coupon bond.
- (f) Non-income producing security.
- (g) Issuer filed for bankruptcy and/or is in default.
- (h) Variable rate security. Security may be issued at a fixed coupon rate, which converts to a variable rate at a specified date. Rate shown is the rate in effect as of period end.
- (i) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (j)

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between February 15, 2019 to June 15, 2019, is \$2,411,645. See Note 4 of the Notes to Financial Statements for details.

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

(l) During the period ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliated</i>  | <i>Shares<br/>Held at<br/>08/31/17</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>02/28/18</i> | <i>Value at<br/>02/28/18</i> | <i>Income</i> | <i>Change in<br/>Net Unrealized</i> |  |
|--|--|-------------------------|--|------------------------------|---------------|-------------------------------------|--|
|  |  |                         |  |                              |               | <i>Realized<br/>Gain (Loss)</i>     | <i>Appreciation<br/>(Depreciation)</i> |
| BlackRock Liquidity Funds,<br>MuniCash, Institutional<br>Class | 136,442                                | 7,525                   | 143,967                                | \$ 143,982                   | \$ 2,780      | \$ (242)                            | \$ 13                                  |

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

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

**Futures Contracts**

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| <i>Short Contracts:</i>    |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 57                             | 06/20/18                   | \$ 6,843                         | \$ 6,086   |
| Long U.S. Treasury Bond    | 88                             | 06/20/18                   | 12,623                           | (47,864)   |
| 5-Year U.S. Treasury Note  | 15                             | 06/29/18                   | 1,709                            | 2,159  |
|                            |                                |                            |                                  | \$ (39,619)  |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Bond Trust (BBK)

February 28, 2018

**Derivative Financial Instruments Categorized by Risk Exposure**

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 8,245                               | \$                         | \$ 8,245     |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 47,864                              | \$                         | \$ 47,864    |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>                           |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 1,336,617                           | \$                         | \$ 1,336,617 |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 35,855                              | \$                         | \$ 35,855    |

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

Futures contracts:  
Average notional value of contracts short \$ 15,899,012

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

**Fair Value Hierarchy as of Period End**

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

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

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 267,133,974 | \$             | \$ 267,133,974 |
| Short-Term Securities                           | 143,982        |                |                | 143,982        |
|   | \$ 143,982     | \$ 267,133,974 | \$             | \$ 267,277,956 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Assets:   |                |                |                |                |
| Interest rate contracts                         | \$ 8,245       | \$             | \$             | \$ 8,245       |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | (47,864)       |                |                | (47,864)       |
|   | \$ (39,619)    | \$             | \$             | \$ (39,619)    |

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

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

Schedule of Investments (unaudited) (continued)

**BlackRock Municipal Bond Trust (BBK)**

February 28, 2018

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

|                                  | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities:                     |                |                  |                |                  |
| TOB Trust Certificates           | \$             | \$ (21,403,733)  | \$             | \$ (21,403,733)  |
| VMTP Shares at Liquidation Value |                | (79,900,000)     |                | (79,900,000)     |
|                                  | \$             | \$ (101,303,733) | \$             | \$ (101,303,733) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock Municipal Income Investment Quality Trust (BAF)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Municipal Bonds</b>  |                      |              |
| <b>Alabama 1.9%</b>   |                      |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s<br>Hospital (AGC) <sup>(a)</sup> :       |                      |              |
| 6.00%, 06/01/19   | \$ 1,000             | \$ 1,055,370 |
| 6.13%, 06/01/19   | 1,000                | 1,056,910    |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project,<br>Series A, 5.38%, 12/01/35             | 335                  | 370,751      |
|   |                      | 2,483,031    |
| <b>California 13.8%</b>   |                      |              |
| California Educational Facilities Authority, RB, University of Southern California, Series A,<br>5.25%, 10/01/18 <sup>(a)</sup> | 2,005                | 2,052,178    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B,<br>6.00%, 08/15/42                               | 1,120                | 1,222,749    |
| County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 07/01/18 <sup>(a)</sup>                                     | 1,400                | 1,419,670    |
| Kern Community College District, GO, Safety, Repair & Improvement, Series C,<br>5.50%, 11/01/33                                 | 1,025                | 1,207,153    |
| Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC),<br>5.50%, 04/01/19 <sup>(a)</sup>        | 3,210                | 3,353,102    |
| Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 08/01/21 <sup>(a)</sup>                           | 1,000                | 1,127,630    |
| Regents of the University of California Medical Center Pooled Revenue, Refunding RB,<br>Series J:                               |                      |              |
| 5.25%, 05/15/23 <sup>(a)</sup>  | 1,835                | 2,136,123    |
| 5.25%, 05/15/38   | 520                  | 589,612      |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC),<br>5.38%, 08/01/19 <sup>(a)</sup>          | 1,125                | 1,185,097    |
| State of California Public Works Board, LRB, Various Capital Projects, Series I:  |                      |              |
| 5.50%, 11/01/30   | 1,000                | 1,164,370    |
| 5.50%, 11/01/31   | 1,500                | 1,742,250    |
| State of California Public Works Board, RB, Department of Corrections & Rehabilitation,<br>Series F, 5.25%, 09/01/33            | 505                  | 575,362      |
| Township of Washington California Health Care District, GO, Election of 2004, Series B,<br>5.50%, 08/01/40                      | 380                  | 443,973      |
|   |                      | 18,219,269   |
| <b>Colorado 3.9%</b>  |                      |              |
| City & County of Denver Colorado Airport System, ARB, Sub-System, Series B,<br>5.25%, 11/15/32                                  | 3,250                | 3,677,830    |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM),<br>6.00%, 05/15/19 <sup>(a)</sup>       | 1,425                | 1,499,528    |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
|  |              | 5,177,358    |
| <b>Connecticut 0.5%</b>  |              |              |
| Connecticut Housing Finance Authority, Refunding RB, Sub-Series A-1 <sup>(b)</sup> :   |              |              |
| 3.63%, 05/15/35  | 240          | 237,715      |
| 3.85%, 11/15/43  | 390          | 386,837      |
|  |              | 624,552      |
| <b>Florida 9.4%</b>  |              |              |
| City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31  | 4,525        | 5,033,972    |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33  | 205          | 233,274      |
| County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38  | 4,215        | 4,888,389    |
| County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project, 5.00%, 08/01/41 | 1,305        | 1,431,141    |
| Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 06/01/32  | 745          | 846,707      |
|  |              | 12,433,483   |
|  | <i>Par</i>   | <i>Value</i> |
| <i>Security</i>  | <i>(000)</i> |              |
| <b>Georgia 2.2%</b>  |              |              |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 01/01/30  | \$ 2,500     | \$ 2,794,300 |
| Dahlonega Downtown Development Authority, Refunding RB, North Georgia MAC, LLC Project, 3.13%, 07/01/40                          | 160          | 144,059      |
|  |              | 2,938,359    |
| <b>Illinois 21.1%</b>  |              |              |
| City of Chicago Illinois, Refunding GARB, O Hare International Airport, 3rd Lien, Series C (AGC), 5.25%, 01/01/30                | 1,000        | 1,057,180    |
| City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien: Series A, 5.75%, 01/01/21 <sup>(a)</sup>                  | 690          | 766,079      |
| Series A, 5.75%, 01/01/39  | 135          | 148,195      |
| Series C, 6.50%, 01/01/21 <sup>(a)</sup>   | 3,740        | 4,229,491    |
| City of Chicago Illinois Transit Authority, RB:  |              |              |
| Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 12/01/18 <sup>(a)</sup>                                     | 1,300        | 1,345,162    |
| Sales Tax Receipts, 5.25%, 12/01/36  | 3,185        | 3,457,063    |
| Sales Tax Receipts, 5.25%, 12/01/40  | 3,000        | 3,252,930    |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 06/01/28    | 3,000        | 3,170,220    |
| City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 01/01/42  | 1,480        | 1,564,849    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.50%, 12/01/38                         | 855          | 909,378      |
| 5.25%, 12/01/43  | 1,430        | 1,480,021    |
| Illinois Finance Authority, RB, Series A:  |              |              |
| Carle Foundation, 6.00%, 08/15/41  | 1,885        | 2,094,122    |
| Chicago LLC, University of Illinois at Chicago Project, 5.00%, 02/15/47  | 115          | 120,377      |
| Chicago LLC, University of Illinois at Chicago Project, 5.00%, 02/15/50  | 60           | 62,570       |
| Railsplitter Tobacco Settlement Authority, RB <sup>(a)</sup> :   |              |              |
| 5.50%, 06/01/21  | 915          | 1,020,673    |
| 6.00%, 06/01/21  | 260          | 294,109      |
| State of Illinois, GO:   |              |              |
| 5.25%, 02/01/31  | 610          | 630,301      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| 5.25%, 02/01/32   | 1,000 | 1,033,280  |
| 5.50%, 07/01/33   | 1,000 | 1,039,180  |
| 5.50%, 07/01/38   | 270   | 279,804    |
|   |       | 27,954,984 |
| <b>Indiana 1.9%</b>   |       |            |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project,<br>Series A (AGC): |       |            |
| 5.50%, 01/01/19 <sup>(a)</sup>  | 470   | 486,008    |
| 5.50%, 01/01/38   | 1,945 | 2,006,462  |
|   |       | 2,492,470  |
| <b>Kentucky 0.7%</b>  |       |            |
| Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC) <sup>(a)</sup> :    |       |            |
| 5.25%, 02/01/19   | 900   | 930,672    |
| <b>Louisiana 1.0%</b>   |       |            |
| City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring <sup>(a)</sup> :          |       |            |
| Series A-1 (AGC), 6.00%, 01/01/19   | 375   | 389,314    |
| Series A-2 (AGC), 6.00%, 01/01/19   | 150   | 155,725    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A,<br>5.50%, 05/15/29          | 790   | 823,346    |
|   |       | 1,368,385  |

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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Massachusetts 1.0%</b>  |                      |              |
| Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A,<br>5.00%, 01/01/47  | \$ 695               | \$ 764,146   |
| Massachusetts Development Finance Agency, Refunding RB, Emmanuel College Issue,<br>Series A, 5.00%, 10/01/35   | 500                  | 547,400      |
|  |                      | 1,311,546    |
| <b>Michigan 2.3%</b>   |                      |              |
| City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM):<br>6.25%, 07/01/19 <sup>(a)</sup>                                    | 1,695                | 1,798,768    |
| 6.25%, 07/01/36  | 5                    | 5,284        |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont<br>Hospital, Series V, 8.25%, 09/01/18 <sup>(a)</sup>                      | 1,205                | 1,246,067    |
|  |                      | 3,050,119    |
| <b>Minnesota 2.9%</b>  |                      |              |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC):<br>6.50%, 11/15/18 <sup>(a)</sup>                                 | 565                  | 585,187      |
| 6.50%, 11/15/38  | 3,115                | 3,216,892    |
|  |                      | 3,802,079    |
| <b>Mississippi 2.1%</b>  |                      |              |
| Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM),<br>6.88%, 12/01/40   | 1,000                | 1,220,820    |
| Mississippi State University Educational Building Corp., Refunding RB:<br>Mississippi State University Facilities Refinancing, Series A, 4.00%, 08/01/43 | 330                  | 337,009      |
| Mississippi State University Improvement Project, 5.25%, 08/01/23 <sup>(a)</sup>   | 1,000                | 1,163,730    |
|  |                      | 2,721,559    |
| <b>Montana 0.2%</b>  |                      |              |
| Montana State Board of Regents, RB, Montana State University Facilities Improvement:<br>3.25%, 11/15/37  | 80                   | 77,167       |
| 3.38%, 11/15/47  | 210                  | 199,574      |
|  |                      | 276,741      |
| <b>Nevada 1.6%</b>   |                      |              |
| County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 07/01/19 <sup>(a)</sup>  | 2,000                | 2,098,940    |
| <b>New Jersey 5.0%</b>   |                      |              |
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC),<br>5.50%, 07/01/38   | 1,300                | 1,358,877    |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F, Series CC, 5.25%, 10/01/29  | 1,455                | 1,483,751    |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System:   |                      |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| Series A (AGC), 5.50%, 12/15/38  | 2,000        | 2,056,020    |
| Series AA, 5.50%, 06/15/39   | 1,620        | 1,725,899    |
|  |              | 6,624,547    |
| <b>New York 5.9%</b>   |              |              |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4 (AGC), 5.50%, 01/15/29   | 2,465        | 2,550,462    |
| Metropolitan Transportation Authority, RB:   |              |              |
| Series A, 5.25%, 11/15/21 <sup>(a)</sup>   | 1,565        | 1,761,721    |
| Series A-1, 5.25%, 11/15/39  | 1,000        | 1,140,710    |
| Metropolitan Transportation Authority, Refunding RB, Series D, 4.00%, 11/15/46   | 1,890        | 1,926,458    |
| Westchester New York Tobacco Asset Securitization, Refunding RB, Tobacco Settlement Bonds, Sub-Series C, 4.00%, 06/01/42                                   | 430          | 415,070      |
|  |              | 7,794,421    |
|  | <i>Par</i>   |              |
|  | <i>(000)</i> | <i>Value</i> |
| <i>Security</i>  |              |              |
| <b>Ohio 0.4%</b>   |              |              |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 02/15/31   | \$ 470       | \$ 527,758   |
| <b>Oklahoma 0.8%</b>   |              |              |
| Oklahoma Development Finance Authority, RB, Provident Oklahoma Education Resources, Inc., Cross Village Student Housing Project, Series A, 5.25%, 08/01/57 | 990          | 1,077,338    |
| <b>Oregon 0.2%</b>   |              |              |
| County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 <sup>(c)</sup>                                       | 510          | 217,423      |
| <b>Pennsylvania 3.4%</b>   |              |              |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment, 5.00%, 06/01/32   | 390          | 435,006      |
| Pennsylvania Housing Finance Agency, RB, S/F Housing Mortgage, Series 123-B, 4.00%, 10/01/42   | 535          | 540,414      |
| Pennsylvania Turnpike Commission, RB, Series C, 5.00%, 12/01/43  | 1,720        | 1,871,859    |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 06/01/37  | 1,500        | 1,669,590    |
|  |              | 4,516,869    |
| <b>Rhode Island 1.3%</b>   |              |              |
| Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/42  | 1,645        | 1,684,332    |
| <b>South Carolina 2.6%</b>   |              |              |
| County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38   | 1,525        | 1,757,852    |
| State of South Carolina Public Service Authority, RB, Series E, 5.00%, 12/01/48  | 305          | 327,466      |
| State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55  | 1,275        | 1,400,677    |
|  |              | 3,485,995    |
| <b>Texas 13.0%</b>   |              |              |
| Austin Community College District Public Facility Corp., RB, Educational Facilities Project, Round Rock Campus, 5.25%, 08/01/18 <sup>(a)</sup>             | 1,000        | 1,015,940    |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 03/01/37  | 980          | 1,100,961    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| City of Frisco Texas ISD, GO, School Building (AGC), 5.50%, 08/15/41  | 3,365 | 3,551,690  |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC):             |       |            |
| 5.38%, 05/15/19 <sup>(a)</sup>  | 945   | 987,998    |
| 6.00%, 05/15/19 <sup>(a)</sup>  | 4,565 | 4,806,580  |
| 6.00%, 11/15/35   | 135   | 142,228    |
| 6.00%, 11/15/36   | 115   | 121,157    |
| 5.38%, 11/15/38   | 55    | 57,395     |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC): |       |            |
| 6.50%, 01/01/19 <sup>(a)</sup>  | 205   | 213,493    |
| 6.50%, 07/01/37   | 795   | 823,095    |
| Lower Colorado River Authority, Refunding RB, 5.50%, 05/15/33   | 1,000 | 1,151,260  |
| North Texas Tollway Authority, Refunding RB, 1st Tier <sup>(a)</sup> : (AGM), 6.00%, 01/01/21                       | 1,000 | 1,117,130  |
| Series K-1 (AGC), 5.75%, 01/01/19   | 1,500 | 1,553,535  |
| Red River Texas Education Financing Corp., RB, Texas Christian University Project, 5.25%, 03/15/38                  | 440   | 494,481    |
|   |       | 17,136,943 |
| <b>Virginia 1.1%</b>  |       |            |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 01/01/43                                    | 370   | 405,420    |

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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Virginia (continued)</b>  |                      |              |
| State of Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 <sup>(a)</sup>            | \$ 1,000             | \$ 1,038,440 |
|  |                      | 1,443,860    |
| <b>Washington 1.5%</b>   |                      |              |
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 02/01/21 <sup>(a)</sup>                 | 1,025                | 1,127,695    |
| State of Washington, GO, Various Purposes, Series B, 5.25%, 02/01/21 <sup>(a)</sup>  | 795                  | 874,651      |
|  |                      | 2,002,346    |
| <b>Total Municipal Bonds 101.7%</b><br>(Cost \$126,123,717)  |                      | 134,395,379  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(d)</sup></b>  |                      |              |
| <b>California 12.7%</b>  |                      |              |
| Fremont Union High School District, GO, Refunding Series A, 4.00%, 08/01/46  | 1,640                | 1,705,247    |
| Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2, Series A, 5.00%, 10/01/43 | 2,775                | 3,162,529    |
| San Marcos Unified School District, GO, Election of 2010, Series A, 5.25%, 08/01/21 <sup>(a)</sup>                         | 10,680               | 11,936,182   |
|  |                      | 16,803,958   |
| <b>Connecticut 1.1%</b>  |                      |              |
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45   | 1,306                | 1,455,604    |
| <b>District of Columbia 0.6%</b>   |                      |              |
| District of Columbia Water & Sewer Authority, Refunding RB, Series A, 6.00%, 10/01/18 <sup>(a)(e)</sup>                    | 759                  | 779,618      |
| <b>Georgia 0.8%</b>  |                      |              |
| County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care System Obligation, 4.00%, 08/15/48        | 1,025                | 1,025,819    |
| <b>Idaho 1.3%</b>  |                      |              |
| Idaho State Building Authority, RB, State Office Campus Project, Series A, 4.00%, 09/01/48                                 | 1,700                | 1,757,052    |
| <b>Illinois 5.4%</b>   |                      |              |
| State of Illinois Toll Highway Authority, RB:  |                      |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |              |              |
|---|--------------|--------------|
| Series A, 5.00%, 01/01/40   | 825          | 921,219      |
| Series B, 5.00%, 01/01/40   | 3,329        | 3,722,659    |
| Series C, 5.00%, 01/01/38   | 2,252        | 2,503,439    |
|   |              | 7,147,317    |
| <b>Michigan 2.2%</b>  |              |              |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45                      | 2,650        | 2,970,889    |
| <b>Nevada 4.9%</b>  |              |              |
| County of Clark Nevada Water Reclamation District, GO, Limited Tax, 6.00%, 07/01/18 <sup>(a)</sup>                  | 2,000        | 2,031,050    |
| Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 06/01/28   | 4,100        | 4,479,414    |
|   |              | 6,510,464    |
| <b>New Jersey 6.7%</b>  |              |              |
| New Jersey EDA, RB, School Facilities Construction (AGC) <sup>(a)</sup> :<br>6.00%, 12/15/18                        | 986          | 1,021,347    |
| 6.00%, 12/15/18   | 14           | 14,453       |
| New Jersey State Turnpike Authority, RB, Series A, 5.00%, 07/01/22 <sup>(a)(e)</sup>                                | 6,020        | 6,771,085    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>New Jersey (continued)</b>   |              |              |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 <sup>(e)</sup> | \$ 1,000     | \$ 1,052,161 |
|   |              | 8,859,046    |
| <b>New York 14.4%</b>   |              |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB:<br>Series FF, 5.00%, 06/15/45            | 3,019        | 3,326,053    |
| Water & Sewer System, 2nd General Resolution, Series BB, 5.25%, 06/15/44  | 4,993        | 5,536,941    |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 01/15/39            | 900          | 927,182      |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 02/15/47 <sup>(e)</sup>                        | 1,000        | 1,104,107    |
| Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56                                    | 2,540        | 2,884,945    |
| New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43    | 2,955        | 3,262,779    |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(e)</sup>      | 1,740        | 1,951,592    |
|   |              | 18,993,599   |
| <b>North Carolina 2.0%</b>  |              |              |
| North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 5.00%, 10/01/55  | 2,400        | 2,654,316    |
| <b>Pennsylvania 3.5%</b>  |              |              |
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/38                       | 1,349        | 1,505,002    |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42   | 1,094        | 1,253,021    |
| Pennsylvania Turnpike Commission, Refunding RB, Sub Series B-2 (AGM), 5.00%, 06/01/35                               | 1,640        | 1,850,789    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |             |
|--|-------|-------------|
|  |       | 4,608,812   |
| <b>Rhode Island 1.5%</b>   |       |             |
| Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/47  | 1,982 | 2,018,190   |
| <b>Texas 5.7%</b>  |       |             |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38  | 4,456 | 4,889,431   |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 09/01/21 <sup>(a)</sup>                                   | 2,310 | 2,592,317   |
|  |       | 7,481,748   |
| <b>Utah 0.8%</b>   |       |             |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/41  | 1,005 | 1,047,078   |
| <b>Virginia 1.2%</b>   |       |             |
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.50%, 07/01/57 <sup>(e)</sup> | 1,337 | 1,581,381   |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 64.8%</b><br>(Cost \$82,473,131)                                     |       | 85,694,891  |
| <b>Total Long-Term Investments 166.5%</b><br>(Cost \$208,596,848)  |       | 220,090,270 |

SCHEDULES OF INVESTMENTS

27



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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Shares</i> | <i>Value</i>   |
|--|---------------|----------------|
| <b>Short-Term Securities 1.4%</b>  |               |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.94% <sup>(f)(g)</sup>                | 1,835,929     | \$ 1,836,113   |
| <b>Total Short -Term Securities 1.4%</b>   |               |                |
| (Cost \$1,836,102)   |               | 1,836,113      |
| <b>Total Investments 167.9%</b>  |               |                |
| (Cost \$210,432,950)   |               | 221,926,383    |
| <b>Other Assets Less Liabilities 1.7%</b>  |               | 2,326,474      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (37.7)%</b> |               | (49,840,636)   |
| <b>VMTP Shares at Liquidation Value (31.9)%</b>  |               | (42,200,000)   |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |               | \$ 132,212,221 |

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

(b) When-issued security.

(c) Zero-coupon bond.

(d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust.

These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

(e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between May 7, 2018 to January 1, 2026, is \$8,408,847. See Note 4 of the Notes to Financial Statements for details.

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

(g) During the year ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliated</i>  | <i>Shares<br/>Held at<br/>08/31/17</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>02/28/18</i> | <i>Value at<br/>02/28/18</i> | <i>Income</i> | <i>Gain (Loss)</i> | <i>Change<br/>in<br/>NetUnrealized<br/>Appreciation<br/>(Depreciation)</i> |
|--|--|-------------------------|--|------------------------------|---------------|--------------------|--|
| BlackRock Liquidity<br>Funds, MuniCash,<br>Institutional Class | 189,247                                | 1,646,682               | 1,835,929                              | \$ 1,836,113                 | \$ 3,908      | \$ (184)           | \$ 30  |

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

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

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized</i>           |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
|                            |                                |                            |                                  | <i>Appreciation<br/>(Depreciation)</i> |
| Short Contracts:           |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 28                             | 06/20/18                   | \$ 3,361                         | \$ 2,624                               |
| Long U.S. Treasury Bond    | 34                             | 06/20/18                   | 4,877                            | (20,219)                               |
| 5-Year U.S. Treasury Note  | 33                             | 06/29/18                   | 3,760                            | 6,356                                  |
|                            |                                |                            |                                  | \$ (11,239)                            |

**Derivative Financial Instruments Categorized by Risk Exposure**

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
|   |                                |                             |                             |  |  |                            |              |
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 8,980                               | \$                         | \$ 8,980     |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 20,219                              | \$                         | \$ 20,219    |

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

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

February 28, 2018

For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss)<br/>from:</b>                       |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 722,187                             | \$                         | \$ 722,187   |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 33,380                              | \$                         | \$ 33,380    |

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

Futures contracts:

Average notional value of contracts short \$ 9,698,270

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

**Fair Value Hierarchy as of Period End**

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

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

|                                      | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Assets:                              |                |                |                |                |
| Investments:                         |                |                |                |                |
| Long-Term Investments <sup>(a)</sup> | \$             | \$ 220,090,270 | \$             | \$ 220,090,270 |
| Short-Term Securities                | 1,836,113      |                |                | 1,836,113      |
|                                      | \$ 1,836,113   | \$ 220,090,270 | \$             | \$ 221,926,383 |

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

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                         |    |          |    |             |
|-------------------------|----|----------|----|-------------|
| Assets:                 |    |          |    |             |
| Interest rate contracts | \$ | 8,980    | \$ | \$ 8,980    |
| Liabilities:            |    |          |    |             |
| Interest rate contracts |    | (20,219) |    | (20,219)    |
|                         | \$ | (11,239) | \$ | \$ (11,239) |

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

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

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

|                                  | <i>Level 1</i> | <i>Level 2</i>  | <i>Level 3</i> | <i>Total</i>    |
|----------------------------------|----------------|-----------------|----------------|-----------------|
| Liabilities:                     |                |                 |                |                 |
| TOB Trust Certificates           | \$             | \$ (49,716,592) | \$             | \$ (49,716,592) |
| VMTP Shares at Liquidation Value |                | (42,200,000)    |                | (42,200,000)    |
|                                  | \$             | \$ (91,916,592) | \$             | \$ (91,916,592) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Municipal Bonds</b>   |                      |              |
| <b>Alabama 3.7%</b>  |                      |              |
| City of Birmingham Alabama, GO, Convertible CAB, Series A1, 0.00%, 03/01/45 <sup>(a)</sup>   | \$ 1,165             | \$ 1,221,957 |
| City of Birmingham Alabama Airport Authority, ARB, (AGM), 5.50%, 07/01/40  | 5,800                | 6,269,510    |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 06/01/19 <sup>(b)</sup>        | 1,495                | 1,577,778    |
| County of Tuscaloosa Board of Education, RB, Special Tax School Warrants, 5.00%, 02/01/43  | 1,005                | 1,127,731    |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/20 <sup>(b)</sup>  | 3,800                | 4,216,898    |
|  |                      | 14,413,874   |
| <b>Alaska 0.3%</b>   |                      |              |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41                                  | 1,070                | 1,162,395    |
| <b>Arizona 0.5%</b>  |                      |              |
| County of Maricopa Arizona IDA, Refunding RB, Banner Health Obligation Group, Series A, 5.00%, 01/01/38                                      | 440                  | 493,649      |
| State of Arizona, COP, Department of Administration, Series A (AGM):<br>5.00%, 10/01/27  | 1,250                | 1,311,637    |
| 5.25%, 10/01/28  | 250                  | 263,378      |
|  |                      | 2,068,664    |
| <b>California 14.1%</b>  |                      |              |
| California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 07/01/39                                    | 625                  | 658,400      |
| California Health Facilities Financing Authority, Refunding RB, Kaiser Permanente, Sub-Series A-2, 5.00%, 11/01/47                           | 1,465                | 1,858,939    |
| California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, 1st Lien, Series A (AMBAC), 5.00%, 01/01/28 <sup>(b)</sup> | 10,100               | 12,406,941   |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 04/01/42                                     | 1,620                | 1,771,535    |
| Chaffey Joint Union High School District, GO, Election of 2012, Series C, 5.25%, 08/01/47  | 2,000                | 2,324,160    |
| City of Los Angeles Department of Airports, RB, Sub-Series B, 5.00%, 05/15/37  | 875                  | 1,007,939    |
| Coast Community College District, GO, CAB, Election of 2002, Series C (AGM), 5.00%, 08/01/18 <sup>(a)(b)</sup>                               | 7,450                | 7,567,337    |
| Los Angeles Unified School District California, GO, Election of 2008, Series B-1, 5.25%, 07/01/42 <sup>(c)</sup>                             | 3,430                | 4,056,112    |
| Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 08/01/43 <sup>(a)</sup>                 | 1,580                | 1,283,260    |
| San Diego California Unified School District, GO, Election of 2008 <sup>(d)</sup> :<br>CAB, Series C, 0.00%, 07/01/38                        | 2,000                | 908,380      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| CAB, Series G, 0.00%, 07/01/34   | 725          | 343,338      |
| CAB, Series G, 0.00%, 07/01/35   | 775          | 344,658      |
| CAB, Series G, 0.00%, 07/01/36   | 1,155        | 482,374      |
| CAB, Series G, 0.00%, 07/01/37   | 770          | 302,102      |
| CAB, Series K-2, 0.00%, 07/01/38   | 1,745        | 792,562      |
| CAB, Series K-2, 0.00%, 07/01/39   | 2,115        | 921,844      |
| CAB, Series K-2, 0.00%, 07/01/40   | 2,715        | 1,134,571    |
| San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 07/01/31 <sup>(d)</sup>             | 1,400        | 886,186      |
| San Leandro Unified School District, GO, Election of 2016, Series A (BAM), 5.25%, 08/01/46                               | 1,820        | 2,117,934    |
| San Marcos Schools Financing Authority, Refunding LRB, (AGM), 5.00%, 08/15/35  | 1,000        | 1,157,300    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>California (continued)</b>  |              |              |
| State of California, GO, Refunding, Various Purposes, 5.00%, 10/01/41  | \$ 1,100     | \$ 1,211,463 |
| State of California, GO, Various Purposes, 5.00%, 04/01/42   | 3,000        | 3,285,510    |
| State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/33                         | 1,415        | 1,636,221    |
| Washington Township Health Care District, Refunding RB, Series B, 5.00%, 07/01/30  | 1,500        | 1,675,185    |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 0.00%, 08/01/37 <sup>(d)</sup>                 | 10,000       | 4,760,500    |
|  |              | 54,894,751   |
| <b>Colorado 0.6%</b>   |              |              |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 06/01/31  | 960          | 1,028,842    |
| Regional Transportation District, COP, Series A, 5.00%, 06/01/39   | 1,305        | 1,432,120    |
|  |              | 2,460,962    |
| <b>District of Columbia 4.9%</b>   |              |              |
| District of Columbia, GO, Series D: 5.00%, 06/01/38  | 2,500        | 2,877,075    |
| 5.00%, 06/01/41  | 2,000        | 2,280,880    |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 05/15/40                     | 9,500        | 9,991,720    |
| Washington Metropolitan Area Transit Authority, RB, Series B, 5.00%, 07/01/42  | 3,350        | 3,824,226    |
|  |              | 18,973,901   |
| <b>Florida 9.8%</b>  |              |              |
| County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 04/01/39         | 1,795        | 1,937,523    |
| County of Broward Florida School Board, COP, Series A (AGM), 5.25%, 07/01/18 <sup>(b)</sup>                              | 1,400        | 1,418,060    |
| County of Broward Florida Water & Sewer Utility, Refunding RB, Series A, 5.25%, 10/01/18 <sup>(b)</sup>                  | 6,750        | 6,904,845    |
| County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38  | 2,770        | 3,212,535    |
| County of Miami-Dade Florida Aviation, Refunding ARB: Aviation, Miami International Airport, Series A-1, 5.50%, 10/01/41 | 5,000        | 5,444,500    |
| Series A, 5.50%, 10/01/36  | 5,000        | 5,288,550    |
| County of Miami-Dade Florida Educational Facilities Authority, RB, University of Miami, Series A, 5.00%, 04/01/40        | 3,910        | 4,318,751    |
|  | 685          | 759,357      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| County of Miami-Dade Florida Health Facilities Authority, Refunding RB, Nicklaus Children's Hospital Project, 5.00%, 08/01/42 |       |            |
| County of Miami-Dade Florida Transit System, RB, Surtax (AGM), 5.00%, 07/01/18 <sup>(b)</sup>                                 | 1,300 | 1,315,912  |
| County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project:              |       |            |
| 5.00%, 08/01/41   | 630   | 690,896    |
| 5.00%, 08/01/47   | 1,845 | 2,017,563  |
| County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 07/01/39        | 300   | 313,188    |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 06/01/33   | 1,340 | 1,519,399  |
| South Miami Health Facilities Authority, Refunding RB, Baptist Health South Florida Obligated Group, 5.00%, 08/15/42          | 710   | 790,841    |
| Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/21 <sup>(b)</sup>  | 2,000 | 2,238,200  |
|   |       | 38,170,120 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Georgia 2.9%</b>  |                      |              |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C,<br>6.00%, 01/01/30   | \$ 7,500             | \$ 8,382,900 |
| County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care<br>System Obligation, 4.00%, 08/15/48                             | 1,655                | 1,656,324    |
| County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia<br>Health System, Inc. Project, Series A, 5.50%, 08/15/54 | 545                  | 625,981      |
| Private Colleges & Universities Authority, RB, Savannah College of Art & Design:<br>5.00%, 04/01/33  | 155                  | 169,138      |
| 5.00%, 04/01/44  | 595                  | 642,469      |
|  |                      | 11,476,812   |
| <b>Hawaii 1.4%</b>   |                      |              |
| State of Hawaii Harbor System, RB, Series A, 5.50%, 07/01/35   | 5,000                | 5,391,650    |
| <b>Illinois 12.6%</b>  |                      |              |
| City of Chicago Illinois O Hare International Airport, ARB, Senior Lien, Series D,<br>5.25%, 01/01/42  | 3,300                | 3,789,324    |
| City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien:<br>5.63%, 01/01/21 <sup>(b)</sup>   | 1,230                | 1,361,388    |
| 5.63%, 01/01/35  | 295                  | 322,571      |
| City of Chicago Illinois O Hare International Airport, Refunding GARB, Senior Lien,<br>Series D, 5.25%, 01/01/34                                   | 9,800                | 10,896,130   |
| City of Chicago Illinois Transit Authority, RB:<br>5.25%, 12/01/49   | 3,500                | 3,860,640    |
| Sales Tax Receipts, 5.25%, 12/01/36  | 650                  | 705,523      |
| Cook County Community College District No. 508, GO, City College of Chicago,<br>5.13%, 12/01/38  | 7,700                | 8,015,931    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago:<br>5.50%, 12/01/38  | 1,000                | 1,063,600    |
| 5.25%, 12/01/43  | 500                  | 517,490      |
| County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project,<br>Series B, 5.00%, 12/15/37                                 | 210                  | 222,856      |
| Illinois Finance Authority, RB, Chicago LLC, University of Illinois at Chicago Project,<br>Series A:<br>5.00%, 02/15/37                            | 700                  | 738,829      |
| 5.00%, 02/15/47  | 480                  | 502,445      |
| 5.00%, 02/15/50  | 240                  | 250,279      |
| Illinois Finance Authority, Refunding RB:<br>Silver Cross Hospital & Medical Centers, Series C, 4.13%, 08/15/37                                    | 3,130                | 3,130,908    |
| Silver Cross Hospital & Medical Centers, Series C, 5.00%, 08/15/44   | 390                  | 411,567      |
| University of Chicago Medical Center, Series B, 4.00%, 08/15/41  | 900                  | 891,900      |
| Railsplitter Tobacco Settlement Authority, RB:   |                      |              |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |              |              |
|---|--------------|--------------|
| 6.00%, 06/01/21 <sup>(b)</sup>  | 710          | 803,145      |
| 5.00%, 06/01/28   | 365          | 413,976      |
| State of Illinois, GO:  |              |              |
| 5.25%, 07/01/29   | 8,345        | 8,650,177    |
| 5.50%, 07/01/33   | 880          | 914,478      |
| 5.50%, 07/01/38   | 1,475        | 1,528,557    |
|   |              | 48,991,714   |
| <b>Indiana 2.0%</b>   |              |              |
| Carmel Local Public Improvement Bond Bank, RB, Series B-1, 4.00%, 07/15/37  | 655          | 678,829      |
| Indiana Finance Authority, RB, CWA Authority Project, 1st Lien, Series A, 5.25%, 10/01/38                                   | 1,100        | 1,215,291    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Indiana (continued)</b>  |              |              |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC):                          |              |              |
| 5.50%, 01/01/19 <sup>(b)</sup>  | \$ 1,125     | \$ 1,163,317 |
| 5.50%, 01/01/38   | 4,625        | 4,771,150    |
|   |              | 7,828,587    |
| <b>Iowa 2.2%</b>  |              |              |
| Iowa Finance Authority, RB, Iowa Health Care Facilities:  |              |              |
| Genesis Health System, 5.50%, 07/01/33  | 3,000        | 3,428,190    |
| Series A (AGC), 5.63%, 08/15/19 <sup>(b)</sup>  | 5,000        | 5,292,300    |
|   |              | 8,720,490    |
| <b>Kentucky 0.4%</b>  |              |              |
| State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC):                                       |              |              |
| 5.25%, 02/01/19 <sup>(b)</sup>  | 1,330        | 1,375,326    |
| 5.25%, 02/01/29   | 170          | 175,653      |
|   |              | 1,550,979    |
| <b>Maryland 1.0%</b>  |              |              |
| Maryland Health & Higher Educational Facilities Authority, RB, University of Maryland Medical System Issue, 4.00%, 07/01/48 |              |              |
|   | 4,000        | 3,958,160    |
| <b>Massachusetts 5.1%</b>   |              |              |
| Massachusetts Development Finance Agency, RB, Series A:   |              |              |
| Emerson College Issue, 5.00%, 01/01/47  | 2,370        | 2,605,791    |
| Lesley University, 5.00%, 07/01/35  | 805          | 894,282      |
| Lesley University, 5.00%, 07/01/37  | 815          | 899,271      |
| Massachusetts Development Finance Agency, Refunding RB:   |              |              |
| Emerson College, Series A, 5.00%, 01/01/40  | 610          | 680,150      |
| Emmanuel College Issue, Series A, 5.00%, 10/01/43   | 420          | 455,956      |
| Foxborough Regional Charter School Issue, 5.00%, 07/01/37   | 190          | 202,681      |
| Umass Memorial Healthcare, 5.00%, 07/01/44  | 3,700        | 4,036,774    |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, 5.00%, 05/15/43                          | 1,395        | 1,551,854    |
| Massachusetts School Building Authority, Refunding RB, Series A, 5.25%, 02/15/48  | 3,300        | 3,869,613    |
| Massachusetts State College Building Authority, Refunding RB, Series D, 4.00%, 05/01/40                                     | 4,475        | 4,641,515    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
|  |       | 19,837,887 |
| <b>Michigan 6.8%</b>   |       |            |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, 2nd Lien, Series E (BHAC), 5.75%, 07/01/18 <sup>(b)</sup> | 3,000 | 3,042,600  |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 07/01/41                         | 1,100 | 1,219,669  |
| Michigan Finance Authority, Refunding RB:  |       |            |
| Henry Ford Health System, 5.00%, 11/15/41  | 2,235 | 2,458,120  |
| Henry Ford Health System, 3.25%, 11/15/42  | 995   | 854,775    |
| Hospital; Trinity Health Credit Group, 5.00%, 12/01/39   | 9,020 | 9,804,650  |
| Trinity Health Credit Group, 5.00%, 12/01/21 <sup>(b)</sup>  | 30    | 33,382     |
| Trinity Health Credit Group, Series A, 4.00%, 12/01/36   | 1,900 | 1,944,631  |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, Beaumont Health Credit Group, Series D, 5.00%, 09/01/39     | 1,560 | 1,690,291  |
| State of Michigan Building Authority, Refunding RB, Facilities Program:  |       |            |
| Series I-A, 5.38%, 10/15/36  | 2,000 | 2,226,360  |
| Series I-A, 5.38%, 10/15/41  | 800   | 887,880    |
| Series II-A, 5.38%, 10/15/36   | 1,500 | 1,669,770  |
| Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39           | 430   | 482,172    |
|  |       | 26,314,300 |

SCHEDULES OF INVESTMENTS

31

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Montana 0.5%</b>   |                      |              |
| Montana State Board of Regents, RB, Montana State University Facilities Improvement, 5.00%, 11/15/43                  | \$ 1,755             | \$ 2,007,176 |
| <b>Nebraska 1.8%</b>  |                      |              |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.25%, 09/01/37  | 6,345                | 6,941,430    |
| <b>Nevada 1.9%</b>  |                      |              |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 07/01/42                      | 3,000                | 3,182,130    |
| (AGM), 5.25%, 07/01/39  | 4,100                | 4,348,911    |
|   |                      | 7,531,041    |
| <b>New Jersey 7.9%</b>  |                      |              |
| New Jersey EDA, RB:   |                      |              |
| School Facilities Construction Bonds, Series DDD, 5.00%, 06/15/42   | 375                  | 392,850      |
| Series WW, 5.25%, 06/15/33  | 170                  | 183,306      |
| Series WW, 5.00%, 06/15/34  | 225                  | 237,629      |
| Series WW, 5.00%, 06/15/36  | 1,395                | 1,467,024    |
| Series WW, 5.25%, 06/15/40  | 400                  | 423,016      |
| New Jersey EDA, Refunding RB, Sub-Series A:   |                      |              |
| 3.38%, 07/01/30   | 475                  | 451,202      |
| 4.00%, 07/01/32   | 930                  | 927,945      |
| New Jersey Health Care Facilities Financing Authority, Refunding RB, Hospital Asset Transfer Program, 5.00%, 10/01/37 | 1,605                | 1,702,809    |
| New Jersey Transportation Trust Fund Authority, RB:   |                      |              |
| 5.00%, 06/15/36   | 5,070                | 5,299,265    |
| CAB, Transportation System, Series A, 0.00%, 12/15/38 <sup>(d)</sup>  | 5,845                | 2,132,548    |
| Transportation Program, Series AA, 5.25%, 06/15/33  | 1,660                | 1,764,381    |
| Transportation Program, Series AA, 5.00%, 06/15/38  | 945                  | 985,266      |
| Transportation System, Series A, 5.50%, 06/15/41  | 3,000                | 3,158,820    |
| Transportation System, Series AA, 5.50%, 06/15/39   | 3,785                | 4,032,425    |
| Transportation System, Series B, 5.25%, 06/15/36  | 5,000                | 5,259,600    |
| Transportation System, Series D, 5.00%, 06/15/32  | 900                  | 955,719      |
| New Jersey Turnpike Authority, Refunding RB, Series B, 4.00%, 01/01/37  | 595                  | 615,034      |
| South Jersey Port Corp., RB, Sub-Marine Terminal, Series A, 5.00%, 01/01/49   | 720                  | 773,770      |
|   |                      | 30,762,609   |
| <b>New Mexico 0.1%</b>  |                      |              |
| New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 08/01/44           | 405                  | 448,258      |

**New York 3.1%**

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4, 5.50%, 01/15/33                                   | 1,950        | 2,016,222    |
| City of New York New York Transitional Finance Authority, RB, Future Tax Secured Fiscal, Sub-Series E-1, 5.00%, 02/01/37                   | 1,465        | 1,668,064    |
| City of New York New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32                      | 1,650        | 1,845,904    |
| Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012: 5.75%, 02/15/21 <sup>(b)</sup>   | 480          | 534,571      |
| 5.75%, 02/15/47  | 290          | 317,356      |
| Hudson Yards Infrastructure Corp., Refunding RB, Series A, 5.00%, 02/15/39   | 710          | 807,014      |
| Metropolitan Transportation Authority, Refunding RB, Series B, 5.00%, 11/15/37   | 1,570        | 1,775,466    |
| New York City Water & Sewer System, Refunding RB, Second Generation Resolution, 5.00%, 06/15/37  | 1,500        | 1,724,460    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>New York (continued)</b>  |              |              |
| State of New York Dormitory Authority, RB, Education, Series B, 5.75%, 03/15/19 <sup>(b)</sup>   | \$ 1,300     | \$ 1,358,097 |
|  |              | 12,047,154   |
| <b>North Carolina 0.2%</b>   |              |              |
| North Carolina Medical Care Commission, Refunding RB, The United Methodist Retirement Homes, Series A, 5.00%, 10/01/42                     | 700          | 762,601      |
| <b>Ohio 0.7%</b>   |              |              |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 <sup>(b)</sup>   | 610          | 710,802      |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 02/15/32                                   | 780          | 873,538      |
| 5.25%, 02/15/33  | 1,095        | 1,223,619    |
|  |              | 2,807,959    |
| <b>Oregon 0.4%</b>   |              |              |
| Counties of Washington & Multnomah Oregon School District No. 48J Beaverton, GO, Convertible CAB, Series D, 0.00%, 06/15/36 <sup>(a)</sup> | 945          | 1,067,340    |
| County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 <sup>(d)</sup>                       | 1,115        | 475,347      |
|  |              | 1,542,687    |
| <b>Pennsylvania 5.5%</b>   |              |              |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment: 5.00%, 06/01/33   | 790          | 876,884      |
| 5.00%, 06/01/34  | 1,750        | 1,934,590    |
| (AGM), 4.00%, 06/01/39   | 3,230        | 3,242,112    |
| Pennsylvania HFA, RB, S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40  | 1,770        | 1,797,205    |
| Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 09/01/50                 | 4,245        | 4,702,526    |
| Pennsylvania Turnpike Commission, RB: Series A, 5.00%, 12/01/38  | 695          | 774,362      |
| Series A-1, 5.00%, 12/01/37  | 1,230        | 1,382,274    |
| Series A-1, 5.00%, 12/01/41  | 2,730        | 3,031,337    |
| Series B, 5.00%, 12/01/40  | 1,060        | 1,176,134    |
| Series C, 5.50%, 12/01/23 <sup>(b)</sup>   | 630          | 744,629      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| Subordinate, Special Motor License Fund, 6.00%, 12/01/20 <sup>(b)</sup>                           | 625   | 693,431    |
| Pennsylvania Turnpike Commission, Refunding RB, Series A-1, 5.00%, 12/01/40                       | 850   | 940,695    |
|   |       | 21,296,179 |
| <b>Rhode Island 1.5%</b>  |       |            |
| Tobacco Settlement Financing Corp., Refunding RB, Series B, 4.50%, 06/01/45                       | 5,855 | 5,912,379  |
| <b>South Carolina 5.9%</b>  |       |            |
| South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM),<br>6.50%, 08/01/39        | 260   | 294,042    |
| Spartanburg Regional Health Services District, Refunding RB, Series A, 4.00%, 04/15/43            | 3,500 | 3,469,725  |
| State of South Carolina Ports Authority, ARB, 5.25%, 07/01/40                                     | 5,000 | 5,357,450  |
| State of South Carolina Public Service Authority, RB, Santee Cooper:<br>Series A, 5.50%, 12/01/54 | 6,960 | 7,632,336  |
| Series E, 5.50%, 12/01/53   | 610   | 668,987    |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>South Carolina (continued)</b>   |                      |              |
| State of South Carolina Public Service Authority, Refunding RB, Series B:   |                      |              |
| Santee Cooper, 5.00%, 12/01/38  | \$ 2,360             | \$ 2,550,381 |
| (AGM), 5.00%, 12/01/56  | 2,845                | 3,141,449    |
|   |                      | 23,114,370   |
| <b>Tennessee 0.0%</b>   |                      |              |
| County of Nashville & Davidson Metropolitan Government Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40 | 35                   | 38,604       |
| <b>Texas 13.4%</b>  |                      |              |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, 1st Lien, Series B, 5.00%, 11/15/36  | 2,890                | 3,303,530    |
| City of San Antonio Texas Electric & Gas Revenue, RB, Junior Lien, 5.00%, 02/01/38  | 615                  | 677,884      |
| Coppell Texas ISD, GO, CAB, Refunding (PSF-GTD), 0.00%, 08/15/30 <sup>(d)</sup>   | 10,030               | 6,754,703    |
| County of Harris Texas, GO, Refunding, (NPFGC) <sup>(d)</sup> :   |                      |              |
| 0.00%, 08/15/25   | 7,485                | 6,187,849    |
| 0.00%, 08/15/28   | 10,915               | 8,212,664    |
| County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Junior Lien, Series H (NPFGC) <sup>(d)</sup> :  |                      |              |
| 0.00%, 11/15/38   | 5,785                | 2,096,195    |
| 0.00%, 11/15/39   | 6,160                | 2,091,197    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 09/15/36 <sup>(d)</sup>                             | 2,340                | 1,082,344    |
| Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33   | 1,090                | 1,239,940    |
| Grand Parkway Transportation Corp., RB, Convertible CAB, Series B, 0.00%, 10/01/46 <sup>(a)</sup>   | 2,365                | 2,169,675    |
| Harris County-Houston Sports Authority, Refunding RB, 3rd Lien, Series A (NPFGC) <sup>(d)</sup> :   |                      |              |
| 0.00%, 11/15/24 <sup>(b)</sup>  | 5,965                | 2,210,271    |
| 0.00%, 11/15/38   | 10,925               | 3,678,994    |
| Leander ISD, GO, Refunding, CAB, Series D (PSF-GTD), 0.00%, 08/15/38 <sup>(d)</sup>   | 3,775                | 1,547,184    |
| North Texas Tollway Authority, RB <sup>(b)</sup> :  |                      |              |
| CAB, Special Project System, Series B, 0.00%, 09/01/31 <sup>(d)</sup>   | 1,975                | 842,555      |
| Convertible CAB, Series C, 0.00%, 09/01/31 <sup>(a)</sup>   | 2,500                | 2,964,700    |
| Special Projects System, Series A, 6.00%, 09/01/21  | 1,000                | 1,140,280    |
| North Texas Tollway Authority, Refunding RB:  |                      |              |
| 1st Tier System, Series A, 6.00%, 01/01/19 <sup>(b)</sup>   | 510                  | 528,819      |
| 1st Tier System, Series A, 6.00%, 01/01/28  | 115                  | 119,087      |
| Series B, 5.00%, 01/01/40   | 385                  | 418,830      |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB, Natural Gas Utility Improvements:   |                      |              |
| 5.00%, 12/15/31   | 2,105                | 2,294,240    |
| 5.00%, 12/15/32   | 2,540                | 2,764,815    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
|  |              | 52,325,756   |
| <b>Utah 0.8%</b>   |              |              |
| Salt Lake City Corp. Airport Revenue, RB, Series B, 5.00%, 07/01/42  | 2,575        | 2,915,132    |
| <b>Virginia 1.2%</b>   |              |              |
| County of Fairfax Virginia IDA, Refunding RB, Health Care-Inova Health,<br>5.50%, 05/15/19 <sup>(b)</sup>                            | 260          | 272,537      |
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund,<br>Senior Lien, Series A:<br>5.00%, 07/01/42        | 900          | 1,034,037    |
| 5.50%, 07/01/57  | 1,380        | 1,631,781    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Virginia (continued)</b>  |              |              |
| Virginia Commonwealth Transportation Board, Refunding RB, Capital Projects, Series A,<br>4.00%, 05/15/34                             | \$ 1,750     | \$ 1,852,428 |
|  |              | 4,790,783    |
| <b>Washington 2.2%</b>   |              |              |
| Washington Health Care Facilities Authority, RB:<br>MultiCare Health System, Remarketing, Series B, 5.00%, 08/15/44                  | 2,000        | 2,190,580    |
| MultiCare Health System, Series C (AGC), 5.50%, 08/15/18 <sup>(b)</sup>  | 4,000        | 4,076,120    |
| Providence Health & Services, Series A, 5.25%, 10/01/39  | 675          | 710,221      |
| Washington State Housing Finance Commission, Refunding RB, Horizon House Project,<br>5.00%, 01/01/38 <sup>(e)</sup>                  | 1,400        | 1,524,670    |
|  |              | 8,501,591    |
| <b>Wisconsin 1.7%</b>  |              |              |
| State of Wisconsin Health & Educational Facilities Authority, RB:<br>Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33 | 1,500        | 1,564,890    |
| Marshfield Clinic Health System, Inc. Series C, 4.00%, 02/15/42  | 5,000        | 4,931,600    |
|  |              | 6,496,490    |
| <b>Total Municipal Bonds 117.1%</b>  |              |              |
| <b>(Cost \$427,820,244)</b>  |              | 456,457,445  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(f)</sup></b>  |              |              |
| <b>Arizona 0.3%</b>  |              |              |
| City of Phoenix Civic Improvement Corp., Refunding RB, Water System, Junior Lien,<br>Series A, 5.00%, 07/01/19 <sup>(b)</sup>        | 1,300        | 1,359,130    |
| <b>California 2.3%</b>   |              |              |
| California State University, RB, Systemwide, Series A (AGM):<br>5.00%, 05/01/18 <sup>(b)(g)</sup>                                    | 3,292        | 3,313,015    |
| 5.00%, 11/01/33  | 86           | 86,692       |
| County of San Diego California Water Authority Financing Corp., COP, Refunding<br>Series A (AGM) <sup>(b)</sup> :                    |              |              |
| 5.00%, 05/01/18  | 808          | 812,991      |
| 5.00%, 05/01/18  | 4,062        | 4,087,496    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |        |            |
|---|--------|------------|
| San Diego California Community College District, GO, Election of 2002,<br>5.25%, 08/01/19 <sup>(b)</sup>                    | 449    | 472,314    |
|   |        | 8,772,508  |
| <b>Connecticut 0.4%</b>   |        |            |
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity<br>Health Credit Group, 5.00%, 12/01/45 | 1,561  | 1,740,033  |
| <b>District of Columbia 0.3%</b>  |        |            |
| District of Columbia, RB, Series A, 5.50%, 12/01/30 <sup>(g)</sup>  | 1,080  | 1,150,987  |
| <b>Florida 6.0%</b>   |        |            |
| City of Miami Beach Florida, RB, 5.00%, 09/01/45  | 3,500  | 3,902,386  |
| County of Miami-Dade Florida Transit System, Refunding RB, Sales Tax,<br>5.00%, 07/01/42                                    | 1,950  | 2,131,252  |
| County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 <sup>(b)</sup>                                | 10,101 | 10,959,018 |
| County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 08/01/19 <sup>(b)</sup>                                  | 6,097  | 6,433,519  |
|   |        | 23,426,175 |
| <b>Illinois 5.2%</b>  |        |            |
| Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 08/15/41                                       | 2,400  | 2,663,028  |

SCHEDULES OF INVESTMENTS

33



Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Illinois (continued)</b>  |                      |              |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 06/15/19 <sup>(b)(g)</sup>   | \$ 1,400             | \$ 1,465,442 |
| State of Illinois Toll Highway Authority, RB:  |                      |              |
| Series A, 5.00%, 01/01/38  | 7,714                | 8,516,191    |
| Series A, 5.00%, 01/01/40  | 3,045                | 3,400,137    |
| Series B, 5.00%, 01/01/40  | 1,170                | 1,307,961    |
| Series C, 5.00%, 01/01/38  | 2,658                | 2,954,057    |
|  |                      | 20,306,816   |
| <b>Kansas 1.6%</b>   |                      |              |
| County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47  | 5,363                | 6,357,752    |
| <b>Maryland 0.9%</b>   |                      |              |
| City of Baltimore Maryland Water Utility Fund, RB, Sub-Water Projects, Series A, 5.00%, 07/01/41                           | 3,139                | 3,543,784    |
| <b>Massachusetts 2.3%</b>  |                      |              |
| Commonwealth of Massachusetts, GO, Series A, 5.00%, 03/01/46   | 1,661                | 1,858,818    |
| Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System, 4.00%, 07/01/35                        | 7,070                | 7,284,378    |
|  |                      | 9,143,196    |
| <b>Michigan 0.9%</b>   |                      |              |
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44                                    | 2,220                | 2,430,059    |
| Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45                             | 960                  | 1,076,246    |
|  |                      | 3,506,305    |
| <b>Nevada 2.8%</b>   |                      |              |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 04/01/19 <sup>(b)(g)</sup>                       | 4,198                | 4,396,095    |
| County of Clark Nevada Water Reclamation District, GO, Series B, 5.75%, 07/01/19 <sup>(b)</sup>                            | 2,024                | 2,135,515    |
| Las Vegas Valley Water District Nevada, GO, Refunding, Water Improvement, Series A, 5.00%, 06/01/46                        | 3,900                | 4,402,125    |
|  |                      | 10,933,735   |
| <b>New Jersey 0.8%</b>   |                      |              |
| County of Hudson New Jersey Improvement Authority, RB, Hudson County Vocational-Technical Schools Project, 5.25%, 05/01/51 | 920                  | 1,040,400    |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 <sup>(g)</sup>        | 2,000                | 2,104,322    |
|  |                      | 3,144,722    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**New York 13.6%**

|  |        |            |
|--|--------|------------|
| City of New York New York Water & Sewer System, Refunding RB:<br>2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 06/15/47 | 6,240  | 6,957,914  |
| 2nd General Resolution, Series FF, 5.00%, 06/15/39   | 8,355  | 9,450,090  |
| Series DD, 5.00%, 06/15/35   | 1,845  | 2,100,391  |
| Metropolitan Transportation Authority, RB, Transportation, Sub-Series D-1,<br>5.25%, 11/15/44                                    | 3,850  | 4,433,006  |
| Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56   | 1,700  | 1,930,869  |
| New York City Transitional Finance Authority, Refunding RB, Future Tax Secured,<br>Series B, 5.00%, 11/01/30                     | 12,500 | 14,031,156 |
| New York State Urban Development Corp., RB, Personal Income Tax, General Purpose,<br>Series A-1, 5.00%, 03/15/43                 | 5,720  | 6,328,994  |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 198th Series,<br>5.25%, 11/15/56                           | 2,561  | 2,948,275  |

*Security*

*Par  
(000) Value*

**New York (continued)**

|   |          |              |
|---|----------|--------------|
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34 <sup>(g)</sup> | \$ 4,500 | \$ 4,621,387 |
|   |          | 52,802,082   |

**Ohio 0.2%**

|  |     |         |
|--|-----|---------|
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B,<br>5.50%, 01/01/34 | 620 | 640,606 |
|--|-----|---------|

**Pennsylvania 1.8%**

|  |       |           |
|--|-------|-----------|
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM),<br>5.00%, 08/15/42 | 1,020 | 1,133,011 |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42                              | 4,997 | 5,721,986 |
|  |       | 6,854,997 |

**South Carolina 0.2%**

|  |     |         |
|--|-----|---------|
| South Carolina Public Service Authority, Refunding RB, Series A <sup>(b)(g)</sup> :<br>5.50%, 01/01/19 | 48  | 49,397  |
| 5.50%, 01/01/19  | 553 | 571,164 |
|  |     | 620,561 |

**Texas 1.3%**

|  |       |           |
|--|-------|-----------|
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor<br>Health Care System Project, Series A, 5.00%, 11/15/38       | 719   | 789,325   |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB,<br>Texas Health Resources System, Series A, 5.00%, 02/15/41 | 3,920 | 4,380,414 |
|  |       | 5,169,739 |

**Washington 1.0%**

|  |       |           |
|--|-------|-----------|
| Washington Health Care Facilities Authority, Refunding RB, Seattle Children's<br>Hospital, Series B, 5.00%, 10/01/38 | 3,210 | 3,719,299 |
|--|-------|-----------|

**Wisconsin 1.6%**

|   |       |           |
|---|-------|-----------|
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert &<br>Community Health, Inc., Obligated Group:<br>Series A, 5.00%, 04/01/42 | 3,520 | 3,748,712 |
|---|-------|-----------|

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |         |                |
|--|---------|----------------|
| Series C, 5.25%, 04/01/19 <sup>(b)</sup>   | 2,500   | 2,601,312      |
|  |         | 6,350,024      |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts</b> 43.5%                      |         |                |
| (Cost \$164,837,569)   |         | 169,542,451    |
| <b>Total Long-Term Investments</b> 160.6%  |         |                |
| (Cost \$592,657,813)   |         | 625,999,896    |
|  |         | <i>Shares</i>  |
| <b>Short-Term Securities</b> 0.3%  |         |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.94% <sup>(h)(i)</sup>                | 990,798 | 990,897        |
| <b>Total Short-Term Securities</b> 0.3%  |         |                |
| (Cost \$990,897)   |         | 990,897        |
| <b>Total Investments</b> 160.9%  |         |                |
| (Cost \$593,648,710)   |         | 626,990,793    |
| <b>Other Assets Less Liabilities</b> 0.8%  |         | 3,009,707      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> (26.5)% |         | (103,129,814)  |
| <b>VMTP Shares at Liquidation Value</b> (35.2)%  |         | (137,200,000)  |
| <b>Net Assets Applicable to Common Shares</b> 100.0%   |         | \$ 389,670,686 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

- (a) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) When-issued security.
- (d) Zero-coupon bond.
- (e) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (g) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between June, 15, 2018 to November, 01, 2033, is \$10,516,858. See Note 4 of the Notes to Financial Statements for details.
- (h) Annualized 7-day yield as of period end.
- (i) During the period ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

|   | <i>Shares<br/>Held at<br/>08/31/17</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>02/28/18</i> | <i>Value at<br/>02/28/18</i> | <i>Income</i> | <i>Realized<br/>Gain (Loss)</i> | <i>Change<br/>in<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|---|--|-------------------------|--|------------------------------|---------------|---------------------------------|---|
| <i>Affiliated</i><br>BlackRock Liquidity Funds,<br>MuniCash, Institutional<br>Class | 1,889,865                              | (899,067)               | 990,798                                | \$ 990,897                   | \$ 17,050     | \$ 724                          | \$  |

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

### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

| <i>Description</i>                             | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|--|--------------------------------|----------------------------|----------------------------------|--|
| Short Contracts:<br>10-Year U.S. Treasury Note | 157                            | 06/20/18                   | \$ 18,847                        | \$ 16,575  |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                           |     |          |        |             |
|---------------------------|-----|----------|--------|-------------|
| Long U.S. Treasury Bond   | 185 | 06/20/18 | 26,536 | (100,041)   |
| 5-Year U.S. Treasury Note | 50  | 06/29/18 | 5,696  | 8,871       |
|                           |     |          |        | \$ (74,595) |

**Derivative Financial Instruments Categorized by Risk Exposure**

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 25,446                              | \$                         | \$ 25,446    |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 100,041                             | \$                         | \$ 100,041   |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>                             |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 2,617,060                           | \$                         | \$ 2,617,060 |
| <b>Net Change in Unrealized Appreciation (Depreciation) from:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 73,976                              | \$                         | \$ 73,976    |



Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

February 28, 2018

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

Futures contracts:

Average notional value of contracts – short \$ 37,266,305

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

**Fair Value Hierarchy as of Period End**

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

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

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 625,999,896 | \$             | \$ 625,999,896 |
| Short-Term Securities                           | 990,897        |                |                | 990,897        |
|   | \$ 990,897     | \$ 625,999,896 | \$             | \$ 626,990,793 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Assets:   |                |                |                |                |
| Interest rate contracts                         | \$ 25,446      | \$             | \$             | \$ 25,446      |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | (100,041)      |                |                | (100,041)      |
|   | \$ (74,595)    | \$             | \$             | \$ (74,595)    |

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

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

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

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                                  | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities:                     |                |                  |                |                  |
| TOB trust certificates           | \$             | \$ (102,796,594) | \$             | \$ (102,796,594) |
| VMTP Shares at Liquidation Value |                | (137,200,000)    |                | (137,200,000)    |
|                                  | \$             | \$ (239,996,594) | \$             | \$ (239,996,594) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*



Schedule of Investments (unaudited)

BlackRock Municipal Income Trust II (BLE)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par</i><br>(000) | <i>Value</i> |
|--|---------------------|--------------|
| <b>Municipal Bonds</b>   |                     |              |
| <b>Alabama 2.7%</b>  |                     |              |
| Auburn University, Refunding RB, Series A, 4.00%, 06/01/41 <sup>(a)</sup>  | \$ 1,830            | \$ 1,884,388 |
| County of Jefferson Alabama Sewer, Refunding RB:   |                     |              |
| Senior Lien, Series A (AGM), 5.00%, 10/01/44   | 540                 | 589,048      |
| Senior Lien, Series A (AGM), 5.25%, 10/01/48   | 1,320               | 1,455,775    |
| Sub-Lien, Series D, 7.00%, 10/01/51  | 3,220               | 3,908,243    |
| Lower Alabama Gas District, RB, Series A, 5.00%, 09/01/46  | 1,170               | 1,403,883    |
|  |                     | 9,241,337    |
| <b>Arizona 2.8%</b>  |                     |              |
| City of Phoenix Arizona IDA, RB, Legacy Traditional Schools Projects, Series A, 5.00%, 07/01/46 <sup>(b)</sup>                                       | 1,825               | 1,867,322    |
| Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32  | 5,635               | 6,552,378    |
| 5.00%, 12/01/37  | 1,000               | 1,170,160    |
|  |                     | 9,589,860    |
| <b>California 12.4%</b>  |                     |              |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge, Series F-1, 5.63%, 04/01/19 <sup>(c)</sup>                                | 2,480               | 2,593,857    |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 08/15/42   | 3,500               | 3,821,090    |
| California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.00%, 07/01/33                                  | 1,365               | 1,532,827    |
| California Municipal Finance Authority, RB, Senior, Caritas Affordable Housing, Inc. Projects, S/F Housing, Series A: 5.25%, 08/15/39                | 160                 | 173,810      |
| 5.25%, 08/15/49  | 395                 | 426,272      |
| California Municipal Finance Authority, Refunding RB, Community Medical Centers, Series A: 5.00%, 02/01/36   | 345                 | 381,263      |
| 5.00%, 02/01/37  | 260                 | 286,286      |
| California Pollution Control Financing Authority, RB, Poseidon Resources (Channel Side) LP Desalination Project, AMT, 5.00%, 11/21/45 <sup>(b)</sup> | 4,880               | 5,189,685    |
| California Statewide Communities Development Authority, RB, Loma Linda University Medical Center, Series A, 5.00%, 12/01/46 <sup>(b)</sup>           | 490                 | 516,690      |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A: Senior, 5.00%, 05/15/40           | 6,500               | 6,951,425    |
| 5.25%, 05/15/39  | 860                 | 897,332      |
|  | 380                 | 451,391      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |            |              |
|---|------------|--------------|
| City of Stockton California Public Financing Authority, RB, Delta Water Supply Project, Series A, 6.25%, 10/01/38         |            |              |
| Golden State Tobacco Securitization Corp., Refunding RB, Asset-Backed, Senior Series A-1, 5.75%, 06/01/47                 | 1,790      | 1,803,407    |
| San Marcos Unified School District, GO, CAB, Election of 2010, Series B <sup>(d)</sup> :<br>0.00%, 08/01/33               | 3,000      | 1,710,060    |
| 0.00%, 08/01/43   | 2,500      | 902,400      |
| State of California, GO, Various Purposes:<br>6.00%, 03/01/33   | 1,760      | 1,910,902    |
| 6.50%, 04/01/33   | 10,645     | 11,223,875   |
| State of California Public Works Board, LRB, Various Capital Projects:<br>Series I, 5.00%, 11/01/38                       | 825        | 924,008      |
| Sub-Series I-1, 6.38%, 11/01/19 <sup>(c)</sup>  | 1,280      | 1,383,680    |
|   |            | 43,080,260   |
|   | <i>Par</i> |              |
|   | (000)      | <i>Value</i> |
| <b>Security</b>   |            |              |
| <b>Colorado 0.7%</b>  |            |              |
| Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiative, Series A, 5.50%, 07/01/34                 | \$ 2,330   | \$ 2,416,466 |
| <b>Connecticut 0.3%</b>   |            |              |
| Connecticut State Health & Educational Facility Authority, RB, Ascension Health Senior Credit, Series A, 5.00%, 11/15/40  | 1,005      | 1,044,707    |
| <b>Delaware 2.1%</b>  |            |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40                          | 1,240      | 1,305,373    |
| Delaware Transportation Authority, RB, U.S. 301 Project, 5.00%, 06/01/55  | 1,260      | 1,387,613    |
| State of Delaware EDA, RB, Exempt Facilities, Indian River Power LLC Project, 5.38%, 10/01/45                             | 4,275      | 4,445,786    |
|   |            | 7,138,772    |
| <b>District of Columbia 4.9%</b>  |            |              |
| District of Columbia, Refunding RB:<br>Georgetown University, 5.00%, 04/01/35   | 465        | 526,966      |
| Georgetown University Issue, 5.00%, 04/01/42  | 540        | 603,866      |
| Kipp Charter School, Series A, 6.00%, 07/01/23 <sup>(c)</sup>   | 820        | 979,080      |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 05/15/40                      | 11,500     | 12,095,240   |
| Metropolitan Washington Airports Authority, Refunding RB, Dulles Toll Road, 1st Senior Lien, Series A:<br>5.00%, 10/01/39 | 550        | 574,222      |
| 5.25%, 10/01/44   | 2,000      | 2,093,900    |
|   |            | 16,873,274   |
| <b>Florida 5.5%</b>   |            |              |
| City of Atlantic Beach Florida, RB, Health Care Facilities, Fleet Landing Project, Series B, 5.63%, 11/15/43              | 1,445      | 1,589,861    |
| City of Jacksonville Florida Port Authority, Refunding RB, AMT, 5.00%, 11/01/38   | 1,665      | 1,795,319    |
| Country of Broward Florida Airport System Revenue, ARB, AMT, 5.00%, 10/01/47  | 315        | 350,459      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| County of Collier Florida Health Facilities Authority, Refunding RB, Series A, 5.00%,<br>05/01/45  | 1,450 | 1,600,220  |
| County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport:<br>Series A (AGC), AMT, 5.25%, 10/01/18 <sup>(c)</sup>          | 1,385 | 1,415,138  |
| Series A (AGC), AMT, 5.25%, 10/01/38   | 240   | 244,702    |
| Series A-1, 5.38%, 10/01/41  | 1,255 | 1,360,006  |
| County of Miami-Dade Florida Water & Sewer System, (AGC), 5.00%, 10/01/20 <sup>(c)</sup>   | 5,000 | 5,429,350  |
| Mid-Bay Florida Bridge Authority, RB, Springing Lien, Series A, 7.25%, 10/01/21 <sup>(c)</sup>   | 3,300 | 3,895,683  |
| Stevens Plantation Community Development District, RB, Special Assessment, Series A,<br>7.10%, 05/01/35 <sup>(e)(f)</sup>                          | 1,795 | 1,256,500  |
|  |       | 18,937,238 |
| <b>Georgia 0.8%</b>  |       |            |
| County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care<br>System Obligation, 4.00%, 08/15/48                             | 1,325 | 1,326,060  |
| County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast<br>Georgia Health System, Inc. Project, Series A, 5.50%, 08/15/54 | 555   | 637,468    |
| DeKalb Georgia Private Hospital Authority, Refunding RB, Children s Healthcare, 5.25%,<br>11/15/39   | 915   | 965,462    |
|  |       | 2,928,990  |
| <b>Hawaii 0.5%</b>   |       |            |
| State of Hawaii Harbor System, RB, Series A, 5.25%, 07/01/30   | 1,480 | 1,586,146  |

SCHEDULES OF INVESTMENTS

37

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Trust II (BLE)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par</i><br>(000) | <i>Value</i> |
|--|---------------------|--------------|
| <b>Idaho 0.3%</b>  |                     |              |
| Idaho Health Facilities Authority, RB, Trinity Health Credit Group, Series A, 5.00%, 12/01/46                                    | \$ 805              | \$ 894,274   |
| <b>Illinois 20.7%</b>  |                     |              |
| Chicago Board of Education, GO, Dedicated Revenues, Series H, 5.00%, 12/01/36  | 495                 | 499,910      |
| Chicago Board of Education, GO, Refunding, Dedicated Revenues, Series G, 5.00%, 12/01/34   | 495                 | 504,529      |
| Chicago Board of Education, GO, Refunding Dedicated Revenues:<br>Series D, 5.00%, 12/01/27                                       | 920                 | 968,530      |
| Series F, 5.00%, 12/01/22  | 675                 | 714,656      |
| City of Chicago Illinois, GO, Project, Series A, 5.00%, 01/01/34   | 2,705               | 2,769,136    |
| City of Chicago Illinois, GO, Refunding, Project, Series A, 5.25%, 01/01/32  | 4,940               | 5,200,289    |
| City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien:<br>Series A, 5.75%, 01/01/21 <sup>(c)</sup>               | 4,200               | 4,663,092    |
| Series A, 5.75%, 01/01/39  | 800                 | 878,192      |
| Series C, 6.50%, 01/01/21 <sup>(c)</sup>   | 6,430               | 7,271,558    |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40  | 1,150               | 1,246,957    |
| City of Chicago Illinois Waterworks, Refunding RB, 2nd Lien Project, 5.00%, 11/01/42   | 3,130               | 3,339,992    |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago, 5.50%, 12/01/38                         | 845                 | 898,742      |
| Illinois Finance Authority, Refunding RB:<br>Ascension Health, Series A, 5.00%, 11/15/37   | 1,060               | 1,155,082    |
| Central Dupage Health, Series B, 5.50%, 11/01/19 <sup>(c)</sup>  | 1,750               | 1,863,662    |
| Presence Health Network, Series C, 4.00%, 02/15/41   | 1,545               | 1,522,752    |
| Illinois Sports Facilities Authority, RB, State Tax Supported (AMBAC), 5.50%, 06/15/30   | 7,445               | 7,459,890    |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion<br>Project:<br>Series B (AGM), 5.00%, 06/15/50 | 6,725               | 7,051,700    |
| Series B-2, 5.00%, 06/15/50  | 2,725               | 2,770,099    |
| Railsplitter Tobacco Settlement Authority, RB <sup>(c)</sup> :<br>5.50%, 06/01/21  | 520                 | 580,055      |
| 6.00%, 06/01/21  | 1,255               | 1,419,643    |
| State of Illinois, GO:<br>5.00%, 02/01/39  | 1,640               | 1,657,482    |
| Series A, 5.00%, 04/01/35  | 2,500               | 2,534,575    |
| Series A, 5.00%, 04/01/38  | 3,885               | 3,933,485    |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 06/15/19 <sup>(c)</sup>  | 685                 | 717,585      |
| State of Illinois Toll Highway Authority, RB:<br>Senior, Series C, 5.00%, 01/01/36   | 2,815               | 3,141,850    |
| Senior, Series C, 5.00%, 01/01/37  | 3,005               | 3,348,051    |
| Series A, 5.00%, 01/01/38  | 2,160               | 2,386,584    |
| University of Illinois, RB, Auxiliary Facilities System, Series A, 5.00%, 04/01/44   | 1,050               | 1,139,156    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |            |              |
|--|------------|--------------|
|  |            | 71,637,234   |
| <b>Indiana 4.8%</b>  |            |              |
| City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT:<br>6.75%, 01/01/34  | 845        | 993,036      |
| 7.00%, 01/01/44  | 3,535      | 4,172,007    |
| Indiana Finance Authority, RB, Series A:<br>CWA Authority Project, 1st Lien, 5.25%, 10/01/38   | 3,510      | 3,877,883    |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%,<br>07/01/44   | 485        | 518,858      |
| Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.00%,<br>07/01/48   | 1,610      | 1,717,564    |
|  | <i>Par</i> |              |
| <i>Security</i>  | (000)      | <i>Value</i> |
| <b>Indiana (continued)</b>   |            |              |
| Indiana Finance Authority, RB, Series A (continued):<br>Private Activity Bond, Ohio River Bridges East End Crossing Project, AMT, 5.25%,<br>01/01/51           | \$ 435     | \$ 468,634   |
| Sisters of St. Francis Health Services, 5.25%, 11/01/19 <sup>(c)</sup>   | 915        | 969,131      |
| Indiana Finance Authority, Refunding RB, Marquette Project, 4.75%, 03/01/32  | 1,180      | 1,208,013    |
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 01/01/19 <sup>(c)</sup>   | 1,200      | 1,245,804    |
| Indianapolis Local Public Improvement Bond Bank, RB, Series A, 5.00%, 01/15/40   | 1,380      | 1,533,856    |
|  |            | 16,704,786   |
| <b>Iowa 2.0%</b>   |            |              |
| Iowa Finance Authority, Refunding RB, Iowa Fertilizer Co. Project:<br>Series B, 5.25%, 12/01/50 <sup>(g)</sup>   | 3,060      | 3,177,014    |
| Midwestern Disaster Area, 5.50%, 12/01/22  | 10         | 10,155       |
| Midwestern Disaster Area, 5.25%, 12/01/25  | 500        | 530,985      |
| Midwestern Disaster Area, 5.88%, 12/01/26 <sup>(b)</sup>   | 445        | 469,164      |
| Iowa Student Loan Liquidity Corp., Refunding RB, Student Loan, Senior Series A-1, AMT,<br>5.15%, 12/01/22  | 955        | 992,608      |
| Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, Series C, 5.63%,<br>06/01/46  | 1,610      | 1,609,919    |
|  |            | 6,789,845    |
| <b>Kentucky 0.7%</b>   |            |              |
| Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series<br>A, 5.25%, 01/01/45   | 1,060      | 1,132,494    |
| Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project,<br>Convertible CAB, 1st Tier, Series C, 6.75%, 07/01/43 <sup>(h)</sup> | 1,280      | 1,177,075    |
|  |            | 2,309,569    |
| <b>Louisiana 2.8%</b>  |            |              |
| Louisiana Local Government Environmental Facilities & Community Development<br>Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35     | 3,650      | 4,044,784    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:<br>5.50%, 05/15/30   | 1,100      | 1,178,331    |
| 5.25%, 05/15/31  | 935        | 1,008,239    |
| 5.25%, 05/15/32  | 1,195      | 1,301,355    |
| 5.25%, 05/15/33  | 1,300      | 1,404,494    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |           |
|--|-------|-----------|
| 5.25%, 05/15/35  | 795   | 861,398   |
|  |       | 9,798,601 |
| <b>Maryland 1.3%</b>   |       |           |
| Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 06/01/20 <sup>(c)</sup>  | 475   | 518,216   |
| Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 09/01/25  | 800   | 838,000   |
| Maryland Health & Higher Educational Facilities Authority, RB, Trinity Health Credit Group, Series 2017, 5.00%, 12/01/46                     | 455   | 510,023   |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB, Charlestown Community Project, 6.25%, 01/01/21 <sup>(c)</sup>       | 2,400 | 2,690,544 |
|  |       | 4,556,783 |
| <b>Massachusetts 0.7%</b>  |       |           |
| Massachusetts Development Finance Agency, Refunding RB, Covanta Energy Project, Series C, AMT, 5.25%, 11/01/42 <sup>(b)</sup>                | 1,530 | 1,530,949 |
| Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare System, Series J1, 5.00%, 07/01/19 <sup>(c)</sup> | 955   | 999,111   |
|  |       | 2,530,060 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Trust II (BLE)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par</i><br>(000) | <i>Value</i> |
|--|---------------------|--------------|
| <b>Michigan 2.6%</b>   |                     |              |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 07/01/39                                | \$ 4,825            | \$ 5,217,755 |
| Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital: 5.50%, 05/15/20 <sup>(c)</sup>                       | 830                 | 897,695      |
| 5.50%, 05/15/36  | 670                 | 709,235      |
| Michigan Finance Authority, Refunding RB:  |                     |              |
| Detroit Water & Sewage Department Project, Senior Lien, Series C-1, 5.00%, 07/01/44  | 940                 | 1,020,154    |
| Henry Ford Health System, 4.00%, 11/15/46  | 1,315               | 1,310,476    |
|  |                     | 9,155,315    |
| <b>Missouri 2.4%</b>   |                     |              |
| 370/Missouri Bottom Road/Taussig Road Transportation Development District, RB, 7.20%, 05/01/33                                       | 6,000               | 3,480,000    |
| Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Refunding RB, Combined Lien, Series A, 5.00%, 10/01/44   | 275                 | 305,836      |
| State of Missouri Health & Educational Facilities Authority, RB, Senior Living Facilities, Lutheran Senior Services, 5.50%, 02/01/42 | 1,135               | 1,183,703    |
| State of Missouri Health & Educational Facilities Authority, Refunding RB:   |                     |              |
| Mercy Health, Series C, 5.00%, 11/15/47  | 2,825               | 3,141,428    |
| St. Louis College of Pharmacy Project, 5.50%, 05/01/43   | 265                 | 285,286      |
|  |                     | 8,396,253    |
| <b>Multi-State 2.0%</b>  |                     |              |
| Centerline Equity Issuer Trust <sup>(b)</sup> :  |                     |              |
| Series A-4-2, 6.00%, 05/15/19  | 3,500               | 3,662,715    |
| Series B-3-2, 6.30%, 05/15/19  | 3,000               | 3,149,790    |
|  |                     | 6,812,505    |
| <b>Nebraska 1.6%</b>   |                     |              |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3:   |                     |              |
| 5.25%, 09/01/37  | 895                 | 979,130      |
| 5.00%, 09/01/42  | 1,570               | 1,701,189    |
| County of Lancaster Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, Health Facilities, 5.63%, 01/01/40   | 1,245               | 1,314,608    |
| County of Sarpy Nebraska Hospital Authority No. 1, Refunding RB, Immanuel Obligation Group, 5.63%, 01/01/40                          | 1,635               | 1,705,354    |
|  |                     | 5,700,281    |
| <b>New Jersey 9.1%</b>   |                     |              |
| Casino Reinvestment Development Authority, Refunding RB:   |                     |              |
| 5.25%, 11/01/39  | 1,805               | 1,917,975    |
| 5.25%, 11/01/44  | 1,640               | 1,743,008    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |            |              |
|---|------------|--------------|
| County of Essex New Jersey Improvement Authority, RB, AMT, 5.25%, 07/01/45 <sup>(b)</sup>   | 1,165      | 1,168,460    |
| New Jersey EDA, RB, Continental Airlines, Inc. Project, AMT:<br>4.88%, 09/15/19   | 460        | 472,682      |
| 5.13%, 09/15/23   | 2,130      | 2,349,880    |
| 5.25%, 09/15/29   | 2,130      | 2,322,339    |
| New Jersey EDA, Refunding ARB, Port Network Container Terminal LLC Project, AMT,<br>5.00%, 10/01/47   | 1,570      | 1,684,830    |
| New Jersey EDA, Refunding RB, Special Assessment, Kapkowski Road Landfill Project,<br>6.50%, 04/01/28   | 7,475      | 8,745,003    |
| New Jersey State Turnpike Authority, RB:<br>Series A, 5.00%, 07/01/22 <sup>(c)</sup>  | 1,355      | 1,526,990    |
| Series A, 5.00%, 01/01/43   | 805        | 882,578      |
| Series E, 5.00%, 01/01/45   | 2,810      | 3,114,379    |
|   | <i>Par</i> |              |
| <i>Security</i>   | (000)      | <i>Value</i> |
| <b>New Jersey (continued)</b>   |            |              |
| New Jersey Transportation Trust Fund Authority, RB:<br>Transportation Program, Series AA, 5.00%, 06/15/44   | \$ 1,355   | \$ 1,395,460 |
| Transportation Program, Series AA, 5.00%, 06/15/44  | 730        | 753,375      |
| Transportation System, Series B, 5.25%, 06/15/36  | 2,690      | 2,829,665    |
| Rutgers The State University of New Jersey, Refunding RB, Series L, 5.00%, 05/01/43   | 570        | 628,727      |
|   |            | 31,535,351   |
| <b>New York 8.2%</b>  |            |              |
| City of New York New York Transitional Finance Authority Future Tax Secured, RB, Fiscal<br>2012, Sub-Series E-1, 5.00%, 02/01/42                      | 2,680      | 2,933,528    |
| Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo,<br>Series A, 6.25%, 06/01/41 <sup>(b)</sup>                       | 2,000      | 2,061,340    |
| County of Westchester New York Healthcare Corp., RB, Senior Lien, Series A, 5.00%,<br>11/01/44  | 805        | 855,753      |
| Hudson Yards Infrastructure Corp., Refunding RB, Series A, 5.00%, 02/15/39  | 1,005      | 1,142,323    |
| Metropolitan Transportation Authority, RB, Series B:<br>5.25%, 11/15/38   | 2,555      | 2,926,267    |
| 5.25%, 11/15/39   | 910        | 1,041,113    |
| Metropolitan Transportation Authority Hudson Rail Yards Trust Obligations, Refunding RB,<br>Series A, 5.00%, 11/15/56                                 | 1,135      | 1,259,407    |
| New York Liberty Development Corp., Refunding RB:<br>2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 07/15/49         | 1,335      | 1,427,342    |
| 3 World Trade Center Project, Class 1, 5.00%, 11/15/44 <sup>(b)</sup>   | 4,320      | 4,563,734    |
| 3 World Trade Center Project, Class 2, 5.15%, 11/15/34 <sup>(b)</sup>   | 365        | 398,408      |
| 3 World Trade Center Project, Class 2, 5.38%, 11/15/40 <sup>(b)</sup>   | 910        | 994,057      |
| New York Transportation Development Corp., Refunding ARB, American Airlines, Inc.,<br>AMT:<br>5.00%, 08/01/26   | 675        | 722,331      |
| 5.00%, 08/01/31   | 1,620      | 1,715,159    |
| Niagara Area Development Corp., Refunding RB, Solid Waste Disposal Facility, Covanta<br>Energy Project, Series A, AMT, 5.25%, 11/01/42 <sup>(b)</sup> | 1,145      | 1,145,710    |
| Port Authority of New York & New Jersey, ARB, JFK International Air Terminal LLC<br>Project, Series 8:<br>6.00%, 12/01/42                             | 1,635      | 1,793,252    |
| Special Project, 6.00%, 12/01/36  | 1,410      | 1,548,462    |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 205th Series,<br>5.00%, 11/15/47  | 1,570 | 1,794,196  |
|  |       | 28,322,382 |
| <b>North Carolina 1.5%</b>   |       |            |
| North Carolina Capital Facilities Finance Agency, Refunding RB, Solid Waste Disposal<br>Facility, Duke Energy Carolinas Project, Series B, 4.63%, 11/01/40 | 1,000 | 1,053,350  |
| North Carolina Medical Care Commission, RB, Health Care Facilities, Duke University<br>Health System, Series A, 5.00%, 06/01/19 <sup>(c)</sup>             | 1,525 | 1,591,642  |
| North Carolina Medical Care Commission, Refunding RB, 1st Mortgage:<br>Aldersgate, 6.25%, 07/01/35   | 1,530 | 1,719,445  |
| Retirement Facilities Whitestone Project, Series A, 7.75%, 03/01/21 <sup>(c)</sup>   | 625   | 729,638    |
|  |       | 5,094,075  |
| <b>Ohio 3.6%</b>   |       |            |
| Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term,<br>Series A-2, 6.50%, 06/01/47  | 3,550 | 3,514,109  |
| County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners,<br>Series A, 5.25%, 06/01/20 <sup>(c)</sup>                          | 3,405 | 3,677,366  |

SCHEDULES OF INVESTMENTS

39

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Trust II (BLE)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par</i><br>(000) | <i>Value</i> |
|--|---------------------|--------------|
| <b>Ohio (continued)</b>  |                     |              |
| County of Franklin Ohio, RB:   |                     |              |
| Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A,<br>6.13%, 07/01/40  | \$ 710              | \$ 783,052   |
| Trinity Health Credit Group, Series 2017, 5.00%, 12/01/46  | 435                 | 483,241      |
| County of Montgomery Ohio, Refunding RB, Catholic Health:  |                     |              |
| 5.00%, 05/01/19 <sup>(c)</sup>   | 1,055               | 1,096,926    |
| Series A, 5.00%, 05/01/39  | 1,970               | 2,013,754    |
| State of Ohio, RB, Portsmouth Bypass Project, AMT, 5.00%, 06/30/53   | 870                 | 950,136      |
|  |                     | 12,518,584   |
| <b>Pennsylvania 3.1%</b>   |                     |              |
| Allentown Neighborhood Improvement Zone Development Authority, Refunding RB,<br>Series A, 5.00%, 05/01/42  |                     |              |
|  | 2,500               | 2,592,950    |
| City of Philadelphia Pennsylvania Airport Revenue, Refunding ARB, AMT, Series B,<br>5.00%, 07/01/47  |                     |              |
|  | 490                 | 539,039      |
| City of Philadelphia Pennsylvania Hospitals & Higher Education Facilities Authority, RB,<br>Temple University Health System, Series A, 5.63%, 07/01/42 |                     |              |
|  | 685                 | 743,102      |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment:   |                     |              |
| 5.00%, 06/01/33  | 115                 | 127,648      |
| 5.00%, 06/01/34  | 150                 | 165,822      |
| Pennsylvania Economic Development Financing Authority, RB:   |                     |              |
| AMT, 5.00%, 06/30/42   | 3,030               | 3,264,885    |
| Aqua Pennsylvania, Inc. Project, Series B, 5.00%, 11/15/40   | 2,065               | 2,169,200    |
| Pennsylvania Turnpike Commission, RB, Series A, 5.00%, 12/01/44  | 1,190               | 1,319,769    |
|  |                     | 10,922,415   |
| <b>Puerto Rico 1.1%</b>  |                     |              |
| Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds:  |                     |              |
| 5.50%, 05/15/39  | 2,000               | 1,880,720    |
| 5.63%, 05/15/43  | 1,910               | 1,779,872    |
|  |                     | 3,660,592    |
| <b>Rhode Island 2.3%</b>   |                     |              |
| Tobacco Settlement Financing Corp., Refunding RB:  |                     |              |
| Series A, 5.00%, 06/01/35  | 1,690               | 1,830,693    |
| Series B, 4.50%, 06/01/45  | 2,850               | 2,877,930    |
| Series B, 5.00%, 06/01/50  | 3,175               | 3,252,311    |
|  |                     | 7,960,934    |
| <b>South Carolina 3.8%</b>   |                     |              |
| State of South Carolina Ports Authority, ARB:  |                     |              |
| 5.25%, 07/01/40  | 3,595               | 3,852,007    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |            |              |
|---|------------|--------------|
| AMT, 5.25%, 07/01/55  | 1,390      | 1,527,151    |
| State of South Carolina Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 12/01/54  | 3,575      | 3,920,345    |
| State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55   | 3,385      | 3,718,659    |
|   |            | 13,018,162   |
| <b>Tennessee 0.7%</b>   |            |              |
| City of Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 01/01/45   | 1,470      | 1,567,843    |
| County of Nashville & Davidson Metropolitan Government Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40       | 740        | 816,198      |
|   |            | 2,384,041    |
|   | <i>Par</i> | <i>Value</i> |
| <i>Security</i>   | (000)      |              |
| <b>Texas 11.5%</b>  |            |              |
| Central Texas Regional Mobility Authority, Refunding RB:  |            |              |
| Senior Lien, 6.25%, 01/01/21 <sup>(c)</sup>   | \$ 2,350   | \$ 2,634,491 |
| Sub-Lien, 5.00%, 01/01/33   | 390        | 422,081      |
| City of Austin Texas Airport System, ARB, AMT, 5.00%, 11/15/39  | 665        | 731,194      |
| City of Dallas Texas Waterworks & Sewer System Revenue, Refunding RB, 5.00%, 10/01/20 <sup>(c)</sup>  | 765        | 827,654      |
| City of Houston Texas Airport System, Refunding ARB:  |            |              |
| Senior Lien, Series A, 5.50%, 07/01/39  | 1,675      | 1,696,959    |
| United Airlines, Inc. Terminal E Project, AMT, 5.00%, 07/01/29  | 460        | 502,950      |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC):   |            |              |
| 6.00%, 05/15/19 <sup>(c)</sup>  | 8,665      | 9,123,552    |
| 6.00%, 11/15/35   | 480        | 505,699      |
| County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 01/01/23 <sup>(c)</sup> | 485        | 591,361      |
| County of Harris Texas Houston Sports Authority, Refunding RB, 3rd Lien, Series A (NATL) <sup>(d)</sup> :   |            |              |
| 0.00%, 11/15/24 <sup>(c)</sup>  | 2,300      | 961,078      |
| 0.00%, 11/15/36   | 23,075     | 8,785,806    |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Projects, Series A, 0.00%, 09/15/37 <sup>(d)</sup>                                  | 6,055      | 2,644,279    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 08/15/20 <sup>(c)</sup>                                       | 4,085      | 4,513,517    |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:  |            |              |
| LBJ Infrastructure Group LLC, 7.00%, 06/30/40   | 3,000      | 3,315,510    |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39   | 2,250      | 2,436,345    |
|   |            | 39,692,476   |
| <b>Utah 0.4%</b>  |            |              |
| Salt Lake City Corp. Airport Revenue, ARB, Series A, AMT, 5.00%, 07/01/47   | 995        | 1,101,196    |
| Utah State Charter School Finance Authority, RB, Ogden Preparatory Academy, Series A, 3.25%, 10/15/42   | 390        | 341,929      |
|   |            | 1,443,125    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**Virginia 1.8%**

|   |       |           |
|---|-------|-----------|
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund,<br>Senior Lien, Series A, 5.50%, 07/01/57        | 1,205 | 1,424,852 |
| Virginia Small Business Financing Authority, RB, AMT:<br>Senior Lien, Elizabeth River Crossings OpCo LLC Project, 5.25%, 01/01/32 | 1,755 | 1,927,640 |
| Senior Lien, Elizabeth River Crossings OpCo LLC Project, 6.00%, 01/01/37  | 2,120 | 2,382,795 |
| Transform 66 P3 Project, 5.00%, 12/31/52  | 445   | 477,903   |
|   |       | 6,213,190 |

**Washington 3.9%**

|  |       |            |
|--|-------|------------|
| City of Bellingham Washington Water & Sewer, RB, 5.00%, 08/01/36   | 5,050 | 5,519,448  |
| Grant County Public Utility District No. 2, Refunding RB, Series A, 5.00%, 01/01/43                        | 2,335 | 2,593,227  |
| Port of Seattle Washington, RB, Intermediate Lien, Series C, AMT:<br>5.00%, 04/01/40                       | 815   | 893,305    |
| 5.00%, 05/01/42  | 1,615 | 1,810,173  |
| Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A,<br>5.75%, 01/01/45 | 2,445 | 2,681,725  |
|  |       | 13,497,878 |

Schedule of Investments (unaudited) (continued)

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

February 28, 2018

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

| <i>Security</i>  | <i>Par</i><br>(000) | <i>Value</i> |
|--|---------------------|--------------|
| <b>Wisconsin 0.8%</b>  |                     |              |
| State of Wisconsin Health & Educational Facilities Authority, RB, Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33  | \$ 910              | \$ 949,367   |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Medical College of Wisconsin, Inc., 4.00%, 12/01/46             | 1,955               | 1,980,669    |
|  |                     | 2,930,036    |
| <b>Wyoming 1.0%</b>  |                     |              |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 07/15/26                                  | 3,355               | 3,524,595    |
| <b>Total Municipal Bonds 127.4%</b><br><b>(Cost \$417,297,930)</b>   |                     | 440,840,392  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(i)</sup></b>  |                     |              |
| <b>California 6.7%</b>   |                     |              |
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area Toll Bridge, 4.00%, 04/01/42 <sup>(i)</sup>                          | 3,358               | 3,497,953    |
| California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/18 <sup>(c)(i)</sup>    | 2,850               | 2,915,664    |
| City & County of San Francisco California Public Utilities Commission, RB, Water Revenue, Series B, 5.00%, 11/01/19 <sup>(c)</sup> | 10,335              | 10,928,470   |
| Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2 Bonds, 5.00%, 10/01/47             | 3,345               | 3,795,733    |
| San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 <sup>(c)</sup>                              | 1,839               | 1,936,489    |
|  |                     | 23,074,309   |
| <b>Colorado 2.0%</b>   |                     |              |
| Colorado Health Facilities Authority, RB, Catholic Health <sup>(c)</sup> :<br>Series C-3 (AGM), 5.10%, 04/29/18                    | 4,230               | 4,255,126    |
| Series C-7 (AGM), 5.00%, 05/01/18  | 2,710               | 2,725,610    |
|  |                     | 6,980,736    |
| <b>Georgia 1.3%</b>  |                     |              |
| Private Colleges & Universities Authority, Refunding RB, Emory University, Series C, 5.00%, 09/01/18 <sup>(c)</sup>                | 4,638               | 4,722,826    |
| <b>Massachusetts 0.8%</b>  |                     |              |
| Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41   | 2,461               | 2,683,658    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**New Hampshire 0.7%**

|  |       |           |
|--|-------|-----------|
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth College,<br>5.25%, 06/01/19 <sup>(c)(j)</sup> | 2,219 | 2,321,183 |
|--|-------|-----------|

**New York 12.6%**

|  |        |            |
|--|--------|------------|
| City of New York New York Municipal Water Finance Authority, Refunding RB,<br>Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40 | 1,710  | 1,793,733  |
| City of New York New York Water & Sewer System, Refunding RB, 2nd General<br>Resolution, Series HH, 5.00%, 06/15/31 <sup>(j)</sup>                       | 9,150  | 10,012,326 |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 02/15/47 <sup>(j)</sup>   | 1,750  | 1,932,187  |
| Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56   | 5,120  | 5,815,323  |
| New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority<br>Consolidated Bonds, 5.25%, 12/15/43                                      | 11,670 | 12,885,493 |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project,<br>5.75%, 11/15/51 <sup>(j)</sup>  | 7,040  | 7,896,096  |

*Security*

**New York (continued)**

|  |          |              |
|--|----------|--------------|
| Port Authority of New York & New Jersey, Refunding ARB, 194th Series,<br>5.25%, 10/15/55 | \$ 2,790 | \$ 3,162,298 |
|  |          | 43,497,456   |

**North Carolina 0.9%**

|   |       |           |
|---|-------|-----------|
| North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University<br>Project, Series B, 5.00%, 10/01/55 | 2,740 | 3,030,344 |
|---|-------|-----------|

**Pennsylvania 0.8%**

|   |       |           |
|---|-------|-----------|
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42 | 2,521 | 2,886,768 |
|---|-------|-----------|

**Texas 3.1%**

|   |       |            |
|---|-------|------------|
| City of San Antonio Texas Electric and Gas Systems, RB, Junior Lien,<br>5.00%, 02/01/43           | 2,660 | 2,917,734  |
| County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A,<br>5.00%, 11/01/41 | 3,720 | 4,086,736  |
| University of Texas, Refunding RB, Financing System, Series B, 5.00%, 08/15/43                    | 3,347 | 3,694,095  |
|   |       | 10,698,565 |

**Utah 1.2%**

|   |       |           |
|---|-------|-----------|
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/41 | 3,959 | 4,125,801 |
|---|-------|-----------|

**Virginia 1.7%**

|   |       |           |
|---|-------|-----------|
| University of Virginia, Refunding RB, General, 5.00%, 06/01/18 <sup>(c)</sup> | 5,909 | 5,963,237 |
|---|-------|-----------|

**Washington 2.4%**

|   |       |           |
|---|-------|-----------|
| State of Washington, GO, Various Purposes, Series E, 5.00%, 02/01/19 <sup>(c)</sup> | 8,113 | 8,373,192 |
|---|-------|-----------|

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 34.2%**

|                             |  |             |
|-----------------------------|--|-------------|
| <b>(Cost \$113,823,599)</b> |  | 118,358,075 |
|-----------------------------|--|-------------|

**Total Long-Term Investments 161.6%**

|                             |  |             |
|-----------------------------|--|-------------|
| <b>(Cost \$531,121,529)</b> |  | 559,198,467 |
|-----------------------------|--|-------------|

|  | <i>Shares</i> |                |
|--|---------------|----------------|
| <b>Short-Term Securities 1.2%</b>  |               |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.94% <sup>(k)(l)</sup>                | 4,387,080     | 4,387,518      |
| <b>Total Short-Term Securities 1.2%</b>  |               |                |
| (Cost \$4,387,477)   |               | 4,387,518      |
| <b>Total Investments 162.8%</b>  |               |                |
| (Cost \$535,509,006)   |               | 563,585,985    |
| <b>Other Assets Less Liabilities 1.1%</b>  |               | 3,918,289      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (20.2)%</b> |               | (70,121,813)   |
| <b>VMTP Shares at Liquidation Value (43.7)%</b>  |               | (151,300,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |               | \$ 346,082,461 |

(a) When-issued security.

(b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

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

(d) Zero-coupon bond.

(e) Issuer filed for bankruptcy and/or is in default.

(f) Non-income producing security.

(g) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.

## Schedule of Investments (unaudited) (continued)

## BlackRock Municipal Income Trust II (BLE)

February 28, 2018

- (h) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (i) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (j) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between May 7, 2018 to April 1, 2025, is \$17,085,636. See Note 4 of the Notes to Financial Statements for details.
- (k) Annualized 7-day yield as of period end.
- (l) During the period ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares<br>Held at<br>08/31/17 | Net<br>Activity | Shares<br>Held at<br>02/28/18 | Value at<br>02/28/18 | Income    | Change<br>in<br>Net Unrealized<br>Appreciation<br>(Depreciation) |              |
|--|-------------------------------|-----------------|-------------------------------|----------------------|-----------|--|--------------|
|  |                               |                 |                               |                      |           | Gain (Loss)  | Depreciation |
| BlackRock Liquidity<br>Funds, MuniCash,<br>Institutional Class | 6,985,327                     | (2,598,247)     | 4,387,080                     | \$ 4,387,518         | \$ 13,991 | \$ 165   | \$ (240)     |

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

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

| Description                | Number of<br>Contracts | Expiration<br>Date | Notional<br>Amount (000) | Value/<br>Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------------|------------------------|--------------------|--------------------------|--|
| Short Contracts:           |                        |                    |                          |  |
| 10-Year U.S. Treasury Note | 69                     | 06/20/18           | \$ 8,283                 | \$ 6,466   |
| Long U.S. Treasury Bond    | 114                    | 06/20/18           | 16,352                   | (67,868)   |
| 5-Year U.S. Treasury Note  | 53                     | 06/29/18           | 6,038                    | 9,805  |
|                            |                        |                    |                          | \$ (51,597)  |

**Derivative Financial Instruments Categorized by Risk Exposure**



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 16,271                              | \$                         | \$ 16,271    |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 67,868                              | \$                         | \$ 67,868    |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>                             |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 1,698,703                           | \$                         | \$ 1,698,703 |
| <b>Net Change in Unrealized Appreciation (Depreciation) from:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 56,670                              | \$                         | \$ 56,670    |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Trust II (BLE)

February 28, 2018

**Derivative Financial Instruments Categorized by Risk Exposure**

Futures contracts:

Average notional value of contracts short \$ 22,054,754

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

**Fair Value Hierarchy as of Period End**

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

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

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 559,198,467 | \$             | \$ 559,198,467 |
| Short-Term Securities                           | 4,387,518      |                |                | 4,387,518      |
| Total   | \$ 4,387,518   | \$ 559,198,467 | \$             | \$ 563,585,985 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Assets:   |                |                |                |                |
| Interest rate contracts                         | \$ 16,271      | \$             | \$             | \$ 16,271      |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | (67,868)       |                |                | (67,868)       |
|   | \$ (51,597)    | \$             | \$             | \$ (51,597)    |

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

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

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

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                                  | <i>Level 1</i> | <i>Level 2</i>   | <i>Level 3</i> | <i>Total</i>     |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities:                     |                |                  |                |                  |
| TOB Trust Certificates           | \$             | \$ (69,909,043)  | \$             | \$ (69,909,043)  |
| VMTP Shares at Liquidation Value |                | (151,300,000)    |                | (151,300,000)    |
|                                  | \$             | \$ (221,209,043) | \$             | \$ (221,209,043) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*

SCHEDULES OF INVESTMENTS

43

Schedule of Investments (unaudited)

BlackRock MuniHoldings Investment Quality Fund (MFL)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i>  |
|--|----------------------|---------------|
| <b>Municipal Bonds</b>   |                      |               |
| <b>Alabama 3.5%</b>  |                      |               |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC) <sup>(a)</sup> :           |                      |               |
| 6.00%, 06/01/19  | \$ 10,995            | \$ 11,603,793 |
| 6.13%, 06/01/19  | 4,980                | 5,263,412     |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35                 | 1,745                | 1,931,226     |
|  |                      | 18,798,431    |
| <b>Arizona 1.7%</b>  |                      |               |
| County of Maricopa Arizona IDA, RB, Banner Health, Series A, 5.00%, 01/01/41   | 5,750                | 6,487,438     |
| University of Arizona Board of Regents, Refunding RB, Series A, 5.00%, 06/01/40  | 2,300                | 2,586,350     |
|  |                      | 9,073,788     |
| <b>California 24.0%</b>  |                      |               |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/18 <sup>(a)</sup>     | 4,000                | 4,094,120     |
| California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 08/15/42                                   | 5,370                | 5,862,644     |
| California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series A: 5.00%, 11/15/36                         | 2,500                | 2,893,025     |
| 5.00%, 11/15/37  | 2,000                | 2,303,560     |
| City & County of San Francisco California Airports Commission, Refunding ARB, AMT, Series A:                                     |                      |               |
| 2nd, 5.50%, 05/01/28   | 3,330                | 3,816,247     |
| 2nd, 5.25%, 05/01/33   | 2,600                | 2,917,486     |
| 5.00%, 05/01/44  | 3,430                | 3,774,784     |
| City of Los Angeles California Department of Airports, ARB, Sub-Series A, AMT, 5.00%, 05/15/42                                   | 4,500                | 5,030,685     |
| City of Los Angeles California Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 07/01/38                    | 5,000                | 5,063,300     |
| City of Manteca California Financing Authority, RB, Manteca Sewer (AGC):   |                      |               |
| 5.63%, 12/01/33  | 2,450                | 2,622,260     |
| 5.75%, 12/01/36  | 3,285                | 3,521,257     |
| City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International Airport SJC, Series A-1, AMT, 5.75%, 03/01/34 | 4,450                | 4,897,625     |
| County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 07/01/18 <sup>(a)</sup>                                      | 5,600                | 5,678,680     |
| Irvine Ranch Water District, Special Assessment Bonds, 5.25%, 02/01/46   | 6,450                | 7,579,588     |
| Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33                                     | 4,365                | 5,140,704     |
|  | 3,000                | 3,516,300     |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| Metropolitan Water District of Southern California, Refunding RB, Series A,<br>5.00%, 07/01/32   |              |              |
| Regents of the University of California Medical Center Pooled Revenue, Refunding RB,<br>Series J:  |              |              |
| 5.25%, 05/15/23 <sup>(a)</sup>   | 9,545        | 11,111,334   |
| 5.25%, 05/15/38  | 2,705        | 3,067,118    |
| San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC),<br>5.38%, 08/01/19 <sup>(a)</sup>                       | 2,000        | 2,106,840    |
| San Marcos Schools Financing Authority, Refunding RB (AGM), 5.25%, 08/15/40  | 3,250        | 3,839,127    |
| State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39   | 15,000       | 15,979,500   |
| State of California Public Works Board, LRB, Various Capital Projects, Series I:<br>5.50%, 11/01/30  | 4,500        | 5,239,665    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>California (continued)</b>  |              |              |
| State of California Public Works Board, LRB, Various Capital<br>Projects, Series I (continued):  |              |              |
| 5.50%, 11/01/31  | \$ 2,615     | \$ 3,037,323 |
| 5.50%, 11/01/33  | 2,000        | 2,312,680    |
| State of California Public Works Board, RB, Department of Corrections & Rehabilitation,<br>Series F, 5.25%, 09/01/33                         | 3,240        | 3,691,429    |
| Township of Washington California Health Care District, GO, Election of 2004, Series B,<br>5.50%, 08/01/40                                   | 1,685        | 1,968,670    |
| University of California, RB, Limited Project, Series M, 5.00%, 05/15/42   | 7,765        | 8,897,836    |
|  |              | 129,963,787  |
| <b>Colorado 2.2%</b>   |              |              |
| City & County of Denver Colorado Airport System, ARB, Series A, AMT:   |              |              |
| 5.50%, 11/15/28  | 2,700        | 3,078,594    |
| 5.50%, 11/15/30  | 1,040        | 1,178,798    |
| 5.50%, 11/15/31  | 1,250        | 1,413,325    |
| Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM),<br>6.00%, 05/15/19 <sup>(a)</sup>                    | 5,925        | 6,234,878    |
|  |              | 11,905,595   |
| <b>District of Columbia 0.4%</b>   |              |              |
| District of Columbia, Refunding RB, KIPP DC Issue, Series A, 5.00%, 07/01/37   | 2,000        | 2,224,740    |
| <b>Florida 8.0%</b>  |              |              |
| City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33  | 1,250        | 1,422,400    |
| County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International<br>Airport, Series A, AMT:                             |              |              |
| 5.50%, 10/01/29  | 5,360        | 6,081,992    |
| 5.25%, 10/01/30  | 3,255        | 3,641,075    |
| County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32   | 7,100        | 7,763,708    |
| County of Lee Florida HFA, RB, S/F Housing, Multi-County Program, Series A-2, AMT<br>(Ginnie Mae, Fannie Mae & Freddie Mac), 6.00%, 09/01/40 | 410          | 415,888      |
| County of Manatee Florida HFA, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie<br>Mae & Freddie Mac), 5.90%, 09/01/40                     | 190          | 194,676      |
| County of Miami-Dade Florida, RB, Seaport Department:<br>Series A, 5.38%, 10/01/33   | 3,145        | 3,536,427    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| Series B, AMT, 6.25%, 10/01/38   | 1,405 | 1,647,447  |
| Series B, AMT, 6.00%, 10/01/42   | 1,885 | 2,184,036  |
| County of Miami-Dade Florida, Refunding RB, Water & Sewer System, Series B, 5.25%, 10/01/29                          | 2,870 | 3,285,088  |
| County of Miami-Dade Florida Aviation, Refunding ARB, Series A, AMT, 5.00%, 10/01/31                                 | 5,465 | 5,968,545  |
| Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 06/01/32  | 3,225 | 3,665,277  |
| South Miami Health Facilities Authority, Refunding RB, Baptist Health South Florida Obligated Group, 5.00%, 08/15/42 | 2,965 | 3,302,595  |
|  |       | 43,109,154 |
| <b>Hawaii 2.0%</b>   |       |            |
| State of Hawaii, Department of Transportation, COP, AMT: 5.25%, 08/01/25   | 1,350 | 1,518,655  |
| 5.25%, 08/01/26  | 2,500 | 2,797,650  |
| State of Hawaii, Department of Transportation, RB, Series A, AMT, 5.00%, 07/01/45                                    | 5,985 | 6,601,455  |
|  |       | 10,917,760 |
| <b>Illinois 18.6%</b>  |       |            |
| City of Chicago Illinois Midway International Airport, Refunding ARB, 2nd Lien, Series A, AMT: 5.50%, 01/01/30       | 6,500 | 7,265,700  |
| 5.50%, 01/01/32  | 6,275 | 6,987,212  |

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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Illinois (continued)</b>  |                      |              |
| City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A, AMT, 5.00%, 01/01/41                      | \$ 8,020             | \$ 8,732,978 |
| City of Chicago Illinois O Hare International Airport, ARB, Senior Lien, Series D, 5.25%, 01/01/42                                   | 2,630                | 3,019,976    |
| City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien:<br>Series A, 5.75%, 01/01/21 <sup>(a)</sup>                   | 6,210                | 6,894,715    |
| Series A, 5.75%, 01/01/39  | 1,185                | 1,300,822    |
| Series C, 6.50%, 01/01/21 <sup>(a)</sup>   | 16,800               | 18,998,784   |
| City of Chicago Illinois O Hare International Airport, Refunding ARB, Senior Lien, Series C, 5.00%, 01/01/37                         | 1,000                | 1,119,350    |
| City of Chicago Illinois Transit Authority, RB:<br>Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 12/01/18 (a) | 6,000                | 6,208,440    |
| Sales Tax Receipts, 5.25%, 12/01/40  | 10,960               | 11,884,038   |
| City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 06/01/28        | 7,735                | 8,173,884    |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 08/15/41  | 4,000                | 4,443,760    |
| Railsplitter Tobacco Settlement Authority, RB <sup>(a)</sup> :<br>5.50%, 06/01/21  | 4,365                | 4,869,114    |
| 6.00%, 06/01/21  | 1,245                | 1,408,331    |
| State of Illinois Finance Authority, RB, University of Chicago, Series B, 5.50%, 07/01/18 <sup>(a)</sup>                             | 8,000                | 8,111,120    |
| State of Illinois Toll Highway Authority, RB, Series B, 5.00%, 01/01/40  | 1,000                | 1,118,620    |
|  |                      | 100,536,844  |
| <b>Indiana 4.2%</b>  |                      |              |
| Indiana Finance Authority, Refunding RB, Stadium Project, Series A, 5.25%, 02/01/37  | 3,130                | 3,633,304    |
| Indiana Municipal Power Agency, Refunding RB, Series A <sup>(a)</sup> :<br>5.25%, 07/01/23   | 1,500                | 1,738,710    |
| 5.25%, 07/01/23  | 1,500                | 1,738,710    |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC):<br>5.50%, 01/01/19 <sup>(a)</sup> | 2,760                | 2,854,005    |
| 5.50%, 01/01/38  | 11,345               | 11,703,502   |
| State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40                    | 1,240                | 1,329,677    |
|  |                      | 22,997,908   |
| <b>Kansas 0.9%</b>   |                      |              |
| County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47  | 4,000                | 4,748,480    |
| <b>Kentucky 1.0%</b>   |                      |              |
| Kentucky Public Energy Authority, RB, Series A, 4.00%, 04/01/48 <sup>(b)</sup>   | 5,000                | 5,353,450    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**Louisiana 0.9%**

|  |       |           |
|--|-------|-----------|
| City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring <sup>(a)</sup> : |       |           |
| Series A-1 (AGC), 6.00%, 01/01/19  | 500   | 519,085   |
| Series A-2 (AGC), 6.00%, 01/01/19  | 720   | 747,483   |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A,<br>5.50%, 05/15/29 | 3,735 | 3,892,654 |
|  |       | 5,159,222 |

**Massachusetts 1.2%**

|  |              |              |
|--|--------------|--------------|
| Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System,<br>5.00%, 07/01/41 | 4,710        | 5,267,005    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |

**Massachusetts (continued)**

|   |          |              |
|---|----------|--------------|
| Massachusetts Educational Financing Authority, RB, Education Loan, Issue I, AMT,<br>5.00%, 01/01/27 | \$ 1,000 | \$ 1,102,520 |
|   |          | 6,369,525    |

**Michigan 3.9%**

|   |       |            |
|---|-------|------------|
| City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM):   |       |            |
| 6.25%, 07/01/19 <sup>(a)</sup>  | 6,310 | 6,696,298  |
| 6.25%, 07/01/36   | 10    | 10,569     |
| Hudsonville Michigan Public Schools, GO, School Building & Site (Q-SBLF),<br>5.25%, 05/01/21 <sup>(a)</sup>                         | 6,015 | 6,665,943  |
| Michigan Finance Authority, Refunding RB, Henry Ford Health System, 5.00%, 11/15/41   | 1,505 | 1,655,244  |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont<br>Hospital, Series V, 8.25%, 09/01/18 <sup>(a)</sup> | 5,780 | 5,976,983  |
|   |       | 21,005,037 |

**Minnesota 1.6%**

|   |       |           |
|---|-------|-----------|
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC),<br>6.50%, 11/15/38 | 8,375 | 8,648,946 |
|---|-------|-----------|

**Mississippi 2.8%**

|   |       |            |
|---|-------|------------|
| Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM): |       |            |
| 6.88%, 12/01/40   | 6,405 | 7,819,352  |
| Special Obligation, 6.75%, 12/01/31   | 3,775 | 4,606,142  |
| Special Obligation, 6.75%, 12/01/33   | 2,350 | 2,867,399  |
|   |       | 15,292,893 |

**Nevada 2.2%**

|   |        |            |
|---|--------|------------|
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A<br>(AGM), 5.25%, 07/01/39 | 11,175 | 11,853,434 |
|---|--------|------------|

**New Jersey 6.9%**

|  |       |           |
|--|-------|-----------|
| New Jersey EDA, RB, Goethals Bridge Replacement Project, AMT, Private Activity Bond: |       |           |
| 5.38%, 01/01/43  | 7,000 | 7,729,190 |
| (AGM), 5.00%, 01/01/31   | 2,425 | 2,705,912 |
| New Jersey EDA, Refunding RB, Series B, 5.50%, 06/15/30                              | 2,330 | 2,643,874 |
|  | 6,500 | 6,794,385 |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 07/01/38          |       |            |
| New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT, 5.75%, 12/01/28             | 2,695 | 2,895,266  |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System: Series A, 5.50%, 06/15/41               | 5,410 | 5,696,405  |
| Series AA, 5.50%, 06/15/39   | 8,175 | 8,709,400  |
|  |       | 37,174,432 |
| <b>New York 10.6%</b>  |       |            |
| City of New York New York Municipal Water Finance Authority, Refunding RB, 2nd General Resolution, Series EE:      |       |            |
| Fiscal 2009, 5.25%, 06/15/40   | 7,500 | 7,825,350  |
| Water & Sewer System, 5.38%, 06/15/43  | 3,475 | 3,791,155  |
| City of New York New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40 | 4,000 | 4,199,800  |
| Metropolitan Transportation Authority, RB:   |       |            |
| Series A, 5.25%, 11/15/21 <sup>(a)</sup>   | 4,000 | 4,502,800  |
| Series A-1, 5.25%, 11/15/39  | 4,490 | 5,121,788  |
| Metropolitan Transportation Authority, Refunding RB, Series B, 5.00%, 11/15/37                                     | 6,140 | 6,943,542  |

SCHEDULES OF INVESTMENTS

45

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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i>  |
|---|----------------------|---------------|
| <b>New York (continued)</b>   |                      |               |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated:   |                      |               |
| 166th Series, 5.25%, 07/15/36   | \$ 10,000            | \$ 10,931,000 |
| 206th Series, AMT, 5.00%, 11/15/37  | 850                  | 965,320       |
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 205th Series:  |                      |               |
| 5.25%, 11/15/39   | 6,000                | 7,073,520     |
| 5.25%, 05/15/42   | 900                  | 1,056,906     |
| Triborough Bridge & Tunnel Authority, Refunding RB, General, Series B, 5.00%, 11/15/38  | 4,500                | 5,152,635     |
|   |                      | 57,563,816    |
| <b>Ohio 1.5%</b>  |                      |               |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1:  |                      |               |
| 5.25%, 02/15/31   | 5,145                | 5,777,269     |
| 5.25%, 02/15/32   | 2,250                | 2,519,820     |
|   |                      | 8,297,089     |
| <b>Pennsylvania 4.5%</b>  |                      |               |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/46   | 18,570               | 21,211,397    |
| Township of Bristol Pennsylvania School District, GO, 5.25%, 06/01/37   | 3,000                | 3,339,180     |
|   |                      | 24,550,577    |
| <b>South Carolina 6.8%</b>  |                      |               |
| County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38  | 6,735                | 7,763,367     |
| County of Charleston South Carolina Airport District, ARB, Series A, AMT:   |                      |               |
| 5.25%, 07/01/25   | 4,490                | 5,112,090     |
| 5.50%, 07/01/38   | 3,000                | 3,355,830     |
| 6.00%, 07/01/38   | 5,270                | 6,023,715     |
| 5.50%, 07/01/41   | 4,170                | 4,658,057     |
| State of South Carolina Ports Authority, RB, AMT, 5.25%, 07/01/50   | 3,445                | 3,789,569     |
| State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55   | 5,500                | 6,042,135     |
|   |                      | 36,744,763    |
| <b>Texas 14.3%</b>  |                      |               |
| City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 03/01/37   | 4,190                | 4,707,172     |
| City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC):                             |                      |               |
| 6.00%, 05/15/19 <sup>(a)</sup>  | 12,030               | 12,666,628    |
| 6.00%, 05/15/19 <sup>(a)</sup>  | 8,940                | 9,413,105     |
| 6.00%, 11/15/35   | 670                  | 705,872       |
| 6.00%, 11/15/36   | 495                  | 521,502       |
| 5.38%, 11/15/38   | 265                  | 276,538       |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 07/01/37 | 1,450                | 1,501,243     |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| Dallas-Fort Worth Texas International Airport, ARB, Joint Improvement, AMT:  |              |              |
| Series A, 5.00%, 11/01/38  | 5,580        | 5,944,597    |
| Series H, 5.00%, 11/01/37  | 4,575        | 4,959,529    |
| Lower Colorado River Authority, Refunding RB, 5.50%, 05/15/33  | 3,735        | 4,299,956    |
| North Texas Tollway Authority, Refunding RB, 1st Tier <sup>(a)</sup> :<br>(AGM), 6.00%, 01/01/21                             | 5,555        | 6,205,657    |
| Series K-1 (AGC), 5.75%, 01/01/19  | 12,150       | 12,583,633   |
| Red River Texas Education Financing Corp., RB, Texas Christian University Project,<br>5.25%, 03/15/38                        | 7,170        | 8,057,789    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Texas (continued)</b>   |              |              |
| Texas Water Development Board, RB, State Water Implementation Revenue,<br>5.25%, 10/15/46                                    | \$ 4,780     | \$ 5,524,581 |
|  |              | 77,367,802   |
| <b>Utah 1.6%</b>   |              |              |
| County of Utah Utah, RB, IHC Health Services, Inc., Series B, 5.00%, 05/15/46  | 7,500        | 8,422,350    |
| <b>Virginia 1.2%</b>   |              |              |
| City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 01/01/43   | 1,750        | 1,917,528    |
| State of Virginia Public School Authority, RB, Fluvanna County School Financing,<br>6.50%, 12/01/18 <sup>(a)</sup>           | 4,300        | 4,465,292    |
|  |              | 6,382,820    |
| <b>Washington 0.8%</b>   |              |              |
| City of Seattle Washington Municipal Light & Power, Refunding RB, Series A,<br>5.25%, 02/01/21 <sup>(a)</sup>                | 4,200        | 4,620,798    |
| <b>Total Municipal Bonds 127.3%</b><br><b>(Cost \$650,715,367)</b>   |              | 689,083,441  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(c)</sup></b>  |              |              |
| <b>Alabama 8.2%</b>  |              |              |
| City of Birmingham Alabama Special Care Facilities Financing Authority, Refunding RB,<br>Senior Credit:                      |              |              |
| Ascension Health, Series C, 5.00%, 11/15/46  | 11,920       | 13,328,944   |
| Ascension Group, Series B, 5.00%, 11/15/46   | 27,798       | 31,084,157   |
|  |              | 44,413,101   |
| <b>California 2.6%</b>   |              |              |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 01/01/34  | 2,400        | 2,503,416    |
| University of California, Refunding RB, Series AR, 5.00%, 05/15/38   | 10,000       | 11,467,800   |
|  |              | 13,971,216   |
| <b>Florida 2.0%</b>  |              |              |
| County of Hillsborough Florida Aviation Authority, ARB, Tampa International Airport,<br>Series A, AMT (AGC), 5.50%, 10/01/38 | 10,657       | 10,878,274   |
| <b>Indiana 1.8%</b>  |              |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |        |            |
|--|--------|------------|
| Indiana Health & Educational Facilities Financing Authority, Refunding RB, St. Francis, Series E (AGM), 5.25%, 05/01/18 <sup>(a)</sup> | 9,850  | 9,912,351  |
| <b>Massachusetts 2.8%</b>  |        |            |
| Commonwealth of Massachusetts, GO, Series G, 4.00%, 09/01/42   | 15,000 | 15,358,400 |
| <b>Nevada 2.5%</b>   |        |            |
| County of Clark Nevada Water Reclamation District, GO <sup>(a)</sup> :<br>Limited Tax, 6.00%, 07/01/18                                 | 8,000  | 8,124,200  |
| Series B, 5.50%, 07/01/19  | 5,008  | 5,267,369  |
|  |        | 13,391,569 |
| <b>New Jersey 3.4%</b>   |        |            |
| New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29  | 7,038  | 7,175,386  |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System:<br>Series A (AMBAC) (AGM), 5.00%, 12/15/32                  | 8,000  | 8,016,840  |
| Series B, 5.25%, 06/15/36 <sup>(d)</sup>   | 2,961  | 3,114,396  |
|  |        | 18,306,622 |

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

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>New York 12.1%</b>   |                      |              |
| City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40 | \$ 4,995             | \$ 5,239,588 |
| City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 01/15/39  | 5,619                | 5,789,737    |
| Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 02/15/47 <sup>(d)</sup>  | 9,249                | 10,212,990   |
| New York City Transitional Finance Authority Future Tax Secured Revenue, RB, Fiscal 2017, Sub-Series B-1, 5.00%, 08/01/40                             | 5,000                | 5,655,200    |
| New York Liberty Development Corp., ARB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43                                      | 13,950               | 15,402,967   |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(d)</sup>  | 8,200                | 9,197,157    |
| New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 03/15/19 <sup>(a)</sup>  | 13,500               | 14,029,335   |
|   |                      | 65,526,974   |
| <b>Texas 7.6%</b>   |                      |              |
| City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 02/01/19 <sup>(a)(d)</sup>   | 12,027               | 12,433,959   |
| North Texas Tollway Authority, RB, Special Projects System, Series A, 5.50%, 09/01/21 <sup>(a)</sup>  | 9,640                | 10,818,153   |
| State of Texas, GO, Texas Transportation Commission, Highway Improvement, 5.00%, 04/01/43   | 15,550               | 17,694,811   |
|   |                      | 40,946,923   |
| <b>Utah 1.2%</b>  |                      |              |
| City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/41   | 6,373                | 6,641,915    |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 44.2%</b><br>(Cost \$236,961,068)   |                      | 239,347,345  |
| <b>Total Long-Term Investments 171.5%</b><br>(Cost \$887,676,435)   |                      | 928,430,786  |
| <i>Security</i>   | <i>Shares</i>        | <i>Value</i> |
| <b>Short-Term Securities 0.3%</b>   |                      |              |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.94% <sup>(e)(f)</sup>   | 1,293,727            | \$ 1,293,856 |
| <b>Total Short Term Securities 0.3%</b><br>(Cost \$1,293,856)   |                      | 1,293,856    |
|   |                      | 929,724,642  |

|  |                       |                |
|--|-----------------------|----------------|
| <b>Total Investments</b>   | <b>171.8%</b>         |                |
| <b>(Cost</b>   | <b>\$888,970,291)</b> |                |
| <b>Other Assets Less Liabilities</b>   | <b>1.7%</b>           | 9,124,099      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable</b> | <b>(22.8)%</b>        | (123,473,135)  |
| <b>VRDP Shares at Liquidation Value, Net of Deferred Offering Costs</b>                  | <b>(50.7)%</b>        | (274,204,609)  |
| <b>Net Assets Applicable to Common Shares</b>  | <b>100.0%</b>         | \$ 541,170,997 |

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Variable rate security. Security may be issued at a fixed coupon rate, which converts to a variable rate at a specified date. Rate shown is the rate in effect as of period end.
- (c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (d) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between September 6, 2018 to November 15, 2019, is \$19,874,974. See Note 4 of the Notes to Financial Statements for details.
- (e) Annualized 7-day yield as of period end.
- (f) During the period ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| <i>Affiliated</i>  | <i>Shares Held at 08/31/17</i> | <i>Net Activity</i> | <i>Shares Held at 02/28/18</i> | <i>Value at 02/28/18</i> | <i>Income</i> | <i>Realized Gain (Loss)</i> | <i>Change in Net Unrealized Appreciation (Depreciation)</i> |
|--|--------------------------------|---------------------|--------------------------------|--------------------------|---------------|-----------------------------|---|
| BlackRock Liquidity Funds, MuniCash, Institutional Class |                                | 1,293,727           | 1,293,727                      | \$ 1,293,856             | \$ 10,586     | \$ (223)                    | \$  |

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

#### Derivative Financial Instruments Outstanding as of Period End

#### Futures Contracts

| <i>Description</i>         | <i>Number of Contracts</i> | <i>Expiration Date</i> | <i>Notional Amount (000)</i> | <i>Value/ Unrealized Appreciation (Depreciation)</i> |
|----------------------------|----------------------------|------------------------|------------------------------|--|
| Short Contracts:           |                            |                        |                              |  |
| 10-Year U.S. Treasury Note | 155                        | 06/20/18               | \$ 18,607                    | \$ 14,524  |
| Long U.S. Treasury Bond    | 134                        | 06/20/18               | 19,221                       | (79,729)   |
| 5-Year U.S. Treasury Note  | 101                        | 06/29/18               | 11,507                       | 17,937   |

\$ (47,268)

SCHEDULES OF INVESTMENTS

47

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

February 28, 2018

**Derivative Financial Instruments Categorized by Risk Exposure**

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 32,461                              | \$                         | \$ 32,461    |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 79,729                              | \$                         | \$ 79,729    |

<sup>(a)</sup> Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day s variation margin is reported within the Statements of Assets and Liabilities. For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>                           |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 2,695,498                           | \$                         | \$ 2,695,498 |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 134,198                             | \$                         | \$ 134,198   |

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



Futures contracts:

Average notional value of contracts short \$ 39,969,254

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

### Fair Value Hierarchy as of Period End

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

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

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 928,430,786 | \$             | \$ 928,430,786 |
| Short-Term Securities                           | 1,293,856      |                |                | 1,293,856      |
|   | \$ 1,293,856   | \$ 928,430,786 | \$             | \$ 929,724,642 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Assets:   |                |                |                |                |
| Interest rate contracts                         | \$ 32,461      | \$             | \$             | \$ 32,461      |
| Liabilities:                                    |                |                |                |                |
| Interest rate contracts                         | (79,729)       |                |                | (79,729)       |
|   | \$ (47,268)    | \$             | \$             | \$ (47,268)    |

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

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

---

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

February 28, 2018

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

|                                  | Level 1 | Level 2         | Level 3 | Total           |
|----------------------------------|---------|-----------------|---------|-----------------|
| Liabilities:                     |         |                 |         |                 |
| TOB Trust Certificates           | \$      | \$(123,070,585) | \$      | \$(123,070,585) |
| VRDP Shares at Liquidation Value |         | (274,600,000)   |         | (274,600,000)   |
|                                  | \$      | \$(397,670,585) | \$      | \$(397,670,585) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*

Schedule of Investments (unaudited)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

(Percentages shown are based on Net Assets)

|  | <i>Par</i>   | <i>Value</i> |
|--|--------------|--------------|
|  | <i>(000)</i> |              |
| <i>Security</i>  |              |              |
| <b>Municipal Bonds 117.2%</b>  |              |              |
| <b>Alabama 1.9%</b>  |              |              |
| City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A:                                   |              |              |
| 5.80%, 05/01/34  | \$ 1,850     | \$ 2,005,067 |
| 5.38%, 12/01/35  | 1,000        | 1,106,720    |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/20 <sup>(a)</sup>  | 7,610        | 8,444,893    |
|  |              | 11,556,680   |
| <b>Alaska 0.5%</b>   |              |              |
| City of Anchorage Alaska Electric Revenue, Refunding RB, Series A, 5.00%, 12/01/41   | 3,000        | 3,332,910    |
| <b>Arizona 4.0%</b>  |              |              |
| Arizona IDA, Refunding RB, Basis Schools, Inc. Projects, Series A, 5.38%, 07/01/50 <sup>(b)</sup>                                  | 2,500        | 2,601,050    |
| City of Phoenix Arizona Civic Improvement Corp., Refunding RB, Junior Lien, Series A, 5.00%, 07/01/20 <sup>(a)</sup>               | 2,000        | 2,153,960    |
| City of Phoenix Arizona IDA, RB, Candeo School, Inc. Project:  |              |              |
| 6.63%, 07/01/33  | 2,245        | 2,505,847    |
| 6.88%, 07/01/44  | 3,440        | 3,811,107    |
| City of Phoenix Arizona IDA, Refunding RB <sup>(b)</sup> :   |              |              |
| Basis Schools, Inc. Projects, 5.00%, 07/01/35  | 600          | 616,632      |
| Basis Schools, Inc. Projects, 5.00%, 07/01/45  | 760          | 775,367      |
| Basis Schools, Inc. Projects, Series A, 5.00%, 07/01/35  | 1,125        | 1,156,185    |
| Legacy Traditional School Projects, 5.00%, 07/01/45  | 700          | 713,713      |
| County of Maricopa Arizona Pollution Control Corp., Refunding RB, Southern California Edison Co., Series A, 5.00%, 06/01/35        | 3,300        | 3,502,884    |
| Salt Verde Financial Corp., RB, Senior, 5.00%, 12/01/37  | 5,725        | 6,699,166    |
|  |              | 24,535,911   |
| <b>California 6.3%</b>   |              |              |
| California Health Facilities Financing Authority, RB:  |              |              |
| St. Joseph Health System, Series A, 5.75%, 07/01/39  | 5,000        | 5,267,200    |
| Sutter Health, Series B, 6.00%, 08/15/42   | 5,600        | 6,113,744    |
| California Health Facilities Financing Authority, Refunding RB, Dignity Health, Series A, 6.00%, 07/01/19 <sup>(a)</sup>           | 1,055        | 1,117,572    |
| City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A, 5.25%, 05/15/39 | 1,200        | 1,252,092    |
| Los Angeles Community College District California, GO, Refunding Election of 2008, Series A, 6.00%, 08/01/19 <sup>(a)</sup>        | 9,585        | 10,201,411   |
| Oakland Unified School District/Alameda County, GO, Series A, 5.00%, 08/01/40  | 1,000        | 1,122,150    |
|  | 10,000       | 2,995,900    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |              |              |
|--|--------------|--------------|
| Poway Unified School District, GO, Refunding, CAB, School Facilities Improvement District No. 2007-1, Election of 2008, Series B, 0.00%, 08/01/46 <sup>(c)</sup> |              |              |
| State of California, GO, Various Purposes, 6.50%, 04/01/33   | 9,675        | 10,201,127   |
|  |              | 38,271,196   |
| <b>Colorado 0.9%</b>   |              |              |
| Centerra Metropolitan District No. 1, Tax Allocation Bonds, 5.00%, 12/01/47 <sup>(b)</sup>   | 1,025        | 1,046,033    |
| Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33   | 2,500        | 2,561,525    |
| Copperleaf Metropolitan District No. 2, GO, Refunding, 5.75%, 12/01/45   | 1,000        | 1,046,630    |
| Serenity Ridge Metropolitan District No 2, GO, Series A, 5.13%, 12/01/43   | 1,000        | 1,003,750    |
|  |              | 5,657,938    |
|  | <i>Par</i>   |              |
| <i>Security</i>  | <i>(000)</i> | <i>Value</i> |
| <b>Connecticut 0.4%</b>  |              |              |
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Sacred Heart University Issue, Series I-1, 5.00%, 07/01/42                           | \$ 2,000     | \$ 2,215,120 |
| <b>Delaware 0.4%</b>   |              |              |
| County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40   | 2,500        | 2,631,800    |
| <b>District of Columbia 0.2%</b>   |              |              |
| Metropolitan Washington Airports Authority, Refunding RB, Dulles Toll Road, 1st Senior Lien, Series A:   |              |              |
| 5.00%, 10/01/39  | 415          | 433,277      |
| 5.25%, 10/01/44  | 650          | 680,517      |
|  |              | 1,113,794    |
| <b>Florida 7.3%</b>  |              |              |
| Celebration Pointe Community Development District, Special Assessment Bonds, County of Alachua Florida <sup>(b)</sup> :  |              |              |
| 5.00%, 05/01/32  | 905          | 937,933      |
| 5.00%, 05/01/48  | 2,270        | 2,321,779    |
| County of Miami-Dade Florida, GO, Building Better Communities Program <sup>(a)</sup> :   |              |              |
| Series B, 6.38%, 07/01/18  | 4,630        | 4,706,812    |
| Series B-1, 5.63%, 07/01/18  | 5,000        | 5,071,500    |
| County of Miami-Dade Florida, Refunding RB, Transit System Sales Surtax, 5.00%, 07/01/42   | 3,750        | 4,100,138    |
| County of Miami-Dade Florida Aviation, Refunding ARB, Miami International Airport, Series A-1, 5.38%, 10/01/41   | 10,290       | 11,150,964   |
| County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, University of Miami, Series A, 5.00%, 04/01/45                                      | 4,625        | 5,093,189    |
| County of Miami-Dade Florida Expressway Authority, Refunding RB, Series A (AGM), 5.00%, 07/01/35   | 8,900        | 9,513,210    |
| Lakewood Ranch Stewardship District, Special Assessment Bonds, Lakewood National & Polo Run Projects:  |              |              |
| 4.63%, 05/01/27  | 255          | 262,994      |
| 5.25%, 05/01/37  | 470          | 496,564      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| 5.38%, 05/01/47   | 770   | 811,803    |
|   |       | 44,466,886 |
| <b>Georgia 0.8%</b>   |       |            |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series B, AMT,<br>5.00%, 01/01/29           | 1,070 | 1,154,199  |
| DeKalb Georgia Private Hospital Authority, Refunding RB, Children s Healthcare,<br>5.25%, 11/15/39          | 3,335 | 3,518,925  |
|   |       | 4,673,124  |
| <b>Hawaii 0.9%</b>  |       |            |
| State of Hawaii Harbor System, RB, Series A, 5.50%, 07/01/35  | 5,000 | 5,391,650  |
| <b>Illinois 12.6%</b>   |       |            |
| Chicago Board of Education, GO, Series H, 5.00%, 12/01/36   | 865   | 873,581    |
| Chicago Board of Education, GO, Refunding, Dedicated Revenues:<br>Series D, 5.00%, 12/01/25                 | 1,560 | 1,655,472  |
| Series F, 5.00%, 12/01/23   | 1,180 | 1,254,305  |
| Series G, 5.00%, 12/01/34   | 865   | 881,651    |
| City of Chicago Illinois O Hare International Airport, GARB, Senior Lien, Series D, AMT,<br>5.00%, 01/01/42 | 1,450 | 1,591,970  |
| City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/36                         | 2,110 | 2,290,236  |
| City of Chicago Illinois Wastewater Transmission, Refunding RB, 2nd Lien, Series C,<br>5.00%, 01/01/39      | 1,000 | 1,073,410  |

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par</i>   | <i>Value</i> |
|---|--------------|--------------|
|   | <i>(000)</i> |              |
| <b>Illinois (continued)</b>   |              |              |
| County of Cook Illinois Community College District No. 508, GO, University & College Improvements, 5.25%, 12/01/31                        | \$ 5,000     | \$ 5,317,750 |
| Illinois Finance Authority, RB:   |              |              |
| Advocate Health Care Network, Series D, 6.50%, 11/01/18 <sup>(a)</sup>  | 9,700        | 10,024,174   |
| Memorial Health System, Series A, 5.25%, 07/01/44   | 1,785        | 1,919,428    |
| Illinois Finance Authority, Refunding RB:   |              |              |
| Northwestern Memorial Hospital, Series A, 6.00%, 08/15/19 <sup>(a)</sup>  | 9,000        | 9,581,130    |
| OSF Healthcare System, 6.00%, 05/15/20 <sup>(a)</sup>   | 3,205        | 3,497,264    |
| OSF Healthcare System, 6.00%, 05/15/39  | 1,455        | 1,529,147    |
| Presence Health Network, Series C, 5.00%, 02/15/41  | 3,600        | 3,933,756    |
| Illinois State Toll Highway Authority, RB, Series A, 5.00%, 01/01/42  | 7,990        | 8,993,384    |
| Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project Bonds, Series A:  |              |              |
| 0.00%, 12/15/56 <sup>(c)</sup>  | 8,755        | 1,177,372    |
| 5.00%, 06/15/57   | 2,390        | 2,538,037    |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Expansion Project Bonds, Series B, 0.00%, 12/15/54 <sup>(c)</sup> | 13,125       | 1,957,462    |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 06/01/21 <sup>(a)</sup>   | 2,645        | 2,991,998    |
| Regional Transportation Authority, RB:  |              |              |
| Series A (AMBAC), 7.20%, 11/01/20   | 1,235        | 1,343,976    |
| Series C (NPFGC), 7.75%, 06/01/20   | 2,230        | 2,396,046    |
| Village of Hodgkins Illinois, RB, Metropolitan Biosolids Management LLC Project, AMT, 6.00%, 11/01/23                                     | 10,000       | 10,014,500   |
|   |              | 76,836,049   |
| <b>Indiana 1.6%</b>   |              |              |
| City of Valparaiso Indiana, RB, Exempt Facilities, Pratt Paper LLC Project, AMT, 6.75%, 01/01/34  | 2,250        | 2,644,177    |
| County of Allen Indiana, RB, StoryPoint Fort Wayne Project, Series A-1 <sup>(b)</sup> :   |              |              |
| 6.63%, 01/15/34   | 700          | 738,549      |
| 6.75%, 01/15/43   | 570          | 601,025      |
| State of Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT, 5.00%, 07/01/40                         | 2,640        | 2,830,925    |
| State of Indiana Finance Authority, Refunding RB, Deaconess Health System, Series A, 5.00%, 03/01/39                                      | 3,000        | 3,297,210    |
|   |              | 10,111,886   |
| <b>Iowa 0.9%</b>  |              |              |
| Iowa Finance Authority, Refunding RB, Midwestern Disaster Area, Iowa Fertilizer Co. Project, 5.25%, 12/01/25                              | 4,500        | 4,778,865    |
|   | 1,000        | 1,010,300    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |              |              |
|---|--------------|--------------|
| Iowa Tobacco Settlement Authority, Refunding RB, Asset-Backed, CAB, Series B, 5.60%,<br>06/01/34  |              | 5,789,165    |
| <b>Kansas 1.0%</b>  |              |              |
| City of Lenexa Kansas, Refunding RB, Lakeview Village, Inc., Series A, 5.00%, 05/15/43  | 1,965        | 2,017,367    |
| Wyandotte County-Kansas City Unified Government Utility System, RB, Series A, 5.00%,<br>09/01/40  | 3,700        | 4,156,543    |
|   |              | 6,173,910    |
| <b>Kentucky 2.7%</b>  |              |              |
| County of Owen Kentucky, RB, Kentucky American Water Co. Project, Series B, 5.63%,<br>09/01/39  | 1,000        | 1,054,420    |
| Kentucky Economic Development Finance Authority, Refunding RB, Hospital Facilities,<br>St. Elizabeth Medical Center, Inc., Series A, 5.50%, 05/01/19 <sup>(a)</sup> | 8,000        | 8,363,840    |
|   | <i>Par</i>   |              |
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Kentucky (continued)</b>   |              |              |
| Lexington-Fayette Urban County Airport Board, Refunding GARB, Series A, 5.00%,<br>07/01/19 <sup>(a)</sup>   | \$ 7,000     | \$ 7,323,330 |
|   |              | 16,741,590   |
| <b>Louisiana 4.1%</b>   |              |              |
| City of New Orleans Aviation Board, ARB, General Airport North Terminal Project, Series<br>B, AMT, 5.00%, 01/01/48  | 4,000        | 4,394,800    |
| Louisiana Local Government Environmental Facilities & Community Development<br>Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35          | 2,615        | 2,897,838    |
| Parish of St. Charles Louisiana, RB, Valero Energy Corp., 4.00%, 12/01/40 <sup>(d)</sup>  | 2,210        | 2,346,401    |
| Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:<br>5.25%, 05/15/31  | 3,420        | 3,687,889    |
| 5.25%, 05/15/32   | 4,375        | 4,764,375    |
| 5.25%, 05/15/33   | 4,750        | 5,131,805    |
| 5.25%, 05/15/35   | 1,500        | 1,625,280    |
|   |              | 24,848,388   |
| <b>Maine 1.0%</b>   |              |              |
| Maine Health & Higher Educational Facilities Authority, RB, Series A:<br>5.00%, 07/01/19 <sup>(a)</sup>   | 1,560        | 1,629,935    |
| 5.00%, 07/01/39   | 3,440        | 3,565,526    |
| Portland Housing Development Corp., Refunding RB, Senior Living, Retirement Facilities,<br>Series A, 6.00%, 02/01/34  | 1,190        | 1,191,606    |
|   |              | 6,387,067    |
| <b>Maryland 3.2%</b>  |              |              |
| City of Baltimore Maryland, Refunding RB, East Baltimore Research Park, Series A, 4.50%,<br>09/01/33  | 545          | 564,609      |
| County of Howard Maryland Housing Commission, RB, M/F Housing, Woodfield Oxford<br>Square Apartments, 5.00%, 12/01/42   | 4,935        | 5,481,304    |
| Maryland Health & Higher Educational Facilities Authority, Refunding RB:<br>Charlestown Community Project, 6.25%, 01/01/21 <sup>(a)</sup>                           | 2,000        | 2,242,120    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| Meritus Medical Center Issue, 5.00%, 07/01/40  | 6,350 | 6,766,306  |
| University of Maryland Medical System, 5.00%, 07/01/19 <sup>(a)</sup>  | 1,990 | 2,079,212  |
| University of Maryland Medical System, 5.13%, 07/01/19 <sup>(a)</sup>  | 2,100 | 2,197,587  |
|  |       | 19,331,138 |
| <b>Massachusetts 2.1%</b>  |       |            |
| Massachusetts Bay Transportation Authority, Refunding RB, General Transportation System, Series A, 7.00%, 03/01/19     | 370   | 379,439    |
| Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A: 5.00%, 01/01/47                         | 845   | 929,069    |
| 5.25%, 01/01/42  | 1,895 | 2,126,588  |
| Massachusetts Development Finance Agency, Refunding RB, Emerson College, Series A, 5.00%, 01/01/40                     | 2,180 | 2,430,700  |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42  | 2,610 | 2,674,362  |
| Massachusetts Water Resources Authority, RB, Series A, 6.50%, 07/15/19 <sup>(e)</sup>                                  | 3,965 | 4,080,421  |
|  |       | 12,620,579 |
| <b>Michigan 2.3%</b>   |       |            |
| City of Detroit Michigan Water Supply System Revenue, RB, 2nd Lien, Series B (AGM), 6.25%, 07/01/19 <sup>(a)</sup>     | 2,495 | 2,647,744  |
| Michigan State Hospital Finance Authority, Refunding RB, McLaren Health Care, Series A, 5.75%, 05/15/18 <sup>(a)</sup> | 7,285 | 7,350,856  |

SCHEDULES OF INVESTMENTS

51



Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

(Percentages shown are based on Net Assets)

|   | <i>Par</i>   |              |
|---|--------------|--------------|
| <i>Security</i>   | <i>(000)</i> | <i>Value</i> |
| <b>Michigan (continued)</b>   |              |              |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 09/01/18 <sup>(a)</sup>                | \$ 4,100     | \$ 4,239,728 |
|   |              | 14,238,328   |
| <b>Minnesota 0.7%</b>   |              |              |
| City of Cologne Minnesota Charter School, LRB, Cologne Academy Project, Series A, 5.00%, 07/01/45   | 1,500        | 1,500,705    |
| County of St. Paul Minnesota Housing & Redevelopment Authority, Refunding RB, Fairview Health Services, Series A, 4.00%, 11/15/43               | 1,940        | 1,968,790    |
| Housing & Redevelopment Authority of The City of Saint Paul Minnesota, RB, Great River School Project, Series A, 5.50%, 07/01/52 <sup>(b)</sup> | 695          | 710,721      |
|   |              | 4,180,216    |
| <b>Mississippi 4.6%</b>   |              |              |
| County of Lowndes Mississippi, Refunding RB, Solid Waste Disposal & Pollution Control, Weyerhaeuser Co. Project:                                |              |              |
| Series A, 6.80%, 04/01/22   | 9,160        | 10,532,809   |
| Series B, 6.70%, 04/01/22   | 4,500        | 5,157,225    |
| Mississippi Business Finance Corp., Refunding RB, System Energy Resource, Inc. Project, 5.88%, 04/01/22   | 9,305        | 9,597,456    |
| Mississippi Development Bank, Refunding RB, Municipal Energy Agency Of Mississippi, Series A (AGM), 4.00%, 03/01/41                             | 3,000        | 3,043,110    |
|   |              | 28,330,600   |
| <b>Montana 0.3%</b>   |              |              |
| Montana State Board of Housing, RB, S/F, Series B-2:  |              |              |
| 3.38%, 12/01/37   | 835          | 812,038      |
| 3.50%, 12/01/42   | 360          | 351,234      |
| 3.60%, 12/01/47   | 555          | 540,126      |
|   |              | 1,703,398    |
| <b>Nebraska 1.1%</b>  |              |              |
| Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 09/01/42  | 6,200        | 6,718,072    |
| <b>Nevada 0.4%</b>  |              |              |
| City of Carson City Nevada, Refunding RB, Carson Tahoe Regional Healthcare Project, 5.00%, 09/01/42   | 1,150        | 1,250,544    |
| County of Nevada Clark School District, GO, Refunding, Building, Series A, 5.00%, 06/15/25  | 850          | 976,064      |
|   |              | 2,226,608    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**New Jersey 9.8%**

|  |            |            |
|--|------------|------------|
| Casino Reinvestment Development Authority, Refunding RB, 5.25%, 11/01/44         | 1,400      | 1,487,934  |
| New Jersey EDA, RB:  |            |            |
| Continental Airlines, Inc. Project, Series A, AMT, 5.63%, 11/15/30               | 1,530      | 1,730,537  |
| Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.38%, 01/01/43 | 10,000     | 11,041,700 |
| Goethals Bridge Replacement Project, AMT, Private Activity Bond, 5.13%, 01/01/34 | 1,050      | 1,154,339  |
| School Facilities Construction, Series UU, 5.00%, 06/15/40                       | 3,390      | 3,513,599  |
| New Jersey EDA, Refunding RB, School Facilities Construction:                    |            |            |
| 5.25%, 06/15/19 <sup>(a)</sup>   | 2,650      | 2,772,562  |
| Series AA, 5.25%, 06/15/19 <sup>(a)</sup>  | 700        | 732,375    |
| Series AA, 5.25%, 12/15/33   | 6,650      | 6,870,381  |
| New Jersey Transportation Trust Fund Authority, RB:                              |            |            |
| CAB, Transportation System, Series A, 0.00%, 12/15/38 <sup>(c)</sup>             | 7,260      | 2,648,811  |
|  | <i>Par</i> |            |

*Security*

(000)

*Value*

**New Jersey (continued)**

|  |          |              |
|--|----------|--------------|
| New Jersey Transportation Trust Fund Authority, RB<br>(continued):           |          |              |
| Transportation Program, Series AA, 5.25%, 06/15/33                           | \$ 8,750 | \$ 9,300,200 |
| Transportation Program, Series AA, 5.25%, 06/15/41                           | 780      | 827,884      |
| Transportation Program, Series AA, 5.00%, 06/15/44                           | 4,450    | 4,592,489    |
| Transportation System, Series B, 5.50%, 06/15/31                             | 8,000    | 8,556,320    |
| Tobacco Settlement Financing Corp., Refunding RB, Series 1A, 5.00%, 06/01/41 | 4,980    | 4,955,200    |
|  |          | 60,184,331   |

**New York 8.2%**

|   |        |            |
|---|--------|------------|
| Build NYC Resource Corp., Refunding RB, Pratt Paper, Inc. Project, AMT,<br>5.00%, 01/01/35 <sup>(b)</sup>                       | 2,145  | 2,302,464  |
| City of New York New York Water & Sewer System, Refunding RB, 2nd General<br>Resolution, Series FF-2, 5.50%, 06/15/40           | 4,150  | 4,357,292  |
| Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo,<br>Series A, 6.25%, 06/01/41 <sup>(b)</sup> | 3,500  | 3,607,345  |
| Erie Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, Series A,<br>5.00%, 06/01/45                               | 4,435  | 4,243,940  |
| Metropolitan Transportation Authority, RB, Series C:  |        |            |
| 6.25%, 11/15/18 <sup>(a)</sup>  | 2,595  | 2,685,254  |
| 6.25%, 11/15/18 <sup>(a)</sup>  | 25     | 25,869     |
| 6.50%, 11/15/18 <sup>(a)</sup>  | 11,135 | 11,537,642 |
| 6.50%, 11/15/18 <sup>(a)</sup>  | 925    | 958,448    |
| 6.25%, 11/15/23   | 625    | 646,381    |
| 6.50%, 11/15/28   | 2,865  | 2,967,997  |
| New York Counties Tobacco Trust IV, Refunding RB, Tobacco Settlement Pass-Through<br>Bonds, Series A, 5.00%, 06/01/38           | 3,675  | 3,569,895  |
| New York Liberty Development Corp., Refunding RB, 3 World Trade Center Project,<br>Class 2 <sup>(b)</sup> :                     |        |            |
| 5.15%, 11/15/34   | 460    | 502,104    |
| 5.38%, 11/15/40   | 1,145  | 1,250,764  |
| New York Transportation Development Corp., Refunding ARB, American Airlines, Inc.,<br>AMT, 5.00%, 08/01/31                      | 3,070  | 3,250,332  |
|   | 3,165  | 3,475,803  |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |       |            |
|--|-------|------------|
| Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/36 |       |            |
| TSASC, Inc., Refunding RB, Series A, 5.00%, 06/01/41   | 1,785 | 1,963,750  |
| Westchester Tobacco Asset Securitization, Refunding RB, Tobacco Settlement Bonds, Sub-Series C, 5.13%, 06/01/51                      | 2,740 | 2,797,458  |
|  |       | 50,142,738 |
| <b>Ohio 3.8%</b>   |       |            |
| Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2, 5.88%, 06/01/47                     | 1,025 | 976,190    |
| County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 06/01/20 <sup>(a)</sup>       | 2,875 | 3,104,971  |
| County of Butler Port Authority, RB, StoryPoint Fairfield Project, Series A-1 <sup>(b)</sup> :<br>6.38%, 01/15/43                    | 675   | 696,836    |
| 6.50%, 01/15/52  | 390   | 404,040    |
| County of Franklin Ohio, RB, Health Care Facilities Improvement, OPRS Communities Obligation Group, Series A, 6.13%, 07/01/40        | 1,690 | 1,863,884  |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 <sup>(a)</sup>                                   | 1,915 | 2,231,454  |
| County of Montgomery Ohio, RB, Catholic Health Initiatives, Series D-2, 5.45%, 10/01/38  | 7,430 | 8,135,627  |

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par</i>   | <i>Value</i> |
|---|--------------|--------------|
|   | <i>(000)</i> |              |
| <b>Ohio (continued)</b>   |              |              |
| County of Montgomery Ohio, Refunding RB, Catholic Health:<br>5.50%, 05/01/19 <sup>(a)</sup>   | \$ 1,910     | \$ 1,996,867 |
| Series A, 5.50%, 05/01/34   | 3,560        | 3,675,807    |
|   |              | 23,085,676   |
| <b>Oklahoma 0.6%</b>  |              |              |
| Oklahoma Development Finance Authority, RB, Provident Oklahoma Education Resources,<br>Inc., Cross Village Student Housing Project, Series A, 5.25%, 08/01/57 | 3,275        | 3,563,921    |
| <b>Pennsylvania 5.4%</b>  |              |              |
| Allentown Neighborhood Improvement Zone Development Authority, RB, City Center<br>Project, 5.00%, 05/01/42 <sup>(b)</sup>                                     | 1,725        | 1,830,329    |
| County of Delaware Pennsylvania IDA, Refunding RB, Covanta Project, 5.00%, 07/01/43   | 5,000        | 5,022,550    |
| County of Montgomery Pennsylvania IDA, Refunding RB, Whitmarsh Continuing Care<br>Retirement Community, 5.25%, 01/01/40                                       | 4,170        | 4,210,199    |
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM),<br>5.00%, 08/15/36  | 4,385        | 4,974,607    |
| Pennsylvania Economic Development Financing Authority, RB, Pennsylvania Bridge Finco<br>LP, 5.00%, 12/31/38   | 2,565        | 2,775,227    |
| Pennsylvania HFA, RB, S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40   | 3,850        | 3,909,175    |
| Pennsylvania Housing Finance Agency, RB, S/F, Series 125B, 3.65%, 10/01/42  | 7,925        | 7,773,315    |
| Pennsylvania Turnpike Commission, RB:<br>Series A-1, 5.00%, 12/01/41  | 440          | 488,567      |
| Sub-Series B-1, 5.25%, 06/01/47   | 2,130        | 2,379,359    |
|   |              | 33,363,328   |
| <b>Puerto Rico 1.1%</b>   |              |              |
| Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds:<br>5.50%, 05/15/39  | 3,555        | 3,342,980    |
| 5.63%, 05/15/43   | 3,400        | 3,168,358    |
|   |              | 6,511,338    |
| <b>Rhode Island 1.7%</b>  |              |              |
| Rhode Island Health & Educational Building Corp., Refunding RB, Hospital Financing,<br>LifeSpan Obligation Group, 5.00%, 05/15/39                             | 1,425        | 1,528,882    |
| Tobacco Settlement Financing Corp., Refunding RB, Series B:<br>4.50%, 06/01/45  | 6,820        | 6,886,836    |
| 5.00%, 06/01/50   | 2,000        | 2,048,700    |
|   |              | 10,464,418   |
| <b>South Carolina 1.2%</b>  |              |              |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |            |              |
|---|------------|--------------|
| State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55   | 6,450      | 7,085,777    |
| <b>Texas 12.3%</b>  |            |              |
| Central Texas Regional Mobility Authority, RB, Senior Lien, Series A:   |            |              |
| 5.00%, 01/01/40   | 1,215      | 1,331,883    |
| 5.00%, 01/01/45   | 3,500      | 3,824,870    |
| Central Texas Regional Mobility Authority, Refunding RB, Senior Lien:   |            |              |
| 5.75%, 01/01/21 <sup>(a)</sup>  | 1,000      | 1,107,330    |
| 6.00%, 01/01/21 <sup>(a)</sup>  | 4,300      | 4,791,060    |
| Series A, 5.00%, 01/01/43   | 6,925      | 7,462,449    |
| City of Houston Texas Airport System, Refunding ARB, United Airlines, Inc. Terminal E Project, AMT, 5.00%, 07/01/29   | 2,665      | 2,913,831    |
|   | <i>Par</i> |              |
|   | (000)      | <i>Value</i> |
| <i>Security</i>   |            |              |
| <b>Texas (continued)</b>  |            |              |
| County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 01/01/23 <sup>(a)</sup> | \$ 850     | \$ 1,036,405 |
| County of Harris Texas Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B <sup>(a)</sup> :                                 |            |              |
| 7.13%, 12/01/18   | 3,500      | 3,648,050    |
| 7.25%, 12/01/18   | 5,400      | 5,633,442    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 08/15/20 <sup>(a)</sup>                                       | 4,630      | 5,115,687    |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Trinity Terrace Project, 5.00%, 10/01/44   | 3,500      | 3,694,425    |
| La Vernia Higher Education Finance Corp., RB, KIPP, Inc., Series A, 6.25%, 08/15/19 <sup>(a)</sup>  | 925        | 985,958      |
| Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40   | 1,100      | 1,180,102    |
| New Hope Cultural Education Facilities Corp., RB, Collegiate Housing Tarleton State University Project, 5.00%, 04/01/35   | 500        | 538,405      |
| New Hope Cultural Education Facilities Corp., Refunding RB, 1st Mortgage, Morningside Ministries Project, 6.25%, 01/01/33   | 1,600      | 1,781,120    |
| North Texas Education Finance Corp., ERB, Uplift Education, Series A, 5.13%, 12/01/42   | 1,000      | 1,047,460    |
| North Texas Tollway Authority, Refunding RB:  |            |              |
| 1st Tier System, Series A, 6.25%, 01/01/19 <sup>(a)</sup>   | 2,845      | 2,955,813    |
| 1st Tier System, Series A, 6.25%, 01/01/39  | 655        | 678,292      |
| 1st Tier-Series A, 5.00%, 01/01/43  | 5,145      | 5,804,846    |
| Series A, 5.00%, 01/01/38   | 5,000      | 5,496,550    |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien:  |            |              |
| LBJ Infrastructure Group LLC, 7.00%, 06/30/40   | 8,000      | 8,841,360    |
| NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39   | 4,710      | 5,100,082    |
|   |            | 74,969,420   |
| <b>Vermont 0.9%</b>   |            |              |
| University of Vermont & State Agricultural College, Refunding RB, 5.00%, 10/01/43   | 4,995      | 5,648,046    |
| <b>Virginia 4.3%</b>  |            |              |
| Ballston Quarter Community Development Authority, Tax Allocation Bonds, Series A: 5.38%, 03/01/36   | 430        | 448,211      |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| 5.50%, 03/01/46   | 1,475 | 1,536,183  |
| City of Portsmouth Virginia, GO, Refunding Series D, 5.00%, 07/15/20 <sup>(a)</sup>                       | 3,030 | 3,267,067  |
| County of Fairfax Virginia IDA, Refunding RB, Health Care-Inova Health,<br>5.50%, 05/15/19 <sup>(a)</sup> | 735   | 769,538    |
| Tobacco Settlement Financing Corp., Refunding RB, Senior Series B-1, 5.00%, 06/01/47                      | 3,665 | 3,557,249  |
| Virginia Small Business Financing Authority, RB, AMT:   |       |            |
| Senior Lien, Elizabeth River Crossings OpCo LLC Project, 6.00%, 01/01/37                                  | 2,150 | 2,416,514  |
| Senior Lien, Elizabeth River Crossings OpCo LLC Project, 5.50%, 01/01/42                                  | 5,140 | 5,660,168  |
| Transform 66 P3 Project, 5.00%, 12/31/49  | 7,895 | 8,504,178  |
|   |       | 26,159,108 |
| <b>Washington 3.0%</b>  |       |            |
| Port of Seattle Washington, ARB, Intermediate Lien, Series C, AMT:  |       |            |
| 5.00%, 05/01/37   | 4,905 | 5,538,873  |
| 5.00%, 05/01/42   | 1,295 | 1,451,501  |

SCHEDULES OF INVESTMENTS

53

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

(Percentages shown are based on Net Assets)

|  | <i>Par</i>   |              |
|--|--------------|--------------|
|  | <i>(000)</i> | <i>Value</i> |
| <i>Security</i>  |              |              |
| <b>Washington (continued)</b>  |              |              |
| Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 01/01/45  | \$ 4,010     | \$ 4,398,248 |
| Washington Health Care Facilities Authority, Refunding RB, Catholic Health Initiatives, Series D, 6.38%, 10/01/36  | 7,000        | 7,165,480    |
|  |              | 18,554,102   |
| <b>West Virginia 0.4%</b>  |              |              |
| West Virginia Hospital Finance Authority, Refunding RB, Improvement, Charleston Area Medical Center, Inc., Series A, 5.63%, 09/01/32                             | 2,500        | 2,604,350    |
| <b>Wisconsin 1.0%</b>  |              |              |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group: Series C, 5.25%, 04/01/19 <sup>(a)</sup> | 6,100        | 6,348,880    |
| <b>Wyoming 1.3%</b>  |              |              |
| County of Sweetwater Wyoming, Refunding RB, Idaho Power Co. Project, Remarketing, 5.25%, 07/15/26  | 4,500        | 4,727,475    |
| State of Wyoming Municipal Power Agency, Inc., Refunding RB, Series A (BAM), 5.00%, 01/01/42   | 1,120        | 1,249,326    |
| Wyoming Community Development Authority, Refunding RB, Series 2 & 3, 4.05%, 12/01/38   | 2,215        | 2,248,336    |
|  |              | 8,225,137    |
| <b>Total Municipal Bonds 117.2%</b>  |              |              |
| <b>(Cost \$683,480,486)</b>  |              | 716,994,573  |
| <b>Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(f)</sup></b>  |              |              |
| <b>Arizona 0.6%</b>  |              |              |
| City of Phoenix Civic Improvement Corp., Refunding RB, Water System, Junior Lien, Series A, 5.00%, 07/01/19 <sup>(a)</sup>                                       | 3,500        | 3,659,198    |
| <b>California 6.2%</b>   |              |              |
| Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2 Bonds, 5.00%, 10/01/47   | 14,998       | 17,021,225   |
| University of California, RB, General, Series O <sup>(a)</sup> :   |              |              |
| 5.25%, 05/15/19  | 5,675        | 5,937,043    |
| 5.25%, 05/15/19  | 11,090       | 11,602,081   |
| 5.25%, 05/15/19  | 3,235        | 3,384,376    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |            |              |              |
|---|------------|--------------|--------------|
|   |            |              | 37,944,725   |
| <b>District of Columbia 1.3%</b>  |            |              |              |
| District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 5.50%, 10/01/18 <sup>(a)</sup>   | 7,495      |              | 7,673,545    |
| <b>Florida 2.6%</b>   |            |              |              |
| County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 <sup>(a)</sup>  | 14,747     |              | 15,998,175   |
| <b>Illinois 3.7%</b>  |            |              |              |
| State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 07/01/18 <sup>(a)</sup>  | 10,000     |              | 10,161,800   |
| State of Illinois Toll Highway Authority, RB, Series B, 5.00%, 01/01/40   | 10,976     |              | 12,274,714   |
|   |            |              | 22,436,514   |
| <b>Kentucky 1.6%</b>  |            |              |              |
| County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB, River City, Inc., 1st Mortgage, Series A, 5.38%, 12/01/19 <sup>(a)</sup> | 9,195      |              | 9,783,449    |
| <b>Maryland 1.7%</b>  |            |              |              |
| City of Baltimore Maryland, RB, Wastewater Project, Sub-Series A, 5.00%, 07/01/46   | 4,898      |              | 5,517,341    |
|   | <i>Par</i> |              |              |
| <i>Security</i>   |            | <i>(000)</i> | <i>Value</i> |
| <b>Maryland (continued)</b>   |            |              |              |
| State of Maryland Transportation Authority, RB, Transportation Facilities Project (AGM), 5.00%, 07/01/41  | \$ 4,710   | \$           | 4,763,576    |
|   |            |              | 10,280,917   |
| <b>Nevada 2.7%</b>  |            |              |              |
| County of Clark Nevada Water Reclamation District, GO, Series B, 5.75%, 07/01/19 <sup>(a)</sup>   | 15,789     |              | 16,657,018   |
| <b>New York 5.8%</b>  |            |              |              |
| City of New York New York Water & Sewer System, Refunding RB, Water & Sewer System, 2nd General Resolution, Series DD: 5.00%, 06/15/18 <sup>(a)</sup>             | 3,556      |              | 3,588,114    |
| 5.00%, 06/15/37   | 20,643     |              | 20,830,726   |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 <sup>(g)</sup>  | 10,000     |              | 11,216,045   |
|   |            |              | 35,634,885   |
| <b>North Carolina 0.8%</b>  |            |              |              |
| North Carolina Capital Facilities Finance Agency, Refunding RB, Wake Forest University, 5.00%, 01/01/19 <sup>(a)</sup>  | 5,000      |              | 5,147,850    |
| <b>Ohio 1.4%</b>  |            |              |              |
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 01/01/34   | 8,500      |              | 8,782,498    |
| <b>Oregon 1.0%</b>  |            |              |              |
| State of Oregon Housing & Community Services Department, HRB, M/F Housing, Series A, AMT, 4.95%, 07/01/30   | 5,833      |              | 5,971,753    |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

**Pennsylvania 0.7%**

|  |       |           |
|--|-------|-----------|
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM),<br>5.00%, 08/15/38 | 3,925 | 4,379,609 |
|--|-------|-----------|

**Texas 5.8%**

|  |        |            |
|--|--------|------------|
| City of Houston Texas Higher Education Finance Corp., RB, Rice University Project,<br>Series A, 5.00%, 05/15/20 <sup>(a)</sup> | 10,000 | 10,717,989 |
|--|--------|------------|

|  |        |            |
|--|--------|------------|
| County of Harris Texas Health Facilities Development Corp., Refunding RB, School<br>Health Care System, Series B, 5.75%, 07/01/27 <sup>(e)</sup> | 20,970 | 24,813,906 |
|--|--------|------------|

35,531,895

**Virginia 3.6%**

|   |       |           |
|---|-------|-----------|
| County of Fairfax Virginia EDA, RB, Metrorail Parking System Project,<br>5.00%, 04/01/47 <sup>(e)</sup> | 6,960 | 7,909,762 |
|---|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Virginia Commonwealth Transportation Board, RB, Capital Projects, 5.00%, 05/15/21 <sup>(a)</sup> | 7,999 | 8,811,609 |
|--|-------|-----------|

|   |       |           |
|---|-------|-----------|
| Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare,<br>5.00%, 11/01/40 | 5,002 | 5,281,423 |
|---|-------|-----------|

22,002,794

**Washington 1.9%**

|  |        |            |
|--|--------|------------|
| Washington Health Care Facilities Authority, Refunding RB, Seattle Children's Hospital,<br>Series B, 5.00%, 10/01/38 | 10,000 | 11,586,600 |
|--|--------|------------|

**Total Municipal Bonds Transferred to Tender Option Bond Trusts 41.4%**

|                             |  |             |
|-----------------------------|--|-------------|
| <b>(Cost \$242,112,337)</b> |  | 253,471,425 |
|-----------------------------|--|-------------|

**Total Long-Term Investments 158.6%**

|                             |  |             |
|-----------------------------|--|-------------|
| <b>(Cost \$925,592,823)</b> |  | 970,465,998 |
|-----------------------------|--|-------------|

Schedule of Investments (unaudited) (continued)

**BlackRock MuniVest Fund, Inc. (MVF)**

February 28, 2018

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

| <i>Security</i>  | <i>Shares</i> | <i>Value</i>   |
|--|---------------|----------------|
| <b>Short-Term Securities 1.1%</b>  |               |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class,<br>0.94% <sup>(h)(i)</sup>             | 6,768,479     | \$ 6,769,156   |
| <b>Total Short-Term Securities 1.1%</b>  |               |                |
| <b>(Cost \$6,769,156)</b>  |               | 6,769,156      |
| <b>Total Investments 159.7%</b>  |               |                |
| <b>(Cost \$932,361,979)</b>  |               | 977,235,154    |
| <b>Other Assets Less Liabilities 1.8%</b>  |               | 10,505,268     |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (21.6)%</b> |               | (132,205,867)  |
| <b>VMTP Shares at Liquidation Value (39.9)%</b>  |               | (243,800,000)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |               | \$ 611,734,555 |

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Zero-coupon bond.
- (d) Variable rate security. Security may be issued at a fixed coupon rate, which converts to a variable rate at a specified date. Rate shown is the rate in effect as of period end.
- (e) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (g) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between November 15, 2019 to October 1, 2024, is \$8,954,336. See Note 4 of the Notes to Financial Statements for details.
- (h) Annualized 7-day yield as of period end.
- (i) During the period ended February 28, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

|  | <i>Shares<br/>Held<br/>at</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at</i> | <i>Value at</i> | <i>Income</i> | <i>Realized<br/>Gain (Loss)</i> | <i>Change in<br/>Net Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|--|-------------------------------|-------------------------|---------------------------|-----------------|---------------|---------------------------------|---|
| <i>Affiliated</i>  | <i>08/31/17</i>               |                         | <i>02/28/18</i>           | <i>02/28/18</i> |               |                                 |   |
| BlackRock Liquidity<br>Funds, MuniCash,<br>Institutional Class |                               | 6,768,479               | 6,768,479                 | \$ 6,769,156    | \$ 45,399     | \$ 308                          | \$  |

(a) Includes net capital gain distributions, if applicable

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

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value/<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| Short Contracts:           |                                |                            |                                  |  |
| 10-Year U.S. Treasury Note | 105                            | 06/20/18                   | \$ 12,605                        | \$ 9,791   |
| Long U.S. Treasury Bond    | 149                            | 06/20/18                   | 21,372                           | (88,569)   |
| 5-Year U.S. Treasury Note  | 43                             | 06/29/18                   | 4,899                            | 7,270  |
|                            |                                |                            |                                  | \$ (71,508)  |

**Derivative Financial Instruments Categorized by Risk Exposure**

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

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Assets Derivative Financial Instruments</b>      |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized appreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 17,061                              | \$                         | \$ 17,061    |
| <b>Liabilities Derivative Financial Instruments</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts                                   |                                |                             |                             |  |  |                            |              |
| Net unrealized depreciation <sup>(a)</sup>          | \$                             | \$                          | \$                          | \$   | \$ 88,569                              | \$                         | \$ 88,569    |

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

Schedule of Investments (unaudited) (continued)

BlackRock MuniVest Fund, Inc. (MVF)

February 28, 2018

For the six months ended February 28, 2018, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | <i>Commodity<br/>Contracts</i> | <i>Credit<br/>Contracts</i> | <i>Equity<br/>Contracts</i> | <i>Foreign<br/>Currency<br/>Exchange<br/>Contracts</i> | <i>Interest<br/>Rate<br/>Contracts</i> | <i>Other<br/>Contracts</i> | <i>Total</i> |
|---|--------------------------------|-----------------------------|-----------------------------|--|--|----------------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>                           |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 2,714,574                           | \$                         | \$ 2,714,574 |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                                |                             |                             |  |  |                            |              |
| Futures contracts   | \$                             | \$                          | \$                          | \$   | \$ 128,708                             | \$                         | \$ 128,708   |

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

Futures contracts:

Average notional value of contracts short \$ 32,830,457

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

#### Fair Value Hierarchy as of Period End

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

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

|                                      | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Assets:                              |                |                |                |                |
| Investments:                         |                |                |                |                |
| Long-Term Investments <sup>(a)</sup> | \$             | \$ 970,465,998 | \$             | \$ 970,465,998 |
| Short-Term Securities                | 6,769,156      |                |                | 6,769,156      |
|                                      | \$ 6,769,156   | \$ 970,465,998 | \$             | \$ 977,235,154 |

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

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                         |    |          |    |             |
|-------------------------|----|----------|----|-------------|
| Assets:                 |    |          |    |             |
| Interest rate contracts | \$ | 17,061   | \$ | \$ 17,061   |
| Liabilities:            |    |          |    |             |
| Interest rate contracts |    | (88,569) |    | (88,569)    |
|                         | \$ | (71,508) | \$ | \$ (71,508) |

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

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

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

|                                  | <i>Level 1</i> | <i>Level 2</i>  | <i>Level 3</i> | <i>Total</i>    |
|----------------------------------|----------------|-----------------|----------------|-----------------|
| Liabilities:                     |                |                 |                |                 |
| TOB Trust Certificates           | \$             | \$(131,806,132) | \$             | \$(131,806,132) |
| VMTP Shares at Liquidation Value |                | (243,800,000)   |                | (243,800,000)   |
|                                  | \$             | \$(375,606,132) | \$             | \$(375,606,132) |

During the six months ended February 28, 2018, there were no transfers between levels.

*See notes to financial statements.*

## Statements of Assets and Liabilities (unaudited)

February 28, 2018

|  | BBK            | BAF            | BYM            | BLE            |
|--|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>  |                |                |                |                |
| Investments at value unaffiliated <sup>(d)</sup>                           | \$ 267,133,974 | \$ 220,090,270 | \$ 625,999,896 | \$ 559,198,467 |
| Investments at value affiliated <sup>(d)</sup>                             | 143,982        | 1,836,113      | 990,897        | 4,387,518      |
| Cash   | 89,039         | 45,492         | 210,235        | 123,305        |
| Cash pledged for futures contracts   | 286,050        | 131,800        | 646,050        | 384,800        |
| Receivables:   |                |                |                |                |
| Interest unaffiliated  | 2,925,508      | 2,436,779      | 6,543,309      | 6,865,884      |
| Dividends affiliated   | 311            | 1,078          | 2,876          | 1,628          |
| Investments sold   |                | 2,971,749      | 3,539,522      | 644,783        |
| Prepaid expenses   | 4,897          | 4,870          | 11,096         | 21,062         |
| Total assets   | 270,583,761    | 227,518,151    | 637,943,881    | 571,627,447    |
| <b>ACCRUED LIABILITIES</b>   |                |                |                |                |
| Payables:  |                |                |                |                |
| Investments purchased  | 1,705,273      | 2,425,106      | 5,670,541      | 2,026,203      |
| Income dividends   | 668,208        | 599,335        | 1,584,376      | 1,529,441      |
| Investment advisory fees   | 133,878        | 94,602         | 267,373        | 240,435        |
| Variation margin on futures contracts                                      | 92,656         | 39,844         | 205,813        | 121,969        |
| Interest expense and fees  | 61,368         | 124,044        | 333,220        | 212,770        |
| Directors' and Officers' fees  | 30,402         | 22,609         | 70,856         | 64,189         |
| Other accrued expenses   | 103,774        | 83,798         | 144,422        | 140,936        |
| Total accrued liabilities  | 2,795,559      | 3,389,338      | 8,276,601      | 4,335,943      |
| <b>OTHER LIABILITIES</b>   |                |                |                |                |
| TOB Trust Certificates   | 21,403,733     | 49,716,592     | 102,796,594    | 69,909,043     |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>(c)(d)</sup> | 79,900,000     | 42,200,000     | 137,200,000    | 151,300,000    |
| Total other liabilities  | 101,303,733    | 91,916,592     | 239,996,594    | 221,209,043    |
| Total liabilities  | 104,099,292    | 95,305,930     | 248,273,195    | 225,544,986    |
| <b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>                        |                |                |                |                |
|  | \$ 166,484,469 | \$ 132,212,221 | \$ 389,670,686 | \$ 346,082,461 |

**NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS CONSIST OF**

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Paid-in capital <sup>(e)(f)(g)</sup>       | \$ 149,545,188 | \$ 124,019,631 | \$ 365,004,467 | \$ 331,761,649 |
| Undistributed net investment income        | 1,632,892      | 1,089,852      | 1,939,466      | 2,005,300      |
| Accumulated net realized gain (loss)       | 696,612        | (4,379,456)    | (10,540,735)   | (15,709,870)   |
| Net unrealized appreciation (depreciation) | 14,609,777     | 11,482,194     | 33,267,488     | 28,025,382     |

**NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS**

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | \$ 166,484,469 | \$ 132,212,221 | \$ 389,670,686 | \$ 346,082,461 |
|--|----------------|----------------|----------------|----------------|

|                                  |          |          |          |          |
|----------------------------------|----------|----------|----------|----------|
| Net asset value per Common Share | \$ 15.82 | \$ 15.11 | \$ 14.76 | \$ 14.71 |
|----------------------------------|----------|----------|----------|----------|

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| (a) Investments at cost unaffiliated                          | \$ 252,484,591 | \$ 208,596,848 | \$ 592,657,813 | \$ 531,121,529 |
| (b) Investments at cost affiliated                            | \$ 143,969     | \$ 1,836,102   | \$ 990,897     | \$ 4,387,477   |
| (c) Preferred Shares outstanding, par value \$0.001 per share | 799            | 422            | 1,372          | 1,513          |
| (d) Preferred Shares authorized                               | unlimited      | unlimited      | unlimited      | unlimited      |
| (e) Par value per Common Share                                | \$ 0.001       | \$ 0.001       | \$ 0.001       | \$ 0.001       |
| (f) Common Shares outstanding                                 | 10,522,957     | 8,749,418      | 26,406,273     | 23,529,861     |
| (g) Common Shares authorized                                  | unlimited      | unlimited      | unlimited      | unlimited      |

*See notes to financial statements.*

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

February 28, 2018

|  | MFL            | MVF            |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| Investments at value unaffiliated <sup>(d)</sup>   | \$ 928,430,786 | \$ 970,465,998 |
| Investments at value affiliated <sup>(d)</sup>   | 1,293,856      | 6,769,156      |
| Cash   | 191,367        | 160,102        |
| Cash pledged for futures contracts   | 545,150        | 501,500        |
| Receivables:   |                |                |
| Interest unaffiliated  | 11,838,642     | 12,291,831     |
| Dividends affiliated   | 1,285          | 4,001          |
| Investments sold   | 251,462        | 1,398,576      |
| Prepaid expenses   | 15,503         | 48,429         |
| Total assets   | 942,568,051    | 991,639,593    |
| <b>ACCRUED LIABILITIES</b>   |                |                |
| Payables:  |                |                |
| Investments purchased  |                |                |
| Income dividends   | 2,709,579      | 2,982,473      |
| Investment advisory fees   | 352,652        | 381,214        |
| Variation margin on futures contracts  | 165,469        | 160,656        |
| Interest expense and fees  | 402,550        | 399,735        |
| Directors' and Officers' fees  | 292,703        | 155,205        |
| Other accrued expenses   | 198,907        | 219,623        |
| Total accrued liabilities  | 4,121,860      | 4,298,906      |
| <b>OTHER LIABILITIES</b>   |                |                |
| TOB Trust Certificates   | 123,070,585    | 131,806,132    |
| VMTP Shares, at liquidation value of \$100,000 per share <sup>(c)(d)</sup>                                 |                | 243,800,000    |
| VRDP Shares, at liquidation value of \$100,000 per share, net of deferred offering costs <sup>(c)(d)</sup> | 274,204,609    |                |
| Total other liabilities  | 397,275,194    | 375,606,132    |
| Total liabilities  | 401,397,054    | 379,905,038    |
| NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS   | \$ 541,170,997 | \$ 611,734,555 |



**NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS  
CONSIST OF**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Paid-in capital <sup>(e)(f)(g)</sup>                         | \$ 525,342,917        | \$ 582,474,297        |
| Undistributed net investment income                          | 3,232,491             | 3,822,659             |
| Accumulated net realized loss                                | (28,111,494)          | (19,364,068)          |
| Net unrealized appreciation (depreciation)                   | 40,707,083            | 44,801,667            |
| <b>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</b>          | <b>\$ 541,170,997</b> | <b>\$ 611,734,555</b> |
| <br>   |                       |                       |
| Net asset value per Common Share                             | \$ 14.28              | \$ 9.44               |
| <br>   |                       |                       |
| (a) Investments at cost unaffiliated                         | \$ 887,676,435        | \$ 925,592,823        |
| (b) Investments at cost affiliated                           | \$ 1,293,856          | \$ 6,769,156          |
| (c) Preferred Shares outstanding, par value \$0.10 per share | 2,746                 | 2,438                 |
| (d) Preferred Shares authorized                              | 1,000,000             | 10,000,000            |
| (e) Par value per Common Share                               | \$ 0.10               | \$ 0.10               |
| (f) Common Shares outstanding                                | 37,896,208            | 64,836,371            |
| (g) Common Shares authorized                                 | unlimited             | 150,000,000           |

*See notes to financial statements.*

## Statements of Operations (unaudited)

Six Months Ended February 28, 2018

|  | BBK          | BAF          | BYM           | BLE           |
|--|--------------|--------------|---------------|---------------|
| <b>INVESTMENT INCOME</b>   |              |              |               |               |
| Interest unaffiliated  | \$ 5,740,509 | \$ 4,858,778 | \$ 13,297,361 | \$ 12,934,772 |
| Dividends affiliated   | 2,780        | 3,908        | 17,050        | 13,991        |
| Total investment income  | 5,743,289    | 4,862,686    | 13,314,411    | 12,948,763    |
| <b>EXPENSES</b>  |              |              |               |               |
| Investment advisory  | 877,804      | 611,878      | 1,744,615     | 1,569,819     |
| Professional   | 32,978       | 31,032       | 49,842        | 45,439        |
| Accounting services  | 21,542       | 18,978       | 29,722        | 29,722        |
| Transfer agent   | 11,965       | 10,308       | 17,389        | 16,971        |
| Directors and Officer  | 8,564        | 6,853        | 20,187        | 17,766        |
| Custodian  | 6,838        | 5,775        | 13,242        | 12,344        |
| Printing   | 4,360        | 4,004        | 5,813         | 5,454         |
| Registration   | 3,235        | 3,221        | 3,488         | 3,753         |
| Liquidity fees   |              |              |               |               |
| Remarketing fees on Preferred Shares   |              |              |               |               |
| Rating agency  | 20,201       | 20,166       | 20,256        | 20,270        |
| Miscellaneous  | 12,782       | 9,481        | 15,952        | 15,758        |
| Total expenses excluding interest expense, fees and amortization of offering costs | 1,000,269    | 721,696      | 1,920,506     | 1,737,296     |
| Interest expense, fees and amortization of offering costs <sup>(a)</sup>           | 1,002,800    | 832,839      | 2,245,538     | 2,135,966     |
| Total expenses   | 2,003,069    | 1,554,535    | 4,166,044     | 3,873,262     |
| Less fees waived and/or reimbursed by the Manager                                  | (384)        | (316)        | (1,616)       | (1,764)       |
| Total expenses after fees waived and/or reimbursed                                 | 2,002,685    | 1,554,219    | 4,164,428     | 3,871,498     |
| Net investment income  | 3,740,604    | 3,308,467    | 9,149,983     | 9,077,265     |
| <b>REALIZED AND UNREALIZED GAIN (LOSS)</b>   |              |              |               |               |
| Net realized gain (loss) from:   |              |              |               |               |
| Investments unaffiliated   | 155,091      | (22,997)     | 156,496       | (281,294)     |
| Investments affiliated   | (276)        | (1,079)      | 301           | (330)         |
| Futures contracts  | 1,336,617    | 722,187      | 2,617,060     | 1,698,703     |
| Capital gain distributions from investment companies affiliated                    | 34           | 895          | 423           | 495           |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
|  | 1,491,466      | 699,006        | 2,774,280      | 1,417,574      |
| Net change in unrealized appreciation (depreciation) on:                               |                |                |                |                |
| Investments unaffiliated   | (6,432,793)    | (5,496,523)    | (17,295,520)   | (12,102,107)   |
| Investments affiliated   | 13             | 30             |                | (240)          |
| Futures contracts  | 35,855         | 33,380         | 73,976         | 56,670         |
|  | (6,396,925)    | (5,463,113)    | (17,221,544)   | (12,045,677)   |
| Net realized and unrealized loss   | (4,905,459)    | (4,764,107)    | (14,447,264)   | (10,628,103)   |
| NET DECREASE IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS RESULTING FROM OPERATIONS | \$ (1,164,855) | \$ (1,455,640) | \$ (5,297,281) | \$ (1,550,838) |

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

## Statements of Operations (unaudited) (continued)

Six Months Ended February 28, 2018

|  | MFL           | MVF           |
|--|---------------|---------------|
| <b>INVESTMENT INCOME</b>   |               |               |
| Interest unaffiliated  | \$ 20,194,983 | \$ 23,380,370 |
| Dividends affiliated   | 10,586        | 45,399        |
| Total investment income  | 20,205,569    | 23,425,769    |
| <b>EXPENSES</b>  |               |               |
| Investment advisory  | 2,599,511     | 2,495,999     |
| Professional   | 65,343        | 68,011        |
| Accounting services  | 60,231        | 61,570        |
| Transfer agent   | 22,816        | 26,762        |
| Directors and Officer  | 28,302        | 31,740        |
| Custodian  | 19,194        | 20,130        |
| Printing   | 6,847         | 7,387         |
| Registration   | 4,998         | 10,315        |
| Liquidity fees   | 13,868        |               |
| Remarketing fees on Preferred Shares   | 13,617        |               |
| Rating agency  | 20,388        | 20,358        |
| Miscellaneous  | 15,585        | 19,848        |
| Total expenses excluding interest expense, fees and amortization of offering costs | 2,870,700     | 2,762,120     |
| Interest expense, fees and amortization of offering costs <sup>(a)</sup>           | 3,681,461     | 3,651,509     |
| Total expenses   | 6,552,161     | 6,413,629     |
| Less fees waived and/or reimbursed by the Manager                                  | (269,957)     | (5,009)       |
| Total expenses after fees waived and/or reimbursed                                 | 6,282,204     | 6,408,620     |
| Net investment income  | 13,923,365    | 17,017,149    |
| <b>REALIZED AND UNREALIZED GAIN (LOSS)</b>   |               |               |
| Net realized gain (loss) from:   |               |               |
| Investments unaffiliated   | 1,012,570     | 1,366,496     |
| Investments affiliated   | (1,058)       | (1,414)       |
| Futures contracts  | 2,695,498     | 2,714,574     |
| Capital gain distributions from investment companies affiliated                    | 835           | 1,722         |
|  | 3,707,845     | 4,081,378     |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |                       |                       |
|---|-----------------------|-----------------------|
| Net change in unrealized appreciation (depreciation) on:  |                       |                       |
| Investments unaffiliated  | (25,305,943)          | (23,483,757)          |
| Investments affiliated  |                       |                       |
| Futures contracts   | 134,198               | 128,708               |
|   | (25,171,745)          | (23,355,049)          |
| Net realized and unrealized loss  | (21,463,900)          | (19,273,671)          |
| <b>NET DECREASE IN NET ASSETS APPLICABLE TO COMMON<br/>SHAREHOLDERS RESULTING FROM OPERATIONS</b> | <b>\$ (7,540,535)</b> | <b>\$ (2,256,522)</b> |

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

## Statements of Changes in Net Assets

|  | BBK              |                |
|--|------------------|----------------|
|  | Six Months Ended | Year Ended     |
|  | 02/28/18         | 08/31/17       |
|  | (unaudited)      |                |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                  |                |
| <b>OPERATIONS</b>  |                  |                |
| Net investment income  | \$ 3,740,604     | \$ 7,739,471   |
| Net realized gain  | 1,491,466        | 1,334,563      |
| Net change in unrealized appreciation (depreciation)                                   | (6,396,925)      | (12,747,013)   |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (1,164,855)      | (3,672,979)    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |                  |                |
| From net investment income   | (4,055,345)      | (8,742,737)    |
| From net realized gain   |                  | (4,092,513)    |
| Decrease in net assets resulting from distributions to shareholders                    | (4,055,345)      | (12,835,250)   |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                  |                |
| Reinvestment of common distributions   |                  | 106,139        |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |                  |                |
| Total decrease in net assets applicable to Common Shareholders                         | (5,220,200)      | (16,402,090)   |
| Beginning of period  | 171,704,669      | 188,106,759    |
| End of period  | \$ 166,484,469   | \$ 171,704,669 |
| Undistributed net investment income, end of period                                     | \$ 1,632,892     | \$ 1,947,633   |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.  
See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | BAF   |                        |
|--|---|------------------------|
|  | Six Months Ended<br>02/28/18<br>(unaudited) | Year Ended<br>08/31/17 |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |   |                        |
| <b>OPERATIONS</b>  |   |                        |
| Net investment income  | \$ 3,308,467                                | \$ 6,905,796           |
| Net realized gain  | 699,006                                     | 483,039                |
| Net change in unrealized appreciation (depreciation)                                   | (5,463,113)                                 | (7,859,841)            |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (1,455,640)                                 | (471,006)              |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |   |                        |
| From net investment income   | (3,596,011)                                 | (7,192,022)            |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |   |                        |
| Total decrease in net assets applicable to Common Shareholders                         | (5,051,651)                                 | (7,663,028)            |
| Beginning of period  | 137,263,872                                 | 144,926,900            |
| End of period  | \$ 132,212,221                              | \$ 137,263,872         |
| Undistributed net investment income, end of period                                     | \$ 1,089,852                                | \$ 1,377,396           |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.  
See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | BYM                     |                |
|--|-------------------------|----------------|
|  | Six Months Ended        | Year Ended     |
|  | 02/28/18<br>(unaudited) | 08/31/17       |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                         |                |
| <b>OPERATIONS</b>  |                         |                |
| Net investment income  | \$ 9,149,983            | \$ 19,852,437  |
| Net realized gain (loss)   | 2,774,280               | (147,150)      |
| Net change in unrealized appreciation (depreciation)                                   | (17,221,544)            | (23,023,267)   |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (5,297,281)             | (3,317,980)    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |                         |                |
| From net investment income   | (9,506,258)             | (20,596,893)   |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |                         |                |
| Total decrease in net assets applicable to Common Shareholders                         | (14,803,539)            | (23,914,873)   |
| Beginning of period  | 404,474,225             | 428,389,098    |
| End of period  | \$ 389,670,686          | \$ 404,474,225 |
| Undistributed net investment income, end of period                                     | \$ 1,939,466            | \$ 2,295,741   |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.  
See notes to financial statements.



## Statements of Changes in Net Assets (continued)

|  | BLE              |                |
|--|------------------|----------------|
|  | Six Months Ended | Year Ended     |
|  | 02/28/18         | 08/31/17       |
|  | (unaudited)      |                |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                  |                |
| <b>OPERATIONS</b>  |                  |                |
| Net investment income  | \$ 9,077,265     | \$ 19,429,380  |
| Net realized gain (loss)   | 1,417,574        | (1,220,104)    |
| Net change in unrealized appreciation (depreciation)                                   | (12,045,677)     | (19,544,647)   |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (1,550,838)      | (1,335,371)    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |                  |                |
| From net investment income   | (9,394,922)      | (20,808,732)   |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                  |                |
| Reinvestment of common distributions   | 127,225          | 472,775        |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |                  |                |
| Total decrease in net assets applicable to Common Shareholders                         | (10,818,535)     | (21,671,328)   |
| Beginning of period  | 356,900,996      | 378,572,324    |
| End of period  | \$ 346,082,461   | \$ 356,900,996 |
| Undistributed net investment income, end of period                                     | \$ 2,005,300     | \$ 2,322,957   |

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations. See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | MFL              |                |
|--|------------------|----------------|
|  | Six Months Ended | Year Ended     |
|  | 02/28/18         | 08/31/17       |
|  | (unaudited)      |                |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                  |                |
| <b>OPERATIONS</b>  |                  |                |
| Net investment income  | \$ 13,923,365    | \$ 29,352,395  |
| Net realized gain  | 3,707,845        | 2,213,101      |
| Net change in unrealized appreciation (depreciation)                                   | (25,171,745)     | (35,183,571)   |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (7,540,535)      | (3,618,075)    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |                  |                |
| From net investment income   | (16,252,369)     | (32,468,810)   |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                  |                |
| Reinvestment of common distributions   | 580,514          | 540,004        |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |                  |                |
| Total decrease in net assets applicable to Common Shareholders                         | (23,212,390)     | (35,546,881)   |
| Beginning of period  | 564,383,387      | 599,930,268    |
| End of period  | \$ 541,170,997   | \$ 564,383,387 |
| Undistributed net investment income, end of period                                     | \$ 3,232,491     | \$ 5,561,495   |

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.  
See notes to financial statements.

## Statements of Changes in Net Assets (continued)

|  | MVF              |                |
|--|------------------|----------------|
|  | Six Months Ended | Year Ended     |
|  | 02/28/18         | 08/31/17       |
|  | (unaudited)      |                |
| <i>INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>             |                  |                |
| <b>OPERATIONS</b>  |                  |                |
| Net investment income  | \$ 17,017,149    | \$ 35,925,230  |
| Net realized gain (loss)   | 4,081,378        | (1,472,154)    |
| Net change in unrealized appreciation (depreciation)                                   | (23,355,049)     | (37,882,724)   |
| Net decrease in net assets applicable to Common Shareholders resulting from operations | (2,256,522)      | (3,429,648)    |
| <b>DISTRIBUTIONS TO COMMON SHAREHOLDERS<sup>(a)</sup></b>                              |                  |                |
| From net investment income   | (17,973,413)     | (36,990,508)   |
| <b>CAPITAL SHARE TRANSACTIONS</b>  |                  |                |
| Reinvestment of common distributions   | 1,475,965        | 3,319,416      |
| <i>NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS</i>                                    |                  |                |
| Total decrease in net assets applicable to Common Shareholders                         | (18,753,970)     | (37,100,740)   |
| Beginning of period  | 630,488,525      | 667,589,265    |
| End of period  | \$ 611,734,555   | \$ 630,488,525 |
| Undistributed net investment income, end of period                                     | \$ 3,822,659     | \$ 4,778,923   |

(a) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.  
See notes to financial statements.

## Statements of Cash Flows (unaudited)

Six Months Ended February 28, 2018

|  | BBK            | BAF            | BYM            | BLE            |
|--|----------------|----------------|----------------|----------------|
| <b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>  |                |                |                |                |
| Net decrease in net assets resulting from operations   | \$ (1,164,855) | \$ (1,455,640) | \$ (5,297,281) | \$ (1,550,838) |
| Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by (used for) operating activities: |                |                |                |                |
| Proceeds from sales of long-term investments   | 32,429,411     | 29,133,671     | 76,858,008     | 13,518,767     |
| Purchases of long-term investments   | (32,292,457)   | (33,209,997)   | (81,407,858)   | (16,694,769)   |
| Net proceeds from sales (purchases) of short-term securities   | (7,486)        | (1,646,780)    | 899,535        | 2,599,665      |
| Amortization of premium and accretion of discount on investments and other fees  | (77,558)       | 503,748        | (37,025)       | 786,181        |
| Net realized gain (loss) on investments  | (154,815)      | 24,076         | (156,797)      | 281,624        |
| Net unrealized loss on investments   | 6,432,780      | 5,496,493      | 17,295,520     | 12,102,347     |
| <b>(Increase) Decrease in Assets:</b>  |                |                |                |                |
| Cash pledged for futures contracts   | 63,000         | 39,000         | 44,000         | 103,000        |
| Receivables:   |                |                |                |                |
| Interest unaffiliated  | (15,642)       | (9,840)        | 35,048         | (56,996)       |
| Dividends affiliated   | 271            | (956)          | (645)          | 3,141          |
| Prepaid expenses   | 6,711          | 6,379          | 2,991          | (7,082)        |
| <b>Increase (Decrease) in Liabilities:</b>   |                |                |                |                |
| Payables:  |                |                |                |                |
| Investment advisory fees   | (16,893)       | (10,043)       | (31,937)       | (28,718)       |
| Interest expense and fees  | 13,857         | 38,556         | 78,765         | 57,500         |
| Directors and Officers   | 353            | 334            | 872            | 757            |
| Variation margin on futures contracts  | 39,320         | 14,446         | 101,250        | 46,656         |
| Other accrued expenses   | (836)          | (5,255)        | 5,702          | 6,383          |
| Net cash provided by (used for) operating activities   | 5,255,161      | (1,081,808)    | 8,390,148      | 11,167,618     |
| <b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>  |                |                |                |                |
| Proceeds from TOB Trust Certificates   |                | 5,784,954      | 5,258,252      |                |
| Repayments of TOB Trust Certificates   | (1,000,000)    | (1,005,500)    | (3,749,918)    | (1,365,000)    |
| Proceeds from Loan for TOB Trust Certificates  |                | 255,500        | 973,252        |                |
| Repayments of Loan for TOB Trust Certificates  |                | (255,500)      | (973,252)      |                |
| Cash dividends paid to Common Shareholders   | (4,055,345)    | (3,596,011)    | (9,506,258)    | (9,467,083)    |
| Decrease in bank overdraft   | (110,777)      | (56,143)       | (181,989)      | (212,230)      |
| Amortization of deferred offering costs  |                |                |                |                |
|  | (5,166,122)    | 1,127,300      | (8,179,913)    | (11,044,313)   |

Net cash provided by (used for) financing activities

**CASH**

|                             |           |           |            |            |
|-----------------------------|-----------|-----------|------------|------------|
| Net increase in cash        | 89,039    | 45,492    | 210,235    | 123,305    |
| Cash at beginning of period |           |           |            |            |
| Cash at end of period       | \$ 89,039 | \$ 45,492 | \$ 210,235 | \$ 123,305 |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|  |            |            |              |              |
|--|------------|------------|--------------|--------------|
| Cash paid during the period for interest expense | \$ 988,943 | \$ 794,283 | \$ 2,166,773 | \$ 2,078,466 |
|--|------------|------------|--------------|--------------|

**NON-CASH FINANCING ACTIVITIES**

|  |  |  |  |         |
|--|--|--|--|---------|
| Capital shares issued in reinvestment of distributions paid to Common Shareholders |  |  |  | 127,225 |
|--|--|--|--|---------|

*See notes to financial statements.*

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

Six Months Ended February 28, 2018

|   | MFL            | MVF            |
|---|----------------|----------------|
| <b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>   |                |                |
| Net decrease in net assets resulting from operations  | \$ (7,540,535) | \$ (2,256,522) |
| Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities: |                |                |
| Proceeds from sales of long-term investments  | 69,456,409     | 97,360,361     |
| Purchases of long-term investments  | (71,194,349)   | (83,056,087)   |
| Net proceeds from sales (purchases) of short-term securities  | (1,293,856)    | (6,769,156)    |
| Amortization of premium and accretion of discount on investments and other fees   | 2,701,911      | 1,311,953      |
| Net realized gain (loss) on investments   | (1,011,512)    | (1,365,082)    |
| Net unrealized loss on investments  | 25,305,943     | 23,483,757     |
| <b>(Increase) Decrease in Assets:</b>   |                |                |
| Cash pledged for futures contracts  | 286,000        | 218,000        |
| Receivables:  |                |                |
| Interest unaffiliated   | (304,532)      | 399,822        |
| Dividends affiliated  | (246)          | (2,412)        |
| Prepaid expenses  | 15,963         | (11,249)       |
| <b>Increase (Decrease) in Liabilities:</b>  |                |                |
| Payables:   |                |                |
| Investment advisory fees  | (51,608)       | (48,518)       |
| Interest expense and fees   | 93,111         | 90,887         |
| Directors and Officers  | (9,058)        | (10,664)       |
| Variation margin on futures contracts   | 39,640         | 50,031         |
| Other accrued expenses  | 6,890          | 17,847         |
| Net cash provided by (used for) operating activities  | 16,500,171     | 29,412,968     |
| <b>CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES</b>   |                |                |
| Proceeds from TOB Trust Certificates  | 1,022,000      | 3,886,679      |
| Repayments of TOB Trust Certificates  | (1,061,976)    | (12,069,747)   |
| Proceeds from Loan for TOB Trust Certificates   | 1,022,000      | 3,886,680      |
| Repayments of Loan for TOB Trust Certificates   | (1,022,000)    | (3,886,680)    |
| Cash dividends paid to Common Shareholders  | (15,669,040)   | (16,490,422)   |
| Decrease in bank overdraft  | (608,185)      | (4,579,376)    |
| Amortization of deferred offering costs   | 8,397          |                |
| Net cash provided by (used for) financing activities  | (16,308,804)   | (29,252,866)   |

**CASH**

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|                             |            |            |
|-----------------------------|------------|------------|
| Net increase in cash        | 191,367    | 160,102    |
| Cash at beginning of period |            |            |
| Cash at end of period       | \$ 191,367 | \$ 160,102 |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|  |              |              |
|--|--------------|--------------|
| Cash paid during the period for interest expense | \$ 3,579,953 | \$ 3,560,622 |
|--|--------------|--------------|

**NON-CASH FINANCING ACTIVITIES**

|  |         |           |
|--|---------|-----------|
| Capital shares issued in reinvestment of distributions paid to Common Shareholders | 580,514 | 1,475,965 |
|--|---------|-----------|

*See notes to financial statements.*

## Financial Highlights

(For a share outstanding throughout each period)

|   | Six Months Ended          |          | BBK<br>Year Ended August 31, |          |                      |          |
|---|---------------------------|----------|------------------------------|----------|----------------------|----------|
|   | 02/28/2018<br>(unaudited) | 2017     | 2016                         | 2015     | 2014                 | 2013     |
| <b>Net asset value,<br/>beginning of period</b>                       | \$ 16.32                  | \$ 17.89 | \$ 16.49                     | \$ 16.54 | \$ 14.18             | \$ 16.79 |
| Net investment<br>income <sup>(a)</sup>                               | 0.36                      | 0.74     | 0.89                         | 0.90     | 0.97                 | 0.96     |
| Net realized and<br>unrealized gain (loss)                            | (0.47)                    | (1.09)   | 1.42                         | 0.03     | 2.43                 | (2.46)   |
| Distributions to Preferred Shareholders from:                         |                           |          |                              |          |                      |          |
| Net increase (decrease)<br>from investment<br>operations              | (0.11)                    | (0.35)   | 2.31                         | 0.93     | 3.40                 | (1.50)   |
| <b>Distributions to Common Shareholders<sup>(b)</sup></b>             |                           |          |                              |          |                      |          |
| From net investment<br>income   | (0.39)                    | (0.83)   | (0.90)                       | (0.98)   | (0.96)               | (0.97)   |
| From net realized gain  |                           | (0.39)   | (0.01)                       |          | (0.08)               | (0.14)   |
| Total distributions to<br>Common Shareholders                         | (0.39)                    | (1.22)   | (0.91)                       | (0.98)   | (1.04)               | (1.11)   |
| <b>Net asset value, end of<br/>period</b>                             | \$ 15.82                  | \$ 16.32 | \$ 17.89                     | \$ 16.49 | \$ 16.54             | \$ 14.18 |
| <b>Market price, end of<br/>period</b>                                | \$ 14.47                  | \$ 15.99 | \$ 18.22                     | \$ 15.23 | \$ 15.59             | \$ 13.49 |
| <b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>   |                           |          |                              |          |                      |          |
| Based on net asset<br>value   | (0.55)% <sup>(d)</sup>    | (1.44)%  | 14.53%                       | 5.96%    | 25.27%               | (9.52)%  |
| Based on market price   | (7.16)% <sup>(d)</sup>    | (5.18)%  | 26.29%                       | 3.83%    | 24.11%               | (15.78)% |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b> |                           |          |                              |          |                      |          |
| Total expenses  | 2.37% <sup>(e)</sup>      | 2.31%    | 1.78%                        | 1.73%    | 1.84% <sup>(e)</sup> | 1.82%    |
|   | 2.37% <sup>(e)</sup>      | 2.31%    | 1.77%                        | 1.73%    | 1.84% <sup>(e)</sup> | 1.82%    |



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |                      |            |            |            |            |            |
|---|----------------------|------------|------------|------------|------------|------------|
| Total expenses after fees waived and paid indirectly  |                      |            |            |            |            |            |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees, and amortization of offering costs <sup>(f)</sup> | 1.18% <sup>(e)</sup> | 1.19%      | 1.16%      | 1.16%      | 1.19%      | 1.17%      |
| Net investment income to Common Shareholders  | 4.43% <sup>(e)</sup> | 4.55%      | 5.18%      | 5.41%      | 6.29%      | 5.85%      |
| <b>Supplemental Data</b>  |                      |            |            |            |            |            |
| Net assets applicable to Common Shareholders, end of period (000)   | \$ 166,484           | \$ 171,705 | \$ 188,107 | \$ 173,363 | \$ 173,798 | \$ 149,003 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)   | \$ 79,900            | \$ 79,900  | \$ 79,900  | \$ 79,900  | \$ 79,900  | \$ 79,900  |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period  | \$ 308,366           | \$ 314,899 | \$ 335,428 | \$ 316,975 | \$ 317,520 | \$ 286,487 |
| Borrowings outstanding, end of period (000)   | \$ 21,404            | \$ 22,404  | \$ 25,054  | \$ 19,495  | \$ 19,495  | \$ 17,039  |
| Portfolio turnover rate   | 10%                  | 46%        | 29%        | 34%        | 32%        | 32%        |

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

See notes to financial statements.



## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended<br>02/28/18<br>(unaudited) | BAF<br>Year Ended August 31, |          |          |          |          |
|--|---|------------------------------|----------|----------|----------|----------|
|  |   | 2017                         | 2016     | 2015     | 2014     | 2013     |
| <b>Net asset value,<br/>beginning of period</b>                                      | \$ 15.69                                    | \$ 16.56                     | \$ 15.80 | \$ 15.97 | \$ 13.83 | \$ 16.53 |
| Net investment income <sup>(a)</sup>   | 0.38  | 0.79                         | 0.83     | 0.83     | 0.83     | 0.81     |
| Net realized and<br>unrealized gain (loss)   | (0.55)                                      | (0.84)                       | 0.75     | (0.18)   | 2.13     | (2.68)   |
| Net increase (decrease)<br>from investment<br>operations                             | (0.17)                                      | (0.05)                       | 1.58     | 0.65     | 2.96     | (1.87)   |
| Distributions to Common<br>Shareholders from net<br>investment income <sup>(b)</sup> | (0.41)                                      | (0.82)                       | (0.82)   | (0.82)   | (0.82)   | (0.83)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 15.11                                    | \$ 15.69                     | \$ 16.56 | \$ 15.80 | \$ 15.97 | \$ 13.83 |
| <b>Market price, end of<br/>period</b>   | \$ 14.01                                    | \$ 15.11                     | \$ 15.79 | \$ 13.89 | \$ 14.18 | \$ 12.82 |
| <b>Total Return Applicable<br/>to Common<br/>Shareholders<sup>(c)</sup></b>          |   |                              |          |          |          |          |
| Based on net asset value   | (0.98)% <sup>(d)</sup>                      | 0.14%                        | 10.57%   | 4.71%    | 22.67%   | (11.69)% |
| Based on market price  | (4.67)% <sup>(d)</sup>                      | 1.15%                        | 19.92%   | 3.68%    | 17.50%   | (16.68)% |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>        |   |                              |          |          |          |          |
| Total expenses   | 2.32% <sup>(e)</sup>                        | 2.06%                        | 1.61%    | 1.50%    | 1.58%    | 1.63%    |
| Total expenses after fees<br>waived and paid indirectly                              | 2.32% <sup>(e)</sup>                        | 2.06%                        | 1.61%    | 1.50%    | 1.58%    | 1.63%    |
| Total expenses after fees<br>waived and paid indirectly                              | 1.08% <sup>(e)</sup>                        | 1.06%                        | 1.01%    | 1.00%    | 1.03%    | 1.03%    |

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

|  |                      |       |       |       |       |       |
|--|----------------------|-------|-------|-------|-------|-------|
| Net investment income to Common Shareholders | 4.94% <sup>(e)</sup> | 5.06% | 5.09% | 5.16% | 5.56% | 5.02% |
|--|----------------------|-------|-------|-------|-------|-------|

### Supplemental Data

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 132,212 | \$ 137,264 | \$ 144,927 | \$ 138,203 | \$ 139,723 | \$ 120,962 |
|---|------------|------------|------------|------------|------------|------------|

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$ 42,200 | \$ 42,200 | \$ 42,200 | \$ 42,200 | \$ 42,200 | \$ 42,200 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period | \$ 413,299 | \$ 425,270 | \$ 443,429 | \$ 427,495 | \$ 431,097 | \$ 386,639 |
|--|------------|------------|------------|------------|------------|------------|

|   |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Borrowings outstanding, end of period (000) | \$ 49,717 | \$ 44,937 | \$ 42,089 | \$ 33,470 | \$ 32,345 | \$ 33,845 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|

|                         |     |     |     |     |     |     |
|-------------------------|-----|-----|-----|-----|-----|-----|
| Portfolio turnover rate | 14% | 31% | 29% | 13% | 26% | 43% |
|-------------------------|-----|-----|-----|-----|-----|-----|

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended<br>02/28/2018<br>(unaudited) | 2017     | BYM<br>Year Ended August 31, |          |          |          |
|--|---|----------|------------------------------|----------|----------|----------|
|  |   |          | 2016                         | 2015     | 2014     | 2013     |
| <b>Net asset value,<br/>beginning of period</b>                                      | \$ 15.32                                      | \$ 16.22 | \$ 15.21                     | \$ 15.56 | \$ 13.46 | \$ 16.11 |
| Net investment income <sup>(a)</sup>   | 0.35  | 0.75     | 0.82                         | 0.84     | 0.86     | 0.91     |
| Net realized and<br>unrealized gain (loss)   | (0.55)  | (0.87)   | 1.02                         | (0.33)   | 2.16     | (2.62)   |
| Net increase (decrease)<br>from investment<br>operations                             | (0.20)  | (0.12)   | 1.84                         | 0.51     | 3.02     | (1.71)   |
| Distributions to Common<br>Shareholders from net<br>investment income <sup>(b)</sup> | (0.36)  | (0.78)   | (0.83)                       | (0.86)   | (0.92)   | (0.94)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 14.76                                      | \$ 15.32 | \$ 16.22                     | \$ 15.21 | \$ 15.56 | \$ 13.46 |
| <b>Market price, end of<br/>period</b>   | \$ 13.26                                      | \$ 14.84 | \$ 15.55                     | \$ 13.67 | \$ 13.96 | \$ 12.59 |
| <b>Total Return Applicable<br/>to Common<br/>Shareholders<sup>(c)</sup></b>          |   |          |                              |          |          |          |
| Based on net asset value   | (1.16)% <sup>(d)</sup>                        | (0.30)%  | 12.71%                       | 3.85%    | 23.69%   | (11.13)% |
| Based on market price  | (8.33)% <sup>(d)</sup>                        | 0.74%    | 20.23%                       | 4.03%    | 18.65%   | (19.96)% |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>        |   |          |                              |          |          |          |
| Total expenses   | 2.10% <sup>(e)</sup>                          | 1.93%    | 1.56%                        | 1.47%    | 1.55%    | 1.55%    |
| Total expenses after fees<br>waived and paid<br>indirectly                           | 2.10% <sup>(e)</sup>                          | 1.93%    | 1.56%                        | 1.47%    | 1.55%    | 1.55%    |
|  | 0.97% <sup>(e)</sup>                          | 0.97%    | 0.95%                        | 0.96%    | 0.98%    | 0.96%    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

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

|   |                      |       |       |       |       |       |
|---|----------------------|-------|-------|-------|-------|-------|
| Net investment income to<br>Common Shareholders | 4.61% <sup>(e)</sup> | 4.95% | 5.19% | 5.42% | 5.89% | 5.77% |
|---|----------------------|-------|-------|-------|-------|-------|

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets applicable to<br>Common Shareholders,<br>end of period (000) | \$ 389,671 | \$ 404,474 | \$ 428,389 | \$ 401,536 | \$ 410,776 | \$ 355,372 |
|---|------------|------------|------------|------------|------------|------------|

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| VMTP Shares<br>outstanding at \$100,000<br>liquidation value, end of<br>period (000) | \$ 137,200 | \$ 137,200 | \$ 137,200 | \$ 137,200 | \$ 137,200 | \$ 137,200 |
|--|------------|------------|------------|------------|------------|------------|

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Asset coverage per<br>VMTP Shares at<br>\$100,000 liquidation<br>value, end of period | \$ 384,017 | \$ 394,806 | \$ 412,237 | \$ 392,665 | \$ 399,399 | \$ 359,018 |
|---|------------|------------|------------|------------|------------|------------|

|  |            |            |            |            |           |            |
|--|------------|------------|------------|------------|-----------|------------|
| Borrowings outstanding,<br>end of period (000) | \$ 102,797 | \$ 101,288 | \$ 100,250 | \$ 101,818 | \$ 93,816 | \$ 114,948 |
|--|------------|------------|------------|------------|-----------|------------|

|                         |     |     |     |     |     |     |
|-------------------------|-----|-----|-----|-----|-----|-----|
| Portfolio turnover rate | 13% | 18% | 10% | 12% | 20% | 24% |
|-------------------------|-----|-----|-----|-----|-----|-----|

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

*See notes to financial statements.*

## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended          |          | BLE<br>Year Ended August 31, |          |          |          |
|--|---------------------------|----------|------------------------------|----------|----------|----------|
|  | 02/28/2018<br>(unaudited) | 2017     | 2016                         | 2015     | 2014     | 2013     |
| <b>Net asset value,<br/>beginning of period</b>                                      | \$ 15.17                  | \$ 16.12 | \$ 15.25                     | \$ 15.48 | \$ 13.32 | \$ 16.10 |
| Net investment income <sup>(a)</sup>   | 0.39                      | 0.83     | 0.93                         | 0.92     | 0.93     | 0.97     |
| Net realized and<br>unrealized gain (loss)   | (0.45)                    | (0.89)   | 0.87                         | (0.19)   | 2.22     | (2.72)   |
| Net increase (decrease)<br>from investment<br>operations                             | (0.06)                    | (0.06)   | 1.80                         | 0.73     | 3.15     | (1.75)   |
| Distributions to Common<br>Shareholders from net<br>investment income <sup>(b)</sup> | (0.40)                    | (0.89)   | (0.93)                       | (0.96)   | (0.99)   | (1.03)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 14.71                  | \$ 15.17 | \$ 16.12                     | \$ 15.25 | \$ 15.48 | \$ 13.32 |
| <b>Market price, end of<br/>period</b>   | \$ 13.56                  | \$ 15.45 | \$ 16.34                     | \$ 14.18 | \$ 14.70 | \$ 13.20 |
| <b>Total Return Applicable<br/>to Common<br/>Shareholders<sup>(c)</sup></b>          |                           |          |                              |          |          |          |
| Based on net asset value   | (0.29)% <sup>(d)</sup>    | (0.18)%  | 12.21%                       | 5.01%    | 24.73%   | (11.60)% |
| Based on market price  | (9.75)% <sup>(d)</sup>    | 0.29%    | 22.33%                       | 2.83%    | 19.52%   | (15.75)% |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>        |                           |          |                              |          |          |          |
| Total expenses   | 2.21% <sup>(e)</sup>      | 2.02%    | 1.62%                        | 1.55%    | 1.64%    | 1.67%    |
| Total expenses after fees<br>waived and paid<br>indirectly                           | 2.21% <sup>(e)</sup>      | 2.02%    | 1.62%                        | 1.55%    | 1.64%    | 1.67%    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

|   |                      |       |       |       |       |       |
|---|----------------------|-------|-------|-------|-------|-------|
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees, and amortization of offering costs <sup>(f)</sup> | 0.99% <sup>(e)</sup> | 0.99% | 0.98% | 0.98% | 1.01% | 1.00% |
| Net investment income to Common Shareholders  | 5.19% <sup>(e)</sup> | 5.47% | 5.90% | 5.94% | 6.49% | 6.17% |

**Supplemental Data**

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000)            | \$ 346,082 | \$ 356,901 | \$ 378,572 | \$ 357,868 | \$ 363,038 | \$ 312,329 |
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000)  | \$ 151,300 | \$ 151,300 | \$ 151,300 | \$ 151,300 | \$ 151,300 | \$ 151,300 |
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period | \$ 328,739 | \$ 335,890 | \$ 350,213 | \$ 336,529 | \$ 339,946 | \$ 306,430 |
| Borrowings outstanding, end of period (000)                                  | \$ 69,909  | \$ 71,274  | \$ 77,130  | \$ 68,692  | \$ 68,692  | \$ 73,531  |
| Portfolio turnover rate  | 2%         | 9%         | 7%         | 10%        | 16%        | 17%        |

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

See notes to financial statements.



## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended          |          | MFL<br>Year Ended August 31, |          |          |          |
|--|---------------------------|----------|------------------------------|----------|----------|----------|
|  | 02/28/2018<br>(unaudited) | 2017     | 2016                         | 2015     | 2014     | 2013     |
| <b>Net asset value,<br/>beginning of period</b>                                      | \$ 14.91                  | \$ 15.86 | \$ 15.18                     | \$ 15.46 | \$ 13.27 | \$ 15.96 |
| Net investment income <sup>(a)</sup>   | 0.37                      | 0.78     | 0.86                         | 0.89     | 0.89     | 0.87     |
| Net realized and<br>unrealized gain (loss)   | (0.57)                    | (0.87)   | 0.68                         | (0.31)   | 2.16     | (2.66)   |
| Net increase (decrease)<br>from investment<br>operations                             | (0.20)                    | (0.09)   | 1.54                         | 0.58     | 3.05     | (1.79)   |
| Distributions to Common<br>Shareholders from net<br>investment income <sup>(b)</sup> | (0.43)                    | (0.86)   | (0.86)                       | (0.86)   | (0.86)   | (0.90)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 14.28                  | \$ 14.91 | \$ 15.86                     | \$ 15.18 | \$ 15.46 | \$ 13.27 |
| <b>Market price, end of<br/>period</b>   | \$ 13.76                  | \$ 15.03 | \$ 15.86                     | \$ 14.06 | \$ 13.92 | \$ 12.59 |
| <b>Total Return Applicable to<br/>Common Shareholders<sup>(c)</sup></b>              |                           |          |                              |          |          |          |
| Based on net asset value   | (1.33)% <sup>(d)</sup>    | (0.34)%  | 10.56%                       | 4.29%    | 24.24%   | (11.70)% |
| Based on market price  | (5.68)% <sup>(d)</sup>    | 0.46%    | 19.37%                       | 7.28%    | 17.91%   | (17.11)% |
| <b>Ratios to Average Net<br/>Assets Applicable to<br/>Common Shareholders</b>        |                           |          |                              |          |          |          |
| Total expenses   | 2.38% <sup>(e)</sup>      | 2.17%    | 1.65%                        | 1.54%    | 1.64%    | 1.71%    |
| Total expenses after fees<br>waived and paid<br>indirectly                           | 2.28% <sup>(e)</sup>      | 2.08%    | 1.60%                        | 1.49%    | 1.57%    | 1.62%    |
|  | 0.94% <sup>(e)</sup>      | 0.95%    | 0.94%                        | 0.95%    | 1.19%    | 1.29%    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

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

|   |                      |       |       |       |       |       |
|---|----------------------|-------|-------|-------|-------|-------|
| Net investment income to<br>Common Shareholders | 5.06% <sup>(e)</sup> | 5.22% | 5.54% | 5.73% | 6.18% | 5.55% |
|---|----------------------|-------|-------|-------|-------|-------|

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets applicable to<br>Common Shareholders,<br>end of period (000) | \$ 541,171 | \$ 564,383 | \$ 599,930 | \$ 573,885 | \$ 584,690 | \$ 501,810 |
|---|------------|------------|------------|------------|------------|------------|

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| VRDP Shares<br>outstanding at \$100,000<br>liquidation value, end of<br>period (000) | \$ 274,600 | \$ 274,600 | \$ 274,600 | \$ 274,600 | \$ 274,600 | \$ 274,600 |
|--|------------|------------|------------|------------|------------|------------|

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Asset coverage per<br>VRDP Shares at<br>\$100,000 liquidation<br>value, end of period | \$ 297,076 | \$ 305,529 | \$ 318,474 | \$ 308,990 | \$ 312,924 | \$ 282,742 |
|---|------------|------------|------------|------------|------------|------------|

|  |            |            |            |           |           |           |
|--|------------|------------|------------|-----------|-----------|-----------|
| Borrowings outstanding,<br>end of period (000) | \$ 123,071 | \$ 123,111 | \$ 131,279 | \$ 85,502 | \$ 89,157 | \$ 95,959 |
|--|------------|------------|------------|-----------|-----------|-----------|

|                         |    |     |     |     |     |     |
|-------------------------|----|-----|-----|-----|-----|-----|
| Portfolio turnover rate | 7% | 16% | 27% | 13% | 25% | 59% |
|-------------------------|----|-----|-----|-----|-----|-----|

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

(g) For the six months ended February 28, 2018 and years ended August 31, 2017, August 31, 2016, August 31, 2015, August 31, 2014 and August 31, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.93%, 0.94%, 0.93%, 0.94%, 0.95% and 0.92%, respectively.

See notes to financial statements.



## Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | Six Months Ended          |          | MVF<br>Year Ended August 31, |          |          |          |
|--|---------------------------|----------|------------------------------|----------|----------|----------|
|  | 02/28/2018<br>(unaudited) | 2017     | 2016                         | 2015     | 2014     | 2013     |
| <b>Net asset value,<br/>beginning of period</b>  | \$ 9.75                   | \$ 10.38 | \$ 10.04                     | \$ 10.27 | \$ 9.14  | \$ 10.68 |
| Net investment income <sup>(a)</sup>   | 0.26                      | 0.56     | 0.61                         | 0.62     | 0.63     | 0.67     |
| Net realized and<br>unrealized gain (loss)   | (0.29)                    | (0.62)   | 0.36                         | (0.21)   | 1.18     | (1.50)   |
| Net increase (decrease)<br>from investment<br>operations   | (0.03)                    | (0.06)   | 0.97                         | 0.41     | 1.81     | (0.83)   |
| Distributions to Common<br>Shareholders from net<br>Investment income <sup>(b)</sup>                   | (0.28)                    | (0.57)   | (0.63)                       | (0.64)   | (0.68)   | (0.71)   |
| <b>Net asset value, end of<br/>period</b>  | \$ 9.44                   | \$ 9.75  | \$ 10.38                     | \$ 10.04 | \$ 10.27 | \$ 9.14  |
| <b>Market price, end of<br/>period</b>   | \$ 9.21                   | \$ 9.84  | \$ 10.77                     | \$ 9.65  | \$ 9.83  | \$ 8.91  |
| <b>Total Return Applicable to Common Shareholders<sup>(c)</sup></b>                                    |                           |          |                              |          |          |          |
| Based on net asset value   | (0.32)% <sup>(d)</sup>    | (0.38)%  | 9.96%                        | 4.27%    | 20.70%   | (8.39)%  |
| Based on market price  | (3.64)% <sup>(d)</sup>    | (3.10)%  | 18.70%                       | 4.71%    | 18.50%   | (15.45)% |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                                  |                           |          |                              |          |          |          |
| Total expenses   | 2.07% <sup>(e)</sup>      | 1.92%    | 1.55%                        | 1.43%    | 1.49%    | 1.54%    |
| Total expenses after fees<br>waived and paid<br>indirectly   | 2.07% <sup>(e)</sup>      | 1.92%    | 1.55%                        | 1.43%    | 1.49%    | 1.54%    |
| Total expenses after fees<br>waived and paid<br>indirectly and excluding<br>interest expense, fees and | 0.89% <sup>(e)</sup>      | 0.91%    | 0.89%                        | 0.89%    | 0.91%    | 0.91%    |

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

amortization of offering costs<sup>(f)</sup>

|  |                      |       |       |       |       |       |
|--|----------------------|-------|-------|-------|-------|-------|
| Net investment income to Common Shareholders | 5.50% <sup>(e)</sup> | 5.71% | 5.95% | 6.03% | 0.53% | 6.43% |
|--|----------------------|-------|-------|-------|-------|-------|

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 611,735 | \$ 630,489 | \$ 667,589 | \$ 642,889 | \$ 656,922 | \$ 584,718 |
|---|------------|------------|------------|------------|------------|------------|

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| VMTP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$ 243,800 | \$ 243,800 | \$ 243,800 | \$ 243,800 | \$ 243,800 | \$ 243,800 |
|---|------------|------------|------------|------------|------------|------------|

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| Asset coverage per VMTP Shares at \$100,000 liquidation value, end of period | \$ 350,917 | \$ 358,609 | \$ 373,827 | \$ 363,695 | \$ 369,451 | \$ 339,835 |
|--|------------|------------|------------|------------|------------|------------|

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Borrowings outstanding, end of period (000) | \$ 131,806 | \$ 139,989 | \$ 161,957 | \$ 148,867 | \$ 145,111 | \$ 149,085 |
|---|------------|------------|------------|------------|------------|------------|

|                         |    |     |     |     |     |     |
|-------------------------|----|-----|-----|-----|-----|-----|
| Portfolio turnover rate | 8% | 26% | 13% | 18% | 14% | 11% |
|-------------------------|----|-----|-----|-----|-----|-----|

(a) Based on average Common Shares outstanding.

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

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

(d) Aggregate total return.

(e) Annualized.

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

*See notes to financial statements.*

## Notes to Financial Statements (unaudited)

**1. ORGANIZATION**

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

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

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

The Trusts, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the Manager ) or its affiliates, are included in a complex of closed-end funds referred to as the Closed-End Complex.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are 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 date. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on an accrual basis.

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

broker-dealer or custodian as collateral for certain investments or obligations.

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

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

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

**Recent Accounting Standards:** In November 2016, the Financial Accounting Standards Board issued Accounting Standards Update Restricted Cash which will require entities to include the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the beginning and ending cash balances in the Statements of Cash Flows. The guidance will be applied retrospectively and is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Management is evaluating the impact, if any, of this guidance on the Trusts' presentation in the Statements of Cash Flows.

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

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

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

---

Notes to Financial Statements (unaudited) (continued)

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

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

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

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

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

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

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

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:



Level 1 Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Trust has the ability to access

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

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

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

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



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

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

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

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

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

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

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by a Trust on an accrual basis. Interest expense incurred on the TOB Trust transaction and other

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

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

|     | <i>Interest Expense</i> | <i>Liquidity Fees</i> | <i>Other Expenses</i> | <i>Total</i> |
|-----|-------------------------|-----------------------|-----------------------|--------------|
| BBK | \$ 118,394              | \$ 49,744             | \$ 22,003             | \$ 190,141   |
| BAF | 256,787                 | 98,906                | 49,307                | 405,000      |
| BYM | 555,719                 | 230,987               | 67,848                | 854,554      |
| BLE | 382,404                 | 156,840               | 61,753                | 600,997      |
| MFL | 671,099                 | 261,265               | 120,112               | 1,052,476    |
| MVF | 741,425                 | 333,548               | 100,117               | 1,175,090    |

For the six months ended February 28, 2018, the following table is a summary of each Trust's TOB Trusts:

|     | <i>Underlying<br/>Municipal Bonds<br/>Transferred to<br/>TOB Trusts<sup>(a)</sup></i> | <i>Liability for<br/>TOB Trust<br/>Certificates<sup>(b)</sup></i> | <i>Range of<br/>Interest Rates<br/>on TOB Trust<br/>Certificates at<br/>Period End</i> | <i>Daily Weighted<br/>Average Rate<br/>of Interest and<br/>Other Expenses<br/>Outstanding<br/>TOB Trusts</i> |
|-----|---|---|--|--|
| BBK | \$ 36,894,735   | \$ 21,403,733   | 1.11% - 1.27%  | \$ 22,066,717 1.74%  |
| BAF | 85,694,891  | 49,716,592  | 1.10% - 1.32%  | 47,050,987 1.74  |
| BYM | 169,542,451   | 102,796,594   | 1.10% - 1.43%  | 102,177,259 1.68   |
| BLE | 118,358,075   | 69,909,043  | 1.10% - 1.32%  | 71,228,795 1.70  |
| MFL | 239,347,345   | 123,070,585   | 1.10% - 1.44%  | 123,008,678 1.72   |
| MVF | 253,471,425   | 131,806,132   | 1.10% - 1.24%  | 138,742,676 1.71   |

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

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

- (b) TOB Trusts may be structured on a non-recourse or recourse basis. When a Trust invests in TOB Trusts on a non-recourse basis, the Liquidity Provider may be required to make a payment under the liquidity facility to allow the TOB Trust to repurchase TOB Trust Certificates. The Liquidity Provider will be reimbursed from the liquidation of bonds held in the TOB Trust. If a Trust invests in a TOB Trust on a recourse basis, the Trust enters into a reimbursement agreement with the Liquidity Provider where a Trust is required to reimburse the Liquidity Provider for any shortfall between the amount paid by the Liquidity Provider and proceeds received from liquidation of municipal bonds held in the TOB Trust (the *Liquidation Shortfall*). As a result, if a Trust invests in recourse TOB Trust, a Trust will bear the risk of loss with respect to any *Liquidation Shortfall*. If multiple funds participate in any such TOB Trust, these losses will be shared ratably, including the maximum potential amounts owed by a Trust at February 28, 2018, in proportion to their participation in the TOB Trust. The recourse TOB Trusts are identified in the Schedules of Investments including the maximum potential amounts owed by a Trust at February 28, 2018.

For the six months ended February 28, 2018, the following table is a summary of each fund's Loan for TOB Trust Certificates:

|     | <i>Loans<br/>Outstanding<br/>at Period End</i> | <i>Range of<br/>Interest Rates<br/>on Loans at<br/>Period End</i> | <i>Average<br/>Loans<br/>Outstanding</i> | <i>Daily Weighted<br/>Average Rate<br/>of Interest and<br/>Other Expenses<br/>on Loans</i> |
|-----|--|---|--|--|
| BAF | \$   | %   | \$ 16,939                                | 0.78%  |
| BYM |  |   | 43,957                                   | 0.78   |
| MFL |  |   | 67,757                                   | 0.78   |
| MVF |  |   | 128,840                                  | 0.78   |

##### 5. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate of BlackRock, Inc. ( BlackRock ) for 1940 Act purposes.

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

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

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

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

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

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

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

**Expense Waivers:** The Manager, for MFL, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOB Trusts that exceed 35% of total assets minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of any outstanding preferred shares). This amount is included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended February 28, 2018 the waiver was \$268,916.

With respect to each Trust, the Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds (the affiliated money market fund waiver). These amounts are included in fees waived and/or reimbursed by the Manager in the Statements of Operations. For the six months ended February 28, 2018, the amounts waived were as follows:

|                | <i>BBK</i> | <i>BAF</i> | <i>BYM</i> | <i>BLE</i> | <i>MFL</i> | <i>MVF</i> |
|----------------|------------|------------|------------|------------|------------|------------|
| Amounts waived | \$ 384     | \$ 316     | \$ 1,616   | \$ 1,764   | \$ 1,041   | \$ 5,009   |

The Manager contractually agreed to waive its investment advisory fee with respect to any portion of each Trust's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2018. The agreement can be renewed for annual periods thereafter, and may be terminated on 90 days' notice, each subject to approval by a majority of the Trusts' Independent Trustees. For the six months ended February 28, 2018, there were no fees waived by the Manager.

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

## 7. PURCHASES AND SALES

For the six months ended February 28, 2018, purchases and sales of investments, excluding short-term securities, were as follows:

|           | <i>BBK</i>    | <i>BAF</i>    | <i>BYM</i>    | <i>BLE</i>    | <i>MFL</i>    | <i>MVF</i>    |
|-----------|---------------|---------------|---------------|---------------|---------------|---------------|
| Purchases | \$ 28,653,737 | \$ 32,130,642 | \$ 81,332,920 | \$ 18,720,972 | \$ 68,843,199 | \$ 80,755,509 |
| Sales     | 26,596,110    | 30,320,248    | 80,397,530    | 13,739,541    | 69,502,871    | 98,517,570    |

## 8. INCOME TAX INFORMATION

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

Each Trust files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust's U.S. federal tax returns generally remains open for each of the

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

four years ended August 31, 2017. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Trusts as of February 28, 2018, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Trusts' financial statements.

As of August 31, 2017, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| <i>Expires August 31,</i>         | <i>BAF</i>   | <i>BYM</i>   | <i>BLE</i>    | <i>MFL</i>    | <i>MVF</i>    |
|-----------------------------------|--------------|--------------|---------------|---------------|---------------|
| No expiration date <sup>(a)</sup> | \$ 4,753,252 | \$ 7,220,379 | \$ 9,119,070  | \$ 18,612,125 | \$ 13,114,070 |
| 2018                              |              | 2,209,430    | 4,366,226     | 11,734,707    |               |
| 2019                              |              |              | 2,448,693     |               | 5,276,524     |
| Total                             | \$ 4,753,252 | \$ 9,429,809 | \$ 15,933,989 | \$ 30,346,832 | \$ 18,390,594 |

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

As of February 28, 2018, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

|                               | <i>BBK</i>     | <i>BAF</i>     | <i>BYM</i>     | <i>BLE</i>     | <i>MFL</i>     | <i>MVF</i>     |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Tax cost                      | \$ 231,250,888 | \$ 160,919,341 | \$ 492,555,441 | \$ 465,781,939 | \$ 766,429,642 | \$ 802,175,550 |
| Gross unrealized appreciation | \$ 15,965,859  | \$ 11,868,942  | \$ 36,260,460  | \$ 32,090,922  | \$ 47,203,066  | \$ 47,488,788  |
| Gross unrealized depreciation | (1,382,143)    | (589,731)      | (4,696,298)    | (4,247,516)    | (7,025,919)    | (4,306,825)    |
| Net unrealized appreciation   | \$ 14,583,716  | \$ 11,279,211  | \$ 31,564,162  | \$ 27,843,406  | \$ 40,177,147  | \$ 43,181,963  |

## 9. PRINCIPAL RISKS

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





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

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

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

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

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

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

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

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

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

**Counterparty Credit Risk:** The Trusts may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the

financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trusts.

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

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

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

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

Certain Trusts invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise.

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

**10. CAPITAL SHARE TRANSACTIONS**

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

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

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

**Common Shares**

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

|                                    | <i>BBK</i> | <i>BLE</i> | <i>MFL</i> | <i>MVF</i> |
|------------------------------------|------------|------------|------------|------------|
| Six Months Ended February 28, 2018 |            | 8,405      | 39,363     | 152,734    |
| Year Ended August 31, 2017         | 6,337      | 31,083     | 35,731     | 340,661    |

For the six months ended February 28, 2018, shares issued and outstanding remained constant for BBK. For the six months ended February 28, 2018, and the year ended August 31, 2017, shares issued and outstanding remained constant for BAF and BYM.

**Preferred Shares**

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

The holders of Preferred Shares have voting rights equal to the voting rights of 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 on certain matters. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Trustees to the Board of each Trust. The holders of Preferred Shares are also entitled to elect the full Board of Directors if dividends on the Preferred Shares are not paid for a period of two years. The holders of Preferred Shares are also generally entitled to a separate class vote to amend the Preferred Share governing documents. In addition, the 1940

Act requires the approval of the holders of a majority of any outstanding Preferred Shares, voting as a separate class, to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Trust's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

### VRDP Shares

MFL has issued Series W-7 VRDP Shares, \$100,000 liquidation preference per share, in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended, (the Securities Act). The VRDP Shares include a liquidity feature and VRDP Shares of MFL are currently in a special rate period, each as described below.

As of period end, the VRDP Shares outstanding of MFL were as follows:

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

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

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

**Liquidity Feature:** MFL entered into a fee agreement with its liquidity provider that requires an upfront commitment and a per annum liquidity fee payable to the liquidity provider. These fees, if applicable, are shown as liquidity fees in the Statements of Operations.

The fee agreement between MFL and the liquidity provider are for a three-year term and is scheduled to expire on April 15, 2020 unless renewed or terminated in advance.

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

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

**Remarketing:** MFL may incur remarketing fees of 0.10% on the aggregate principal amount of all the Trust's VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. During any special rate period (as described below), MFL may incur no remarketing fees.

**Dividends:** Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned long-term ratings of Aaa from Moody's and AAA from Fitch. Subsequent to the issuance of the VRDP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of period end, the VRDP Shares were assigned a long-term rating of Aa1 from Moody's under its new ratings methodology. The VRDP Shares continue to be assigned a long-term rating of AAA from Fitch.

For the six months ended February 28, 2018, the annualized dividend rate for MFL's VRDP Shares was 1.90%.

**Ratings:** The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's, Fitch and/or S&P. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly based upon either short-term rating. As of period end, the short-term ratings of the liquidity provider and the VRDP Shares for MFL were A1, P1 and A1 as rated by Moody's, Fitch and/or S&P, respectively, which is within the two highest rating categories. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories.

**Special Rate Period:** On April 17, 2014, MFL commenced a three-year special rate period ending April 19, 2017 with respect to its VRDP Shares. On April 19, 2017, MFL extended the special rate period to April 15, 2020, with respect to its VRDP Shares, during which the VRDP Shares will not be subject to any remarketing and the dividend rate will be based on a predetermined methodology. Prior to April 15, 2020, the holder of the VRDP Shares and MFL may mutually agree to extend the special rate period. If the special rate period is not extended, the VRDP Shares will revert to remarketable securities upon the termination of the special rate period and will be remarketed and available for purchase by qualified institutional investors.

During the special rate period, the liquidity and fee agreements remain in effect and the VRDP Shares remain subject to mandatory redemption by MFL on the maturity date. The VRDP Shares will not be remarketed or subject to optional or mandatory tender events during the special rate period. During the special rate period, MFL is required to comply with the same asset coverage, basic maintenance amount and leverage requirements for the VRDP Shares as is required when the VRDP Shares are not in a special rate period. MFL will pay a nominal fee at the annual rate of

0.01% to the liquidity provider and remarketing agent during the special rate period. MFL will also pay dividends monthly based on the sum of the Securities Industry and Financial Markets Association ( SIFMA ) Municipal Swap Index rate and a percentage per annum based on the long-term ratings assigned to the VRDP Shares.

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

For the six months ended February 28, 2018, VRDP Shares issued and outstanding of MFL remained constant.

### VMTP Shares

BBK, BAF, BYM, BLE and MVF (collectively, the VMTP Trusts ) have issued Series W-7 VMTP Shares, \$100,000 liquidation preference per share, in privately negotiated offerings and sales of VMTP Shares exempt from registration under the Securities Act. The VMTP Shares are subject to certain restrictions on transfer, and VMTP Trusts may also be required to register the VMTP Shares for sale under the Securities Act under certain circumstances. In addition, amendments to the VMTP governing documents generally require the consent of the holders of VMTP Shares.

As of period end, the VMTP Shares outstanding of each Trust were as follows:

|     | <i>Issue<br/>Date</i> | <i>Shares<br/>Issued</i> | <i>Aggregate<br/>Principal</i> | <i>Term<br/>Date</i> |
|-----|-----------------------|--------------------------|--------------------------------|----------------------|
| BBK | 12/16/11              | 799                      | \$ 79,900,000                  | 1/02/19              |
| BAF | 12/16/11              | 422                      | 42,200,000                     | 1/02/19              |
| BYM | 12/16/11              | 1,372                    | 137,200,000                    | 1/02/19              |
| BLE | 12/16/11              | 1,513                    | 151,300,000                    | 1/02/19              |
| MVF | 12/16/11              | 2,438                    | 243,800,000                    | 1/02/19              |

**Redemption Terms:** Each VMTP Trust is required to redeem its VMTP Shares on the term redemption date, unless earlier redeemed or repurchased or unless extended. There is no assurance that the term of VMTP Trust s VMTP Shares will be extended further or that a VMTP Trust s VMTP Shares will be replaced with any other preferred shares or other form of leverage upon the redemption or repurchase of the VMTP Shares. Six months prior to the term redemption date, each VMTP Trust is required to

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

begin to segregate liquid assets with the Trust's custodian to fund the redemption. In addition, each VMTP Trust is required to redeem certain of its outstanding VMTP Shares if it fails to comply with certain asset coverage, basic maintenance amount or leverage requirements.

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

**Dividends:** Dividends on the VMTP Shares are declared daily and payable monthly at a variable rate set weekly at a fixed rate spread to the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. The fixed spread is determined based on the long-term preferred share rating assigned to the VMTP Shares by the ratings agencies then rating the VMTP Shares. At the date of issuance, the VMTP Shares were assigned long-term ratings of Aaa from Moody's and AAA from Fitch. Subsequent to the issuance of the VMTP Shares, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of period end, the VMTP Shares were assigned a long-term rating of Aa1 from Moody's under its new rating methodology. The VMTP Shares continue to be assigned a long-term rating of AAA from Fitch. The dividend rate on the VMTP Shares is subject to a step-up spread if the Trusts fail to comply with certain provisions, including, among other things, the timely payment of dividends, redemptions or gross-up payments, and complying with certain asset coverage and leverage requirements.

For the six months ended February 28, 2018, the annualized dividend rates for the VMTP Shares were as follows:

| Rate | <i>BBK</i> | <i>BAF</i> | <i>BYM</i> | <i>BLE</i> | <i>MVF</i> |
|------|------------|------------|------------|------------|------------|
|      | 2.02%      | 2.02%      | 2.02%      | 2.02%      | 2.02%      |

For the six months ended February 28, 2018, VMTP Shares issued and outstanding of each Trust remained constant.

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

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



Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

amounts are dividends accrued and paid on the VRDP and VMTP Shares and amortization of deferred offering costs, which are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations:

|     | <i>Dividend<br/>Accrued</i> | <i>Deferred Offering Cost<br/>Amortization</i> |
|-----|-----------------------------|--|
| BBK | \$ 812,659                  | \$   |
| BAF | 427,839                     |  |
| BYM | 1,390,984                   |  |
| BLE | 1,534,969                   |  |
| MFL | 2,620,588                   | 8,397  |
| MVF | 2,476,419                   |  |

## 11. SUBSEQUENT EVENTS

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

|     | Common Dividend            |                                | Preferred Shares <sup>(c)</sup> |               |                 |
|-----|----------------------------|--------------------------------|---------------------------------|---------------|-----------------|
|     | Per Share                  |                                | <i>Shares</i>                   | <i>Series</i> | <i>Declared</i> |
|     | <i>Paid</i> <sup>(a)</sup> | <i>Declared</i> <sup>(b)</sup> |                                 |               |                 |
| BBK | \$ 0.0635                  | \$ 0.0635                      | VMTP                            | W-7           | \$ 151,788      |
| BAF | 0.0685                     | 0.0685                         | VMTP                            | W-7           | 80,168          |
| BYM | 0.0520                     | 0.0520                         | VMTP                            | W-7           | 260,642         |
| BLE | 0.0650                     | 0.0650                         | VMTP                            | W-7           | 287,429         |
| MFL | 0.0565                     | 0.0565                         | VRDP                            | W-7           | 493,678         |
| MVF | 0.0410                     | 0.0410                         | VMTP                            | W-7           | 463,153         |

(a) Net investment income dividend paid on April 2, 2018 to Common Shareholders of record on March 15, 2018.

(b) Net investment income dividend declared on April 2, 2018, payable to Common Shareholders of record on April 16, 2018.

(c) Dividends declared for period March 1, 2018 to March 31, 2018.

Trustee and Officer Information

Richard E. Cavanagh, Chair of the Board and Trustee

Karen P. Robards, Vice Chair of the Board and Trustee

Michael J. Castellano, Trustee

Cynthia L. Egan, Trustee

Frank J. Fabozzi, Trustee

R. Glenn Hubbard, Trustee

W. Carl Kester, Trustee

Catherine A. Lynch, Trustee

Robert Fairbairn, Trustee

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

Jonathan Diorio, Vice President

Neal J. Andrews, Chief Financial Officer

Jay M. Fife, Treasurer

Charles Park, Chief Compliance Officer

Janey Ahn, Secretary

Effective December 31, 2017, Jerrold B. Harris retired as a Trustee of the Trusts.

Effective February 16, 2018, Barbara G. Novick resigned, and Robert Fairbairn was appointed, as an Interested Trustee of the Trusts.

As of the date of this report, the portfolio managers of BBK are Walter O. Connor, Ted Jaeckel and Christian Romaglino. Mr. Romaglino joined BBK's portfolio management team effective February 1, 2018. Mr. Romaglino has been a Director of BlackRock, Inc. since 2017; a Portfolio Manager for the Municipal Mutual Fund Desk within BlackRock's Global Fixed Income Group since 2017; and a Portfolio Manager at Brown Brothers Harriman from 2007 to 2017.

As of the date of this report, the portfolio managers of BAF are Ted Jaeckel, Michael Perilli and Phillip Soccio. Mr. Soccio joined BAF's portfolio management team effective February 1, 2018. Mr. Soccio has been a Director of BlackRock, Inc. since 2009, and a Vice President thereof from 2005 to 2009.

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

As of the date of this report, the portfolio managers of MVF are Ted Jaeckel, Phillip Soccio and Michael Perilli. Mr. Perilli joined MVF's portfolio management team effective February 1, 2018. Mr. Perilli has been a Vice President of BlackRock, Inc. since 2014, and an Associate thereof from 2008 to 2014.

**Investment Adviser**

BlackRock Advisors, LLC  
Wilmington, DE 19809

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

The Bank of New York Mellon  
New York, NY 10286

**VRDP Liquidity Provider**

Bank of America, N.A.<sup>(a)</sup>  
New York, NY 10036

**Accounting Agent and Custodian**

State Street Bank and  
Trust Company  
Boston, MA 02111

**VRDP Remarketing Agent**

Citigroup Global Markets Inc.  
New York, NY 10179

**Transfer Agent**

Computershare Trust Company, N.A.  
Canton, MA 02021

**VMTP Liquidity Provider**

JPMorgan Chase & Co.

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02116

**Legal Counsel**

Skadden, Arps, Slate,  
Meagher & Flom LLP  
Boston, MA 02116

**Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>(a)</sup> For MFL.

## Additional Information

### Trust Certification

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

### Dividend Policy

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

### General Information

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

During the period, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charters or by-laws that would delay or prevent a change of control of the Trusts that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts. Except as disclosed on page 92, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolios.

Effective September 26, 2016, BlackRock implemented a new methodology for calculating effective duration for BlackRock's municipal bond portfolios. The new methodology replaces the model previously used by BlackRock to evaluate municipal bond duration, and is a common indicator of an investment's sensitivity to interest rate movements. The new methodology is applied to each Trust's duration reported for periods after September 26, 2016.

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

### Electronic Delivery

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

To enroll in electronic delivery:

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

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

**Householding**

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

**Availability of Quarterly Schedule of Investments**

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room or how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

**Availability of Proxy Voting Policies and Procedures**

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

Additional Information (continued)

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

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

### **Availability of Trust Updates**

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

### **BlackRock Privacy Principles**

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

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

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

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

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



---

Glossary of Terms Used in this Report

**Portfolio Abbreviations**

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



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

CEF-NTL-6-2/18-SAR

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

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

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

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

Item 6 Investments

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

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

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

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a)(1) As of the date of filing this Report:

The registrant is managed by a team of investment professionals comprised of Walter O Connor, Managing Director at BlackRock, Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock and Christian Romaglino, Director at BlackRock. Each of the foregoing professionals is a member of BlackRock's municipal tax-exempt management group and 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. O Connor, Jaeckel and Romaglino have been members of the registrant's portfolio management team since 2008, 2017 and 2018, respectively.

Information below is with respect to Mr. Romaglino, who became a portfolio manager to the Fund on February 1, 2018.

| <b>Portfolio Manager</b> | <b>Biography</b>                  |
|--------------------------|-----------------------------------|
| Christian Romaglino      | Director of BlackRock since 2017. |

(a)(2) As of February 28, 2018:

(ii) Number of Other Accounts Managed (iii) Number of Other Accounts and

Edgar Filing: BLACKROCK MUNICIPAL BOND TRUST - Form N-CSRS

and Assets by Account Type

Assets for Which Advisory Fee is

| (i) Name of<br>Portfolio Manager | and Assets by Account Type                     |   |                   | Assets for Which Advisory Fee is               |  |                   |
|----------------------------------|--|---|-------------------|--|--|-------------------|
|                                  | Other<br>Registered<br>Investment<br>Companies | Other<br>Pooled<br>Investment<br>Vehicles | Other<br>Accounts | Other<br>Registered<br>Investment<br>Companies | Performance-Based<br>Other<br>Pooled<br>Investment<br>Vehicles | Other<br>Accounts |
| Christian Romaglino*             | 11<br>\$4.55 Billion                           | 0<br>\$0                                  | 0<br>\$0          | 0<br>\$0                                       | 0<br>\$0   | 0<br>\$0          |

\*Information as of January 31, 2018.

(iv) Portfolio Manager 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, Inc., 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, Inc., 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, Inc.'s (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock, Inc. 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 a portfolio manager may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Such portfolio managers may therefore be entitled to receive a portion of any incentive fees earned on such accounts. Currently, the portfolio manager of this Fund is not entitled to receive a portion of incentive fees of other accounts.

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, Inc. 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 February 28, 2018:

**Portfolio Manager Compensation Overview**

The discussion below describes the portfolio manager's compensation as of February 28, 2018.

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, Inc., 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 Funds or other accounts managed by the portfolio managers are measured. 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 a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to the portfolio manager, such benchmarks for the Fund and other accounts are: a combination of market-based indices (e.g., Standard & Poor's Municipal Bond Index), certain customized indices and certain fund industry peer groups.

**Distribution of Discretionary Incentive Compensation.** Discretionary incentive compensation is distributed to portfolio managers in a combination of cash, deferred BlackRock, Inc. stock awards, and/or deferred cash awards that notionally track the return of certain BlackRock investment products.

Portfolio managers receive their annual discretionary incentive compensation in the form of cash. Portfolio managers whose total compensation is above a specified threshold also receive deferred BlackRock, Inc. stock awards annually as part of their discretionary incentive compensation. Paying a portion of discretionary incentive compensation in the form of deferred BlackRock, Inc. 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. In some cases, additional deferred BlackRock, Inc. stock may be granted to certain key employees as part of a long-term incentive award to aid in retention, align interests with long-term shareholders and motivate performance. Deferred BlackRock, Inc. stock awards are generally granted in the form of BlackRock, Inc. restricted stock units that vest pursuant to the terms of the applicable plan and, once vested, settle in BlackRock, Inc. common stock. The portfolio manager of this Fund has deferred BlackRock, Inc. stock awards.

For certain portfolio managers, a portion of the discretionary incentive compensation is also distributed in the form of deferred cash awards that notionally track the returns of select BlackRock investment products they manage, which provides direct alignment of portfolio manager discretionary incentive compensation with investment product results. Deferred cash awards vest ratably over a number of years and, once vested, settle in the form of cash. Only portfolio managers who manage specified products and whose total compensation is above a specified threshold are eligible to participate in the deferred cash award program.

**Other Compensation Benefits.** In addition to base salary 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, Inc. 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 up to the Internal Revenue Service limit (\$275,000 for 2018). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a 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, Inc. 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 of common stock or a dollar value of \$25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* As of February 28, 2018.

| <b>Portfolio Manager</b> | <b>Dollar Range of Equity Securities of the Fund Beneficially Owned</b> |
|--------------------------|---|
| Christian Romaglino      | None  |

(b) Effective February 1, 2018, Christian Romaglino was added as a portfolio manager.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable

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

Item 11 Controls and Procedures

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

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

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

Item 13 Exhibits attached hereto

5

- (a)(1) Code of Ethics Not Applicable to this semi-annual report
- (a)(2) Certifications Attached hereto
- (a)(3) Not Applicable
- (a)(4) Not Applicable
- (b) Certifications Attached hereto



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

BlackRock Municipal Bond Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Municipal Bond Trust  
Date: May 4, 2018

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 Municipal Bond Trust  
Date: May 4, 2018

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Municipal Bond Trust  
Date: May 4, 2018