

BLACKROCK INSURED MUNICIPAL INCOME TRUST  
Form N-CSR  
November 05, 2004

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: 811-21175

BlackRock Insured Municipal Income Trust  
(Exact name of registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE 19809

(Address of principal executive offices) (Zip code)

Robert S. Kapito, President

#### **BlackRock Insured Municipal Income Trust**

40 East 52nd Street, New York, NY 10022

(Name and address of agent for service)

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

Date of fiscal year end: August 31, 2004

Date of reporting period: August 31, 2004

#### **Item 1. Reports to Shareholders**

The Trust's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

FIXED INCOME   LIQUIDITY   EQUITIES   ALTERNATIVES   BLACKROCK SOLUTIONS

BlackRock  
Closed-End Funds  
Annual Report

August 31, 2004

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

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

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**Privacy Principles of the Trusts**

The Trusts are committed to maintaining the privacy of shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Trusts collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Trusts do not receive any non-public personal information relating to their shareholders, although certain non-public personal information of shareholders may become available to the Trusts. The Trusts do not disclose any non-public personal information about their shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Trusts restrict access to non-public personal information about their shareholders to BlackRock employees with a legitimate business need for the information. The Trusts maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of their shareholders.

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**LETTER TO SHAREHOLDERS**

August 31, 2004

Dear Shareholder:

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

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

The following table shows the Trusts' current yields, tax-equivalent yields, closing market prices per share and net asset values (NAV) per share as of August 31, 2004.

| Trust (Ticker)  | Current Yield <sup>1</sup> | Tax-Equivalent Yield <sup>1</sup> | Closing Market Price | NAV     |
|---|----------------------------|-----------------------------------|----------------------|---------|
| BlackRock Insured Municipal Income Trust (BYM)            | 6.71%                      | 10.32%                            | \$13.97              | \$14.62 |
| BlackRock Municipal Bond Trust (BBK)                      | 7.09                       | 10.91                             | 14.61                | 15.00   |
| BlackRock Municipal Income Trust II (BLE)                 | 7.22                       | 11.11                             | 13.92                | 14.34   |
| BlackRock California Insured Municipal Income Trust (BCK) | 6.43                       | 9.89                              | 14.00                | 14.01   |
| BlackRock California Municipal Bond Trust (BZA)           | 6.88                       | 10.58                             | 13.90                | 14.67   |
| BlackRock California Municipal Income Trust II (BCL)      | 7.11                       | 10.94                             | 13.71                | 13.77   |
| BlackRock Florida Insured Municipal Income Trust (BAF)    | 6.36                       | 9.78                              | 14.14                | 14.34   |
| BlackRock Florida Municipal Bond Trust (BIE)              | 6.59                       | 10.14                             | 14.17                | 15.53   |
| BlackRock Maryland Municipal Bond Trust (BZM)             | 5.71                       | 8.78                              | 14.99                | 15.24   |
| BlackRock New Jersey Municipal Bond Trust (BLJ)           | 6.78                       | 10.43                             | 13.91                | 14.71   |
| BlackRock New York Insured Municipal Income Trust (BSE)   | 6.39                       | 9.83                              | 14.08                | 14.18   |
| BlackRock New York Municipal Bond Trust (BQH)             | 6.62                       | 10.18                             | 13.97                | 15.09   |
| BlackRock New York Municipal Income Trust II (BFY)        | 6.90                       | 10.62                             | 13.70                | 14.16   |
| BlackRock Virginia Municipal Bond Trust (BHV)             | 5.67                       | 8.72                              | 15.34                | 15.47   |

<sup>1</sup> Yields are based on closing market price. Tax-equivalent yield assumes the maximum Federal tax rate of 35%.

BlackRock, Inc. (BlackRock), a world leader in asset management, has a proven commitment to the municipal bond market. As of June 30, 2004, BlackRock managed over \$19 billion in municipal bonds, including seven open-end and 37 closed-end municipal bond funds. BlackRock is recognized for its emphasis on risk management and proprietary analytics and for its reputation managing money for the world's largest institutional investors. BlackRock Advisors, Inc., which manages the Trusts, is a wholly owned subsidiary of BlackRock.

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On behalf of BlackRock, we thank you for your continued trust and assure you that we remain committed to excellence in managing your assets.

Sincerely,

Laurence D. Fink  
Chief Executive Officer  
BlackRock Advisors, Inc.

Ralph L. Schlosstein  
President  
BlackRock Advisors, Inc.

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### **TRUST SUMMARIES AUGUST 31, 2004**

#### **BlackRock Insured Municipal Income Trust (BYM)**

##### **Trust Information**

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|   |                     |
|---|---------------------|
| Symbol on New York Stock Exchange:                                  | BYM                 |
| Initial Offering Date:  | October 31,<br>2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.97             |
| Net Asset Value as of 8/31/04:                                      | \$14.62             |
| Yield on Closing Market Price as of 8/31/04 (\$13.97): <sup>1</sup> | 6.71%               |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.078125          |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.937500          |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%                 |

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<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

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|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$13.97        | \$13.51        | 3.40%         | \$14.91     | \$12.35    |
| NAV          | \$14.62        | \$13.64        | 7.18%         | \$15.57     | \$13.51    |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Water & Sewer                  | 32%                    | 19%                    |
| Transportation                 | 23                     | 33                     |
| Tobacco                        | 10                     | 10                     |
| Education                      | 7                      | 1                      |
| Lease Revenue                  | 5                      | 3                      |
| Tax Revenue                    | 5                      | 6                      |
| City, County & State           | 5                      | 12                     |
| Power                          | 5                      | 9                      |
| Hospitals                      | 5                      | 2                      |
| Industrial & Pollution Control | 3                      | 2                      |
| Housing                        | □                      | 3                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 82%                    | 83%                    |
| A                    | 4                      | 7                      |
| BBB/Baa              | 14                     | 10                     |

<sup>4</sup> Using the higher of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Ratings (Fitch's) rating.

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## TRUST SUMMARIES

**AUGUST 31, 2004**

**BlackRock Municipal Bond Trust (BBK)**

### Trust Information

|   |                |
|---|----------------|
| Symbol on New York Stock Exchange:                                  | BBK            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$14.61        |
| Net Asset Value as of 8/31/04:                                      | \$15.00        |
| Yield on Closing Market Price as of 8/31/04 (\$14.61): <sup>1</sup> | 7.09%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.086375     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$1.036500     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.61        | \$13.66        | 6.95%         | \$15.37     | \$13.05    |
| NAV          | \$15.00        | \$14.12        | 6.23%         | \$15.93     | \$14.02    |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Hospitals                      | 20%                    | 20%                    |
| City, County & State           | 17                     | 6                      |
| Industrial & Pollution Control | 13                     | 26                     |
| Housing                        | 9                      | 14                     |
| Transportation                 | 9                      | 9                      |
| Tax Revenue                    | 6                      | 5                      |
| Lease Revenue                  | 6                      | □                      |
| Water & Sewer                  | 5                      | 1                      |
| Tobacco                        | 5                      | 9                      |
| Power                          | 3                      | 3                      |
| Education                      | 2                      | 2                      |
| Other                          | 5                      | 5                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 29%                    | 27%                    |
| AA/Aa                | □                      | 5                      |
| A                    | 28                     | 23                     |
| BBB/Baa              | 30                     | 32                     |
| BB/Ba                | 1                      | □                      |
| B                    | 4                      | 4                      |



|                        |   |   |
|------------------------|---|---|
| Not Rated <sup>5</sup> | 8 | 9 |
|------------------------|---|---|

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

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$5,679,867 representing 2.5% of the Trust's long-term investments.

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## TRUST SUMMARIES AUGUST 31, 2004

### BlackRock Municipal Income Trust II (BLE)

#### Trust Information

|   |               |
|---|---------------|
| Symbol on American Stock Exchange:                                  | BLE           |
| Initial Offering Date:  | July 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.92       |
| Net Asset Value as of 8/31/04:                                      | \$14.34       |
| Yield on Closing Market Price as of 8/31/04 (\$13.92): <sup>1</sup> | 7.22%         |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.08375     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$1.00500     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 39%           |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | 8/31/04 | 8/31/03 | Change | High    | Low     |
|--------------|---------|---------|--------|---------|---------|
| Market Price | \$13.92 | \$13.11 | 6.18%  | \$14.80 | \$12.51 |

|     |         |         |       |         |         |
|-----|---------|---------|-------|---------|---------|
| NAV | \$14.34 | \$13.28 | 7.98% | \$15.16 | \$13.17 |
|-----|---------|---------|-------|---------|---------|

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

#### Sector Breakdown

| Sector                         | August 31, 2004 | August 31, 2003 |
|--------------------------------|-----------------|-----------------|
| Hospitals                      | 23%             | 22%             |
| City, County & State           | 20              | 10              |
| Industrial & Pollution Control | 18              | 18              |
| Housing                        | 8               | 12              |
| Transportation                 | 8               | 12              |
| Lease Revenue                  | 6               | □               |
| Tobacco                        | 5               | 9               |
| Water & Sewer                  | 5               | 6               |
| Tax Revenue                    | 4               | 7               |
| Power                          | 2               | 2               |
| Education                      | 1               | 2               |

#### Credit Breakdown<sup>4</sup>

| Credit Rating | August 31, 2004 | August 31, 2003 |
|---------------|-----------------|-----------------|
| AAA/Aaa       | 23%             | 28%             |
| AA/Aa         | 7               | 7               |
| A             | 20              | 20              |
| BBB/Baa       | 29              | 27              |

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|                        |    |    |
|------------------------|----|----|
| BB/Ba                  | 1  | □  |
| B                      | 2  | 4  |
| CCC/Caa                | 4  | 2  |
| Not Rated <sup>5</sup> | 14 | 12 |

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

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$13,739,067 representing 2.7% of the Trust's long-term investments.

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**TRUST SUMMARIES**  
**AUGUST 31, 2004**

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

**Trust Information**

|   |                  |
|---|------------------|
| Symbol on the New York Stock Exchange:                              | BCK              |
| Initial Offering Date:  | October 31, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$14.00          |
| Net Asset Value as of 8/31/04:                                      | \$14.01          |
| Yield on Closing Market Price as of 8/31/04 (\$14.00): <sup>1</sup> | 6.43%            |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.075          |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.900          |
| Leverage as of 8/31/04: <sup>3</sup>                                | 39%              |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.00        | \$13.01        | 7.61%         | \$14.77     | \$12.41    |
| NAV          | \$14.01        | \$13.09        | 7.03%         | \$15.05     | \$12.94    |

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

#### Sector Breakdown

| <b>Sector</b>        | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| Water & Sewer        | 30%                    | 30%                    |
| Education            | 23                     | 23                     |
| City, County & State | 11                     | 7                      |
| Tobacco              | 11                     | 10                     |
| Power                | 10                     | 10                     |
| Lease Revenue        | 9                      | 10                     |
| Transportation       | 4                      | 4                      |
| Housing              | 2                      | 2                      |
| Tax Revenue          | □                      | 4                      |

#### Credit Breakdown<sup>4</sup>

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 81%                    | 84%                    |
| A                    | 8                      | 6                      |
| BBB/Baa              | 11                     | 10                     |

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

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## TRUST SUMMARIES AUGUST 31, 2004

### BlackRock California Municipal Bond Trust (BZA)

#### Trust Information

|   |                |
|---|----------------|
| Symbol on New York Stock Exchange:                                  | BZA            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.90        |
| Net Asset Value as of 8/31/04:                                      | \$14.67        |
| Yield on Closing Market Price as of 8/31/04 (\$13.90): <sup>1</sup> | 6.88%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.079656     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.955872     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 38%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | 8/31/04 | 8/31/03 | Change | High    | Low     |
|--------------|---------|---------|--------|---------|---------|
| Market Price | \$13.90 | \$13.15 | 5.70%  | \$14.64 | \$12.45 |
| NAV          | \$14.67 | \$13.71 | 7.00%  | \$15.50 | \$13.59 |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Education                      | 24%                    | 24%                    |
| Hospitals                      | 18                     | 17                     |
| Housing                        | 13                     | 15                     |
| Tobacco                        | 11                     | 11                     |
| City, County & State           | 12                     | 12                     |
| Lease Revenue                  | 7                      | 1                      |
| Transportation                 | 5                      | 5                      |
| Water & Sewer                  | 3                      | 3                      |
| Industrial & Pollution Control | 2                      | 2                      |
| Power                          | □                      | 5                      |
| Other                          | 5                      | 5                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b>   | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|------------------------|------------------------|------------------------|
| AAA/Aaa                | 22%                    | 23%                    |
| AA/Aa                  | 4                      | □                      |
| A                      | 31                     | 31                     |
| BBB/Baa                | 26                     | 24                     |
| B                      | 1                      | 2                      |
| CCC/Caa                | 1                      | □                      |
| Not Rated <sup>5</sup> | 15                     | 20                     |

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

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$8,834,282 representing 11.6% of the Trust's long-term investments.

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## TRUST SUMMARIES AUGUST 31, 2004

### BlackRock California Municipal Income Trust II (BCL)

#### Trust Information

|   |               |
|---|---------------|
| Symbol on American Stock Exchange:                                  | BCL           |
| Initial Offering Date:  | July 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.71       |
| Net Asset Value as of 8/31/04:                                      | \$13.77       |
| Yield on Closing Market Price as of 8/31/04 (\$13.71): <sup>1</sup> | 7.11%         |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.08125     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.97500     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 40%           |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | 8/31/04 | 8/31/03 | Change | High    | Low     |
|--------------|---------|---------|--------|---------|---------|
| Market Price | \$13.71 | \$13.01 | 5.38%  | \$14.36 | \$12.53 |
| NAV          | \$13.77 | \$12.76 | 7.92%  | \$14.63 | \$12.62 |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31,<br/>2004</b> | <b>August 31, 2003</b> |
|--------------------------------|----------------------------|------------------------|
| City, County & State           | 25%                        | 25%                    |
| Hospitals                      | 13                         | 13                     |
| Education                      | 11                         | 19                     |
| Tobacco                        | 11                         | 10                     |
| Lease Revenue                  | 10                         | 5                      |
| Transportation                 | 10                         | 9                      |
| Housing                        | 10                         | 9                      |
| Power                          | 5                          | 5                      |
| Water & Sewer                  | 4                          | 4                      |
| Industrial & Pollution Control | 1                          | 1                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b>   | <b>August 31,<br/>2004</b> | <b>August 31, 2003</b> |
|------------------------|----------------------------|------------------------|
| AAA/Aaa                | 33%                        | 47%                    |
| AA/Aa                  | 5                          | □                      |
| A                      | 25                         | 19                     |
| BBB/Baa                | 15                         | 13                     |
| B                      | □                          | 1                      |
| CCC/Caa                | 1                          | □                      |
| Not Rated <sup>5</sup> | 21                         | 20                     |

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



<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$4,211,315 representing 2.4% of the Trust's long-term investments.

**TRUST SUMMARIES**  
**AUGUST 31, 2004**

**BlackRock Florida Insured Municipal Income Trust (BAF)**

**Trust Information**

|   |                  |
|---|------------------|
| Symbol on New York Stock Exchange:                                  | BAF              |
| Initial Offering Date:  | October 31, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$14.14          |
| Net Asset Value as of 8/31/04:                                      | \$14.34          |
| Yield on Closing Market Price as of 8/31/04 (\$14.14): <sup>1</sup> | 6.36%            |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.075          |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.900          |
| Leverage as of 8/31/04: <sup>3</sup>                                | 38%              |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.14        | \$13.20        | 7.12%         | \$15.10     | \$12.42    |
| NAV          | \$14.34        | \$13.74        | 4.37%         | \$15.29     | \$13.60    |

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

**Sector Breakdown**

| <b>Sector</b>        | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| Tax Revenue          | 22%                    | 22%                    |
| City, County & State | 21                     | 25                     |
| Education            | 16                     | 16                     |
| Power                | 12                     | 13                     |
| Transportation       | 9                      | 5                      |
| Water & Sewer        | 8                      | 6                      |
| Hospitals            | 7                      | 8                      |
| Tobacco              | 4                      | 4                      |
| Housing              | 1                      | 1                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b>   | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|------------------------|------------------------|------------------------|
| AAA/Aaa                | 82%                    | 82%                    |
| AA/Aa                  | 3                      | 4                      |
| A                      | 5                      | 4                      |
| BBB/Baa                | 5                      | 5                      |
| Not Rated <sup>5</sup> | 5                      | 5                      |

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

<sup>5</sup> The investment advisor had deemed all of these non-rated securities as of August 31, 2004, to be of investment grade quality at the time of purchase.

**TRUST SUMMARIES**  
**AUGUST 31, 2004**

**BlackRock Florida Municipal Bond Trust (BIE)**

**Trust Information**

|   |                |
|---|----------------|
| Symbol on New York Stock Exchange:                                  | BIE            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$14.17        |
| Net Asset Value as of 8/31/04:                                      | \$15.53        |
| Yield on Closing Market Price as of 8/31/04 (\$14.17): <sup>1</sup> | 6.59%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.077808     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.933696     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.17        | \$13.55        | 4.58%         | \$15.09     | \$12.87    |
| NAV          | \$15.53        | \$14.52        | 6.96%         | \$16.02     | \$14.41    |

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

**Sector Breakdown**

| <b>Sector</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|---------------|------------------------|------------------------|
|---------------|------------------------|------------------------|

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|                                |     |     |
|--------------------------------|-----|-----|
| Hospitals                      | 27% | 24% |
| Tax Revenue                    | 16  | 16  |
| City, County & State           | 15  | 14  |
| Power                          | 10  | 12  |
| Education                      | 7   | 7   |
| Water & Sewer                  | 7   | 7   |
| Lease Revenue                  | 5   | 4   |
| Transportation                 | 4   | 4   |
| Housing                        | 3   | 2   |
| Industrial & Pollution Control | 2   | 2   |
| Tobacco                        | □   | 4   |
| Other                          | 4   | 4   |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 38%                    | 41%                    |
| AA/Aa                | 17                     | 17                     |
| A                    | 23                     | 21                     |
| BBB/Baa              | 8                      | 7                      |
| BB/Ba                | 2                      | □                      |
| Not Rated            | 12                     | 14                     |

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

**BlackRock Maryland Municipal Bond Trust (BZM)****Trust Information**

|   |                |
|---|----------------|
| Symbol on American Stock Exchange:                                  | BZM            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$14.99        |
| Net Asset Value as of 8/31/04:                                      | \$15.24        |
| Yield on Closing Market Price as of 8/31/04 (\$14.99): <sup>1</sup> | 5.71%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.07135      |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.85620      |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.99        | \$13.90        | 7.84%         | \$16.27     | \$13.21    |
| NAV          | \$15.24        | \$14.36        | 6.13%         | \$15.94     | \$14.24    |

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

**Sector Breakdown**

| <b>Sector</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|---------------|------------------------|------------------------|
| Education     | 20%                    | 26%                    |

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|                      |    |    |
|----------------------|----|----|
| Hospitals            | 17 | 17 |
| City, County & State | 17 | 11 |
| Water & Sewer        | 12 | 12 |
| Transportation       | 10 | 9  |
| Lease Revenue        | 8  | 8  |
| Power                | 4  | 5  |
| Tobacco              | 4  | 3  |
| Housing              | 3  | 4  |
| Other                | 5  | 5  |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b>   | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|------------------------|------------------------|------------------------|
| AAA/Aaa                | 35%                    | 34%                    |
| AA/Aa                  | 8                      | 12                     |
| A                      | 37                     | 36                     |
| BBB/Baa                | 16                     | 11                     |
| Not Rated <sup>5</sup> | 4                      | 7                      |

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

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$1,044,840 representing 2.2% of the Trust's long-term investments.

**TRUST SUMMARIES**

**AUGUST 31, 2004**

**BlackRock New Jersey Municipal Bond Trust (BLJ)**

**Trust Information**

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|   |                |
|---|----------------|
| Symbol on American Stock Exchange:                                  | BLJ            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.91        |
| Net Asset Value as of 8/31/04:                                      | \$14.71        |
| Yield on Closing Market Price as of 8/31/04 (\$13.91): <sup>1</sup> | 6.78%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.078582     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.942984     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 38%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$13.91        | \$13.64        | 1.98%         | \$15.05     | \$12.82    |
| NAV          | \$14.71        | \$13.77        | 6.83%         | \$15.58     | \$13.66    |

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

**Sector Breakdown**

| <b>Sector</b>        | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| Hospitals            | 29%                    | 24%                    |
| Transportation       | 15                     | 17                     |
| Tobacco              | 11                     | 11                     |
| City, County & State | 10                     | 5                      |

|                                |   |    |
|--------------------------------|---|----|
| Education                      | 8 | 5  |
| Industrial & Pollution Control | 6 | 4  |
| Lease Revenue                  | 5 | 5  |
| Housing                        | 5 | 15 |
| Power                          | 5 | 5  |
| Tax Revenue                    | 2 | 5  |
| Other                          | 4 | 4  |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 25%                    | 28%                    |
| A                    | 29                     | 31                     |
| BBB/Baa              | 43                     | 33                     |
| B                    | 3                      | 4                      |
| Not Rated            | □                      | 4                      |

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

**TRUST SUMMARIES**

**AUGUST 31, 2004**

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

**Trust Information**

|                                     |                  |
|-------------------------------------|------------------|
| Symbol on New York Stock Exchange:  | BSE              |
| Initial Offering Date:              | October 31, 2002 |
| Closing Market Price as of 8/31/04: | \$14.08          |



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|   |         |
|---|---------|
| Net Asset Value as of 8/31/04:                                      | \$14.18 |
| Yield on Closing Market Price as of 8/31/04 (\$14.08): <sup>1</sup> | 6.39%   |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.075 |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.900 |
| Leverage as of 8/31/04: <sup>3</sup>                                | 38%     |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$14.08        | \$13.28        | 6.02%         | \$15.00     | \$12.21    |
| NAV          | \$14.18        | \$13.45        | 5.43%         | \$15.34     | \$13.31    |

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

**Sector Breakdown**

| <b>Sector</b>  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------|------------------------|------------------------|
| Education      | 33%                    | 29%                    |
| Transportation | 33                     | 33                     |
| Hospitals      | 14                     | 14                     |
| Tobacco        | 10                     | 10                     |
| Tax Revenue    | 9                      | 7                      |
| Housing        | 1                      | □                      |
| Lease Revenue  | □                      | 4                      |

|               |   |   |
|---------------|---|---|
| Water & Sewer | □ | 3 |
|---------------|---|---|

#### Credit Breakdown<sup>4</sup>

| Credit Rating | August 31, 2004 | August 31, 2003 |
|---------------|-----------------|-----------------|
| AAA/Aaa       | 82%             | 82%             |
| AA/Aa         | 2               | 2               |
| A             | 5               | 9               |
| BBB/Baa       | 11              | 7               |

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

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## TRUST SUMMARIES AUGUST 31, 2004

### BlackRock New York Municipal Bond Trust (BQH)

#### Trust Information

|   |                |
|---|----------------|
| Symbol on New York Stock Exchange:                                  | BQH            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.97        |
| Net Asset Value as of 8/31/04:                                      | \$15.09        |
| Yield on Closing Market Price as of 8/31/04 (\$13.97): <sup>1</sup> | 6.62%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.077099     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.925188     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%            |

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<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$13.97        | \$13.35        | 4.64%         | \$14.86     | \$12.55    |
| NAV          | \$15.09        | \$14.15        | 6.64%         | \$15.89     | \$14.04    |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Transportation                 | 16%                    | 14%                    |
| Education                      | 12                     | 12                     |
| Tobacco                        | 11                     | 11                     |
| Hospitals                      | 11                     | 11                     |
| City, County & State           | 10                     | 10                     |
| Housing                        | 9                      | 9                      |
| Water & Sewer                  | 8                      | 9                      |
| Tax Revenue                    | 8                      | 8                      |
| Industrial & Pollution Control | 5                      | 4                      |
| Power                          | 3                      | 3                      |
| Lease Revenue                  | 2                      | 5                      |
| Other                          | 5                      | 4                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 22%                    | 21%                    |
| AA/Aa                | 25                     | 26                     |
| A                    | 32                     | 38                     |
| BBB/Baa              | 16                     | 7                      |
| BB/Ba                | 1                      | □                      |
| CCC/Caa              | 4                      | 4                      |
| Not Rated            | □                      | 4                      |

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

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**TRUST SUMMARIES****AUGUST 31, 2004****BlackRock New York Municipal Income Trust II (BFY)****Trust Information**

|   |               |
|---|---------------|
| Symbol on American Stock Exchange:                                  | BFY           |
| Initial Offering Date:  | July 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$13.70       |
| Net Asset Value as of 8/31/04:                                      | \$14.16       |
| Yield on Closing Market Price as of 8/31/04 (\$13.70): <sup>1</sup> | 6.90%         |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.07875     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.94500     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 39%           |

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<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$13.70        | \$13.12        | 4.42%         | \$14.63     | \$12.10    |
| NAV          | \$14.16        | \$13.36        | 5.99%         | \$15.14     | \$13.24    |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Transportation                 | 20%                    | 21%                    |
| Education                      | 19                     | 23                     |
| Industrial & Pollution Control | 14                     | 9                      |
| Tobacco                        | 10                     | 10                     |
| Hospitals                      | 9                      | 9                      |
| Tax Revenue                    | 9                      | 9                      |
| Housing                        | 7                      | 5                      |
| City, County & State           | 6                      | 8                      |
| Water & Sewer                  | 5                      | 5                      |
| Power                          | 1                      | 1                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 16%                    | 21%                    |
| AA/Aa                | 43                     | 45                     |
| A                    | 20                     | 27                     |
| BBB/Baa              | 17                     | 4                      |
| BB/Ba                | 1                      | 0                      |
| CCC/Caa              | 3                      | 3                      |

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

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**TRUST SUMMARIES**  
**AUGUST 31, 2004**  
**BlackRock Virginia Municipal Bond Trust (BHV)**

**Trust Information**

|   |                |
|---|----------------|
| Symbol on American Stock Exchange:                                  | BHV            |
| Initial Offering Date:  | April 30, 2002 |
| Closing Market Price as of 8/31/04:                                 | \$15.34        |
| Net Asset Value as of 8/31/04:                                      | \$15.47        |
| Yield on Closing Market Price as of 8/31/04 (\$15.34): <sup>1</sup> | 5.67%          |
| Current Monthly Distribution per Common Share: <sup>2</sup>         | \$0.072428     |
| Current Annualized Distribution per Common Share: <sup>2</sup>      | \$0.869136     |
| Leverage as of 8/31/04: <sup>3</sup>                                | 37%            |

<sup>1</sup> Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

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

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

|              | <b>8/31/04</b> | <b>8/31/03</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|--------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$15.34        | \$14.40        | 6.53%         | \$17.25     | \$13.70    |
| NAV          | \$15.47        | \$14.46        | 6.98%         | \$16.25     | \$14.35    |

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

**Sector Breakdown**

| <b>Sector</b>                  | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|--------------------------------|------------------------|------------------------|
| Water & Sewer                  | 18%                    | 19%                    |
| City, County & State           | 17                     | 17                     |
| Transportation                 | 17                     | 16                     |
| Hospitals                      | 15                     | 19                     |
| Housing                        | 13                     | 13                     |
| Education                      | 4                      | 5                      |
| Lease Revenue                  | 4                      | 4                      |
| Tobacco                        | 4                      | 3                      |
| Industrial & Pollution Control | 3                      | □                      |
| Other                          | 5                      | 4                      |

**Credit Breakdown<sup>4</sup>**

| <b>Credit Rating</b> | <b>August 31, 2004</b> | <b>August 31, 2003</b> |
|----------------------|------------------------|------------------------|
| AAA/Aaa              | 46%                    | 47%                    |
| AA/Aa                | 16                     | 16                     |

|                        |    |    |
|------------------------|----|----|
| A                      | 15 | 21 |
| BBB/Baa                | 12 | 3  |
| Not Rated <sup>5</sup> | 11 | 13 |

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

<sup>5</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2004, the market value of these securities was \$2,545,242 representing 7.0% of the Trust's long-term investments.

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## PORTFOLIO OF INVESTMENTS AUGUST 31, 2004

### BlackRock Insured Municipal Income Trust (BYM)

| Rating <sup>1</sup>                 | Principal Amount (000) | Description  | Option Call Provisions <sup>2</sup> | Value         |
|-------------------------------------|------------------------|--|-------------------------------------|---------------|
| <b>LONG-TERM INVESTMENTS</b> 154.7% |                        |  |                                     |               |
| <b>Alabama</b> 11.8%                |                        |  |                                     |               |
| AAA                                 | \$ 40,003              | Jefferson Cnty. Swr., Ser. D, 5.00%, 08/01/12, FGIC  | N/A                                 | \$ 44,966,400 |
| <b>California</b> 28.9%             |                        |  |                                     |               |
| A2                                  | 14,000                 | California Dept. of Wtr. Res., Pwr. Sply. Rev., Ser. A, 5.375%, 5/01/22                        | 05/12@ 101                          | 14,924,700    |
| AAA                                 | 10,100                 | California Infrastructure & Econ. Dev., Bay Area Toll Brdgs., Ser. A, 5.00%, 7/01/36, AMBAC    | 07/13@ 100                          | 10,267,054    |
| BBB                                 | 6,500                  | Golden St. Tobacco Sec. Corp., Ser. A-1, 6.625%, 6/01/40                                       | 06/13@ 100                          | 5,959,135     |
| AAA                                 | 22,500                 | Ser. B, 5.00%, 6/01/43, FSA  | 06/13@ 100                          | 22,596,750    |
| AAA                                 | 17,500                 | Met. Wtr. Dist. So. California, Ser. B-1, 5.00%, 10/01/33, FGIC                                | 10/13@ 100                          | 17,861,725    |
| AAA                                 | 15,000                 | San Francisco City & Cnty. Pub. Utils. Comm., Wtr. Rev., Ser. A, 5.00%, 11/01/31, FSA          | 11/11@ 100                          | 15,260,400    |
| AAA                                 | 53,000                 | San Joaquin Hills Transp. Corridor Agcy., Toll Road Rev., Ser. A, Zero Coupon, 1/15/31, MBIA . | No Opt. Call                        | 12,480,440    |
| AAA                                 | 10,910                 | Univ. of California, Ser. O, 5.00%, 9/01/28, FGIC  | 09/10@ 101                          | 11,148,820    |
|                                     |                        |  |                                     | 110,499,024   |
| <b>Colorado</b> 4.1%                |                        |  |                                     |               |
| AAA                                 | 15,250                 | Colorado Wtr. Rec. & Pwr. Dev. Auth., Parker Wtr. & San. Dist., Ser. D,                        |                                     |               |



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|      |        |   |              |            |
|------|--------|---|--------------|------------|
|      |        | 5.25%, 9/01/43, MBIA  | 09/14@ 100   | 15,770,635 |
|      |        | <b>District of Columbia</b> 2.3%  |              |            |
| BBB  | 9,500  | Tobacco Settlement Fin. Corp., 6.75%, 5/15/40   | 05/11@ 101   | 8,770,210  |
|      |        | <b>Georgia</b> 5.3%   |              |            |
| AAA  | 9,555  | Atlanta Wtr. & Wstwr., Ser. A, 5.00%, 11/01/38, FGIC  | 05/09@ 101   | 9,710,269  |
| Baa1 | 10,000 | De Kalb Cnty. Dev. Auth., PCR, General Mtrs. Corp. Proj.,<br>6.00%, 3/15/21                     | 12/12@ 101   | 10,628,200 |
|      |        |   |              | 20,338,469 |
|      |        | <b>Illinois</b> 11.9%   |              |            |
| AAA  | 11,550 | Chicago Spec. Transp., 5.25%, 1/01/31, AMBAC  | 01/11@ 101   | 11,924,797 |
| AAA  | 9,1503 | Chicago Wtr., 5.00%, 11/01/11, AMBAC  | N/A          | 10,252,209 |
|      |        | Met. Pier & Exposition Auth., Dedicated St. Tax Rev., McCormick<br>Place Expansion Proj., MBIA, |              |            |
| AAA  | 18,835 | Ser. A, 5.00%, 12/15/28   | 06/12@ 101   | 19,131,463 |
| AAA  | 15,000 | Ser. B, Zero Coupon, 6/15/28  | No Opt. Call | 4,264,350  |
|      |        |   |              | 45,572,819 |
|      |        | <b>Massachusetts</b> 6.3%   |              |            |
| AAA  | 24,000 | Massachusetts Tpke. Auth., Met. Hwy. Sys. Rev., Ser. A,<br>5.00%, 1/01/39, AMBAC                | 01/09@ 101   | 24,090,960 |
|      |        | <b>Michigan</b> 1.3%  |              |            |
| AAA  | 5,000  | Detroit City Sch. Dist., GO, Ser. A, 5.125%, 5/01/31, FSA                                       | 05/12@ 100   | 5,119,100  |
|      |        | <b>Nevada</b> 9.6%  |              |            |
| AAA  | 8,335  | Clark Cnty. Arpt., Ser. A-2, 5.00%, 7/01/36, FGIC   | 07/14@ 100   | 8,388,427  |
| AAA  | 6,000  | Reno Transp. Proj., 5.125%, 6/01/32, AMBAC  | 06/12@ 100   | 6,120,840  |
|      |        | Truckee Meadows Wtr. Auth., Ser. A, FSA,  |              |            |
| AAA  | 10,000 | 5.00%, 7/01/25  | 07/11@ 100   | 10,248,400 |
| AAA  | 6,500  | 5.125%, 7/01/30   | 07/11@ 100   | 6,700,980  |
| AAA  | 5,000  | 5.25%, 7/01/34  | 07/11@ 100   | 5,182,000  |
|      |        |   |              | 36,640,647 |
|      |        | <b>New Jersey</b> 4.0%  |              |            |
|      |        | Tobacco Settlement Fin. Corp.,  |              |            |
| BBB  | 2,000  | 6.125%, 6/01/24   | 06/13@ 100   | 1,908,100  |
| BBB  | 3,510  | 6.25%, 6/01/43  | 06/13@ 100   | 3,023,690  |
| BBB  | 10,670 | 7.00%, 6/01/41  | 06/13@ 100   | 10,287,480 |
|      |        |   |              | 15,219,270 |

See Notes to Financial Statements.

**BlackRock Insured Municipal Income Trust (BYM) (continued)**

| Rating <sup>1</sup>   | Principal Amount (000) | Description  | Option Call Provisions <sup>2</sup> | Value        |
|---|------------------------|--|-------------------------------------|--------------|
| <b>New York</b> 4.6%  |                        |  |                                     |              |
| AAA   | \$ 7,305               | New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., Ser. C, 5.00%, 6/15/35, AMBAC                 | 06/14@ 100                          | \$ 7,419,762 |
| AAA   | 10,000                 | New York City Trust Cultural Resources, American Museum of Natural History, Ser. A, 5.00%, 7/01/44, MBIA | 07/14@ 100                          | 10,118,600   |
|   |                        |  |                                     | 17,538,362   |
| <b>Pennsylvania</b> 3.9%  |                        |  |                                     |              |
| BBB+  | 5,000                  | Lebanon Cnty. Hlth. Facs. Auth., Good Samaritan Hosp. Proj., 6.00%, 11/15/35                             | 11/12@ 101                          | 5,081,600    |
| AAA   | 4,560                  | Pennsylvania Tpke. Comm., 5.00%, 7/15/41, AMBAC  | 07/11@ 101                          | 4,602,864    |
| AAA   | 5,200                  | Philadelphia Gas Wks., Ser. 3, 5.125%, 8/01/31, FSA  | 08/11@ 100                          | 5,297,812    |
|   |                        |  |                                     | 14,982,276   |
| <b>South Carolina</b> 14.5%   |                        |  |                                     |              |
| AAA   | 5,000                  | So. Carolina Pub. Svc. Auth., Ser. B, 5.50%, 1/01/36, FSA  | 01/12@ 100                          | 5,286,600    |
| AAA   | 9,000                  | So. Carolina Transp. Infrastructure Bank, AMBAC, Ser. A, 5.00%, 10/01/11                                 | N/A                                 | 10,121,670   |
| AAA   | 12,750                 | Ser. A, 5.00%, 10/01/33  | 10/12@ 100                          | 12,945,330   |
| AAA   | 12,660                 | Ser. B, 5.125%, 10/01/26   | 10/11@ 100                          | 13,087,782   |
| BBB   | 15,385                 | Tobacco Settlement Rev. Mgmt. Auth., Ser. B, 6.375%, 5/15/28   | 05/11@ 101                          | 13,850,192   |
|   |                        |  |                                     | 55,291,574   |
| <b>Tennessee</b> 3.8%   |                        |  |                                     |              |
| Knox Cnty. Hlth. Edl. & Hsg. Facs. Brd., Hosp. Facs. Rev., Ser. A, FSA, |                        |  |                                     |              |
| AAA   | 11,705                 | Zero Coupon, 1/01/22   | 01/13@ 59.566                       | 4,517,545    |
| AAA   | 9,260                  | Zero Coupon, 1/01/23   | 01/13@ 56.016                       | 3,341,101    |
| AAA   | 8,500                  | Zero Coupon, 1/01/24   | 01/13@ 52.749                       | 2,868,665    |
| AAA   | 6,850                  | Zero Coupon, 1/01/25   | 01/13@ 49.712                       | 2,167,545    |
| AAA   | 5,000                  | Zero Coupon, 1/01/26   | 01/13@ 46.781                       | 1,477,650    |
|   |                        |  |                                     | 14,372,506   |
| <b>Texas</b> 29.9%  |                        |  |                                     |              |
| BBB   | 3,700                  | Comal Cnty. Hlth. Facs., Hlth. Care Sys., McKenna Mem. Proj., Ser. A, 6.25%, 2/01/32                     | 02/13@ 100                          | 3,757,979    |
| AAA   | 10,030                 | Coppell Indpt. Sch. Dist., Zero Coupon, 8/15/30  | No Opt. Call                        | 2,441,202    |
| AAA   | 2,350                  | Dallas Area Rapid Trans., 5.00%, 12/01/31, AMBAC   | 12/11@ 100                          | 2,371,056    |

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|      |          |  |               |             |
|------|----------|--|---------------|-------------|
|      |          | Harris Cnty.,  |               |             |
| AAA  | 7,485    | GO, Zero Coupon, 8/15/25, MBIA                           | No Opt. Call  | 2,512,939   |
| AAA  | 10,915   | GO, Zero Coupon, 8/15/28, MBIA                           | No Opt. Call  | 3,032,842   |
| AAA  | 5,510    | Toll Road Rev., 5.00%, 8/15/30, FSA                      | 08/12@ 100    | 5,567,800   |
|      |          | Harris Cnty. Sports Auth., MBIA,                         |               |             |
| AAA  | 26,890   | Ser. A-3, Zero Coupon, 11/15/38                          | 11/24@ 43.826 | 3,753,306   |
| AAA  | 27,675   | Ser. A-3, Zero Coupon, 11/15/39                          | 11/24@ 41.258 | 3,634,558   |
| AAA  | 5,785    | Ser. H, Zero Coupon, 11/15/38                            | 11/31@ 64.91  | 806,950     |
| AAA  | 6,160    | Ser. H, Zero Coupon, 11/15/39                            | 11/31@ 60.976 | 806,713     |
| AAA  | 25,000,4 | Houston Wtr. & Swr. Sys., Ser. A, 5.00%, 12/01/12, FSA   | N/A           | 28,025,500  |
|      |          | Northside Indpt. Sch. Dist., Sch. Bldg. Rmkt, 5.125%,    |               |             |
| AAA  | 9,500    | 6/15/29  | 06/14@ 100    | 9,711,280   |
|      |          | San Antonio Wtr., FGIC,                                  |               |             |
| AAA  | 9,350    | 5.125%, 5/15/29  | 05/14@ 100    | 9,607,686   |
| AAA  | 10,000   | 5.125%, 5/15/34  | 05/14@ 100    | 10,236,500  |
|      |          | Texas Tpke. Auth., Central Sys. Rev., Ser. A, 5.00%,     |               |             |
| AAA  | 25,000   | 8/15/42, AMBAC   | 08/12@ 100    | 25,049,500  |
|      |          | Tyler Cnty. Hlth. Facs. Dev., Mother Frances Hosp.,      |               |             |
| BBB+ | 3,000    | 6.00%, 7/01/31   | 07/12@ 100    | 3,082,680   |
|      |          |  |               | <hr/>       |
|      |          |  |               | 114,398,491 |
|      |          |  |               | <hr/>       |
|      |          | <b>Virginia</b> 2.0%                                     |               |             |
|      |          | Chesterfield Cnty. Incl. Dev. Auth., PCR, Elec. & Pwr.   |               |             |
|      |          | Co.,   |               |             |
| A3   | 3,000    | Ser. A, 5.875%, 6/01/17                                  | 11/10@ 102    | 3,308,310   |
| A3   | 4,000    | Ser. B, 5.875%, 6/01/17                                  | 11/10@ 102    | 4,411,080   |
|      |          |  |               | <hr/>       |
|      |          |  |               | 7,719,390   |
|      |          |  |               | <hr/>       |
|      |          | <b>Washington</b> 6.4%                                   |               |             |
|      |          | Chelan Cnty. Pub. Util. Dist. 1, Chelan Hydro Sys., Ser. |               |             |
| AAA  | 3,655    | C, 5.125%, 7/01/33, AMBAC                                | 07/12@ 100    | 3,726,930   |
| AAA  | 4,500    | Port of Seattle, Ser. A, 5.00%, 4/01/31, FGIC            | 10/11@ 100    | 4,526,190   |
| AAA  | 9,500    | Seattle, GO, Ser. F, 5.125%, 12/15/28, MBIA              | 12/08@ 100    | 9,627,680   |
| AAA  | 6,380    | Washington, GO, Ser. A, 5.00%, 7/01/25, FSA              | 07/11@ 100    | 6,504,729   |
|      |          |  |               | <hr/>       |
|      |          |  |               | 24,385,529  |
|      |          |  |               | <hr/>       |

See Notes to Financial Statements.

**BlackRock Insured Municipal Income Trust (BYM) (continued)**

| Rating <sup>1</sup> | Principal Amount (000) | Description | Option Call Provisions <sup>2</sup> | Value |
|---------------------|------------------------|-------------|-------------------------------------|-------|
|---------------------|------------------------|-------------|-------------------------------------|-------|

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|       |    |   |   |                         |
|-------|----|---|---|-------------------------|
|       |    | <b>West Virginia</b> 0.3%                             |   |                         |
|       |    | West Virginia Econ. Dev. Auth., Correctional Juvenile |   |                         |
| AAA   | \$ | 1,295   | Safety, Ser. A, 5.00%, 6/01/29, MBIA                    | 06/14@ 100 \$ 1,313,259 |
|       |    |   |   | <hr/>                   |
|       |    | <b>Wisconsin</b> 3.8%                                 |   |                         |
| BBB   |    | 16,165  | Badger Tobacco Asset Sec. Corp., 6.375%, 6/01/32        | 06/12@ 100 14,322,190   |
|       |    |   |   | <hr/>                   |
|       |    |   | <b>Total Long-Term Investments (cost \$563,877,772)</b> | <b>591,311,111</b>      |
|       |    |   |   | <hr/>                   |
|       |    | <b>SHORT-TERM INVESTMENTS</b> 6.3%                    |   |                         |
|       |    | <b>California</b> 0.3%                                |   |                         |
|       |    |   | California Econ. Recovery, Ser. C-5, 1.26%, 9/01/04,    |                         |
| A1+   |    | 1,3005  | FRDD  | N/A 1,300,000           |
|       |    |   |   | <hr/>                   |
|       |    | <b>New York</b> 0.8%                                  |   |                         |
|       |    |   | New York City Transl. Fin. Auth., Ser. A-1, 1.32%,      |                         |
| A1+   |    | 3,0005  | 9/01/04, FRWD   | N/A 3,000,000           |
|       |    |   |   | <hr/>                   |
|       |    | <b>Ohio</b> 1.2%                                      |   |                         |
| VMIG1 |    | 4,500 5   | Hamilton Cnty. Hosp. Facs., 1.33%, 9/02/04, FRWD        | N/A 4,500,000           |
|       |    |   |   | <hr/>                   |
|       |    | <b>Shares</b>   |   |                         |
|       |    | <b>(000)</b>  |   |                         |
|       |    |   |   | <hr/>                   |
|       |    | <b>MONEY MARKET FUND</b> 4.0%                         |   |                         |
|       |    | 15,300  | AIM Tax Free Investment Co. Cash Reserve Portfolio      | N/A 15,300,000          |
|       |    |   |   | <hr/>                   |
|       |    |   | <b>Total Short-Term Investments (cost \$24,100,000)</b> | <b>24,100,000</b>       |
|       |    |   |   | <hr/>                   |
|       |    |   | <b>Total Investments</b> 161.0% (cost \$587,977,772)    | \$ 615,411,111          |
|       |    |   | Liabilities in excess of other assets (1.1)%            | (4,152,823)             |
|       |    |   | Preferred shares at redemption value, including         |                         |
|       |    |   | dividends payable (59.9)%                               | (228,992,973)           |
|       |    |   |   | <hr/>                   |
|       |    |   | <b>Net Assets Applicable to Common</b>                  |                         |
|       |    |   | <b>Shareholders</b> 100%                                | \$ 382,265,315          |
|       |    |   |   | <hr/>                   |

<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>4</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

<sup>5</sup>For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown as of August 31, 2004.

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The value (market value plus accrued interest) of securities that are covered by insurance, which insures the payment of principal and interest, represents approximately 82.5% of the Trust's managed assets.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | FSA  | □ Financial Security Assurance         |
| FGIC  | □ Financial Guaranty Insurance Company          | GO   | □ General Obligation                   |
| FRDD  | □ Floating Rate Daily Demand                    | MBIA | □ Municipal Bond Insurance Association |
| FRWD  | □ Floating Rate Weekly Demand                   | PCR  | □ Pollution Control Revenue            |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004**

**BlackRock Municipal Bond Trust (BBK)**

| Rating <sup>1</sup>                   | Principal Amount (000) | Description  | Option Call Provisions <sup>2</sup> | Value             |
|---------------------------------------|------------------------|--|-------------------------------------|-------------------|
| <b>LONG-TERM INVESTMENTS □ 151.1%</b> |                        |  |                                     |                   |
| <b>Alabama □ 11.5%</b>                |                        |  |                                     |                   |
|                                       |                        | Courtland Ind. Dev. Brd., PCR, Champion Intl. Corp. Proj., Ser. A, 6.50%, 9/01/25              | 09/05@ 102                          | \$ 9,653,855      |
| BBB                                   | \$ 9,250               |  |                                     |                   |
| A2                                    | 7,500                  | Huntsville Hlth. Care Auth., Ser. A, 5.75%, 6/01/31  | 06/11@ 101                          | 7,764,675         |
|                                       |                        |  |                                     | <u>17,418,530</u> |
| <b>California □ 14.2%</b>             |                        |  |                                     |                   |
|                                       |                        | Golden St. Tobacco Sec. Corp., Ser. B, 5.50%, 6/01/43  | 06/13@ 100                          | 7,468,338         |
| A-                                    | 7,300                  |  |                                     |                   |
| A-                                    | 4,200                  | 5.625%, 6/01/38  | 06/13@ 100                          | 4,339,398         |
|                                       |                        | Los Angeles Regl. Arpt. Impvt., Corp. Lease Rev., Amer. Airlines Inc., Ser. B, 7.50%, 12/01/24 | 12/12@ 102                          | 6,801,920         |
| B-                                    | 8,000                  |  |                                     |                   |
|                                       |                        | San Marcos Spl. Tax, Cmnty. Facs. Dist. No. 02-01, 5.90%, 9/01/28                              | 09/10@ 102                          | 470,013           |
| NR                                    | 465                    |  |                                     |                   |
| NR                                    | 865                    | 5.95%, 9/01/35   | 09/10@ 102                          | 874,307           |
|                                       |                        | Val Verde Unified Sch. Dist. Fin. Auth., Spec. Tax Rev., 6.25%, 10/01/28                       | 10/13@ 102                          | 1,646,546         |
| NR                                    | 1,585                  |  |                                     |                   |
|                                       |                        |  |                                     | <u>21,600,522</u> |
| <b>Colorado □ 6.8%</b>                |                        |  |                                     |                   |
|                                       |                        | Colorado Wtr. Rec. & Pwr. Dev. Auth., Parker Wtr. & San. Dist., Ser. D, 5.25%, 9/01/43, MBIA . | 09/14@ 100                          | 10,341,400        |
| AAA                                   | 10,000                 |  |                                     |                   |
| <b>Connecticut □ 3.2%</b>             |                        |  |                                     |                   |
|                                       |                        | Connecticut Dev. Auth., Connecticut Lt. & Pwr., PCR, Ser. A, 5.85%, 9/01/28                    | 10/08@ 102                          | 2,307,162         |
| A3                                    | 2,200                  |  |                                     |                   |

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|                 |        |  |                  |              |
|-----------------|--------|--|------------------|--------------|
| A3              | 1,750  | Ser. B, 5.95%, 9/01/28   | 10/08@ 102       | 1,825,110    |
| BBB-            | 690    | Mohegan Tribe Indians Gaming Auth., Pub. Impvt., 5.25%, 1/01/33  | 01/14@ 100       | 691,608      |
|                 |        |  |                  | <hr/>        |
|                 |        |  |                  | 4,823,880    |
|                 |        |  |                  | <hr/>        |
|                 |        | <b>District of Columbia</b>  |                  | <b>10.9%</b> |
| A               | 595    | Friendship Pub. Charter Sch. Inc., 5.25%, 6/01/33, ACA   | 06/14@ 100<br>@  | 585,522      |
| AAA             | 33,450 | Georgetown Univ., Ser. A, Zero Coupon, 4/01/38, MBIA   | 04/1120.243      | 4,627,808    |
| AAA             | 6,000  | Tax Incr., Gallary Place Proj., 5.40%, 7/01/31, FSA  | 07/12@ 100       | 6,256,500    |
| BBB             | 5,580  | Tobacco Settlement Fin. Corp., 6.75%, 5/15/40  | 05/11@ 101       | 5,151,344    |
|                 |        |  |                  | <hr/>        |
|                 |        |  |                  | 16,621,174   |
|                 |        |  |                  | <hr/>        |
|                 |        | <b>Florida</b>   |                  | <b>18.5%</b> |
| BBB-            | 6,200  | Martin Cnty. Indl. Dev. Auth., Indiantown Cogeneration Proj., Ser. A, 7.875%, 12/15/25   | 12/04@ 102       | 6,350,226    |
| BB              | 2,810  | Miami Beach Hlth. Facs. Auth., Mt. Sinai Med. Ctr., 6.75%,<br>11/15/21   | 11/14@ 100       | 2,916,021    |
| A               | 10,000 | Orange Cnty. Hlth. Facs. Auth., Hosp. Adventist Hlth. Sys., 5.625%,<br>11/15/32  | 11/12@ 101       | 10,367,900   |
| AAA             | 7,255  | Palm Beach Cnty. Hsg. Fin. Auth., Multi-Fam. Rev., Indian Trace<br>Apts., Ser. A,<br>5.625%, 1/01/44, FSA                          | 01/12@ 100       | 7,484,911    |
| NR              | 1,000  | Stevens Plantation Cmnty. Dev. Dist., Spl. Assmt. Rev., Ser. A,<br>7.10%, 5/01/35  | 05/14@ 100       | 1,016,240    |
|                 |        |  |                  | <hr/>        |
|                 |        |  |                  | 28,135,298   |
|                 |        |  |                  | <hr/>        |
|                 |        | <b>Illinois</b>  |                  | <b>18.9%</b> |
| AAA             | 23,065 | Bolingbrook, GO, Ser. B, Zero Coupon, 1/01/36, FGIC  | @<br>01/1223.018 | 3,543,707    |
| NR              | 1,150  | Centerpoint Intermodal Ctr., Ser. A, 8.00%, 6/15/23  | No Opt. Call     | 1,143,583    |
| AAA             | 5,8804 | Chicago, GO, Ser. A, 5.50%, 1/01/38, MBIA  | 01/11@ 101       | 6,247,147    |
| BBB             | 6,000  | Illinois Edl. Facs. Auth., Student Hsg. Rev., Edl. Advancement Fund<br>Univ. Ctr. Proj.,<br>6.25%, 5/01/34                         | 05/07@ 100       | 6,139,200    |
| A               | 6,000  | Illinois Hlth. Facs. Auth., Lake Forest Hosp., Ser. A, 5.75%,<br>7/01/29   | 07/12@ 100       | 6,260,820    |
| AAA             | 10,000 | Met. Pier & Exposition Auth., Dedicated St. Tax Rev., McCormick<br>Place Expansion Proj.,<br>Ser. A, MBIA,<br>Zero Coupon, 6/15/35 | No Opt. Call     | 1,909,400    |
| AAA             | 10,000 | Zero Coupon, 12/15/36  | No Opt. Call     | 1,755,500    |
| AAA             | 10,000 | Zero Coupon, 12/15/37  | No Opt. Call     | 1,652,300    |
|                 |        |  |                  | <hr/>        |
|                 |        |  |                  | 28,651,657   |
|                 |        |  |                  | <hr/>        |
|                 |        | <b>Indiana</b>   |                  | <b>1.3%</b>  |
| NR <sup>5</sup> | 2,020  | Multi-Fam. Hsg., Canterbury House Apts., Ser. 1, 5.90%, 12/01/34   | 12/11@ 100       | 1,962,874    |

See Notes to Financial Statements.

**BlackRock Municipal Bond Trust (BBK) (continued)**

| <b>Rating<sup>1</sup></b> | <b>Principal Amount (000)</b> | <b>Description</b>   | <b>Option Call Provisions<sup>2</sup></b> | <b>Value</b> |
|---------------------------|-------------------------------|--|---|--------------|
|                           |                               | <b>Kansas</b> <b>3.5%</b>  |   |              |
| A-                        | \$ 5,000                      | Wichita Arpt. Auth., Arpt. Facs. Rev., Cessna Citation Svc. Ctr., Ser. A, 6.25%, 6/15/32                         | 06/12@ 101                                | \$ 5,265,950 |
|                           |                               | <b>Louisiana</b> <b>0.8%</b>   |   |              |
| Baa1                      | 1,165                         | Louisiana Local Gov <sup>t</sup> . Env. Facs. & Cmnty. Dev. Auth., Oakleigh Apts. Proj., Ser. A, 6.375%, 6/01/38 | 06/13@ 102                                | 1,173,866    |
|                           |                               | <b>Maryland</b> <b>3.5%</b>  |   |              |
| NR                        | 1,250                         | Baltimore, Spec. Oblig. Rev., Harborview Lot No. 2, 6.50%, 7/01/31   | 07/13@ 101                                | 1,299,237    |
| NR                        | 3,000                         | Frederick Cnty. Spl. Oblig., Urbana Cmnty. Dev. Auth., Ser. B, 6.25%, 7/01/30                                    | 07/07@ 102                                | 3,002,070    |
| BBB                       | 1,040                         | Maryland Hlth. & Higher Edl. Facs. Auth., Medstar Hlth., 5.50%, 8/15/33  | 08/14@ 100                                | 1,047,384    |
|                           |                               |  |   | 5,348,691    |
|                           |                               | <b>Nevada</b> <b>6.2%</b>  |   |              |
| AAA                       | 8,000                         | Clark Cnty. Arpt., Ser. A-2, 5.00%, 7/01/36, FGIC  | 07/14@ 100                                | 8,051,280    |
| NR                        | 1,400                         | Las Vegas Spec. Impvt. Dist. No. 809, Summerlin Area, 5.65%, 6/01/23   | 12/04@ 103                                | 1,391,558    |
|                           |                               |  |   | 9,442,838    |
|                           |                               | <b>New Jersey</b> <b>12.2%</b>   |   |              |
| B                         | 3,000                         | New Jersey Econ. Dev. Auth., Continental Airlines Inc. Proj., 7.20%, 11/15/30                                    | 11/10@ 101                                | 2,389,260    |
| Baa3                      | 7,500                         | Kapkowski Road Landfill Proj., 6.50%, 4/01/28  | No Opt. Call                              | 8,529,975    |
| BBB-                      | 1,500                         | Winchester, Ser. A, 5.80%, 11/01/31  | 11/14@ 100                                | 1,475,925    |
|                           |                               | Tobacco Settlement Fin. Corp.,   |   |              |
| BBB                       | 2,305                         | 6.25%, 6/01/43   | 06/13@ 100                                | 1,985,642    |
| BBB                       | 4,330                         | 7.00%, 6/01/41   | 06/13@ 100                                | 4,174,770    |
|                           |                               |  |   | 18,555,572   |
|                           |                               | <b>New York</b> <b>2.1%</b>  |   |              |
| AAA                       | 1,330                         | Env. Facs. Corp., St. Clean Wtr. & Drinking Wtr. Rev., NYC Mun. Wtr. Proj. B, 5.00%, 6/15/31                     | 06/12@ 100                                | 1,353,129    |
| AAA                       | 1,760                         | Met. Transp. Auth., Svc. Contract, Ser. A, 5.00%, 7/01/30, AMBAC   | 07/12@ 100                                | 1,786,171    |

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|                 |         |  |                  |             |
|-----------------|---------|--|------------------|-------------|
|                 |         |  |                  | 3,139,300   |
|                 |         |  |                  |             |
|                 |         | <b>Ohio</b>  | <b>1.0%</b>      |             |
|                 |         | Port Greater Cincinnati Dev. Auth., Cooperative Pub. Parking Infrastructure Proj., |                  |             |
| NR              | 1,500   | 6.40%, 2/15/34   | 02/14@ 102       | 1,515,615   |
|                 |         |  |                  |             |
|                 |         | <b>Oregon</b>  | <b>0.6%</b>      |             |
|                 |         | Multi-Fam. Hsg., Pacific Tower Apts., Ser. 6, 6.05%,                               |                  |             |
| NR <sup>5</sup> | 1,000   | 11/01/34   | 06/12@ 100       | 962,420     |
|                 |         |  |                  |             |
|                 |         | <b>South Carolina</b>  | <b>0.7%</b>      |             |
|                 |         | So. Carolina Jobs Econ. Dev. Auth., Hosp. Facs. Rev.,                              |                  |             |
| BBB             | 1,000   | Palmetto Hlth. Alliance, Ser. C,<br>7.00%, 8/01/30                                 | 08/13@ 100       | 1,101,020   |
|                 |         |  |                  |             |
|                 |         | <b>Texas</b>   | <b>15.9%</b>     |             |
|                 |         | Brazos River Auth., PCR, TXU Elec. Co. Proj., Ser. C, 6.75%,                       |                  |             |
| BBB             | 1,230   | 10/01/38   | 10/13@ 101       | 1,299,200   |
| AAA             | 940     | Dallas Area Rapid Trans., 5.00%, 12/01/31, AMBAC                                   | 12/11@ 100       | 948,422     |
| AAA             | 11,690  | Harris Cnty. Houston Sports Auth., Ser. G, Zero Coupon,<br>11/15/41, MBIA          | @<br>11/3153.779 | 1,348,442   |
| NR <sup>5</sup> | 2,840   | Multi-Fam. Hsg., Copperwood Ranch Apts., Ser. 9, 5.95%,<br>11/01/35                | 06/12@ 100       | 2,754,573   |
| BBB+            | 1,000   | Sabine River Auth., PCR, TXU Elec. Co. Proj., Ser. B, 6.15%,<br>8/01/22            | 08/13@ 101       | 1,047,380   |
| AAA             | 60,000  | Texas Tpke. Auth., Central Sys. Rev., Zero Coupon, 8/15/35,<br>AMBAC               | @<br>08/1225.665 | 9,655,800   |
| BBB+            | 6,840   | Tyler Cnty. Hlth. Facs. Dev., Mother Frances Hosp., 6.00%,<br>7/01/31              | 07/12@ 100       | 7,028,510   |
|                 |         |  |                  |             |
|                 |         |  |                  | 24,082,327  |
|                 |         |  |                  |             |
|                 |         | <b>West Virginia</b>   | <b>0.4%</b>      |             |
|                 |         | West Virginia Econ. Dev. Auth., Correctional Juvenile                              |                  |             |
| AAA             | 520     | Safety, Ser. A, 5.00%, 6/01/29, MBIA   | 06/14@ 100       | 527,332     |
|                 |         |  |                  |             |
|                 |         | <b>Wisconsin</b>   | <b>5.7%</b>      |             |
|                 |         | Wisconsin Hlth. & Edl. Facs. Auth.,  |                  |             |
| A-              | 1,350   | Aurora Hlth. Care, 6.40%, 4/15/33  | 04/13@ 100       | 1,431,660   |
| A               | 7,000   | Wheaton Franciscan Svcs., 5.75%, 8/15/30   | 02/12@ 101       | 7,290,500   |
|                 |         |  |                  |             |
|                 |         |  |                  | 8,722,160   |
|                 |         |  |                  |             |
|                 |         | <b>Puerto Rico</b>   | <b>5.3%</b>      |             |
| A               | 8,000   | Puerto Rico Hwy. & Transp. Auth., Ser. G, 5.00%, 7/01/42                           | 07/13@ 100       | 8,034,800   |
|                 |         |  |                  |             |
|                 |         | <b>Multi-State</b>   | <b>7.9%</b>      |             |
| Baa1            | 10,5003 | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52                         | 10/14@ 100       | 12,059,775  |
|                 |         |  |                  |             |
|                 |         | <b>Total Long-Term Investments (cost \$220,972,623)</b>                            |                  | 229,487,001 |
|                 |         |  |                  |             |



See Notes to Financial Statements.

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**BlackRock Municipal Bond Trust (BBK) (continued)**

| <b>Rating<sup>1</sup></b> | <b>Principal<br/>Amount<br/>(000)</b> | <b>Description</b>  | <b>Value</b>          |
|---------------------------|---------------------------------------|---|-----------------------|
|                           |                                       | <b>SHORT-TERM INVESTMENTS</b> 7.9%  |                       |
|                           |                                       | <b>New York</b> 3.3%  |                       |
| A1+                       | \$ 5,0006                             | New York City Transl. Fin. Auth., Ser. A-1, 1.32%, 9/01/04, FRWD          | \$ 5,000,000          |
|                           |                                       | <b>Ohio</b> 3.3%  |                       |
| VMIG1                     | 5,0006                                | Hamilton Cnty. Hosp. Facs., Ser. A, 1.32%, 9/01/04, FRWD                  | 5,000,000             |
|                           |                                       | <b>Shares<br/>(000)</b>   |                       |
|                           |                                       | <b>MONEY MARKET FUND</b> 1.3%   |                       |
|                           | 1,950                                 | AIM Tax Free Investment Co. Cash Reserve Portfolio                        | 1,950,000             |
|                           |                                       | <b>Total Short-Term Investments (cost \$11,950,000)</b>                   | <b>11,950,000</b>     |
|                           |                                       | <b>Total Investments</b> 159.0% (cost \$232,922,623)                      | \$ 241,437,001        |
|                           |                                       | Other assets in excess of liabilities 0.6%                                | 970,515               |
|                           |                                       | Preferred shares at redemption value, including dividends payable (59.6)% | (90,515,884)          |
|                           |                                       | <b>Net Assets Applicable to Common Shareholders</b> 100%                  | <b>\$ 151,891,632</b> |

<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 7.9% of its net assets, with a current market value of \$12,059,775, in securities restricted as to resale.

<sup>4</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

<sup>5</sup>Security is deemed to be of investment grade quality by the investment advisor.

<sup>6</sup>For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown as of August 31, 2004.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| FGIC  | □ Financial Guaranty Insurance Company          | PCR  | □ Pollution Control Revenue            |
| FRWD  | □ Floating Rate Weekly Demand                   | MBIA | □ Municipal Bond Insurance Association |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004****BlackRock Municipal Income Trust II (BLE)**

| <b>Rating<sup>1</sup></b>             | <b>Principal Amount (000)</b> | <b>Description</b>  | <b>Option Call Provisions<sup>2</sup></b> | <b>Value</b> |
|---------------------------------------|-------------------------------|---|---|--------------|
| <b>LONG-TERM INVESTMENTS □ 157.0%</b> |                               |   |   |              |
| <b>California □ 16.7%</b>             |                               |   |   |              |
| A                                     | \$ 2,250                      | Agua Caliente Band, Cahuilla Indians, 6.00%, 7/01/18  | 07/13 @ 100                               | \$ 2,247,952 |
| A                                     | 3,500                         | California Mobilehome Park Fin. Auth., Palomar Estates East & West, Ser. A, 5.25%, 3/15/34, ACA | 03/13 @ 102                               | 3,443,895    |
| A                                     | 5,000                         | California Statewide Cmnty. Dev. Auth., Mem. Hlth. Svcs., Ser. A, 5.50%, 10/01/33               | 04/13 @ 100                               | 5,148,600    |
| A-                                    | 16,850                        | Golden St. Tobacco Sec. Corp., Ser. B, 5.50%, 6/01/43   | 06/13 @ 100                               | 17,238,561   |
| A-                                    | 8,800                         | Los Angeles Regl. Arpt. Impvt., Corp. Lease Rev., Amer. Airlines Inc., Ser. C, 7.50%, 12/01/24  | 06/13 @ 100                               | 9,092,072    |
| Caa2                                  | 11,410                        | San Francisco City & Cnty. Redev. Agcy., Cmnty. Facs. Dist., Mission Bay South, 6.625%, 8/01/27 | 12/12 @ 102                               | 9,797,425    |
| NR                                    | 4,620                         | San Marcos Spl. Tax, Cmnty. Facs. Dist. No. 02-01, 5.90%, 9/01/28                               | 08/11 @ 101                               | 4,820,092    |
| NR                                    | 990                           | 5.95%, 9/01/35  | 09/10 @ 102                               | 1,000,672    |
| NR                                    | 1,855                         |   | 09/10 @ 102                               | 1,874,960    |
|                                       |                               |   |   | 54,664,229   |
| <b>Colorado □ 4.4%</b>                |                               |   |   |              |
| AA                                    | 10,000                        | Colorado Hlth. Facs. Auth., Catholic Hlth. Initiatives, Ser. A, 5.50%, 3/01/32                  | 03/12 @ 100                               | 10,347,400   |
| AAA                                   | 4,000                         | Northwest Pkwy. Pub. Hwy. Auth., Ser. A, 5.25%, 6/15/41, FSA                                    | 06/11 @ 102                               | 4,110,920    |
|                                       |                               |   |   | 14,458,320   |
| <b>Connecticut □ 1.2%</b>             |                               |   |   |              |
| A3                                    | 2,500                         | Connecticut Dev. Auth., Connecticut Lt. & Pwr., PCR, Ser. B, 5.95%, 9/01/28                     | 10/08 @ 102                               | 2,607,300    |
| BBB-                                  | 1,440                         | Mohegan Tribe Indians, Pub. Impvt. Priority Dist., 5.25%, 1/01/33                               | 01/14 @ 100                               | 1,443,355    |

|                                  |        |  |              |            |
|----------------------------------|--------|--|--------------|------------|
|                                  |        |  |              | 4,050,655  |
| <b>District of Columbia</b> 5.7% |        |  |              |            |
| A                                | 1,265  | Friendship Pub. Charter Sch. Inc., 5.25%, 6/01/33, ACA               | 06/14 @ 100  | 1,244,849  |
| BBB                              | 7,500  | Tobacco Settlement Fin. Corp., 6.50%, 5/15/33                        | No Opt. Call | 6,731,475  |
| BBB                              | 11,500 | Tobacco Settlement Fin. Corp., 6.75%, 5/15/40                        | 05/11 @ 101  | 10,616,570 |
|                                  |        |  |              | 18,592,894 |
| <b>Florida</b> 19.2%             |        |  |              |            |
|                                  |        | Capital Trust Agcy., Air Cargo Fort Lauderdale Proj., 5.75%,         |              |            |
| Baa3                             | 4,500  | 1/01/32  | 01/14 @ 101  | 4,297,365  |
|                                  |        | Fishhawk Cmnty. Dev. Dist. II, Spec. Assmnt. Rev,                    |              |            |
| NR                               | 3,000  | Ser. A, 6.25%, 5/01/34   | 05/13 @ 101  | 3,097,560  |
| NR                               | 5,820  | Ser. B, 5.00%, 11/01/07  | No Opt. Call | 5,862,893  |
| NR                               | 4,780  | Lakes by the Bay So. Cmnty. Dev. Dist., Ser. A, 6.25%, 5/01/34       | 05/14 @ 101  | 4,861,834  |
| A                                | 2,650  | Leesburg Hosp., Leesburg Regl. Med. Ctr. Proj., 5.50%, 7/01/32       | 07/12 @ 100  | 2,685,166  |
|                                  |        | Live Oak Comm. Dev., Dist. No. 1 Spec. Assmnt. Rev., Ser. A,         |              |            |
| NR                               | 3,200  | 6.30%, 5/01/34   | 05/13 @ 101  | 3,299,200  |
|                                  |        | Miami Beach Hlth. Facs. Auth., Mt. Sinai Med. Ctr., 6.75%,           |              |            |
| BB                               | 6,230  | 11/15/21   | 11/14 @ 100  | 6,465,058  |
|                                  |        | Orange Cnty. Hlth. Facs. Auth., Hosp. Adventist Hlth. Sys., 5.625%,  |              |            |
| A                                | 6,850  | 11/15/32   | 11/12 @ 101  | 7,102,011  |
| AA-                              | 14,000 | Pinellas Cnty. Hlth. Fac. Auth., Baycare Hlth. Sys., 5.50%, 11/15/33 | 05/13 @ 100  | 14,410,620 |
|                                  |        | Stevens Plantation Cmnty. Dev. Dist., Spl. Assmt. Rev., Ser. A,      |              |            |
| NR                               | 2,085  | 7.10%, 5/01/35   | 05/14 @ 100  | 2,118,860  |
|                                  |        | Sumter Cnty. Ind. Dev. Auth., No. Sumter Util. Co. LLC, 6.90%,       |              |            |
| NR                               | 4,625  | 10/01/34   | 10/09 @ 100  | 4,684,061  |
| NR                               | 3,715  | Sumter Landing Cmnty. Dev., Spec. Assmnt. Rev, 6.875%, 5/01/23       | 05/13 @ 101  | 3,866,312  |
|                                  |        |  |              | 62,750,940 |
| <b>Georgia</b> 1.6%              |        |  |              |            |
|                                  |        | Milledgeville-Baldwin Cnty. Dev. Auth., Georgia Coll. & St. Univ.    |              |            |
| BBB                              | 5,000  | Fndtn., 5.625%, 9/01/30  | 09/14 @ 101  | 5,080,450  |
| <b>Illinois</b> 15.5%            |        |  |              |            |
| AAA                              | 4,000  | Bolingbrook, GO, Ser. A, 5.375%, 1/01/38, FGIC                       | 01/12 @ 100  | 4,140,400  |
| NR                               | 2,470  | Centerpoint Intermodal Ctr., Ser. A, 8.00%, 6/15/23                  | No Opt. Call | 2,456,217  |
|                                  |        | Illinois Dev. Fin. Auth., Hosp. Rev., Adventist Hlth. Sys. Sunbelt   |              |            |
| A                                | 7,5003 | Oblig., 5.65%, 11/15/24  | 11/09 @ 101  | 7,730,550  |
|                                  |        | Illinois Fin. Auth. Rev., Northwestern Mem. Hosp., Ser. A, 5.50%,    |              |            |
| AA+                              | 1,880  | 8/15/43  | 08/14 @ 100  | 1,926,850  |
|                                  |        | Illinois Hlth. Facs. Auth., Elmhurst Mem. Hlth. Care, 5.50%,         |              |            |
| A2                               | 8,000  | 1/01/22  | 01/13 @ 100  | 8,264,640  |
|                                  |        | Illinois Sports Facs. Auth., Dedicated St. Tax Supported Rev., Zero  |              |            |
| AAA                              | 15,000 | Coupon, 6/15/30, AMBAC   | 06/15 @ 101  | 11,476,050 |

See Notes to Financial Statements.

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

| <b>Rating<sup>1</sup></b>   | <b>Principal Amount (000)</b> | <b>Description</b>   | <b>Option Call Provisions<sup>2</sup></b> | <b>Value</b> |
|-----------------------------|-------------------------------|--|---|--------------|
| <b>Illinois (continued)</b> |                               |  |   |              |
|                             |                               | Met. Pier & Exposition Auth., Dedicated St. Tax Rev., McCormick Place Expansion Proj., Ser. A, MBIA, |   |              |
| AAA                         | \$ 45,190                     | Zero Coupon, 6/15/33   | No Opt. Call                              | \$ 9,692,803 |
| AAA                         | 5,000                         | Zero Coupon, 6/15/40   | No Opt. Call                              | 703,750      |
| AAA                         | 4,290                         | O'Hare Intl. Arpt., Refdg. Gen. Arpt. 3rd Lien, Ser. C-2, 5.25%, 1/01/30, FSA                        | 01/14 @ 100                               | 4,369,923    |
|                             |                               |  |   | 50,761,183   |
| <b>Indiana 9.6%</b>         |                               |  |   |              |
| Baa1                        | 5,500                         | Fort Wayne, PCR, Gen. Mtrs. Corp. Proj., 6.20%, 10/15/25   | 12/12 @ 101                               | 5,789,025    |
| AA                          | 5,000                         | Indiana Hlth. Fac. Fin. Auth., Ascension Hlth., Ser. F, 5.375%, 11/15/25                             | 11/12 @ 101                               | 5,074,950    |
| AAA                         | 19,735                        | Indianapolis Local Pub. Impvt. Bond Bank, Wtr. Wks. Proj., Ser. A, 5.25%, 7/01/33, MBIA              | 07/12 @ 100                               | 20,373,822   |
|                             |                               |  |   | 31,237,797   |
| <b>Louisiana 0.8%</b>       |                               |  |   |              |
| Baa1                        | 2,485                         | Louisiana Local Gov't. Env. Facs. & Cmnty. Dev. Auth., Oakleigh Apts. Proj., Ser. A, 6.375%, 6/01/38 | 06/13 @ 102                               | 2,503,911    |
| <b>Maryland 3.5%</b>        |                               |  |   |              |
| NR                          | 3,000                         | Frederick Cnty. Spl. Oblig., Urbana Cmnty. Dev. Auth., Ser. A, 5.95%, 7/01/30                        | 07/07 @ 102                               | 3,002,160    |
| Baa3                        | 5,000                         | Maryland Econ. Dev. Corp., Student Hsg. Rev., Univ. of Maryland, Ser. A, 5.75%, 10/01/33             | 10/13 @ 100                               | 5,066,750    |
| BBB                         | 2,240                         | Maryland Hlth. & Higher Edl. Facs. Auth., Medstar Hlth., 5.50%, 8/15/33                              | 08/14 @ 100                               | 2,255,904    |
| A3                          | 1,000                         | Union Hosp. of Cecil Cnty., 5.625%, 7/01/32  | 07/12 @ 100                               | 1,027,660    |
|                             |                               |  |   | 11,352,474   |
| <b>Mississippi 1.8%</b>     |                               |  |   |              |
| BBB                         | 4,950                         | Lowndes Cnty. Sld. Wst. Disp., PCR, Weyerhaeuser Co. Proj., Ser. A, 6.80%, 4/01/22                   | No Opt. Call                              | 5,767,196    |
| <b>Missouri 1.9%</b>        |                               |  |   |              |
| NR                          | 6,000                         | Dept. of Transp., Rt. 370/Missouri Bottom Rd./Taussig Rd. Transp. Dev., 7.20%, 5/01/33               | 05/13 @ 100                               | 6,206,880    |
| <b>Nevada 5.8%</b>          |                               |  |   |              |
| AAA                         | 10,000                        | Clark Cnty. Arpt., Ser. A-2, 5.00%, 7/01/36, FGIC  | 07/14 @ 100                               | 10,064,100   |
| NR                          | 2,990                         | Henderson Local Impvt. Dist. No. T-14, 5.80%, 3/01/23  | 03/05 @ 103                               | 3,071,776    |

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|      |        |   |              |            |
|------|--------|---|--------------|------------|
|      |        | No. Las Vegas Local Impvt., Spec. Impvt. Dist. 60 Aliante,  |              |            |
| NR   | 2,500  | 6.125%, 12/01/17  | 12/04 @ 103  | 2,575,900  |
| NR   | 3,000  | 6.40%, 12/01/22   | 12/04 @ 103  | 3,088,890  |
|      |        |   |              | 18,800,666 |
|      |        | <b>New Jersey</b> <b>11.6%</b>  |              |            |
|      |        | New Jersey Econ. Dev. Auth.,  |              |            |
| B    | 10,100 | Continental Airlines Inc. Proj., 7.20%, 11/15/30  | 11/10 @ 101  | 8,043,842  |
| Baa3 | 7,475  | Kapkowski Road Landfill Proj., 6.50%, 4/01/28   | No Opt. Call | 8,501,542  |
| Baa3 | 10,000 | Kapkowski Road Landfill Proj., 6.50%, 4/01/31   | No Opt. Call | 11,236,300 |
| BBB  | 11,700 | Tobacco Settlement Fin. Corp., 6.25%, 6/01/43   | 06/13 @ 100  | 10,078,965 |
|      |        |   |              | 37,860,649 |
|      |        | <b>New Mexico</b> <b>1.4%</b>   |              |            |
|      |        | New Mexico Hsg. Auth., Region III, Villa Delaware Oso Apts. Proj.,  |              |            |
| Baa1 | 5,200  | Ser. A, 6.00%, 1/01/38  | 01/13 @ 102  | 4,716,556  |
|      |        | <b>New York</b> <b>4.8%</b>   |              |            |
|      |        | Env. Facs. Corp., St. Clean Wtr. & Drinking Wtr. Rev., NYC Mun. Wtr.  |              |            |
| AAA  | 2,845  | Proj. B, 5.00%, 6/15/31   | 06/12 @ 100  | 2,894,475  |
| AAA  | 3,775  | Met. Transp. Auth., Svc. Contract, Ser. A, 5.00%, 7/01/30, AMBAC<br>Port Auth. of NY & NJ, Spec. Oblig. Rev., Contl/Eastern Proj. | 07/12 @ 100  | 3,831,134  |
| NR   | 8,800  | LaGuardia, 9.00%, 12/01/10  | 10/04 @ 100  | 8,841,096  |
|      |        |   |              | 15,566,705 |
|      |        | <b>Pennsylvania</b> <b>3.2%</b>   |              |            |
|      |        | Monroe Cnty. Hosp. Auth., Hospital Pocono Med Center, 6.00%,  |              |            |
| BBB+ | 5,000  | 1/01/43   | 01/14 @ 100  | 5,107,900  |
|      |        | Pennsylvania Econ. Dev. Fin. Auth., Amtrak Proj., Ser. A, 6.375%,   |              |            |
| A3   | 5,175  | 11/01/41  | 05/11 @ 101  | 5,362,956  |
|      |        |   |              | 10,470,856 |
|      |        | <b>South Carolina</b> <b>7.0%</b>   |              |            |
|      |        | Greenwood Cnty. Hosp., Self Mem. Hosp. Facs.,   |              |            |
| A    | 3,280  | 5.50%, 10/01/26   | 10/11 @ 100  | 3,360,721  |
| A    | 3,250  | 5.50%, 10/01/31   | 10/11 @ 100  | 3,322,215  |
|      |        | Lancaster Cnty. Assmnt., Edgewater Impvt. Dist. Ser. A, 6.875%,   |              |            |
| NR   | 3,995  | 11/01/35  | 11/13 @ 101  | 4,115,689  |

See Notes to Financial Statements.

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| Rating1                           | Amount<br>(000) | Description   | Option Call<br>Provisions2 | Value        |
|-----------------------------------|-----------------|---|----------------------------|--------------|
| <b>South Carolina (continued)</b> |                 |   |                            |              |
|                                   |                 | So. Carolina Jobs Econ. Dev. Auth., Hosp. Facs. Rev.,                 |                            |              |
| AA                                | \$ 3,750        | Georgetown Mem. Hosp., 5.375%, 2/01/30, RAA                           | 08/11@100                  | \$ 3,855,150 |
| BBB                               | 2,640           | Palmetto Hlth. Alliance, Ser. A, 6.25%, 8/01/31                       | 08/13 @ 100                | 2,761,308    |
| BBB                               | 5,000           | Palmetto Hlth. Alliance, Ser. C, 6.875%, 8/01/27                      | 08/13 @ 100                | 5,480,000    |
|                                   |                 |   |                            | 22,895,083   |
| <b>Tennessee 2.6%</b>             |                 |   |                            |              |
|                                   |                 | Knox Cnty. Hlth. Edl. & Hsg. Facs. Brd., Hosp. Facs. Rev., Ser. A,    |                            |              |
| AAA                               | 20,405          | Zero Coupon, 1/01/21, FSA   | 01/13 @ 63.44              | 8,457,668    |
| <b>Texas 19.5%</b>                |                 |   |                            |              |
|                                   |                 | Brazos River Auth., PCR, TXU Elec. Co. Proj., Ser. C, 6.75%,          |                            |              |
| BBB                               | 2,300           | 10/01/38  | 10/13 @ 101                | 2,429,398    |
| A-                                | 1,750           | Crawford Ed. Facs. Corp., Higher Ed. Rev., Univ. of St. Thomas Proj., |                            |              |
| AAA                               | 2,015           | 5.375%, 10/01/27  | 10/12 @ 100                | 1,728,353    |
| AAA                               | 2,015           | Dallas Area Rapid Trans., 5.00%, 12/01/31, AMBAC                      | 12/11 @ 100                | 2,033,054    |
| BBB                               | 20,000          | Gulf Coast Wst. Disp. Auth., Environ. Impvt. Rev., Ser. A, 6.10%,     |                            |              |
| AAA                               | 25,375          | 8/01/24   | 08/12 @ 100                | 20,891,800   |
| AAA                               | 25,375          | Harris Cnty. Houston Texas Sports Auth., Ser. A-3, Zero Coupon,       |                            |              |
| BBB+                              | 5,900           | 11/15/36, MBIA  | 11/24 @ 49.423             | 3,998,085    |
| BBB+                              | 2,000           | Sabine River Auth., PCR, TXU Elec. Co. Proj., Ser. B,                 |                            |              |
| AAA                               | 73,370          | Zero Coupon, 11/01/11   | No Opt. Call               | 6,365,805    |
| AAA                               | 65,000          | 6.15%, 8/01/22  | 08/13 @ 101                | 2,094,760    |
| AAA                               | 27,600          | Texas Tpke. Auth., Central Sys. Rev., AMBAC,                          |                            |              |
| AAA                               | 73,370          | Zero Coupon, 8/15/36  | 08/12 @ 24.171             | 11,114,821   |
| AAA                               | 65,000          | Zero Coupon, 8/15/37  | 08/12 @ 22.708             | 9,248,200    |
| AAA                               | 27,600          | Zero Coupon, 8/15/38  | 08/12 @ 21.384             | 3,695,916    |
|                                   |                 |   |                            | 63,600,192   |
| <b>Utah 1.2%</b>                  |                 |   |                            |              |
|                                   |                 | Tooele Cnty. Hazardous Wst. Treat., Union Pacific Proj., Ser. A,      |                            |              |
| BBB                               | 4,000           | 5.70%, 11/01/26   | 04/08 @ 102                | 4,034,160    |
| <b>Virginia 7.1%</b>              |                 |   |                            |              |
|                                   |                 | Alexandria Redev. & Hsg. Auth., 3001 Park Cntr. Apts., Ser. A,        |                            |              |
| NR4                               | 13,375          | 6.375%, 4/01/34   | 04/08 @ 103                | 13,739,067   |
| AAA                               | 9,000           | Halifax Cnty. Incl. Dev. Auth., Exempt Fac. Rev., Old Dominion Elec.  |                            |              |
|                                   |                 | Coop. Proj.,  |                            |              |
|                                   |                 | 5.625%, 6/01/28, AMBAC  | 06/13 @ 101                | 9,495,900    |
|                                   |                 |   |                            | 23,234,967   |
| <b>West Virginia 1.9%</b>         |                 |   |                            |              |
|                                   |                 | Mason Cnty., PCR, Refunding Appalachian Pwr. Co. Proj., Ser. L,       |                            |              |
| BBB+                              | 5,000           | 5.50%, 10/01/22   | 10/11 @ 100                | 5,057,800    |
| AAA                               | 1,115           | West Virginia Econ. Dev. Auth., Correctional Juvenile Safety, Ser. A, |                            |              |
|                                   |                 | 5.00%, 6/01/29, MBIA  | 06/14 @ 100                | 1,130,722    |

|  |        |  |              |             |
|--|--------|--|--------------|-------------|
|  |        |  |              | 6,188,522   |
|  |        |  |              | <hr/>       |
| <b>Wisconsin 4.1%</b>  |        |  |              |             |
| Wisconsin Hlth. & Edl. Facs. Auth.,                                |        |  |              |             |
| A-   | 3,930  | Aurora Hlth. Care, 6.40%, 4/15/33                                | 04/13 @ 100  | 4,167,726   |
| A-   | 4,000  | Synergy Hlth. Inc., 6.00%, 11/15/32                              | 08/13 @ 100  | 4,134,600   |
| A  | 5,000  | Wheaton Franciscan Svcs., 5.75%, 8/15/25                         | 02/12 @ 101  | 5,221,450   |
|  |        |  |              | <hr/>       |
|  |        |  |              | 13,523,776  |
|  |        |  |              | <hr/>       |
| <b>Puerto Rico 0.9%</b>  |        |  |              |             |
| A  | 3,000  | Puerto Rico Hwy. & Transp. Auth., Ser. G, 5.00%, 7/01/42         | 07/13 @ 100  | 3,013,050   |
|  |        |  |              | <hr/>       |
| <b>Multi-State 4.0%</b>  |        |  |              |             |
| Charter Mac Equity Issuer Trust,                                   |        |  |              |             |
| A3   | 1,000  | Ser. A, 5.75%, 4/30/15   | No Opt. Call | 1,052,020   |
| A3   | 3,500  | Ser. A, 6.00%, 4/30/19   | No Opt. Call | 3,725,155   |
| Baa1   | 5,000  | Ser. B, 6.00%, 4/30/15   | No Opt. Call | 5,256,850   |
| Baa1   | 3,000  | Ser. B, 6.30%, 4/30/19   | No Opt. Call | 3,189,240   |
|  |        |  |              | <hr/>       |
|  |        |  |              | 13,223,265  |
|  |        |  |              | <hr/>       |
| <b>Total Long-Term Investments (cost \$497,686,989)</b>            |        |  |              | 513,013,044 |
|  |        |  |              | <hr/>       |
| <b>SHORT-TERM INVESTMENTS 2.9%</b>                                 |        |  |              |             |
| <b>California 0.0%</b>   |        |  |              |             |
| California Hlth. Facs. Fin. Auth., Scripps Hlth., Ser. B, 1.28%,   |        |  |              |             |
| A1   | 755    | 9/01/04, MBIA, FRWD  | N/A          | 75,000      |
|  |        |  |              | <hr/>       |
| <b>New York 0.4%</b>   |        |  |              |             |
| New York City Mun. Wtr. Fin. Auth., Wtr. & Swr. Sys. Rev., Ser. C, |        |  |              |             |
| A1   | 2005   | 1.26%, 9/01/04, FRDD   | N/A          | 200,000     |
| A1   | 1,0005 | New York City Transl. Fin. Auth., Ser. A-1, 1.32%, 9/01/04, FRWD | N/A          | 1,000,000   |
|  |        |  |              | <hr/>       |
|  |        |  |              | 1,200,000   |
|  |        |  |              | <hr/>       |

See Notes to Financial Statements.

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

| Shares<br>(000) | Description | Value |
|-----------------|-------------|-------|
| <hr/>           |             |       |

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|       |   |                       |
|-------|---|-----------------------|
|       | <b>MONEY MARKET FUND</b> 2.5%   |                       |
| 8,200 | AIM Tax Free Investment Co. Cash Reserve Portfolio                        | \$ 8,200,000          |
|       | <b>Total Short-Term Investments (cost \$9,475,000)</b>                    | <b>9,475,000</b>      |
|       | <b>Total Investments</b> 159.9% (cost \$507,161,989)                      | <b>\$ 522,488,044</b> |
|       | Other assets in excess of liabilities 3.0%                                | 9,860,813             |
|       | Preferred shares at redemption value, including dividends payable (62.9)% | (205,579,051)         |
|       | <b>Net Assets Applicable to Common Shareholders</b> 100%                  | <b>\$ 326,769,806</b> |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

4Security is deemed to be of investment grade quality by the investment advisor.

5For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown as of August 31, 2004.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| FGIC  | □ Financial Guaranty Insurance Company          | MBIA | □ Municipal Bond Insurance Association |
| FRDD  | □ Floating Rate Daily Demand                    | PCR  | □ Pollution Control Revenue            |
| FRWD  | □ Floating Rate Weekly Demand                   | RAA  | □ Radian Asset Assurance               |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS**

**AUGUST 31, 2004**

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

| Rating <sup>1</sup> | Principal Amount (000) | Description   | Option Call Provisions <sup>2</sup> | Value        |
|---------------------|------------------------|---|-------------------------------------|--------------|
|                     |                        | <b>LONG-TERM INVESTMENTS</b> 161.1%   |                                     |              |
| AAA                 | \$ 6,500               | Benicia Unified Sch. Dist., Ser. B, Zero Coupon, 8/01/23, MBIA California Cnty., Tobacco Sec. Agcy. Rev., | No Opt. Call                        | \$ 2,476,695 |
| BBB                 | 7,405                  | Sonoma Cnty., 5.875%, 6/01/43   | 06/12                               | 6,136,375    |



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|   |        |  |              |                |
|---|--------|--|--------------|----------------|
| BBB   | 7,650  | Alameda Cnty., 6.00%, 6/01/42<br>California Dept. of Wtr. Res., Pwr. Sply. Rev., Ser. A, 5.25%,<br>A2                              | 06/12        | 6,393,258      |
|   | 6,500  | 5/01/20  | 05/12        | 6,958,380      |
| AAA   | 2,385  | California Edl. Facs. Auth., Scripps Coll., 5.00%, 8/01/31, MBIA<br>California Infrastructure & Econ. Dev., Rand Corp., Ser. A,    | 08/11        | 2,418,104      |
| AAA   | 4,5003 | 5.25%, 4/01/42, AMBAC<br>California Pub. Wks. Brd., Dept. of Gen. Svcs., Ser. A, 5.00%,  | 04/12        | 4,641,750      |
| AAA   | 5,000  | 12/01/27, AMBAC<br>Ceres Unified Sch. Dist., Ser. B, FGIC,   | 12/12        | 5,077,850      |
| AAA   | 3,055  | Zero Coupon, 8/01/30   | 08/12        | 705,919        |
| AAA   | 3,180  | Zero Coupon, 8/01/31   | 08/12        | 691,586        |
| AAA   | 3,300  | Zero Coupon, 8/01/32   | 08/12        | 676,137        |
| AAA   | 3,440  | Zero Coupon, 8/01/33   | 08/12        | 665,021        |
| AAA   | 3,575  | Zero Coupon, 8/01/34   | 08/12        | 652,080        |
| AAA   | 3,275  | Zero Coupon, 8/01/35   | 08/12        | 563,595        |
| A3  | 2,600  | Kaweah Delta Hlth. Care Dist., 6.00%, 8/01/34  | 08/12        | 2,754,050      |
| AAA   | 2,000  | Long Beach Unified Sch. Dist., Ser. D, 5.00%, 8/01/31, FSA<br>Los Angeles Dept. of Wtr. & Pwr., Wtr. Wks. Rev., Ser. A, FGIC,      | 08/10        | 2,033,660      |
| AAA   | 5,000  | 5.00%, 7/01/43   | 07/12        | 5,032,050      |
| AAA   | 5,000  | 5.125%, 7/01/41  | 07/11        | 5,087,050      |
| AAA   | 5,000  | Los Angeles Unified Sch. Dist., Ser. E, 5.125%, 1/01/27, MBIA<br>Los Angeles Wstwrtr. Sys., Ser. A,                                | 07/12        | 5,197,700      |
| AAA   | 5,000  | 5.00%, 6/01/27, MBIA   | 06/13        | 5,125,200      |
| AAA   | 6,025  | 5.00%, 6/01/32, FGIC<br>No. California Pwr. Agcy., Pub. Pwr. Rev., Hydroelec. Proj. 1,   | 06/12        | 6,133,209      |
| AAA   | 5,000  | Ser. A, 5.00%, 7/01/28, MBIA<br>No. Orange Cnty. Cmnty. Coll. Dist., Ser. A, 5.00%, 2/01/27,                                       | 07/08        | 5,094,650      |
| AAA   | 2,500  | MBIA   | 08/12        | 2,563,675      |
| AAA   | 5,000  | Riverside Unified Sch. Dist., Ser. A, 5.00%, 2/01/27, FGIC   | 02/12        | 5,121,200      |
| AAA   | 5,295  | San Diego Cnty. Wtr. Auth., COP, Ser. A, 5.00%, 5/01/32, MBIA<br>San Diego Redev. Agcy., Centre City Proj., Ser. A, 5.00%,         | 05/12        | 5,381,150      |
| AAA   | 4,805  | 9/01/28, MBIA  | 09/11        | 4,886,060      |
| AAA   | 4,000  | San Diego Univ. Fndtn Aux. Org., Ser. A, 5.00%, 3/01/37, MBIA<br>San Joaquin Hills Transp. Corridor Agcy., Toll Road Rev., Ser. A, | 03/12        | 4,057,440      |
| AAA   | 20,000 | Zero Coupon, 1/15/31, MBIA<br>San Jose Fin. Auth., Civic Ctr. Proj., Ser. B, 5.00%, 6/01/37,                                       | No Opt. Call | 4,709,600      |
| AAA   | 6,000  | AMBAC  | 06/12        | 6,068,940      |
| AAA   | 11,125 | Santa Rosa Wstwrtr., Ser. B, Zero Coupon, 9/01/27, AMBAC<br>Tustin Unified Sch. Dist., Spec. Tax Rev., Cmnty. Facs. Dist.          | No Opt. Call | 3,246,052      |
| AAA   | 3,000  | 97-1, Ser. A, 5.00%, 9/01/38, FSA  | 09/12        | 3,045,660      |
| AAA   | 5,280  | Westlands Wtr. Dist., COP, 5.00%, 9/01/34, MBIA  | 09/12        | 5,369,074      |
| <b>Total Investments</b> 161.1% (cost \$119,223,258)                      |        |  |              | \$ 118,963,170 |
| Other assets in excess of liabilities 1.9%                                |        |  |              | 1,362,390      |
| Preferred shares at redemption value, including dividends payable (63.0)% |        |  |              | (46,502,293)   |
| <b>Net Assets Applicable to Common Shareholders</b> 100%                  |        |  |              | \$ 73,823,267  |

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<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

The value (market value plus accrued interest) of securities that are covered by insurance, which insures the payment of principal and interest, represents approximately 81.3% of the Trust's managed assets.

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### KEY TO ABBREVIATIONS

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | FSA  | □ Financial Security Assurance         |
| COP   | □ Certificate of Participation                  | MBIA | □ Municipal Bond Insurance Association |
| FGIC  | □ Financial Guaranty Insurance Company          |      |  |

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See Notes to Financial Statements.

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## PORTFOLIO OF INVESTMENTS

### AUGUST 31, 2004

#### BlackRock California Municipal Bond Trust (BZA)

| Rating <sup>1</sup>                   | Principal Amount (000) | Description   | Option Call Provisions <sup>2</sup> | Value                  |
|---------------------------------------|------------------------|---|-------------------------------------|------------------------|
| <b>LONG-TERM INVESTMENTS □ 154.4%</b> |                        |   |                                     |                        |
| <b>California □ 146.2%</b>            |                        |   |                                     |                        |
|                                       |                        | Anaheim Pub. Fin. Auth., Pub. Impvt. Proj., Ser. C, Zero Coupon,                              |                                     |                        |
| AAA                                   | \$ 5,000               | 9/01/32, FSA  | No Opt. Call                        | \$ 1,059,100           |
| A2                                    | 4,000                  | California Edl. Facs. Auth., Univ. of San Diego, Ser. A, 5.25%,<br>10/01/30                   | 10/12@ 100                          | 4,106,120              |
| A                                     | 3,270                  | California Hlth. Facs. Fin. Auth., Insured Hlth. Facs. Valleycare,<br>Ser. A, 5.375%, 5/01/27 | 05/12@ 100                          | 3,368,133              |
| AAA                                   | 11,550                 | California Hsg. Fin. Agcy., Home Mtg., Ser. K, Zero Coupon,<br>2/01/33, MBIA                  | @<br>02/1227.46                     | 2,101,869              |
| AAA                                   | 3,000                  | California Infrastructure & Econ. Dev.,<br>5.25%, 6/01/30, MBIA                               | 06/07@ 101                          | 3,092,430              |
| A                                     | 3,750                  | J. David Gladstone Inst. Proj., 5.25%, 10/01/34   | 10/11@ 101                          | 3,782,025              |
| AAA                                   | 3,5003                 | Rand Corp., Ser. A, 5.25%, 4/01/42, AMBAC   | 04/12@ 100                          | 3,610,250              |
|                                       |                        | California Statewide Cmnty. Dev. Auth.,   |                                     |                        |
| A                                     | 5,000                  | Kaiser Permanente, Ser. A, 5.50%, 11/01/32  | 11/12@ 100                          | 5,152,450              |
| AA-<br>BBB                            | 3,250<br>4,000         | Sutter Hlth. Oblig. Grp., Ser. B, 5.625%, 8/15/42   | 08/12@ 100<br>05/12@ 100            | 3,347,630<br>3,335,560 |

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|      |        |   |              |            |
|------|--------|---|--------------|------------|
|      |        | California Statewide Fin. Auth., Tobacco Settlement Rev., Ser. B,<br>6.00%, 5/01/43   |              |            |
|      |        | Foothill/Eastn. Transp. Corridor Agcy., Toll Road Rev., 5.75%,<br>1/15/40   | 01/10@ 101   | 3,861,918  |
| BBB  | 3,845  | Golden St. Tobacco Sec. Corp.,<br>Ser. A-1, 6.625%, 6/01/40   | 06/13@ 100   | 1,833,580  |
| BBB  | 2,000  | Ser. A-1, 6.75%, 6/01/39  | 06/13@ 100   | 933,060    |
| BBB  | 1,000  | Ser. B, 5.50%, 6/01/43  | 06/13@ 100   | 2,557,650  |
| A-   | 2,500  | Ser. B, 5.625%, 6/01/38   | 06/13@ 100   | 1,343,147  |
| A-   | 1,300  | Kaweah Delta Hlth. Care Dist., 6.00%, 8/01/34   | 08/12@ 102   | 1,848,391  |
| A3   | 1,745  | Lathrop Fin. Auth., Wtr. Sply. Proj.,<br>5.90%, 6/01/27   | 06/13@ 100   | 657,705    |
| NR4  | 655    | 6.00%, 6/01/35  | 06/13@ 100   | 1,195,482  |
| NR4  | 1,180  | Los Angeles Regl. Arpt. Impvt., Corp. Lease Rev., Amer. Airlines<br>Inc.,<br>Ser. B, 7.50%, 12/01/24  | 12/12@ 102   | 850,240    |
| B-   | 1,000  | Ser. C, 7.50%, 12/01/24   | 12/12@ 102   | 583,896    |
| Caa2 | 680    | Multi-Fam. Hsg.,<br>San Lucas Apts., Ser. 5, 5.95%, 11/01/34  | 06/12@ 100   | 2,165,834  |
| NR4  | 2,240  | Westgate Courtyard Apts., Ser. 3, 5.80%, 11/01/34   | 12/11@ 100   | 2,344,029  |
| NR4  | 2,425  | Orange Cnty. Cmnty. Facs. Dist., Spl. Tax Rev., Ladera Ranch, Ser.<br>A, 6.00%, 8/15/32   | 08/10@ 101   | 2,471,232  |
| NR4  | 2,400  | Palm Springs Mobile Home Park, Sahara Mobile Home Park, 5.75%,<br>5/15/37   | 05/12@ 102   | 3,056,280  |
| BBB  | 3,000  | San Francisco City & Cnty. Redev. Agcy., Cmnty. Facs. Dist.,<br>Mission Bay South, 6.25%, 8/01/33   | 08/11@ 101   | 2,554,525  |
| NR   | 2,500  | Santa Ana Unified Sch. Dist., COP, Zero Coupon, 4/01/29, FSA<br>Santa Clara Valley Wtr. Dist., Wtr. Util. Sys. Rev., Ser. A, 5.125%,<br>6/01/31, FGIC | No Opt. Call | 3,962,850  |
| AAA  | 15,000 | Tobacco Sec. Auth. So. California, Tobacco Settlement Rev., Ser. A,<br>5.625%, 6/01/43  | 06/10@ 100   | 2,561,025  |
| AAA  | 2,500  | Torrance Hosp. Rev., Torrance Mem. Med Ctr., Ser. A, 5.50%,<br>6/01/31  | 06/12@ 100   | 2,587,422  |
| BBB  | 3,250  |   | 06/11@ 101   | 1,530,600  |
| A+   | 1,500  |   |              |            |
|      |        |   |              | 71,854,433 |
|      |        | <b>Multi-State</b> 8.2%   |              |            |
| Baa1 | 3,5005 | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | 10/14@ 100   | 4,019,925  |
|      |        | <b>Total Long-Term Investments (cost \$72,932,184)</b>  |              | 75,874,358 |
|      |        | <b>SHORT-TERM INVESTMENTS</b> 4.3%  |              |            |
|      |        | <b>California</b> 4.1%  |              |            |
|      |        | California Dept. of Wtr. Resources, Power Supply Rev., Ser. B-2,<br>1.40%, 9/01/04, FRDD  | N/A          | 2,000,000  |
| A1   | 2,0006 |   |              | 2,000,000  |

See Notes to Financial Statements.

| Shares<br>(000) | Description   | Value                |
|-----------------|---|----------------------|
|                 | <b>MONEY MARKET FUND</b> 0.2%   |                      |
| 100             | AIM Tax Free Investment Co. Cash Reserve Portfolio                        | \$ 100,000           |
|                 | <b>Total Short-Term Investments (cost \$2,100,000)</b>                    | <u>2,100,000</u>     |
|                 | <b>Total Investments</b> 158.7% (cost \$75,032,184)                       | \$ 77,974,358        |
|                 | Other assets in excess of liabilities 2.3%                                | 1,147,144            |
|                 | Preferred shares at redemption value, including dividends payable (61.0)% | <u>(29,976,396)</u>  |
|                 | <b>Net Assets Applicable to Common Shareholders</b> 100%                  | <u>\$ 49,145,106</u> |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

4Security is deemed to be of investment grade quality by the investment advisor.

5Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 8.2% of its net assets, with a current market value of \$4,019,925, in securities restricted as to resale.

6For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown as of August 31, 2004.

#### KEY TO ABBREVIATIONS

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | FRDD | □ Floating Rate Daily Demand           |
| COP   | □ Certificate of Participation                  | FSA  | □ Financial Security Assurance         |
| FGIC  | □ Financial Guaranty Insurance Company          | MBIA | □ Municipal Bond Insurance Association |

See Notes to Financial Statements.

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## PORTFOLIO OF INVESTMENTS AUGUST 31, 2004

**BlackRock California Municipal Income Trust II (BCL)**

| Rating1                             | Principal Amount (000) | Description  | Option Call Provisions2 | Value        |
|-------------------------------------|------------------------|--|-------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 160.4% |                        |  |                         |              |
| <b>California</b> 156.5%            |                        |  |                         |              |
|                                     |                        | Anaheim Pub. Fin. Auth., Pub. Impvt. Proj., Ser. C, FSA,               |                         |              |
| AAA                                 | \$15,000               | Zero Coupon, 9/01/34   | No Opt. Call            | \$ 2,843,100 |
| AAA                                 | 10,000                 | Zero Coupon, 9/01/36   | No Opt. Call            | 1,685,200    |
| A                                   | 8,000                  | California, GO, 5.50%, 11/01/33  | 11/13 @ 100             | 8,473,680    |
|                                     |                        | California Cnty. Tobacco Sec. Agcy.,                                   |                         |              |
| BBB                                 | 5,515                  | Ser. B, 6.00%, 6/01/29   | 06/12 @ 100             | 4,828,107    |
| BBB-                                | 4,500                  | Gold Country Fdg. Corp., 6.00%, 6/01/38                                | 06/12 @ 100             | 3,778,290    |
|                                     |                        | California Dept. of Wtr. Res., Pwr. Sply. Rev., Ser. A, 5.375%,        |                         |              |
| A2                                  | 6,0003                 | 5/01/21  | 05/12@ 101              | 6,409,680    |
|                                     |                        | California Infrastructure & Econ. Dev., Ser. A,                        |                         |              |
| AAA                                 | 5,000                  | Bay Area Toll Brdgs., 5.00%, 7/01/36, AMBAC                            | 07/13@ 100              | 5,082,700    |
| A                                   | 1,735                  | Kaiser Hosp. Asst. LLC, 5.55%, 8/01/31                                 | 08/11@ 102              | 1,788,091    |
| AAA                                 | 2,500                  | Rand Corp., 5.25%, 4/01/42, AMBAC                                      | 04/12@ 100              | 2,578,750    |
|                                     |                        | California Mobilehome Park Fin. Auth., Palomar Estates East & West,    |                         |              |
| A                                   | 3,500                  | Ser. A,  |                         |              |
|                                     |                        | 5.25%, 3/15/34, ACA  | 03/13 @ 102             | 3,443,895    |
|                                     |                        | California Statewide Cmnty. Dev. Auth.,                                |                         |              |
| A                                   | 5,000                  | Kaiser Permanente, Ser. A, 5.50%, 11/01/32                             | 11/12 @ 100             | 5,152,450    |
| A                                   | 7,000                  | Mem. Hlth. Svcs., Ser. A, 5.50%, 10/01/33                              | 04/13 @ 100             | 7,208,040    |
| AA-                                 | 8,000                  | Sutter Hlth. Oblig Corp., Ser. B, 5.50%, 8/15/34                       | 08/12 @ 100             | 8,228,400    |
|                                     |                        | California Statewide Fin. Auth., Tobacco Settlement Rev.,              |                         |              |
| BBB                                 | 5,000                  | Ser. A, 6.00%, 5/01/37   | 05/1 2@ 100             | 4,242,550    |
| BBB                                 | 1,750                  | Ser. B, 6.00%, 5/01/43   | 05/12 @ 100             | 1,459,308    |
|                                     |                        | Corona Norco Unified Sch. Dist., Spec. Tax Rev., Cmnty. Facs. Dist.    |                         |              |
| AAA                                 | 6,000                  | No. 98-1,  |                         |              |
|                                     |                        | 5.10%, 9/01/32, AMBAC  | 09/12 @ 100             | 6,130,800    |
|                                     |                        | Foothill/Eastn. Transp. Corridor Agcy., Toll Road Rev., Ser. A,        |                         |              |
| AAA                                 | 15,4704                | Zero Coupon, 1/01/26   | ETM                     | 5,232,573    |
| AAA                                 | 4,8904                 | Zero Coupon, 1/01/30   | ETM                     | 1,313,209    |
|                                     |                        | Golden St. Tobacco Sec. Corp.,   |                         |              |
| BBB                                 | 2,900                  | Ser. A-1, 6.625%, 6/01/40  | 06/13 @ 100             | 2,658,691    |
| BBB                                 | 1,100                  | Ser. A-1, 6.75%, 6/01/39   | 06/13 @ 100             | 1,026,366    |
| A-                                  | 5,650                  | Ser. B, 5.50%, 6/01/43   | 06/13 @ 100             | 5,780,289    |
| A-                                  | 3,000                  | Ser. B, 5.625%, 6/01/38  | 06/13 @ 100             | 3,099,570    |
|                                     |                        | La Quinta Redev. Agcy. Tax Allocation, Redev. Proj. Area No. 1,        |                         |              |
| AAA                                 | 5,000                  | 5.125%, 9/01/32, AMBAC   | 09/12 @ 102             | 5,153,600    |
|                                     |                        | Lathrop Fin. Auth., Wtr. Sply. Proj.,                                  |                         |              |
| NR <sup>5</sup>                     | 1,490                  | 5.90%, 6/01/27   | 06/13 @ 100             | 1,496,154    |
| NR <sup>5</sup>                     | 2,680                  | 6.00%, 6/01/35   | 06/13 @ 100             | 2,715,161    |
|                                     |                        | Los Angeles Dept. of Wtr. & Pwr., Wtr. Wks. Rev., Ser. A, 5.125%,      |                         |              |
| AAA                                 | 5,500                  | 7/01/41, FGIC  | 07/11 @ 100             | 5,595,755    |
|                                     |                        | Los Angeles Regl. Arpt. Impvt., Corp. Lease Rev., Amer. Airlines Inc., |                         |              |
| Caa2                                | 1,785                  | Ser. C, 7.50%, 12/01/24 .  | 12/12 @ 102             | 1,532,726    |

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|     |        |  |              |           |
|-----|--------|--|--------------|-----------|
|     |        | Oxnard Impvt. Bond, Dist. No. 1 Spec. Assmt., 1 Rice Ave.,             |              |           |
| NR  | 1,920  | 5.625%, 9/02/27  | 03/05 @ 103  | 1,919,501 |
| NR  | 1,915  | 5.70%, 9/02/32   | 03/05 @ 103  | 1,912,338 |
|     |        | Poway Unified Sch. Dist., Spl. Tax Rev., Cmnty. Facs. Dist. No. 6,     |              |           |
| NR  | 1,500  | 5.50%, 9/01/25   | 09/10 @ 102  | 1,479,795 |
| NR  | 1,700  | 5.60%, 9/01/33   | 09/10 @ 102  | 1,685,550 |
|     |        | Rohnert Park Fin. Auth., Rancho Feliz Mobile Home Park, Ser. A,        |              |           |
| BBB | 2,470  | 5.625%, 9/15/28  | 09/13 @ 100  | 2,361,913 |
|     |        | Sacramento City Fin. Auth., Cap. Impvt., Ser. A, 5.00%, 12/01/32,      |              |           |
| AAA | 5,000  | AMBAC  | 06/11 @ 100  | 5,079,250 |
| NR  | 6,000  | San Bernardino Cnty., Spl. Tax Rev., Cmnty. Facs., 5.90%, 9/01/33      | 09/12 @ 102  | 5,966,940 |
| AAA | 8,665  | San Diego Unified Sch. Dist., Ser. D, 5.25%, 7/01/23, FGIC             | 07/12 @ 101  | 9,275,882 |
|     |        | San Francisco City & Cnty. Redev. Agcy., Cmnty. Facs. Dist., Mission   |              |           |
| NR  | 5,000  | Bay South, 6.25%, 8/01/33  | 08/11 @ 101  | 5,109,050 |
|     |        | San Joaquin Hills Transp. Corridor Agcy., Toll Road Rev., Ser. A, Zero |              |           |
| AAA | 30,000 | Coupon, 1/15/34, MBIA .  | No Opt. Call | 5,973,300 |
|     |        | San Jose Multi-Fam. Hsg., Helzer Courts Apts. Proj., Ser. A, 6.40%,    |              |           |
| NR  | 8,000  | 12/01/41   | 12/09 @ 102  | 7,526,320 |
|     |        | Santa Clarita Facs. Dist., Valencia Town Ctr.,                         |              |           |
| NR  | 1,640  | 5.80%, 11/15/25  | 11/10 @ 102  | 1,656,990 |
| NR  | 1,500  | 5.85%, 11/15/32  | 11/10 @ 102  | 1,522,275 |

See Notes to Financial Statements.

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**BlackRock California Municipal Income Trust II (BCL) (continued)**

| Rating <sup>1</sup>           | Principal Amount (000) | Description   | Option Call Provisions <sup>2</sup> | Value       |
|-------------------------------|------------------------|---|-------------------------------------|-------------|
| <b>California (continued)</b> |                        |   |                                     |             |
| AAA                           | \$ 2,685               | Santa Rosa Wstwtr., Ser. B, Zero Coupon, 9/01/25, AMBAC       | No Opt. Call                        | \$ 893,837  |
|                               |                        | So. Tahoe Joint Pwr. Fin. Auth., So. Tahoe Redev. Proj. 1-A,  |                                     |             |
| BBB                           | 2,200                  | 5.45%, 10/01/33   | 10/13 @ 100                         | 2,204,950   |
|                               |                        | Tobacco Sec. Auth. So. California, Tobacco Settlement Rev.,   |                                     |             |
| BBB                           | 1,600                  | Ser. A, 5.625%, 6/01/43                                       | 06/12 @ 100                         | 1,273,808   |
|                               |                        | Tustin Unified Sch. Dist., Spec. Tax Rev., Cmnty. Facs. Dist. |                                     |             |
| NR                            | 2,000                  | 97-1, Ser. B, 5.60%, 9/01/29                                  | 09/12 @ 101                         | 2,017,560   |
| AAA                           | 2,000                  | Univ. of California, Ser. A, 5.00%, 5/15/33, AMBAC            | 05/13 @ 100                         | 2,032,660   |
|                               |                        | Val Verde Unified Sch. Dist. Fin. Auth., Spec. Tax Rev.,      |                                     |             |
| NR                            | 1,170                  | 6.25%, 10/01/28   | 10/13 @ 102                         | 1,215,431   |
|                               |                        | Vernon Elec. Sys., Malburg Generating Station Proj., 5.50%,   |                                     |             |
| A2                            | 2,000                  | 4/01/33   | 04/08 @ 100                         | 2,041,480   |
|                               |                        |   |                                     | 172,085,965 |
| <b>Multi-State 3.9%</b>       |                        |   |                                     |             |
|                               |                        | Charter Mac Equity Issuer Trust,                              |                                     |             |
| A3                            | 500                    | Ser. A, 5.75%, 4/30/15  | No Opt. Call                        | 526,010     |
| A3                            | 1,000                  | Ser. A, 6.00%, 4/30/19  | No Opt. Call                        | 1,064,330   |
| Baa1                          | 1,500                  | Ser. B, 6.00%, 4/30/15  | No Opt. Call                        | 1,577,055   |

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|      |       |   |              |                    |
|------|-------|---|--------------|--------------------|
| Baa1 | 1,000 | Ser. B, 6.30%, 4/30/19                                  | No Opt. Call | 1,063,080          |
|      |       |   |              | <u>4,230,475</u>   |
|      |       | <b>Total Long-Term Investments (cost \$174,488,747)</b> |              | <u>176,316,440</u> |

**Shares  
(000)**

|       |   |               |                             |                       |
|-------|---|---------------|-----------------------------|-----------------------|
|       | <b>MONEY MARKET FUND</b>  | <b>3.1%</b>   |                             |                       |
|       | AIM Tax Free Investment Co. Cash Reserve Portfolio (cost \$3,400,000) |               |                             |                       |
| 3,400 |   |               | N/A                         | <u>3,400,000</u>      |
|       | <b>Total Investments</b>  | <b>163.5%</b> | <b>(cost \$177,888,747)</b> | <b>\$ 179,716,440</b> |
|       | Other assets in excess of liabilities                                 |               |                             | 2.0% 2,198,185        |
|       | Preferred shares at redemption value, including dividends payable     |               |                             | (65.5)% (71,962,401)  |
|       | <b>Net Assets Applicable to Common Shareholders</b>                   | <b>100%</b>   |                             | <b>\$ 109,952,224</b> |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

4This security is collateralized by U.S. Treasury obligations.

5Security is deemed to be of investment grade quality by the investment advisor.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| ETM   | □ Escrowed to Maturity                          | MBIA | □ Municipal Bond Insurance Association |
| FGIC  | □ Financial Guaranty Insurance Company          |      |  |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004**

**BlackRock Florida Insured Municipal Income Trust (BAF)**

**Principal  
Amount**

**Option Call**

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| Rating1   | (000)    | Description   | Provisions2    | Value       |
|---|----------|---|----------------|-------------|
| <b>LONG-TERM INVESTMENTS</b> 158.9%                         |          |   |                |             |
| <b>Florida</b> 152.3%                                       |          |   |                |             |
| Capital Trust Agcy. Multi-Fam., American Oppty.,            |          |   |                |             |
| Baa1  | \$ 1,000 | Ser. A, 5.875%, 6/01/38   | 06/13 @ 102 \$ | 951,440     |
| Baa3  | 995      | Ser. C, 7.25%, 6/01/38  | 06/13 @ 102    | 975,200     |
| NR <sup>3</sup>   | 3,935    | Colonial Cntry. Club Cmnty. Dev. Dist., 6.40%, 5/01/33                              | 05/13 @ 101    | 4,100,506   |
| Florida Brd. of Ed.,  |          |   |                |             |
| AAA   | 9,000    | GO, Ser. A, 5.00%, 6/01/27, FSA   | 06/12 @ 101    | 9,166,950   |
| AAA   | 8,6404   | Lottery Rev., Ser. C, 5.00%, 1/01/22, MBIA  | 01/13 @ 101    | 9,130,234   |
| AAA   | 7,000    | Florida Dept. of Transp., 5.00%, 7/01/27, FSA                                       | 07/1 2@ 101    | 7,130,970   |
| AAA   | 8,695    | Gainesville Util. Sys., Ser. A, 5.00%, 10/01/33, FSA                                | 10/13 @ 100    | 8,829,772   |
| A   | 8,500    | Highlands Cnty. Hlth. Facs. Auth., Hosp. Adventist/Sunbelt, Ser. A, 6.00%, 11/15/31 | 11/11 @ 101    | 9,009,235   |
| AAA   | 7,580    | Hillsborough Cnty. Sch. Brd., COP, Ser. A, 5.00%, 7/01/25, MBIA                     | 07/1 0@ 100    | 7,727,355   |
| Jacksonville,   |          |   |                |             |
| AAA   | 8,000    | Excise Tax, Ser. B, 5.00%, 10/01/26, AMBAC  | 10/12 @ 100    | 8,160,240   |
| AAA   | 9,500    | Sales Tax, 5.00%, 10/01/27, MBIA  | 10/13 @ 100    | 9,682,305   |
| AAA   | 9,500    | Transp., 5.00%, 10/01/31, MBIA  | 10/11 @ 100    | 9,617,705   |
| AAA   | 2,865    | Jacksonville Cap. Impvt., Ser. A, 5.00%, 10/01/30, AMBAC                            | 10/12 @ 100    | 2,906,972   |
| Julington Creek Plantation Cmnty. Dev., Assmt. Rev., 5.00%, |          |   |                |             |
| AAA   | 1,480    | 5/01/29, MBIA   | 05/12 @ 101    | 1,504,080   |
| AAA   | 9,000    | Lake Cnty. Sch. Brd., COP, Ser. A, 5.00%, 7/01/28, AMBAC                            | 07/13 @ 100    | 9,161,910   |
| AAA   | 26,935   | Miami Dade Cnty., Spec. Oblig. Rev., Ser. B, Zero Coupon, 10/01/31, MBIA            | 04/08 @ 28.079 | 5,971,489   |
| AAA   | 7,975    | Orange Cnty., Sales Tax, Ser. B, 5.125%, 1/01/32, FGIC                              | 01/13 @ 100    | 8,184,822   |
| AAA   | 2,000    | Orange Cnty. Sch. Brd., COP, Ser. A, 5.00%, 8/01/27, MBIA                           | 08/12 @ 100    | 2,030,060   |
| AAA   | 9,250    | Orange Cnty. Tourist Dev., Tax Rev., 5.125%, 10/01/30, AMBAC                        | 04/12 @ 100    | 9,480,325   |
| AAA   | 4,000    | Osceola Cnty. Sch. Brd., COP, Ser. A, 5.25%, 6/01/27, AMBAC                         | 06/12 @ 101    | 4,197,800   |
| Palm Bay Util., FGIC,                                       |          |   |                |             |
| AAA   | 4,015    | Zero Coupon, 10/01/28   | No Opt. Call   | 1,161,459   |
| AAA   | 5,570    | Zero Coupon, 10/01/31   | No Opt. Call   | 1,365,764   |
| AAA   | 9,200    | Palm Beach Cnty. Sch. Brd., COP, Ser. D, 5.00%, 8/01/28, FSA                        | 08/12 @ 100    | 9,332,296   |
| Pinellas Cnty. Hlth. Fac. Auth., Baycare Hlth. Sys., 5.50%, |          |   |                |             |
| AA-   | 5,000    | 11/15/33  | 05/13 @ 100    | 5,146,650   |
| AAA   | 9,500    | Pinellas Cnty. Swr., 5.00%, 10/01/32, FSA   | 10/13 @ 100    | 9,647,250   |
| AAA   | 5,000    | Polk Cnty. Util. Sys., 5.00%, 10/01/29, FGIC  | 10/13 @ 100    | 5,084,850   |
| AAA   | 825      | Port St. Lucie Util., 5.125%, 9/01/31, MBIA   | 09/11 @ 100    | 843,678     |
| AAA   | 2,945    | Sarasota Cnty. Util. Sys., Ser. C, 5.25%, 10/01/22, FGIC                            | 10/12 @ 100    | 3,188,964   |
| AAA   | 3,500    | St. Petersburg Pub. Util., Ser. A, 5.00%, 10/01/28, FSA                             | 10/09 @ 101    | 3,544,905   |
| AAA   | 2,000    | Tampa Bay Wtr. Util. Sys., Ser. A, 5.00%, 10/01/28, FGIC                            | 10/11 @ 100    | 2,029,580   |
| Tohopekaliga Wtr. Auth., Ser. B, FSA,                       |          |   |                |             |
| AAA   | 1,980    | 5.00%, 10/01/21   | 10/13 @ 100    | 2,097,533   |
| AAA   | 1,000    | 5.00%, 10/01/23   | 10/13 @ 100    | 1,043,220   |
| Village Cmnty. Dev. Dist., Assmt. Rev.,                     |          |   |                |             |
| NR <sup>3</sup>   | 4,935    | Ser. A, 6.50%, 5/01/33  | 05/13 @ 101    | 5,208,596   |
| NR <sup>3</sup>   | 640      | Ser. B, 5.40%, 5/01/07  | No Opt. Call   | 650,560     |
| AAA   | 12,000   | Village Ctr. Cmnty. Dev. Dist., Ser. A, 5.00%, 11/01/32, MBIA                       | 11/13 @ 101    | 12,156,120  |
|   |          |   |                | 190,420,795 |



See Notes to Financial Statements.

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**BlackRock Florida Insured Municipal Income Trust (BAF) (continued)**

| <b>Rating<sup>1</sup></b> | <b>Principal Amount (000)</b> | <b>Description</b>  | <b>Option Call Provisions<sup>2</sup></b> | <b>Value</b>   |
|---------------------------|-------------------------------|---|---|----------------|
|                           |                               | <b>Puerto Rico 6.6%</b>   |   |                |
| BBB                       | \$ 9,405                      | Children's Trust Fund, Tobacco Settlement Rev., 5.625%,<br>5/15/43        | 05/12 @ 100                               | \$ 8,268,406   |
|                           |                               | <b>Total Investments 158.9% (cost \$196,369,893)</b>                      |   | \$ 198,689,201 |
|                           |                               | Other assets in excess of liabilities 1.9%                                |   | 2,366,988      |
|                           |                               | Preferred shares at redemption value, including dividends payable (60.8)% |   | (76,001,833)   |
|                           |                               | <b>Net Assets Applicable to Common Shareholders 100%</b>                  |   | \$ 125,054,356 |

<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>Security was deemed to be of investment grade quality by the investment advisor at the time of purchase.

<sup>4</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

The value (market value plus accrued interest) of securities that are covered by insurance, which insures the payment of principal and interest, represents approximately 82.9% of the Trust's managed assets.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | FSA  | □ Financial Security Assurance         |
| COP   | □ Certificate of Participation                  | GO   | □ General Obligation                   |
| FGIC  | □ Financial Guaranty Insurance Company          | MBIA | □ Municipal Bond Insurance Association |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004****BlackRock Florida Municipal Bond Trust (BIE)****Principal Amount****Option Call**

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| Rating <sup>1</sup>                 | (000)    | Description   | Provisions <sup>2</sup> | Value        |
|-------------------------------------|----------|---|-------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 156.8% |          |   |                         |              |
| <b>Florida</b> 142.6%               |          |   |                         |              |
| AAA                                 | \$ 1,250 | Bay Cnty., Sales Tax Rev., 5.125%, 9/01/32, AMBAC<br>Boynton Beach Multi-Fam., Clipper Cove Apts., 5.30%, 1/01/23,              | 09/12 @ 100             | \$ 1,286,013 |
| A                                   | 1,000    | ACA<br>Capital Trust Agcy. Multi-Fam., American Oppty., Ser. A, 5.875%,   | 01/13 @ 100             | 1,016,860    |
| Baa1                                | 1,000    | 6/01/38   | 06/13 @ 102             | 951,440      |
| NR                                  | 1,670    | Colonial Cntry. Club Cmnty. Dev. Dist., 6.40%, 5/01/33  | 05/13 @ 101             | 1,740,240    |
| AAA                                 | 3,150    | Florida Mun. Loan Council, Ser. A, 5.125%, 5/01/32, MBIA<br>Gateway Svcs. Cmnty. Dev. Dist., Spec. Assmt., Stoneybrook Proj.,   | 05/12 @ 101             | 3,235,712    |
| NR                                  | 1,460    | 5.50%, 7/01/08<br>Greater Orlando Aviation Auth., Orlando Arpt. Facs., Ser. A,  | No Opt. Call            | 1,494,368    |
| AAA                                 | 3,100    | 5.125%, 10/01/32, FSA<br>Highlands Cnty. Hlth. Facs. Auth., Hosp. Adventist/Sunbelt, Ser. A,                                    | 10/12 @ 100             | 3,164,883    |
| A                                   | 4,900    | 6.00%, 11/15/31<br>Hillsborough Cnty. Ind. Dev. Auth., PCR, Tampa Elec. Co. Proj.,  | 11/11 @ 101             | 5,193,559    |
| BBB+                                | 1,810    | 5.50%, 10/01/23<br>Jacksonville Econ. Dev. Comm. Hlth. Facs., Mayo Clinic, Ser. B,  | 10/12 @ 100             | 1,819,376    |
| AA                                  | 3,500    | 5.50%, 11/15/36<br>JEA, Ser. A,   | 11/11 @ 101             | 3,626,175    |
| AA+                                 | 5,000    | Elec. Sys. Rev., 5.50%, 10/01/41  | 10/07 @ 100             | 5,419,650    |
| AAA                                 | 5,4253   | Wtr. & Swr. Sys., 5.375%, 10/01/30, MBIA  | 04/07 @ 100             | 5,527,207    |
| A1                                  | 3,000    | Lakeland Hosp. Sys., Lakeland Regl. Hlth. Sys., 5.50%, 11/15/32<br>Miami Beach Hlth. Facs. Auth., Mt. Sinai Med. Ctr., 6.75%,   | 11/12 @ 101             | 3,039,240    |
| BB                                  | 1,500    | 11/15/21<br>Miami Dade Cnty., Spec. Oblig. Rev., MBIA,  | 11/14 @ 100             | 1,556,595    |
| AAA                                 | 5,500    | Ser. A, Zero Coupon, 10/01/26   | 04/08                   | 1,634,820    |
| AAA                                 | 10,000   | Ser. B, Zero Coupon, 10/01/30   | 04/08                   | 2,347,400    |
| AAA                                 | 5,410    | Ser. B, Zero Coupon, 10/01/32<br>Orange Cnty. Hlth. Facs. Auth., Orlando Regl. Hlth. Care, 5.75%,                               | 04/08                   | 1,132,205    |
| A                                   | 5,000    | 12/01/32  | 12/12 @ 100             | 5,182,550    |
| AAA                                 | 3,350    | Orange Cnty. Tourist Dev., Tax Rev., 5.125%, 10/01/30, AMBAC<br>Osceola Cnty. Tourist Dev., Tax Rev., Ser. A, 5.00%, 10/01/32,  | 04/12 @ 100             | 3,433,415    |
| AAA                                 | 3,105    | FGIC  | 10/12 @ 100             | 3,148,408    |
| AAA                                 | 3,630    | Palm Bay Util., Zero Coupon, 10/01/28, FGIC   | No Opt. Call            | 1,050,086    |
| AAA                                 | 3,000    | Palm Beach Cnty. Sch. Brd., COP, Ser. C, 5.00%, 8/01/27, FSA  | 08/12 @ 100             | 3,045,090    |
| AAA                                 | 1,500    | Port St. Lucie Util., 5.125%, 9/01/31, MBIA   | 09/11 @ 100             | 1,533,960    |
| Aa3                                 | 2,000    | So. Broward Hosp. Dist., 5.60%, 5/01/27   | 05/12 @ 101             | 2,086,600    |
| NR                                  | 1,765    | Stevens Plantation Impvt. Proj., 6.375%, 5/01/13<br>Sumter Cnty. Incl. Dev. Auth., No. Sumter Util. Co. LLC, 6.80%,             | No Opt. Call            | 1,802,824    |
| NR                                  | 2,850    | 10/01/32  | 10/09 @ 100             | 2,892,665    |
| NR                                  | 1,875    | Village Cmnty. Dev. Dist., Assmt. Rev., Ser. A, 6.50%, 5/01/33<br>Volusia Cnty Edl. Fac. Auth., Embry Riddle Aeronautical, RAA, | 05/13 @ 101             | 1,978,950    |
| AA                                  | 1,250    | 5.20%, 10/15/26   | 10/13@ 100              | 1,280,300    |
| AA                                  | 1,610    | 5.20%, 10/15/33   | 10/13@ 100              | 1,643,069    |
|                                     |          |   |                         | 73,263,660   |
| <b>Puerto Rico</b> 7.5%             |          |   |                         |              |
| A-                                  | 2,5654   | Puerto Rico Pub. Bldgs. Auth., Gov't Facs., Ser. D,<br>5.25%, 7/01/12   | N/A                     | 2,915,020    |

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|    |     |                |             |           |
|----|-----|----------------|-------------|-----------|
| A- | 935 | 5.25%, 7/01/36 | 07/12 @ 100 | 959,721   |
|    |     |                |             | 3,874,741 |

See Notes to Financial Statements.

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**BlackRock Florida Municipal Bond Trust (BIE)**

| Rating <sup>1</sup> | Amount<br>(000) | Description   | Option Call<br>Provisions <sup>2</sup> | Value         |
|---------------------|-----------------|---|--|---------------|
|                     |                 | <b>Multi-State</b> 6.7%   |  |               |
| Baa1                | \$3,0005        | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52                | 10/14@ 100                             | \$ 3,445,650  |
|                     |                 | <b>Total Investments</b> 156.8% (cost \$76,421,167)                       |  | \$ 80,584,051 |
|                     |                 | Other assets in excess of liabilities 1.1%                                |  | 578,900       |
|                     |                 | Preferred shares at redemption value, including dividends payable (57.9)% |  | (29,780,135)  |
|                     |                 | <b>Net Assets Applicable to Common Shareholders</b> 100%                  |  | \$ 51,382,816 |

<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

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

<sup>5</sup>Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 6.7% of its net assets, with a current market value of \$3,445,650, in securities restricted as to resale.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | MBIA | □ Municipal Bond Insurance Association |
| COP   | □ Certificate of Participation                  | PCR  | □ Pollution Control Revenue            |
| FGIC  | □ Financial Guaranty Insurance Company          | RAA  | □ Radian Asset Assurance               |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS**  
**AUGUST 31, 2004**
**BlackRock Maryland Municipal Bond Trust (BZM)**

| Rating <sup>1</sup>                 | Principal Amount (000) | Description   | Option Call Provisions <sup>2</sup> | Value        |
|-------------------------------------|------------------------|---|-------------------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 156.2% |                        |   |                                     |              |
| <b>Maryland</b> 122.2%              |                        |   |                                     |              |
| A3                                  | \$ 2,870               | Anne Arundel Cnty. Econ. Dev., Cmnty. Coll. Proj., 5.25%, 9/01/28                                       | 09/12 @ 102                         | \$ 2,967,982 |
| NR                                  | 1,000                  | Baltimore, Spec. Oblig. Rev., Harborview Lot No. 2, 6.50%, 7/01/31                                      | 07/13 @ 101                         | 1,039,390    |
| AAA                                 | 2,000                  | Baltimore Cnty., GO, Met. 67th Dist., 5.00%, 6/01/22  | 06/11 @ 101                         | 2,108,020    |
| AAA                                 | 2,000                  | Met. 68th Dist., 5.00%, 8/01/28   | 08/12 @ 100                         | 2,048,640    |
| AAA                                 | 2,000                  | Baltimore Wstwtr. Proj., Ser. A, FGIC, 5.125%, 7/01/42  | 07/12 @ 100                         | 2,044,600    |
| AAA                                 | 3,500                  | 5.20%, 7/01/32  | 07/12 @ 100                         | 3,648,505    |
| NR <sup>4</sup>                     | 1,000                  | Frederick Cnty., Urbana Cmnty. Dev. Auth., 6.625%, 7/01/25  | 07/07 @ 102                         | 1,044,840    |
| Baa3                                | 1,500                  | Maryland Econ. Dev. Corp., Student Hsg. Rev., Univ. of Maryland, Ser. A, 5.75%, 10/01/33                | 10/13 @ 100                         | 1,520,025    |
| A                                   | 2,000                  | Maryland Hlth. & Higher Edl. Facs. Auth., Brd. of Child Care, 5.375%, 7/01/32                           | 07/12 @ 100                         | 2,072,980    |
| BBB+                                | 1,990                  | Carroll Cnty. Gen. Hosp., 6.00%, 7/01/37  | 07/12 @ 100                         | 2,082,137    |
| A-                                  | 750                    | Goucher Coll., 5.375%, 7/01/25  | 07/14 @ 100                         | 785,482      |
| AA                                  | 2,000                  | Johns Hopkins Univ., Ser. B, 5.00%, 7/01/41   | 07/11 @ 100                         | 2,026,240    |
| A                                   | 2,000                  | Loyola Coll. Issue, 5.00%, 10/01/39   | 10/09 @ 101                         | 2,012,000    |
| A3                                  | 2,000                  | Union Hosp. of Cecil Cnty., 5.625%, 7/01/32   | 07/12 @ 100                         | 2,055,320    |
| A                                   | 2,000                  | Univ. of Maryland Med. Sys., 5.25%, 7/01/34   | 07/11 @ 100                         | 2,022,520    |
| A+                                  | 1,905                  | Maryland Ind. Dev. Fin. Auth., Econ. Dev. Rev., Nat'l. Aquarium Baltimore Fac., Ser. B, 5.20%, 11/01/26 | 11/12 @ 100                         | 1,946,986    |
| AAA                                 | 2,000                  | Maryland Transp. Auth., Arpt. Pkg. Rev., Baltimore/Wash Intl. Arpt., Ser. B, 5.125%, 3/01/24, AMBAC     | 03/12 @ 101                         | 2,052,740    |
| AA                                  | 500                    | Montgomery Cnty. Lease, Metrorail Garage Proj., 5.00%, 6/01/23  | 06/12 @ 100                         | 520,515      |
| AA                                  | 1,435                  | 5.00%, 6/01/24  | 06/12 @ 100                         | 1,487,191    |
| AAA                                 | 1,000                  | St. Marys Coll., Academic & Auxil. Fees, Ser. A, AMBAC, 5.00%, 9/01/27                                  | 09/12 @ 101                         | 1,022,760    |
| AAA                                 | 1,000                  | 5.00%, 9/01/32  | 09/12 @ 101                         | 1,019,810    |
|                                     |                        |   |                                     | 37,528,683   |
| <b>Puerto Rico</b> 26.5%            |                        |   |                                     |              |
| BBB                                 | 2,000                  | Children's Trust Fund, Tobacco Settlement Rev., 5.50%, 5/15/39  | 05/12 @ 100                         | 1,755,140    |
| AAA                                 | 2,060                  | Puerto Rico Elec. Pwr. Auth., Ser. HH, 5.25%, 7/01/29, FSA  | 07/10 @ 101                         | 2,147,241    |

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|      |        |   |             |               |
|------|--------|---|-------------|---------------|
|      |        | Puerto Rico Hwy. & Transp. Auth.,   |             |               |
| A    | 2,000  | Ser. D, 5.25%, 7/01/38  | 07/12 @ 100 | 2,046,340     |
| AAA  | 500    | Ser. J, 5.00%, 7/01/29, MBIA  | 07/14 @ 100 | 515,015       |
|      |        | Puerto Rico Pub. Bldgs. Auth., Gov't Facs., Ser. D,                       |             |               |
| A-   | 1,1005 | 5.375%, 7/01/12   | N/A         | 1,259,544     |
| A-   | 400    | 5.375%, 7/01/33   | 07/12 @ 100 | 413,804       |
|      |        |   |             | 8,137,084     |
|      |        | <b>Multi-State</b> 7.5%   |             |               |
| Baa1 | 2,0006 | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52                | 10/14 @ 100 | 2,297,100     |
|      |        | <b>Total Investments</b> 156.2% (cost \$45,860,040)                       |             | \$ 47,962,867 |
|      |        | Other assets in excess of liabilities 2.4%                                |             | 753,842       |
|      |        | Preferred shares at redemption value, including dividends payable (58.6)% |             | (18,001,975)  |
|      |        | <b>Net Assets Applicable to Common Shareholders</b> 100%                  |             | \$ 30,714,734 |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

4Security is deemed to be of investment grade quality by the investment advisor.

5This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

6Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 7.5% of its net assets, with a current market value of \$2,297,100, in securities restricted as to resale.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| FGIC  | □ Financial Guaranty Insurance Company          | MBIA | □ Municipal Bond Insurance Association |
| FSA   | □ Financial Security Assurance                  |      |  |

See Notes to Financial Statements.

**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004**

**BlackRock New Jersey Municipal Bond Trust (BLJ)**

| Rating <sup>1</sup>                 | Principal Amount (000) | Description   | Option Call Provisions <sup>2</sup> | Value        |
|-------------------------------------|------------------------|---|-------------------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 156.3% |                        |   |                                     |              |
| <b>New Jersey</b> 122.3%            |                        |   |                                     |              |
|                                     |                        | Garden St. Pres. Trust, Open Space & Farmland Pres., Ser. B, Zero |                                     |              |
| AAA                                 | \$ 4,000               | Coupon, 11/01/27, FSA   | No Opt. Call                        | \$ 1,213,120 |
|                                     |                        | New Jersey Econ. Dev. Auth.,                                      |                                     |              |
| B                                   | 2,335                  | Continental Airlines Inc. Proj., 7.00%, 11/15/30                  | 11/10 @ 101                         | 1,813,898    |
| BBB-                                | 2,000                  | Fellowship Village, Ser. A, 5.50%, 1/01/25                        | 01/08 @ 102                         | 1,965,960    |
| Baa3                                | 2,250                  | Kapkowski Road Landfill Proj., 6.50%, 4/01/28                     | No Opt. Call                        | 2,558,993    |
| BBB                                 | 1,000                  | Sld. Wst. Rev., Disp. Wst. Mgmt., Ser. A, 5.30%, 6/01/15          | No Opt. Call                        | 1,029,680    |
| Aaa                                 | 1,760                  | Victoria Hlth., Ser. A, 5.20%, 12/20/36                           | 12/11 @ 103                         | 1,827,408    |
| BBB-                                | 2,500                  | Winchester, Ser. A, 5.80%, 11/01/31                               | 11/14 @ 100                         | 2,459,875    |
|                                     |                        | New Jersey Edl. Facs. Auth.,                                      |                                     |              |
| BBB-                                | 500                    | Fairleigh Dickinson Univ., Ser. C, 5.50%, 7/01/23                 | 07/14 @ 100                         | 512,310      |
| BBB-                                | 1,000                  | Fairleigh Dickinson Univ., Ser. C, 6.00%, 7/01/20                 | 07/14 @ 100                         | 1,077,990    |
| BBB-                                | 1,000                  | Fairleigh Dickinson Univ., Ser. D, 6.00%, 7/01/25                 | 07/13 @ 100                         | 1,053,280    |
| BBB+                                | 630                    | Georgian Court Coll. Proj., Ser. C, 6.50%, 7/01/33                | 07/13 @ 100                         | 690,285      |
|                                     |                        | New Jersey Hlth. Care Fac. Fin. Auth.,                            |                                     |              |
| A                                   | 2,000                  | Atlantic City Med. Ctr., 5.75%, 7/01/25                           | 07/12 @ 100                         | 2,088,260    |
| A+                                  | 2,000                  | Catholic Hlth. East, Ser. A, 5.375%, 11/15/33                     | 11/12 @ 100                         | 2,035,160    |
| A3                                  | 2,000                  | Kennedy Hlth. Sys., 5.625%, 7/01/31                               | 07/11 @ 100                         | 2,054,920    |
| Baa1                                | 2,500                  | So. Jersey Hosp., 6.00%, 7/01/32                                  | 07/12 @ 100                         | 2,597,850    |
|                                     |                        | New Jersey Hsg. & Mtg. Fin. Agcy., Mult. Fam. Hsg. Rev., Ser. A,  |                                     |              |
| AAA                                 | 2,250                  | 5.65%, 5/01/40, AMBAC   | 11/07 @ 101.5                       | 2,335,365    |
|                                     |                        | Port Auth. of NY & NJ,  |                                     |              |
| AAA                                 | 1,500                  | Ser. 125, 5.00%, 4/15/32, FSA                                     | 04/12 @ 101                         | 1,530,210    |
| AAA                                 | 2,250                  | Ser. 126, 5.25%, 5/15/37, FGIC                                    | 05/12 @ 101                         | 2,310,750    |
| Caa2                                | 130                    | Spec. Oblig., Contl./Eastern Proj. LaGuardia, 9.125%, 12/01/15    | 10/04 @ 100                         | 131,106      |
| BBB                                 | 7,000                  | Tobacco Settlement Fin. Corp., 6.125%, 6/01/42                    | 06/12 @ 100                         | 5,923,260    |
| AAA                                 | 1,000                  | Univ. of Med. & Dentistry, Ser. A, 5.00%, 12/01/31, AMBAC         | 12/12 @ 100                         | 1,018,300    |
|                                     |                        | Vineland, GO, MBIA,   |                                     |              |
| AAA                                 | 1,000                  | 5.30%, 5/15/29  | 05/10 @ 101                         | 1,040,400    |
| AAA                                 | 1,500                  | 5.375%, 5/15/32   | 05/10 @ 101                         | 1,550,400    |
|                                     |                        |   |                                     | 40,818,780   |
| <b>Puerto Rico</b> 27.1%            |                        |   |                                     |              |
| A-                                  | 2,250                  | Puerto Rico Elec. Pwr. Auth., Ser. 2, 5.25%, 7/01/31              | 07/12 @ 101                         | 2,309,423    |
| A                                   | 4,100                  | Puerto Rico Hwy. & Transp. Auth., Ser. D, 5.25%, 7/01/38          | 07/12 @ 100                         | 4,194,997    |
|                                     |                        | Puerto Rico Pub. Bldgs. Auth., Gov't Facs., Ser. D,               |                                     |              |
| A-                                  | 1,6854                 | 5.25%, 7/01/12  | N/A                                 | 1,914,935    |
| A-                                  | 615                    | 5.25%, 7/01/27  | 07/12 @ 100                         | 636,131      |
|                                     |                        |   |                                     | 9,055,486    |
| <b>Multi-State</b> 6.9%             |                        |   |                                     |              |
| Baa1                                | 2,0005                 | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52        | 10/14 @ 100                         | 2,297,100    |

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**Total Long-Term Investments (cost \$51,313,438)**
52,171,366  

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See Notes to Financial Statements.

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**BlackRock New Jersey Municipal Bond Trust (BLJ) (continued)**

| Shares<br>(000) | Description   | Value         |
|-----------------|---|---------------|
|                 | <b>MONEY MARKET FUND</b> 1.5%   |               |
| 500             | AIM Tax Free Investment Co. Cash Reserve Portfolio (cost \$500,000)       | \$ 500,000    |
|                 | <b>Total Investments</b> 157.8% (cost \$51,813,438)                       | \$ 52,671,366 |
|                 | Other assets in excess of liabilities 2.8%                                | 938,159       |
|                 | Preferred shares at redemption value, including dividends payable (60.6)% | (20,225,389)  |
|                 | <b>Net Assets Applicable to Common Shareholders</b> 100%                  | \$ 33,384,136 |

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1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

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

5Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 6.9% of its net assets, with a current market value of \$2,297,100, in securities restricted as to resale.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| FGIC  | □ Financial Guaranty Insurance Company          | MBIA | □ Municipal Bond Insurance Association |
| FSA   | □ Financial Security Assurance                  |      |  |

See Notes to Financial Statements.

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**PORTFOLIO OF INVESTMENTS**

**AUGUST 31, 2004****BlackRock New York Insured Municipal Income Trust (BSE)**

| <b>Rating<sup>1</sup></b>             | <b>Principal Amount (000)</b> | <b>Description</b>   | <b>Option Call Provisions<sup>2</sup></b> | <b>Value</b> |
|---------------------------------------|-------------------------------|--|---|--------------|
| <b>LONG-TERM INVESTMENTS □ 159.7%</b> |                               |  |   |              |
| <b>New York □ 147.1%</b>              |                               |  |   |              |
| BBB-                                  | \$ 1,000                      | Herkimer Cnty. Incl. Dev. Agcy., Civic Fac. Rev., Coll. Foundation<br>Inc. Student Hsg.,<br>6.25%, 8/01/34                       | 08/13 @ 100                               | \$ 1,016,240 |
|                                       |                               | Met. Transp. Auth.,<br>Ser. A, 5.00%, 11/15/25, FGIC   | 11/12 @ 100                               | 1,114,436    |
| AAA                                   | 1,085                         | Ser. A, 5.00%, 11/15/30, FSA   | 11/12 @ 100                               | 8,601,285    |
| AAA                                   | 8,470                         | Ser. A, 5.25%, 11/15/31, FGIC  | 11/12 @ 100                               | 5,209,850    |
| AAA                                   | 5,000                         | Dedicated Tax Fund, Ser. A, 5.00%, 11/15/28, FSA   | 11/12 @ 100                               | 5,087,700    |
| AAA                                   | 5,000                         | Dedicated Tax Fund, Ser. A, 5.00%, 11/15/31, FGIC  | 11/11 @ 100                               | 5,065,850    |
| AAA                                   | 2,660                         | Refdg Transp., Ser. E, 5.25%, 11/15/31, FGIC   | 11/12 @ 100                               | 2,771,640    |
| AAA                                   | 10,000                        | Svc. Contract, Ser. A, 5.00%, 7/01/30, AMBAC   | 07/12 @ 100                               | 10,148,700   |
|                                       |                               | New York City Incl. Dev. Agcy., Lycee Francais De Proj., Ser. A,<br>5.375%, 6/01/23, ACA   | 12/12 @ 100                               | 2,537,425    |
| A                                     | 2,500                         | New York City Transl. Fin. Auth., Ser. B, 5.00%, 5/01/30, AMBAC  | 11/11 @ 101                               | 6,092,640    |
| AAA                                   | 6,000                         | New York City Trust Cultural Resources, American Museum of<br>Natural History, Ser. A,<br>5.00%, 7/01/44, MBIA                   | 07/14 @ 100                               | 5,059,300    |
| BBB                                   | 3,320                         | New York Cntys. Tobacco Trust III, 6.00%, 6/01/43<br>New York Dorm. Auth.,<br>Brooklyn Law School, Ser. B, 5.125%, 7/01/30, XLCA | 06/13 @ 100                               | 3,072,726    |
| AAA                                   | 5,000                         | Hosp. Lutheran Med., 5.00%, 8/01/31, MBIA  | 07/13 @ 100                               | 5,127,350    |
| AAA                                   | 7,000                         | Insured Fit Student Hsg. Corp., 5.125%, 7/01/34, FGIC  | 02/13 @ 100                               | 7,106,260    |
| AAA                                   | 2,500                         | Iona Coll., 5.00%, 7/01/27, XLCA   | 07/14 @ 100                               | 2,573,600    |
| AAA                                   | 3,160                         | Joachim & Ann Residence, 5.25%, 7/01/27  | 07/12 @ 100                               | 3,217,323    |
| Aa3                                   | 3,000                         | Memorial Sloan Kettering Ctr., Ser. 1, Zero Coupon, 7/01/30,<br>MBIA   | 07/12 @ 100                               | 3,034,440    |
| AAA                                   | 10,000                        | New York & Presbyterian Hosp., 5.00%, 8/01/32, AMBAC   | No Opt. Call                              | 2,656,600    |
| AAA                                   | 5,000                         | New York Univ., Ser. 2, 5.00%, 7/01/41, AMBAC  | 02/08 @ 101                               | 5,047,800    |
| AAA                                   | 7,000                         | Sch. Dist. Fin., Ser. A, 5.00%, 4/01/31, MBIA  | 07/11 @ 100                               | 7,059,290    |
| AAA                                   | 2,000                         | Sch. Dist. Fin., Ser. D, 5.00%, 10/01/30, MBIA   | 10/12 @ 100                               | 2,029,300    |
| AAA                                   | 3,500                         | St. Barnabas, Ser. A, 5.00%, 2/01/31, AMBAC  | 10/12 @ 100                               | 3,553,620    |
| AAA                                   | 7,0003                        | Univ. Dorm. Facs., 5.00%, 7/01/12, MBIA  | 08/12 @ 100                               | 7,100,660    |
| AAA                                   | 5,0004                        | Winthrop Univ. Hosp. Assoc., Ser. A, 5.25%, 7/01/31, AMBAC   | N/A                                       | 5,633,400    |
| AAA                                   | 2,000                         | New York Urban Dev. Corp.,<br>Ser. B, 5.00%, 3/15/33, MBIA   | 07/11 @ 101                               | 2,080,680    |
| AAA                                   | 4,000                         | Ser. C-1, 5.00%, 3/15/33, FGIC   | 03/13 @ 100                               | 4,056,000    |
| AAA                                   | 2,500                         | Triborough Brdg. & Tunl. Auth., Ser. E, 5.00%, 11/15/32, MBIA  | 03/13 @ 100                               | 2,535,000    |
| AAA                                   | 10,000                        | TSASC Inc., Tobacco Settlement Rev., Ser. 1, 5.75%, 7/15/32  | 11/12 @ 100                               | 10,141,400   |
| BBB                                   | 6,000                         |  | 07/12 @ 100                               | 5,487,900    |
|                                       |                               |  |   | 134,218,415  |
| <b>Puerto Rico □ 12.6%</b>            |                               |  |   |              |
| BBB                                   | 7,600                         | Children's Trust Fund, Tobacco Settlement Rev., 5.625%, 5/15/43  | 05/12 @ 100                               | 6,681,540    |



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|   |       |  |             |                    |
|---|-------|--|-------------|--------------------|
| A | 5,000 | Puerto Rico Indl. Fin. Auth., Med. & Env. Ctrl. Facs., Polytechnic Univ., Ser. A,<br>5.00%, 8/01/32, ACA | 08/12 @ 100 | 4,847,100          |
|   |       |  |             | <u>11,528,640</u>  |
|   |       | <b>Total Long-Term Investments (cost \$144,612,551)</b>  |             | <u>145,747,055</u> |

See Notes to Financial Statements.

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**BlackRock New York Insured Municipal Income Trust (BSE) (continued)**

| Shares<br>(000) | Description   | Value                |
|-----------------|---|----------------------|
|                 | <b>MONEY MARKET FUND</b> 0.1%   |                      |
| 50              | AIM Tax Free Investment Co. Cash Reserve Portfolio (cost \$50,000)        | \$ 50,000            |
|                 | <b>Total Investments</b> 159.8% (cost \$144,662,551)                      | \$ 145,797,055       |
|                 | Other assets in excess of liabilities 1.6%                                | 1,469,796            |
|                 | Preferred shares at redemption value, including dividends payable (61.4)% | (56,006,912)         |
|                 | <b>Net Assets Applicable to Common Shareholders</b> 100%                  | <u>\$ 91,259,939</u> |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Entire or partial principal amount pledged as collateral for financial futures contracts.

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

The value (market value plus accrued interest) of securities that are covered by insurance, which insures the payment of principal and interest, represents approximately 86.8% of the Trust's managed assets.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | MBIA | □ Municipal Bond Insurance Association |
| FGIC  | □ Financial Guaranty Insurance Company          | XLCA | □ XL Capital Assurance                 |

See Notes to Financial Statements.

**PORTFOLIO OF INVESTMENTS**  
**AUGUST 31, 2004**
**BlackRock New York Municipal Bond Trust (BQH)**

| Rating <sup>1</sup>                   | Principal Amount (000) | Description  | Option Call Provisions <sup>2</sup> | Value        |
|---------------------------------------|------------------------|--|-------------------------------------|--------------|
| <b>LONG-TERM INVESTMENTS □ 157.4%</b> |                        |  |                                     |              |
| <b>New York □ 115.1%</b>              |                        |  |                                     |              |
|                                       | \$                     | Dutchess Cnty. Ind. Dev. Agcy., Civic Facs. Rev., Vassar Coll. Proj., 5.35%, 9/01/40 | 08/11 @ 101                         | \$ 2,085,160 |
| AA                                    | 2,000                  |  |                                     |              |
| A                                     | 3,000                  | Met. Transp. Auth., Ded. Tax Fund, Ser. A, 5.125%, 11/15/31                          | 11/12 @ 100                         | 3,039,150    |
| A+                                    | 3,000                  | New York City, GO, Ser. D, 5.375%, 6/01/32   | 06/12 @ 100                         | 3,106,500    |
| A3                                    | 1,100                  | New York City Hlth. & Hosp. Corp., Hlth. Sys., Ser. A, 5.375%, 2/15/26               | 02/12 @ 100                         | 1,121,934    |
| AA                                    | 2,500                  | New York City Hsg. Dev. Corp., Mult. Fam. Hsg. Rev., Ser. A, 5.50%, 11/01/34         | 05/12 @ 100                         | 2,567,350    |
| AAA                                   | 2,500                  | FGIC   | 06/11 @ 100                         | 2,586,050    |
| BBB                                   | 1,445                  | New York Cntys. Tobacco Trust III, 6.00%, 6/01/43                                    | 06/13 @ 100                         | 1,337,376    |
|                                       |                        | New York Dorm. Auth.,  |                                     |              |
| AA-                                   | 2,465 <sup>3</sup>     | City Univ., Ser. A, 5.25%, 7/01/11   | N/A                                 | 2,808,276    |
| AA-                                   | 285                    | City Univ., Ser. A, 5.25%, 7/01/31   | 07/11 @ 100                         | 290,187      |
| AAA                                   | 2,500                  | Iona Coll., 5.125%, 7/01/32, XLCA  | 07/12 @ 100                         | 2,562,325    |
| A3                                    | 3,000                  | Lenox Hill Hosp. Oblig. Grp., 5.50%, 7/01/30   | 07/11 @ 101                         | 3,113,880    |
| AAA                                   | 2,500                  | Willow Towers Inc. Proj., 5.40%, 2/01/34   | 08/12 @ 101                         | 2,609,800    |
| AAA                                   | 2,750 <sup>4</sup>     | New York Env. Facs. Corp., Mun. Wtr. Proj., Ser. D, 5.125%, 6/15/31                  | 06/12 @ 100                         | 2,829,035    |
| Aa1                                   | 2,980                  | New York Mtg. Agcy., Ser. 101, 5.40%, 4/01/32  | 10/11 @ 100                         | 3,028,902    |
| AA                                    | 5,000                  | New York Urban Dev. Corp., Ser. A, 5.25%, 3/15/32                                    | 03/12 @ 100                         | 5,128,150    |
| AAA                                   | 2,750                  | Port Auth. of NY & NJ, Ser. 126, 5.25%, 5/15/37, FGIC                                | 05/12 @ 101                         | 2,824,250    |
| Caa2                                  | 2,600                  | Spec. Oblig., Contl./Eastern Proj. LaGuardia, 9.125%, 12/01/15                       | 10/04 @ 100                         | 2,622,126    |
| A                                     | 500                    | Suffolk Cnty. Incl. Dev. Agcy., Keyspan Port Jefferson Proj., 5.25%, 6/01/27         | 06/13 @ 100                         | 505,980      |
| BBB                                   | 3,000                  | TSASC Inc., Tobacco Settlement Rev., Ser. 1, 5.75%, 7/15/32                          | 07/12 @ 100                         | 2,743,950    |
|                                       |                        |  |                                     | 46,910,381   |
| <b>Puerto Rico □ 33.6%</b>            |                        |  |                                     |              |
| BBB                                   | 3,650                  | Children's Trust Fund, Tobacco Settlement Rev., 5.625%, 5/15/43                      | 05/12 @ 100                         | 3,208,897    |
| AAA                                   | 9253                   | Puerto Rico Pub. Impvt., Ser. A, 5.125%, 7/01/11                                     | N/A                                 | 1,046,721    |
| A-                                    | 1,825                  | 5.125%, 7/01/31  | 07/11 @ 100                         | 1,850,404    |
| A-                                    | 2,000                  | Puerto Rico Elec. Pwr. Auth., Ser. 2, 5.25%, 7/01/31                                 | 07/12 @ 101                         | 2,052,820    |

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|   |                    |   |             |               |
|---|--------------------|---|-------------|---------------|
| A   | 2,500              | Puerto Rico Hwy. & Transp. Auth., Ser. D, 5.25%, 7/01/38<br>Puerto Rico Pub. Bldgs. Auth., Gov't Facs., Ser. D, | 07/12 @ 100 | 2,557,925     |
| A-  | 1,980 <sup>3</sup> | 5.25%, 7/01/12  | N /A        | 2,250,191     |
| A-  | 720                | 5.25%, 7/01/27  | 07/12 @ 100 | 744,739       |
|   |                    |   |             | 13,711,697    |
| <b>Multi-State 7.1%</b>   |                    |   |             |               |
| Baa1  | 2,500 <sup>5</sup> | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | 10/14 @ 100 | 2,871,375     |
| <b>Trust Territories 1.6%</b>   |                    |   |             |               |
| Ba3   | 635                | Northern Mariana Islands Commerce, Ser. A, 6.75%, 10/01/33  | 10/13 @ 100 | 644,919       |
| <b>Total Investments 157.4% (cost \$61,666,910)</b>                       |                    |   |             | \$ 64,138,372 |
| Other assets in excess of liabilities 2.0%                                |                    |   |             | 822,583       |
| Preferred shares at redemption value, including dividends payable (59.4)% |                    |   |             | (24,204,182)  |
| <b>Net Assets Applicable to Common Shareholders 100%</b>                  |                    |   |             | \$ 40,756,773 |

<sup>1</sup>Using the higher of S&P's, Moody's or Fitch's rating.

<sup>2</sup>Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

<sup>3</sup>This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

<sup>4</sup>Entire or partial principal amount pledged as collateral for financial futures contracts.

<sup>5</sup>Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 7.1% of its net assets, with a current market value of \$2,871,375, in securities restricted as to resale.

**KEY TO ABBREVIATIONS**

|      |  |                             |
|------|--|-----------------------------|
| FGIC | □ Financial Guaranty Insurance Company | XLCA □ XL Capital Assurance |
| GO   | □ General Obligation                   |                             |

See Notes to Financial Statements.

**PORTFOLIO OF INVESTMENTS  
AUGUST 31, 2004**

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

| Rating1                             | Principal Amount (000) | Description  | Option Call Provisions2 | Value        |
|-------------------------------------|------------------------|--|-------------------------|--------------|
| <b>LONG-TERM INVESTMENTS</b> 162.9% |                        |  |                         |              |
| <b>New York</b> 149.1%              |                        |  |                         |              |
| Aaa                                 | \$1,750                | Clarence Inhl. Dev. Agcy., Civic Fac. Rev., Bristol Village Proj.,<br>6.00%, 1/20/44                                     | 01/13 @ 102             | \$ 1,907,395 |
| AA                                  | 4,000                  | Dutchess Cnty. Ind. Dev. Agcy., Civic Facs. Rev., Vassar Coll. Proj.,<br>5.35%, 9/01/40                                  | 08/11 @ 101             | 4,170,320    |
| BBB                                 | 625                    | Essex Cnty. Inhl. Dev. Agcy., Solid Wst. Disp. Rev., Intl. Paper Co.<br>Proj., Ser. A,<br>5.50%, 10/01/26                | 10/12 @ 100             | 619,450      |
| A                                   | 3,250                  | Geneva Inhl. Dev. Agcy., Civic Fac. Rev., Hobart & William Smith<br>Proj., Ser. A,<br>5.375%, 2/01/33                    | 02/13 @ 100             | 3,344,380    |
| BBB-                                | 385                    | Herkimer Cnty. Inhl. Dev. Agcy., Civic Fac. Rev., Coll. Foundation<br>Inc. Student Hsg.,<br>6.25%, 8/01/34               | 08/13 @ 100             | 391,253      |
| AAA                                 | 3,515                  | Long Island Pwr. Auth., Elec. Sys. Rev., Ser. A, Zero Coupon,<br>6/01/28, FSA  | No Opt. Call            | 1,053,867    |
| AAA                                 | 2,000                  | Met. Transp. Auth., Ser. A,<br>5.25%, 11/15/31, FGIC   | 11/12 @ 100             | 2,083,940    |
| AA-                                 | 5,000                  | Ded. Tax Fund, 5.00%, 11/15/30   | 11/12 @ 100             | 5,026,800    |
| AA-                                 | 5,000                  | Svc. Contract Rev., 5.125%, 1/01/29  | 07/12 @ 100             | 5,085,350    |
| A                                   | 5,000                  | New York City, GO, Ser. B, 5.75%, 12/01/22   | 12/11 @ 100             | 5,421,150    |
| AA+                                 | 1,000                  | New York City Inhl. Dev. Agcy.,<br>Eger Harbor Proj., Ser. A, 4.95%, 11/20/32  | 11/12 @ 101             | 1,005,060    |
| AA+                                 | 1,000                  | Eger Harbor Proj., Ser. A, 5.875%, 5/20/44   | 11/12 @ 105             | 1,103,990    |
| BBB+                                | 4,000                  | Inhl. Dev. Rev., Empowerment Zone Harlem Mall, 5.125%,<br>12/30/23   | 07/14 @ 100             | 3,944,000    |
| A                                   | 1,500                  | Lycee Francais De Proj., Ser. A, 5.375%, 6/01/23, ACA  | 12/12 @ 100             | 1,522,455    |
| AA+                                 | 5,000                  | New York City Mun. Wtr. Fin. Auth., Ser. A, 5.125%, 6/15/34  | 06/12 @ 100             | 5,104,400    |
| AAA                                 | 5,000                  | New York City Trans. Auth., Met. Transp. Auth., Triborough Brdg. & Tunl. Auth.,<br>COP, Ser. A,<br>5.25%, 1/01/29, AMBAC | 01/10 @ 101             | 5,175,650    |
| AA+                                 | 5,000                  | New York City Trans. Fin. Auth., Ser. B, 5.00%, 11/01/27   | 11/12 @ 100             | 5,090,750    |
| BBB                                 | 2,535                  | New York Cntys. Tobacco Trust III, 6.00%, 6/01/43  | 06/13 @ 100             | 2,346,193    |
| AAA                                 | 2,500                  | New York Dorm. Auth.,<br>Brooklyn Law School, Ser. B, 5.125%, 7/01/30, XLCA  | 07/13 @ 100             | 2,563,675    |
| Aa3                                 | 2,000                  | Kateri Residence, 5.00%, 7/01/22   | 07/13 @ 100             | 2,024,440    |
| AA                                  | 5,000                  | Memorial Sloan Kettering Ctr., Ser. 1, 5.00%, 7/01/34  | 07/13 @ 100             | 5,053,900    |
| AA                                  | 2,000                  | Mount St. Mary Coll., 5.00%, 7/01/32, RAA  | 07/13 @ 100             | 2,008,700    |
| AAA                                 | 2,425                  | New York Univ., 5.00%, 7/01/31, MBIA   | 07/11 @ 100             | 2,455,410    |
| AAA                                 | 2,500                  | <sup>3</sup> St. Barnabas, Ser. A, 5.00%, 2/01/31, AMBAC   | 08/12 @ 100             | 2,535,950    |
| AA-                                 | 5,000                  | <sup>4</sup> Univ. Dorm. Facs., 5.00%, 7/01/12   | N/A                     | 5,633,400    |
| A+                                  | 5,500                  | New York Energy Res. & Dev. Auth., Facs. Rev., 4.70%, 6/01/36  | 10/05 @ 100             | 5,531,515    |
| AA                                  | 5,000                  | New York Urban Dev. Corp., Ser. C-1, 5.00%, 3/15/33  | 03/13 @ 100             | 5,021,250    |
| Caa2                                | 3,675                  | Port Auth. of NY & NJ, Spec. Oblig., Contl./Eastern Proj.<br>LaGuardia, 9.125%, 12/01/15                                 | 10/04 @ 100             | 3,706,274    |

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|      |       |  |              |             |
|------|-------|--|--------------|-------------|
|      |       | Suffolk Cnty. Incl. Dev. Agcy., Keyspan Port Jefferson Proj., 5.25%, |              |             |
| A    | 2,500 | 6/01/27  | 06/13 @ 100  | 2,529,900   |
| AA   | 2,500 | Triborough Brdg. & Tunl. Auth., Ser. A, 5.00%, 1/01/32               | 01/12 @ 100  | 2,522,675   |
| BBB  | 9,000 | TSASC Inc., Tobacco Settlement Rev., Ser. 1, 5.75%, 7/15/32          | 07/12 @ 100  | 8,231,850   |
|      |       |  |              | 104,215,342 |
|      |       | <b>Puerto Rico</b> 6.2%  |              |             |
| BBB  | 1,400 | Children's Trust Fund, Tobacco Settlement Rev., 5.625%, 5/15/43      | 05/12 @ 100  | 1,230,810   |
|      |       | Puerto Rico Hwy. & Transp. Auth.,                                    |              |             |
| A    | 2,000 | Ser. D, 5.375%, 7/01/36  | 07/12 @ 100  | 2,069,020   |
| A    | 1,000 | Ser. G, 5.00%, 7/01/42   | 07/13 @ 100  | 1,004,350   |
|      |       |  |              | 4,304,180   |
|      |       | <b>Multi-State</b> 6.0%  |              |             |
|      |       | Charter Mac Equity Issuer Trust,                                     |              |             |
| A3   | 500   | Ser. A, 5.75%, 4/30/15   | No Opt. Call | 526,010     |
| A3   | 1,000 | Ser. A, 6.00%, 4/30/19   | No Opt. Call | 1,064,330   |
| Baa1 | 1,500 | Ser. B, 6.00%, 4/30/15   | No Opt. Call | 1,577,055   |
| Baa1 | 1,000 | Ser. B, 6.30%, 4/30/19   | No Opt. Call | 1,063,080   |
|      |       |  |              | 4,230,475   |

See Notes to Financial Statements.

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**BlackRock New York Municipal Income Trust II (BFY) (continued)**

| Rating1 | Principal Amount (000) | Description   | Option Call Provisions2 | Value          |
|---------|------------------------|---|-------------------------|----------------|
|         |                        | <b>Trust Territories</b> 1.6%   |                         |                |
| Ba3     | \$ 1,105               | Northern Mariana Islands Commerce, Ser. A, 6.75%, 10/01/33                | 10/13@ 100              | \$ 1,122,260   |
|         |                        | <b>Total Investments</b> 162.9% (cost \$111,965,007)                      |                         | \$ 113,872,257 |
|         |                        | Other assets in excess of liabilities 1.0%                                |                         | 688,912        |
|         |                        | Preferred shares at redemption value, including dividends payable (63.9)% |                         | (44,657,700)   |
|         |                        | <b>Net Assets Applicable to Common Shareholders</b> 100%                  |                         | \$ 69,903,469  |

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1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

4Entire or partial principal amount pledged as collateral for financial futures contracts.

### KEY TO ABBREVIATIONS

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | GO   | □ General Obligation                   |
| AMBAC | □ American Municipal Bond Assurance Corporation | MBIA | □ Municipal Bond Insurance Association |
| COP   | □ Certificate of Participation                  | RAA  | □ Radian Asset Assurance               |
| FGIC  | □ Financial Guaranty Insurance Company          | XLCA | □ XL Capital Assurance                 |
| FSA   | □ Financial Security Assurance                  |      |  |

See Notes to Financial Statements.

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## PORTFOLIO OF INVESTMENTS AUGUST 31, 2004

### BlackRock Virginia Municipal Bond Trust (BHV)

| Rating <sup>1</sup>                   | Principal<br>Amount<br>(000) | Description   | Option Call<br>Provisions <sup>2</sup> | Value        |
|---------------------------------------|------------------------------|---|--|--------------|
| <b>LONG-TERM INVESTMENTS □ 155.0%</b> |                              |   |  |              |
| <b>Virginia □ 142.1%</b>              |                              |   |  |              |
|                                       |                              | Alexandria Redev. & Hsg. Auth., 3001 Park Cntr. Apts., Ser. A,  |  |              |
| NR <sup>3</sup>                       | \$ 1,485                     | 6.375%, 4/01/34   | 04/08 @ 103                            | \$ 1,525,422 |
| AAA                                   | 1,500                        | Arlington Cnty., GO, 5.00%, 2/01/21   | 02/11 @ 100                            | 1,567,485    |
| A                                     | 2,150                        | Arlington Cnty. Ind. Dev. Auth., Hosp. Fac. Rev., Virginia Hosp.<br>Ctr., Arlington Hlth. Sys.,<br>5.25%, 7/01/31 | 07/11 @ 101                            | 2,182,078    |
| NR                                    | 1,500                        | Celebrate North Cmnty. Dev. Auth., Spl. Assmt. Rev., Ser. B,<br>6.75%, 3/01/34                                    | 03/14 @ 102                            | 1,535,190    |
| AAA                                   | 1,500                        | Danville Ind. Dev. Auth., Hosp. Rev., Danville Regl. Med. Ctr.,<br>5.25%, 10/01/28, AMBAC                         | No Opt. Call                           | 1,596,030    |
| NR <sup>3</sup>                       | 1,000                        | Dulles Town Ctr. Cmnty. Dev. Auth., Spl. Assmt. Tax, Dulles<br>Town Ctr. Proj., 6.25%, 3/01/26                    | 03/08 @ 102                            | 1,019,820    |
| AAA                                   | 1,500                        | Fairfax Cnty. Wtr. Auth., Wtr. Rev, 5.00%, 4/01/27  | 04/12 @ 100                            | 1,531,275    |
| AA                                    | 1,000                        | Hampton, GO, 5.00%, 4/01/20   | 04/12 @ 101                            | 1,062,170    |
| A-                                    | 1,500                        | Henrico Cnty. Econ. Dev. Auth., Bon Secours Hlth. Sys. Inc.,<br>Ser. A, 5.60%, 11/15/30                           | 11/12 @ 100                            | 1,548,765    |
| BBB                                   | 1,300                        | Isle Wight Cnty. Indl. Dev. Auth., Env. Impvt. Rev., Ser. A,<br>5.70%, 11/01/27                                   | 11/13 @ 100                            | 1,307,475    |
| AAA                                   | 1,500                        | Met. Arpts. Auth., Arpt. Sys. Rev., Ser. A, 5.25%, 10/01/32,<br>FGIC  | 10/12 @ 100                            | 1,529,730    |
| AAA                                   | 1,500                        | Norfolk Arpt. Auth., Ser. A, 5.125%, 7/01/31, FGIC  | 07/11 @ 100                            | 1,522,620    |
| A                                     | 5,000                        | Pocahontas Pkwy. Assoc., Toll Road Rev., Ser. B, Zero Coupon,<br>8/15/22, ACA                                     | 08/08 @ 45.5                           | 1,653,200    |

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|      |        |   |              |              |
|------|--------|---|--------------|--------------|
| AA   | 1,375  | Prince William Cnty., COP, 5.00%, 12/01/21  | 06/12 @ 100  | 1,440,642    |
| AAA  | 1,250  | Richmond Met. Auth., Expwy. Rev., 5.25%, 7/15/22, FGIC  | No Opt. Call | 1,408,788    |
| AAA  | 3,000  | Richmond Pub. Util., 5.00%, 1/15/33, FSA<br>Virginia Coll. Bldg. Auth., Edl. Facs. Rev., Washington & Lee<br>Univ. Proj., MBIA, | 01/12 @ 100  | 3,042,240    |
| AAA  | 500    | 5.25%, 1/01/26  | No Opt. Call | 547,520      |
| AAA  | 1,000  | 5.25%, 1/01/31<br>Virginia Hsg. Dev. Auth., Comnwlth. Mtg. Rev., Ser. H, 5.375%,  | No Opt. Call | 1,092,460    |
| AAA  | 3,000  | 7/01/36, MBIA<br>Virginia Res. Auth.,   | 07/11 @ 100  | 3,071,130    |
| AA   | 1,000  | Infrastructure Rev., Ser. A, 5.00%, 5/01/22   | 05/11 @ 101  | 1,044,640    |
| AA   | 635    | Infrastructure Rev., Ser. A, 5.125%, 5/01/27<br>Wtr. & Swr. Sys. Rev., Frederick Cnty. Sanitation Auth. Proj.,                  | 05/11 @ 101  | 655,485      |
| AA   | 1,500  | 5.20%, 10/01/28   | 10/10 @ 100  | 1,543,710    |
|      |        |   |              | 33,427,875   |
|      |        | <b>Puerto Rico</b> 5.6%   |              |              |
|      |        | Children's Trust Fund, Tobacco Settlement Rev., 5.375%,   |              |              |
| BBB  | 1,460  | 5/15/33   | 05/12 @ 100  | 1,324,585    |
|      |        | <b>Multi-State</b> 7.3%   |              |              |
| Baa1 | 1,5005 | Charter Mac Equity Issuer Trust, Ser. B-2, 7.20%, 10/31/52  | 10/14 @ 100  | 1,722,825    |
|      |        | <b>Total Investments</b> 155.0% (cost \$34,721,790)   |              | 36,475,285   |
|      |        | Other assets in excess of liabilities 2.5%  |              | 577,545      |
|      |        | Preferred shares at redemption value, including dividends<br>payable (57.5)%  |              | (13,526,206) |
|      |        | <b>Net Assets Applicable to Common Shareholders</b> 100%  |              | 23,526,624   |

1Using the higher of S&P's, Moody's or Fitch's rating.

2Date (month/year) and price of the earliest call or redemption. There may be other call provisions at varying prices at later dates.

3Security is deemed to be of investment grade quality by the investment advisor.

4Entire or partial principal amount pledged as collateral for financial futures contracts.

5Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of August 31, 2004, the Trust held 7.3% of its net assets, with a current market value of \$1,722,825, in securities restricted as to resale.

**KEY TO ABBREVIATIONS**

|       |   |      |  |
|-------|---|------|--|
| ACA   | □ American Capital Access                       | FSA  | □ Financial Security Assurance         |
| AMBAC | □ American Municipal Bond Assurance Corporation | GO   | □ General Obligation                   |
| COP   | □ Certificate of Participation                  | MBIA | □ Municipal Bond Insurance Association |
| FGIC  | □ Financial Guaranty Insurance Company          |      |  |

See Notes to Financial Statements.

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**STATEMENTS OF ASSETS AND  
LIABILITIES**  
**August 31, 2004**


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|   | <b>Insured<br/>Municipal<br/>Income<br/>Trust<br/>(BYM)</b> | <b>Municipal<br/>Bond Trust<br/>(BBK)</b> | <b>Municipal<br/>Income<br/>Trust II<br/>(BLE)</b> | <b>California<br/>Insured<br/>Municipal<br/>Income<br/>Trust<br/>(BCK)</b> |
|---|---|---|--|--|
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
| <b>Assets</b>   |   |   |  |  |
| Investments at value <sup>1</sup>                       | \$ 615,411,111  | \$ 241,437,001                            | \$ 522,488,044                                     | \$ 118,963,170   |
| Cash  | 545,585   | 549,061                                   | 527,158  | 504,962  |
| Receivable from investments sold                        | □   | 11,797,735                                | 19,036,011   | □  |
| Interest receivable                                     | 6,638,310   | 3,020,008                                 | 7,329,719  | 1,458,237  |
| Other assets  | 81,745  | 33,544                                    | 61,177   | 22,217   |
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
|   | 622,676,751   | 256,837,349                               | 549,442,109  | 120,948,586  |
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
| <b>Liabilities</b>                                      |   |   |  |  |
| Payable to custodian                                    | □   | □   | □  | □  |
| Payable for investments purchased                       | 8,347,252   | 13,099,138                                | 14,293,185   | □  |
| Variation margin payable                                | 710,016   | 256,078                                   | 593,156  | 151,453  |
| Dividends payable □ common shares                       | 2,042,917   | 874,379                                   | 1,907,915  | 395,159  |
| Investment advisory fee payable                         | 179,990   | 81,515                                    | 179,269  | 35,382   |
| Deferred Trustees fees                                  | 29,851  | 14,307                                    | 27,955   | 4,025  |
| Other accrued expenses                                  | 108,437   | 104,416                                   | 91,772   | 37,007   |
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
|   | 11,418,463  | 14,429,833                                | 17,093,252   | 623,026  |
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
| <b>Preferred Shares at Redemption<br/>Value</b>         |   |   |  |  |
| \$25,000 liquidation value per share,<br>including      |   |   |  |  |
| dividends payable <sup>2</sup>                          | 228,992,973   | 90,515,884                                | 205,579,051  | 46,502,293   |
|   | <hr/>   | <hr/>                                     | <hr/>  | <hr/>  |
| <b>Net Assets Applicable to<br/>Common Shareholders</b> | \$ 382,265,315  | \$ 151,891,632                            | \$ 326,769,806                                     | \$ 73,823,267  |



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Composition of Net Assets Applicable to

|  |              |             |              |            |
|--|--------------|-------------|--------------|------------|
| Common Shareholders:                       |              |             |              |            |
| Par value                                  | \$ 26,149    | \$ 10,123   | \$ 22,781    | \$ 5,269   |
| Paid-in capital in excess of par           | 371,097,993  | 143,571,298 | 323,306,247  | 74,698,472 |
| Undistributed net investment income        | 2,666,265    | 3,173,022   | 4,022,926    | 518,008    |
| Accumulated net realized loss              | (17,644,133) | (2,903,576) | (14,810,926) | (858,180)  |
| Net unrealized appreciation (depreciation) | 26,119,041   | 8,040,765   | 14,228,778   | (540,302)  |

|   |                |                |                |               |
|---|----------------|----------------|----------------|---------------|
| Net assets applicable to common shareholders, August 31, 2004 | \$ 382,265,315 | \$ 151,891,632 | \$ 326,769,806 | \$ 73,823,267 |
|---|----------------|----------------|----------------|---------------|

|   |          |          |          |          |
|---|----------|----------|----------|----------|
| Net asset value per common share <sup>3</sup> | \$ 14.62 | \$ 15.00 | \$ 14.34 | \$ 14.01 |
|---|----------|----------|----------|----------|

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <sup>1</sup> Investments at cost          | \$ 587,977,772 | \$ 232,922,623 | \$ 507,161,989 | \$ 119,223,258 |
| <sup>2</sup> Preferred shares outstanding | 9,159          | 3,620          | 8,222          | 1,860          |
| <sup>3</sup> Common shares outstanding    | 26,149,334     | 10,123,055     | 22,781,072     | 5,268,785      |

See Notes to Financial Statements.

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| California<br>Municipal<br>Bond<br>Trust<br>(BZA) | California<br>Municipal<br>Income<br>Trust II<br>(BCL) | Florida<br>Insured<br>Municipal<br>Income<br>Trust<br>(BAF) | Florida<br>Municipal<br>Bond<br>Trust<br>(BIE) | Maryland<br>Municipal<br>Bond<br>Trust<br>(BZM) | New Jersey<br>Municipal<br>Bond<br>Trust<br>(BLJ) |
|---|--|---|--|---|---|
| \$ 77,974,358                                     | \$ 179,716,440   | \$ 198,689,201  | \$ 80,584,051                                  | \$ 47,962,867                                   | \$ 52,671,366                                     |
| 534,263   | 524,403  | 368,643   | □  | 356,039   | 518,396   |
| □   | □  | □   | □  | □   | □   |
| 1,027,016   | 2,671,103  | 2,960,496   | 1,306,616                                      | 616,090   | 696,023   |
| 17,942  | 17,109   | 31,536  | 16,728   | 8,578   | 9,599   |
| <u>79,553,579</u>                                 | <u>182,929,055</u>                                     | <u>202,049,876</u>  | <u>81,907,395</u>                              | <u>48,943,574</u>                               | <u>53,895,384</u>                                 |
| □   | □  | □   | 354,847  | □   | □   |
| □   | □  | □   | □  | □   | □   |

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|                |                  |                |                |                |                |
|----------------|------------------|----------------|----------------|----------------|----------------|
| 91,125         | 245,109          | 213,891        | 72,984         | 45,141         | 64,125         |
| 266,939        | 648,757          | 653,912        | 257,504        | 143,781        | 178,331        |
| 23,284         | 61,169           | 59,252         | 23,935         | 14,371         | 15,788         |
| 6,178          | 7,567            | 8,088          | 4,788          | 5,822          | 6,570          |
| 44,551         | 51,828           | 58,544         | 30,386         | 17,750         | 21,045         |
| <u>432,077</u> | <u>1,014,430</u> | <u>993,687</u> | <u>744,444</u> | <u>226,865</u> | <u>285,859</u> |

|                   |                    |                    |                   |                   |                   |
|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| \$ 29,976,396     | \$ 71,962,401      | \$ 76,001,833      | \$ 29,780,135     | \$ 18,001,975     | \$ 20,225,389     |
| <u>49,145,106</u> | <u>109,952,224</u> | <u>125,054,356</u> | <u>51,382,816</u> | <u>30,714,734</u> | <u>33,384,136</u> |

|                  |                  |                  |                  |                  |                |
|------------------|------------------|------------------|------------------|------------------|----------------|
| \$ 3,351         | \$ 7,985         | \$ 8,719         | \$ 3,309         | \$ 2,015         | \$ 2,269       |
| 47,456,833       | 113,257,811      | 123,687,058      | 46,855,683       | 28,497,364       | 32,099,779     |
| 964,579          | 108,070          | 653,360          | 941,896          | 563,807          | 621,465        |
| (2,053,161)      | (4,795,748)      | (1,218,122)      | (445,971)        | (367,876)        | (78,734)       |
| <u>2,773,504</u> | <u>1,374,106</u> | <u>1,923,341</u> | <u>4,027,899</u> | <u>2,019,424</u> | <u>739,357</u> |

|               |                |                |               |               |               |
|---------------|----------------|----------------|---------------|---------------|---------------|
| \$ 49,145,106 | \$ 109,952,224 | \$ 125,054,356 | \$ 51,382,816 | \$ 30,714,734 | \$ 33,384,136 |
|---------------|----------------|----------------|---------------|---------------|---------------|

|                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>\$14.67</u> | <u>\$13.77</u> | <u>\$14.34</u> | <u>\$15.53</u> | <u>\$15.24</u> | <u>\$14.71</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|

|                  |                  |                  |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 75,032,184    | \$ 177,888,747   | \$ 196,369,893   | \$ 76,421,167    | \$ 45,860,040    | \$ 51,813,438    |
| 1,199            | 2,878            | 3,040            | 1,191            | 720              | 809              |
| <u>3,351,150</u> | <u>7,984,696</u> | <u>8,718,823</u> | <u>3,309,483</u> | <u>2,015,154</u> | <u>2,269,366</u> |

**STATEMENTS OF ASSETS AND LIABILITIES**  
**(continued)**  
**August 31, 2004**

| New York<br>Insured<br>Municipal<br>Income<br>Trust | New York<br>Municipal<br>Bond Trust | New York<br>Municipal | Virginia<br>Municipal<br>Bond Trust |
|---|-------------------------------------|-----------------------|-------------------------------------|
|---|-------------------------------------|-----------------------|-------------------------------------|

|  | <b>Income Trust<br/>II</b> |                      |                      |                      |
|--|----------------------------|----------------------|----------------------|----------------------|
|  | <b>(BSE)</b>               | <b>(BQH)</b>         | <b>(BFY)</b>         | <b>(BHV)</b>         |
| <b>Assets</b>  |                            |                      |                      |                      |
| Investments at value <sup>1</sup>  | \$ 145,797,055             | \$ 64,138,372        | \$ 113,872,257       | \$ 36,475,285        |
| Cash   | 518,240                    | 260,426              | □                    | 238,007              |
| Interest receivable  | 1,663,024                  | 864,194              | 1,388,925            | 512,203              |
| Other assets   | 24,062                     | 16,119               | 11,530               | 6,914                |
|  | <u>148,002,381</u>         | <u>65,279,111</u>    | <u>115,272,712</u>   | <u>37,232,409</u>    |
| <b>Liabilities</b>   |                            |                      |                      |                      |
| Payable to custodian   | □                          | □                    | 125,500              | □                    |
| Variation margin payable   | 160,734                    | 60,328               | 107,578              | 39,656               |
| Dividends payable □ common shares  | 482,740                    | 208,244              | 388,652              | 110,164              |
| Investment advisory fee payable  | 43,385                     | 19,140               | 38,576               | 10,930               |
| Deferred Trustees fees   | 4,263                      | 5,167                | 5,058                | 4,810                |
| Other accrued expenses   | 44,408                     | 25,277               | 46,179               | 14,019               |
|  | <u>735,530</u>             | <u>318,156</u>       | <u>711,543</u>       | <u>179,579</u>       |
| <b>Preferred Shares at Redemption Value</b>                                    |                            |                      |                      |                      |
| \$25,000 liquidation value per share, including dividends payable <sup>2</sup> | 56,006,912                 | 24,204,182           | 44,657,700           | 13,526,206           |
|  | <u>56,006,912</u>          | <u>24,204,182</u>    | <u>44,657,700</u>    | <u>13,526,206</u>    |
| <b>Net Assets Applicable to Common Shareholders</b>                            |                            |                      |                      |                      |
|  | <u>\$ 91,259,939</u>       | <u>\$ 40,756,773</u> | <u>\$ 69,903,469</u> | <u>\$ 23,526,624</u> |
| Composition of Net Assets Applicable to Common Shareholders:                   |                            |                      |                      |                      |
| Par value  | 6,437                      | 2,701                | 4,935                | 1,521                |
| Paid-in capital in excess of par   | 91,279,438                 | 38,226,462           | 69,973,071           | 21,493,697           |
| Undistributed (distributions in excess of) net                                 |                            |                      |                      |                      |
| investment income  | 377,190                    | 676,087              | (83,509)             | 540,947              |
| Accumulated net realized loss  | (1,240,118)                | (508,602)            | (1,699,030)          | (189,551)            |
| Net unrealized appreciation  | 836,992                    | 2,360,125            | 1,708,002            | 1,680,010            |
|  | <u>91,259,939</u>          | <u>40,756,773</u>    | <u>69,903,469</u>    | <u>23,526,624</u>    |
| Net August assets 31, applicable 2004 to common shareholders,                  | <u>91,259,939</u>          | <u>40,756,773</u>    | <u>69,903,469</u>    | <u>23,526,624</u>    |
| Net asset value per common share <sup>3</sup>                                  | <u>\$14.18</u>             | <u>\$15.09</u>       | <u>\$14.16</u>       | <u>\$15.47</u>       |

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|                                |                |               |                |               |
|--------------------------------|----------------|---------------|----------------|---------------|
| 1 Investments at cost          | \$ 144,662,551 | \$ 61,666,910 | \$ 111,965,007 | \$ 34,721,790 |
| 2 Preferred shares outstanding | 2,240          | 968           | 1,786          | 541           |
| 3 Common shares outstanding    | 6,436,539      | 2,700,991     | 4,935,268      | 1,521,015     |

See Notes to Financial Statements.

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**STATEMENTS OF OPERATIONS**  
For the year ended August 31, 2004

|  | <b>Insured<br/>Municipal<br/>Income Trust<br/>(BYM)</b> | <b>Municipal<br/>Bond Trust<br/>(BBK)</b> | <b>Municipal<br/>Income Trust<br/>II<br/>(BLE)</b> | <b>California<br/>Insured<br/>Municipal<br/>Income<br/>Trust<br/>(BCK)</b> |
|--|---|---|--|--|
| <b>Investment Income</b>                   |   |   |  |  |
| Interest Income                            | \$ 30,951,895   | \$ 13,968,563                             | \$ 30,364,924                                      | \$ 6,073,621   |
| <b>Expenses</b>                            |   |   |  |  |
| Investment advisory                        | 3,349,400   | 1,577,549                                 | 2,921,763  | 660,983  |
| Transfer agent                             | 15,006  | 15,006                                    | 15,006   | 15,006   |
| Custodian                                  | 106,832   | 62,697                                    | 114,280  | 27,704   |
| Reports to shareholders                    | 78,707  | 35,778                                    | 66,206   | 21,348   |
| Trustees                                   | 54,534  | 21,228                                    | 45,384   | 13,176   |
| Registration                               | 29,732  | 27,066                                    | 12,536   | 21,043   |
| Independent accountants                    | 52,345  | 38,390                                    | 44,566   | 42,311   |
| Legal                                      | 45,827  | 21,672                                    | 41,670   | 15,980   |
| Insurance                                  | 48,711  | 17,672                                    | 38,361   | 8,065  |
| Auction Agent                              | 591,425   | 242,063                                   | 548,317  | 122,740  |
| Miscellaneous                              | 53,799  | 32,558                                    | 47,689   | 23,805   |
| Total expenses                             | 4,426,318   | 2,091,679                                 | 3,895,778  | 972,161  |
| Less fees waived by                        |   |   |  |  |
| Advisor                                    | (1,217,964)   | (728,099)                                 | (796,845)  | (240,357)  |
| Less fees paid indirectly                  | (4,738)   | (3,969)                                   | (9,604)  | (5,429)  |
| Net expenses                               | 3,203,616   | 1,359,611                                 | 3,089,329  | 726,375  |
| Net investment income                      | 27,748,279  | 12,608,952                                | 27,275,595   | 5,347,246  |
| <b>Realized and Unrealized Gain (Loss)</b> |   |   |  |  |
| Net realized gain (loss) on:               |   |   |  |  |
| Investments                                | (9,345,741)   | (419,177)                                 | (3,953,162)  | 19,717   |
| Futures                                    | (4,110,009)   | (1,451,570)                               | (3,371,626)  | (877,897)  |

|  |              |             |             |           |
|--|--------------|-------------|-------------|-----------|
|  | (13,455,750) | (1,870,747) | (7,324,788) | (858,180) |
| Net change in unrealized appreciation/depreciation on: |              |             |             |           |
| Investments  | 39,202,836   | 9,882,341   | 30,369,707  | 5,850,708 |
| Futures  | (1,314,298)  | (473,613)   | (1,097,277) | (280,214) |
|  | 37,888,538   | 9,408,728   | 29,272,430  | 5,570,494 |
| Net gain   | 24,432,788   | 7,537,981   | 21,947,642  | 4,712,314 |

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

|                                   |             |           |             |           |
|-----------------------------------|-------------|-----------|-------------|-----------|
| Net investment income             | (2,158,934) | (841,788) | (1,987,241) | (397,111) |
| Net realized gains                | □           | □         | □           | (5,802)   |
| Total dividends and distributions | (2,158,934) | (841,788) | (1,987,241) | (402,913) |

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

|               |               |               |              |
|---------------|---------------|---------------|--------------|
| \$ 50,022,133 | \$ 19,305,145 | \$ 47,235,996 | \$ 9,656,647 |
|---------------|---------------|---------------|--------------|

See Notes to Financial Statements.

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**STATEMENTS OF OPERATIONS  
(continued)  
For the year ended August 31, 2004**

|                          | <b>California<br/>Municipal<br/>Bond Trust<br/>(BZA)</b> | <b>California<br/>Municipal<br/>Income<br/>Trust II<br/>(BCL)</b> | <b>Florida<br/>Insured<br/>Municipal<br/>Income Trust<br/>(BAF)</b> | <b>Florida<br/>Municipal<br/>Bond Trust<br/>(BIE)</b> |
|--------------------------|--|---|---|---|
| <b>Investment Income</b> |  |   |   |   |
| Interest Income          | \$ 4,369,076   | \$ 9,855,262  | \$ 10,066,086   | \$ 4,355,535  |
| <b>Expenses</b>          |  |   |   |   |
| Investment advisory      | 512,871  | 996,614   | 1,107,232   | 521,279   |
| Transfer agent           | 15,006   | 15,006  | 15,006  | 15,006  |

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|   |              |               |               |              |
|---|--------------|---------------|---------------|--------------|
| Custodian   | 26,170       | 63,091        | 66,334        | 25,227       |
| Reports to shareholders   | 14,677       | 28,182        | 30,772        | 15,006       |
| Trustees  | 12,810       | 16,104        | 18,300        | 12,810       |
| Registration  | 20,614       | 4,311         | 22,621        | 15,549       |
| Independent accountants   | 36,696       | 42,702        | 44,071        | 36,688       |
| Legal   | 12,676       | 17,548        | 19,610        | 12,678       |
| Insurance   | 5,712        | 13,064        | 14,859        | 5,829        |
| Auction Agent   | 80,242       | 198,912       | 195,989       | 75,986       |
| Miscellaneous   | 21,710       | 26,178        | 27,210        | 21,656       |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Total expenses  | 759,184      | 1,421,712     | 1,562,004     | 757,714      |
| Less fees waived by Advisor   | (236,710)    | (271,804)     | (402,630)     | (240,590)    |
| Less fees paid indirectly   | (4,376)      | (4,556)       | (23,434)      | (3,433)      |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Net expenses  | 518,098      | 1,145,352     | 1,135,940     | 513,691      |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Net investment income   | 3,850,978    | 8,709,910     | 8,930,146     | 3,841,844    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| <b>Realized and Unrealized Gain (Loss)</b>  |              |               |               |              |
| Net realized gain (loss) on:  |              |               |               |              |
| Investments   | (1,414,277)  | (320,667)     | 122,896       | (345,607)    |
| Futures   | (516,933)    | (1,386,772)   | (1,254,877)   | (424,739)    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
|   | (1,931,210)  | (1,707,439)   | (1,131,981)   | (770,346)    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Net change in unrealized appreciation/depreciation on:  |              |               |               |              |
| Investments   | 5,140,765    | 9,952,087     | 7,088,428     | 3,843,970    |
| Futures   | (168,670)    | (453,587)     | (395,967)     | (134,985)    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
|   | 4,972,095    | 9,498,500     | 6,692,461     | 3,708,985    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Net gain  | 3,040,885    | 7,791,061     | 5,560,480     | 2,938,639    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| <b>Dividends and Distributions to Preferred Shareholders from:</b>                            |              |               |               |              |
| Net investment income   | (241,570)    | (636,870)     | (648,710)     | (268,790)    |
| Net realized gains  | (18,799)     | □             | (61,378)      | (6,733)      |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| Total dividends and distributions   | (260,369)    | (636,870)     | (710,088)     | (275,523)    |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
| <b>Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations</b> |              |               |               |              |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |
|   | \$ 6,631,494 | \$ 15,864,101 | \$ 13,780,538 | \$ 6,504,960 |
|   | <hr/>        | <hr/>         | <hr/>         | <hr/>        |

See Notes to Financial Statements.

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| <b>Maryland<br/>Municipal<br/>Bond Trust<br/>(BZM)</b> | <b>New Jersey<br/>Municipal<br/>Bond Trust<br/>(BLJ)</b> | <b>New York<br/>Insured<br/>Municipal<br/>Income<br/>Trust<br/>(BSE)</b> | <b>New York<br/>Municipal<br/>Bond Trust<br/>(BQH)</b> | <b>New York<br/>Municipal<br/>Income Trust<br/>II<br/>(BFY)</b> | <b>Virginia<br/>Municipal<br/>Bond Trust<br/>(BHV)</b> |
|--|--|--|--|---|--|
| \$ 2,497,733   | \$ 3,011,477   | \$ 7,409,746   | \$ 3,505,965   | \$ 5,904,188  | \$ 1,954,750   |
| 314,278  | 347,356  | 812,945  | 419,877  | 630,672   | 239,190  |
| 15,006   | 15,006   | 15,006   | 15,006   | 15,006  | 15,006   |
| 24,780   | 24,098   | 43,091   | 24,779   | 38,408  | 24,135   |
| 12,104   | 13,144   | 25,268   | 14,107   | 18,532  | 10,076   |
| 12,444   | 12,444   | 13,542   | 12,810   | 13,176  | 12,444   |
| 1,204  | 1,405  | 21,601   | 20,614   | 2,606   | 886  |
| 41,852   | 36,401   | 43,264   | 36,531   | 40,540  | 30,587   |
| 10,647   | 10,665   | 14,029   | 10,716   | 13,924  | 10,822   |
| 3,508  | 3,888  | 10,382   | 4,702  | 8,244   | 2,711  |
| 50,175   | 55,774   | 146,518  | 65,748   | 121,145   | 38,946   |
| 19,983   | 20,483   | 23,632   | 20,949   | 23,636  | 18,674   |
| 505,981  | 540,664  | 1,169,278  | 645,839  | 925,889   | 403,477  |
| (145,051)  | (160,318)  | (295,616)  | (193,789)  | (172,001)   | (110,395)  |
| (3,316)  | (3,152)  | (17,976)   | (3,479)  | (3,588)   | (2,671)  |
| 357,614  | 377,194  | 855,686  | 448,571  | 750,300   | 290,411  |
| 2,140,119  | 2,634,283  | 6,554,060  | 3,057,394  | 5,153,888   | 1,664,339  |
| (116,669)  | 279,442  | (223,758)  | (14,953)   | (344,902)   | (50,944)   |
| (258,990)  | (358,189)  | (958,321)  | (351,952)  | (631,443)   | (226,212)  |
| (375,659)  | (78,747)   | (1,182,079)  | (366,905)  | (976,345)   | (277,156)  |
| 1,982,638  | 2,121,310  | 5,858,448  | 2,663,489  | 5,049,244   | 1,638,654  |
| (83,403)   | (118,571)  | (297,512)  | (111,337)  | (199,248)   | (73,485)   |
| 1,899,235  | 2,002,739  | 5,560,936  | 2,552,152  | 4,849,996   | 1,565,169  |
| 1,523,576  | 1,923,992  | 4,378,857  | 2,185,247  | 3,873,651   | 1,288,013  |

|                     |                     |                      |                     |                     |                     |
|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| (162,726)           | (164,119)           | (480,323)            | (194,186)           | (410,703)           | (109,756)           |
| □                   | (9,757)             | □                    | □                   | □                   | □                   |
| <u>(162,726)</u>    | <u>(173,876)</u>    | <u>(480,323)</u>     | <u>(194,186)</u>    | <u>(410,703)</u>    | <u>(109,756)</u>    |
| <br>                |                     |                      |                     |                     |                     |
| <u>\$ 3,500,969</u> | <u>\$ 4,384,399</u> | <u>\$ 10,452,594</u> | <u>\$ 5,048,455</u> | <u>\$ 8,616,836</u> | <u>\$ 2,842,596</u> |

**STATEMENTS OF CHANGES IN NET ASSETS**  
**For the year ended August 31, 2004, and for the period<sup>1</sup> ended August 31, 2003**

|  | <b>Insured Municipal Income<br/>Trust<br/>(BYM)</b> |                  | <b>Municipal Bond Trust<br/>(BBK)</b> |                  |
|--|---|------------------|---------------------------------------|------------------|
|  | <u>2004</u>   | <u>2003</u>      | <u>2004</u>                           | <u>2003</u>      |
| <b>Increase (Decrease) in Net Assets Applicable to<br/>Common Shareholders</b> |   |                  |                                       |                  |
| <b>Operations</b>  |   |                  |                                       |                  |
| Net investment income  | \$ 27,748,279                                       | \$ 21,617,620    | \$ 12,608,952                         | \$ 12,879,742    |
| Net realized gain (loss)   | (13,455,750)  | (4,190,174)      | (1,870,747)                           | (805,556)        |
| Net change in unrealized<br>appreciation/<br>depreciation                      | 37,888,538  | (11,769,497)     | 9,408,728                             | (6,670,938)      |
| Dividends and distributions to<br>preferred<br>shareholders from:              |   |                  |                                       |                  |
| Net investment income  | (2,158,934)   | (1,705,605)      | (841,788)                             | (995,851)        |
| Net realized gains   | □   | □                | □                                     | (68,481)         |
| Net increase (decrease) in net assets<br>resulting<br>from operations          | <u>50,022,133</u>                                   | <u>3,952,344</u> | <u>19,305,145</u>                     | <u>4,338,916</u> |
| <b>Dividends and Distributions to<br/>Common Shareholders from:</b>            |   |                  |                                       |                  |
| Net investment income  | (24,514,999)  | (18,333,305)     | (10,492,542)                          | (10,290,066)     |



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|                                   |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Net realized gains                | □            | □            | □            | (529,092)    |
| Total dividends and distributions | (24,514,999) | (18,333,305) | (10,492,542) | (10,819,158) |

**Capital Share Transactions:**

|  |            |             |           |             |
|--|------------|-------------|-----------|-------------|
| Net proceeds from the issuance of common shares  | □          | 343,210,001 | □         | □           |
| Net proceeds from the underwriters' over-allotment option exercised  | □          | 28,590,000  | □         | □           |
| Underwriting discounts and unused (additional) offering costs relating to the issuance of preferred shares | (2,051)    | (2,657,181) | 128,162   | □           |
| Reinvestment of common dividends   | 322,573    | 1,675,800   | □         | 178,549     |
| Net proceeds from capital share transactions   | 320,522    | 370,818,620 | 128,162   | 178,549     |
| Total increase (decrease)  | 25,827,656 | 356,437,659 | 8,940,765 | (6,301,693) |

**Net Assets Applicable to Common Shareholders:**

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Beginning of year                               | 356,437,659    | □              | 142,950,867    | 149,252,560    |
| End of year                                     | \$ 382,265,315 | \$ 356,437,659 | \$ 151,891,632 | \$ 142,950,867 |
| End of year undistributed net investment income | \$ 2,666,265   | \$ 1,592,764   | \$ 3,173,022   | \$ 1,899,905   |

<sup>1</sup> Commencements of investment operations for the insured trusts were October 31, 2002. This information includes the initial investments by BlackRock Funding, Inc. The other Trusts' statements are for a full year.

See Notes to Financial Statements.

| <b>Municipal Income Trust II<br/>(BLE)</b> |             | <b>California Insured<br/>Municipal Income Trust<br/>(BCK)</b> |             | <b>California Municipal<br/>Bond Trust<br/>(BZA)</b> |             |
|--|-------------|--|-------------|--|-------------|
| <b>2004</b>                                | <b>2003</b> | <b>2004</b>  | <b>2003</b> | <b>2004</b>  | <b>2003</b> |

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|                |                |               |               |               |               |
|----------------|----------------|---------------|---------------|---------------|---------------|
| \$ 27,275,595  | \$ 25,913,002  | \$ 5,347,246  | \$ 4,154,466  | \$ 3,850,978  | \$ 3,923,657  |
| (7,324,788)    | (7,486,568)    | (858,180)     | 73,698        | (1,931,210)   | 333,162       |
| 29,272,430     | (16,689,310)   | 5,570,494     | (6,110,796)   | 4,972,095     | (4,389,282)   |
| (1,987,241)    | (2,206,764)    | (397,111)     | (309,490)     | (241,570)     | (285,766)     |
| □              | □              | (5,802)       | □             | (18,799)      | (36,465)      |
| 47,235,996     | (469,640)      | 9,656,647     | (2,192,122)   | 6,631,494     | (454,694)     |
| (22,894,966)   | (22,875,695)   | (4,740,793)   | (3,551,261)   | (3,203,268)   | (3,151,958)   |
| □              | □              | (67,945)      | □             | (223,187)     | (278,186)     |
| (22,894,966)   | (22,875,695)   | (4,808,738)   | (3,551,261)   | (3,426,455)   | (3,430,144)   |
| □              | □              | □             | 71,605,001    | □             | □             |
| (9,000)        | 4,288,500      | □             | 3,573,750     | □             | □             |
| □              | (2,294,668)    | □             | (609,518)     | □             | (21,849)      |
| 101,150        | 205,295        | 65,451        | 84,057        | □             | 12,499        |
| 92,150         | 2,199,127      | 65,451        | 74,653,290    | □             | (9,350)       |
| 24,433,180     | (21,146,208)   | 4,913,360     | 68,909,907    | 3,205,039     | (3,894,188)   |
| 302,336,626    | 323,482,834    | 68,909,907    | □             | 45,940,067    | 49,834,255    |
| \$ 326,769,806 | \$ 302,336,626 | \$ 73,823,267 | \$ 68,909,907 | \$ 49,145,106 | \$ 45,940,067 |
| \$ 4,022,926   | \$ 1,629,878   | \$ 518,008    | \$ 308,708    | \$ 964,579    | \$ 558,336    |

**STATEMENTS OF CHANGES IN NET ASSETS (continued)**  
**For the year ended August 31, 2004, and for the period<sup>1</sup> ended August 31, 2003**

|  |  | California<br>Municipal Income Trust<br>II<br>(BCL) |      | Florida Insured<br>Municipal Income Trust<br>(BAF) |      |
|--|--|---|------|--|------|
|  |  | 2004  | 2003 | 2004   | 2003 |

**Increase (Decrease) in Net Assets Applicable to**

**Common Shareholders**

|                   |                       |              |              |              |              |                          |             |             |             |         |   |           |             |           |             |   |                       |           |           |           |           |                    |             |   |
|-------------------|-----------------------|--------------|--------------|--------------|--------------|--------------------------|-------------|-------------|-------------|---------|---|-----------|-------------|-----------|-------------|---|-----------------------|-----------|-----------|-----------|-----------|--------------------|-------------|---|
| <b>Operations</b> | Net investment income | \$ 8,709,910 | \$ 8,139,709 | \$ 8,930,146 | \$ 6,649,133 | Net realized gain (loss) | (1,707,439) | (3,089,325) | (1,131,981) | 632,254 | Net change in unrealized appreciation/ depreciation | 9,498,500 | (8,940,916) | 6,692,461 | (4,769,120) | Dividends and distributions to preferred shareholders from: | Net investment income | (636,870) | (699,743) | (648,710) | (563,529) | Net realized gains | □□ (61,378) | □ |
|-------------------|-----------------------|--------------|--------------|--------------|--------------|--------------------------|-------------|-------------|-------------|---------|---|-----------|-------------|-----------|-------------|---|-----------------------|-----------|-----------|-----------|-----------|--------------------|-------------|---|

Net increase (decrease) in net assets resulting from operations 15,864,101 (4,590,275) 13,780,538 1,948,738

**Dividends and Distributions to Common Shareholders from:** Net investment income (7,782,748) (7,764,974) (7,846,940) (5,881,358) Net realized gains □□ (657,399) □

Total dividends and distributions (7,782,748 ) (7,764,974 ) (8,504,339 ) (5,881,358 )

**Capital Share Transactions:** Net proceeds from the issuance of common shares 114,493,001  
 114,493,001 Net proceeds from the underwriters over-allotment option exercised  
 (4,500 ) 2,144,250 10,006,500 Underwriting discounts and additional offering costs relating to the issuance of preferred shares (849,475 ) (944,848 ) Reinvestment of common dividends 137,224 222,296 156,124

Net proceeds from capital share transactions  
 132,724 1,517,071 123,710,777

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Total increase (decrease) 8,214,077 (10,838,178 ) 5,276,199 119,778,157

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**Net Assets Applicable to Common Shareholders:** Beginning of  
 year 101,738,147 112,576,325 119,778,157 □

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End of year \$ 109,952,224 \$ 101,738,147 \$ 125,054,356 \$ 119,778,157

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End of year undistributed (distributions in excess of) net investment income \$ 108,070 \$ (182,190 ) \$  
 653,360 \$ 219,079

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<sup>1</sup> Commencements of investment operations for the insured trusts were October 31, 2002. This information includes the initial investments by BlackRock Funding, Inc. The other Trusts' statements are for a full year.

See Notes to Financial Statements.

| <b>Florida<br/>Municipal Bond Trust<br/>(BIE)</b> |               | <b>Maryland<br/>Municipal Bond Trust<br/>(BZM)</b> |               | <b>New Jersey<br/>Municipal Bond Trust<br/>(BLJ)</b> |               |
|---|---------------|--|---------------|--|---------------|
| <b>2004</b>                                       | <b>2003</b>   | <b>2004</b>  | <b>2003</b>   | <b>2004</b>  | <b>2003</b>   |
| \$ 3,841,844                                      | \$ 3,763,594  | \$ 2,140,119                                       | \$ 2,158,263  | \$ 2,634,283   | \$ 2,593,490  |
| (770,346)   | 617,109       | (375,659)  | 93,425        | (78,747)   | 192,616       |
| 3,708,985   | (2,067,781)   | 1,899,235  | (1,028,809)   | 2,002,739  | (2,102,018)   |
| (268,790)   | (294,203)     | (162,726)  | (192,706)     | (164,119)  | (194,504)     |
| (6,733)   | (25,515)      | □  | (11,022)      | (9,757)  | (16,272)      |
| 6,504,960   | 1,993,204     | 3,500,969  | 1,019,151     | 4,384,399  | 473,312       |
| (3,090,049)                                       | (3,038,237)   | (1,724,926)  | (1,696,742)   | (2,139,974)  | (2,110,955)   |
| (74,132)  | (186,453)     | □  | (72,550)      | (111,653)  | (143,682)     |
| (3,164,181)                                       | (3,224,690)   | (1,724,926)  | (1,769,292)   | (2,251,627)  | (2,254,637)   |
| □   | □             | □  | □             | □  | □             |
| □   | □             | □  | □             | □  | □             |
| □   | (28,492)      | □  | (50,675)      | □  | (48,427)      |
| □   | 18,121        | 16,038   | 18,519        | 25,241   | 75,007        |
| □   | (10,371)      | 16,038   | (32,156)      | 25,241   | 26,580        |
| 3,340,779   | (1,241,857)   | 1,792,081  | (782,297)     | 2,158,013  | (1,754,745)   |
| 48,042,037  | 49,283,894    | 28,922,653   | 29,704,950    | 31,226,123   | 32,980,868    |
| \$ 51,382,816                                     | \$ 48,042,037 | \$ 30,714,734                                      | \$ 28,922,653 | \$ 33,384,136  | \$ 31,226,123 |
| \$ 941,896  | \$ 458,990    | \$ 563,807   | \$ 311,348    | \$ 621,465   | \$ 291,378    |

**STATEMENTS OF CHANGES IN NET ASSETS (continued)**  
**For the year ended August 31, 2004, and for the period<sup>1</sup> ended August 31, 2003**

|   | New York Insured<br>Municipal Income Trust<br>(BSE) |              | New York<br>Municipal Bond Trust<br>(BQH) |              |
|---|---|--------------|---|--------------|
|   | 2004  | 2003         | 2004                                      | 2003         |
| <b>Increase (Decrease) in Net Assets Applicable to<br/>Common Shareholders</b>                                |   |              |   |              |
| <b>Operations</b>   |   |              |   |              |
| Net investment income   | \$ 6,554,060  | \$ 4,829,121 | \$ 3,057,394                              | \$ 3,032,080 |
| Net realized gain (loss)  | (1,182,079)   | (58,730)     | (366,905)                                 | (143,156)    |
| Net change in unrealized appreciation/<br>depreciation  | 5,560,936   | (4,723,944)  | 2,552,152                                 | (1,803,841)  |
| Dividends and distributions to preferred<br>shareholders from:  |   |              |   |              |
| Net investment income   | (480,323)   | (420,505)    | (194,186)                                 | (249,849)    |
| Net realized gains  | □   | □            | □   | (21,352)     |
| Net increase (decrease) in net assets<br>resulting<br>from operations   | 10,452,594  | (374,058)    | 5,048,455                                 | 813,882      |
| <b>Dividends and Distributions to<br/>Common Shareholders from:</b>   |   |              |   |              |
| Net investment income   | (5,792,278)   | (4,327,194)  | (2,498,922)                               | (2,475,984)  |
| Net realized gains  | □   | □            | □   | (155,250)    |
| Total dividends and distributions   | (5,792,278)   | (4,327,194)  | (2,498,922)                               | (2,631,234)  |
| <b>Capital Share Transactions:</b>  |   |              |   |              |
| Net proceeds from issuance of common<br>shares  | □   | 85,901,501   | □   | □            |
| Net proceeds from the underwriters'□<br>over-allotment option exercised                                       | □   | 5,718,000    | □   | □            |
| Underwriting discounts and additional<br>offering<br>costs relating to the issuance of<br>preferred<br>shares | □   | (711,970)    | □   | (37,459)     |
| Reinvestment of common dividends  | 168,608   | 224,736      | □   | □            |
| Net proceeds from capital share<br>transactions   | 168,608   | 91,132,267   | □   | (37,459)     |

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|                           |           |            |           |             |
|---------------------------|-----------|------------|-----------|-------------|
| Total increase (decrease) | 4,828,924 | 86,431,015 | 2,549,533 | (1,854,811) |
|---------------------------|-----------|------------|-----------|-------------|

**Net Assets Applicable to  
Common Shareholders:**

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Beginning of year   | 86,431,015    | □             | 38,207,240    | 40,062,051    |
| End of year   | \$ 91,259,939 | \$ 86,431,015 | \$ 40,756,773 | \$ 38,207,240 |
| End of year undistributed (distributions in excess of)<br>net investment income | \$ 377,190    | \$ 95,731     | \$ 676,087    | \$ 312,841    |

<sup>1</sup> Commencements of investment operations for the insured trusts were October 31, 2002. This information includes the initial investments by BlackRock Funding, Inc. The other Trusts' statements are for a full year.

See Notes to Financial Statements.

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| <b>New York<br/>Municipal Income Trust II<br/>(BFY)</b> |              | <b>Virginia<br/>Municipal Bond Trust<br/>(BHV)</b> |              |
|---|--------------|--|--------------|
| <b>2004</b>   | <b>2003</b>  | <b>2004</b>  | <b>2003</b>  |
| \$ 5,153,888  | \$ 4,857,157 | \$ 1,664,339                                       | \$ 1,655,091 |
| (976,345)   | (722,685)    | (277,156)  | 237,709      |
| 4,849,996   | (3,853,513)  | 1,565,169  | (910,742)    |
| (410,703)   | (476,593)    | (109,756)  | (121,007)    |
| □   | □            | □  | (22,888)     |
| 8,616,836   | (195,634)    | 2,842,596  | 838,163      |
| (4,663,823)   | (4,661,882)  | (1,320,868)  | (1,289,511)  |
| □   | □            | □  | (151,377)    |
| (4,663,823)   | (4,661,882)  | (1,320,868)  | (1,440,888)  |
| □   | □            | □  | □            |



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|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| (2,250)              | 1,072,125            | □                    | □                    |
| □                    | (567,282)            | □                    | (58,033)             |
| □                    | 29,662               | 61,031               | 60,042               |
| <u>(2,250)</u>       | <u>534,505</u>       | <u>61,031</u>        | <u>2,009</u>         |
| <u>3,950,763</u>     | <u>(4,323,011)</u>   | <u>1,582,759</u>     | <u>(600,716)</u>     |
| <br>                 |                      |                      |                      |
| <u>65,952,706</u>    | <u>70,275,717</u>    | <u>21,943,865</u>    | <u>22,544,581</u>    |
| <u>\$ 69,903,469</u> | <u>\$ 65,952,706</u> | <u>\$ 23,526,624</u> | <u>\$ 21,943,865</u> |
| <br>                 |                      |                      |                      |
| <u>\$ (83,509)</u>   | <u>\$ (162,871)</u>  | <u>\$ 540,947</u>    | <u>\$ 307,522</u>    |

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**FINANCIAL HIGHLIGHTS**

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

|  | <b>Year Ended<br/>August 31,<br/>2004</b> | <b>For the<br/>period<br/>October 31,<br/>2001<br/>through<br/>August 31,<br/>2003</b> |
|--|---|--|
|  | <u>                    </u>               | <u>                    </u>  |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |   |  |
| Net asset value, beginning of period                           | \$ 13.64                                  | \$ 14.33 <sup>2</sup>  |
| Investment operations:   |   |  |
| Net investment income  | 1.06                                      | 0.83   |
| Net realized and unrealized gain (loss)                        | 0.94                                      | (0.62)   |
| Dividends to preferred shareholders from net investment income | (0.08)                                    | (0.07)   |
|  | <u>1.92</u>                               | <u>0.14</u>  |
| Net increase from investment operations                        | 1.92                                      | 0.14   |
|  | <u>(0.94)</u>                             | <u>(0.70)</u>  |
| Dividends to common shareholders from net investment income    | (0.94)                                    | (0.70)   |
| Capital charges with respect to issuance of:                   |   |  |
| Common shares  | □   | (0.03)   |
| Preferred shares   | □   | (0.10)   |
|  | <u>□</u>                                  | <u>(0.13)</u>  |
| Total capital charges  | □   | (0.13)   |
| Net asset value, end of period                                 | \$ 14.62                                  | \$ 13.64   |

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|  |               |                    |
|--|---------------|--------------------|
| Market price, end of period  | \$ 13.97      | \$ 13.51           |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | <b>10.57%</b> | <b>(5.39)%</b>     |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |               |                    |
| Expenses after fees waived and paid indirectly   | 0.84%         | 0.77% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 0.84%         | 0.79% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.16%         | 1.10% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.30%         | 6.95% <sup>5</sup> |
| Preferred share dividends  | 0.57%         | 0.55% <sup>5</sup> |
| Net investment income available to common shareholders   | 6.73%         | 6.40% <sup>5</sup> |
| <b>SUPPLEMENTAL DATA:</b>  |               |                    |
| Average net assets of common shareholders (000)  | \$ 380,007    | \$ 372,269         |
| Portfolio turnover   | 57%           | 46%                |
| Net assets of common shareholders, end of period (000)   | \$ 382,265    | \$ 356,438         |
| Preferred shares value outstanding, end of period (000)  | \$ 228,975    | \$ 228,975         |
| Asset coverage per preferred share, end of period  | \$ 66,739     | \$ 63,919          |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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

See Notes to Financial Statements.

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## FINANCIAL HIGHLIGHTS

### BlackRock Municipal Bond Trust (BBK)

|  | <u>Year Ended August 31,</u> |             | <b>For the<br/>period<br/>April 30,<br/>20021</b> |
|--|------------------------------|-------------|---|
|  | <u>2004</u>                  | <u>2003</u> | <b>through<br/>August 31,<br/>2002</b>            |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>   |                              |             |   |
| Net asset value, beginning of period   | \$ 14.12                     | \$ 14.76    | \$ 14.332   |
| Investment operations:   |                              |             |   |
| Net investment income  | 1.25                         | 1.28        | 0.31  |
| Net realized and unrealized gain (loss)  | 0.74                         | (0.74)      | 0.52  |
| Dividends and distributions to preferred shareholders:   |                              |             |   |
| Net investment income  | (0.08)                       | (0.10)      | (0.03)  |
| Net realized gains   | □                            | (0.01)      | □   |
| Net increase from investment operations  | 1.91                         | 0.43        | 0.80  |
| Dividends and distributions to common shareholders:  |                              |             |   |
| Net investment income  | (1.04)                       | (1.02)      | (0.25)  |
| Net realized gains   | □                            | (0.05)      | □   |
| Total dividends and distributions  | (1.04)                       | (1.07)      | (0.25)  |
| Capital changes with respect to issuance of:   |                              |             |   |
| Common shares  | □                            | □           | (0.03)  |
| Preferred shares   | 0.01                         | □           | (0.09)  |
| Total capital charges  | 0.01                         | □           | (0.12)  |
| Net asset value, end of period   | \$ 15.00                     | \$ 14.12    | \$ 14.76  |
| Market price, end of period  | \$ 14.61                     | \$ 13.66    | \$ 14.90  |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 14.87%                       | (1.20)%     | 1.07%   |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |                              |             |   |
| Expenses after fees waived and paid indirectly   | 0.89%                        | 0.91%       | 0.90% <sup>5</sup>                                |
| Expenses after fees waived and before fees paid indirectly                                       | 0.90%                        | 0.92%       | 0.91% <sup>5</sup>                                |
| Expenses before fees waived and paid indirectly  | 1.37%                        | 1.41%       | 1.32% <sup>5</sup>                                |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 8.28%                        | 8.66%       | 6.35% <sup>5</sup>                                |
| Preferred share dividends  | 0.55%                        | 0.67%       | 0.53% <sup>5</sup>                                |
| Net investment income available to common shareholders   | 7.73%                        | 7.99%       | 5.82% <sup>5</sup>                                |
| <b>SUPPLEMENTAL DATA:</b>  |                              |             |   |
| Average net assets of common shareholders (000)  | \$ 152,200                   | \$ 148,670  | \$ 144,196  |

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|   |            |            |            |
|---|------------|------------|------------|
| Portfolio turnover                                      | 65%        | 21%        | 22%        |
| Net assets of common shareholders, end of period (000)  | \$ 151,892 | \$ 142,951 | \$ 149,253 |
| Preferred shares value outstanding, end of period (000) | \$ 90,500  | \$ 90,500  | \$ 90,500  |
| Asset coverage per preferred share, end of period       | \$ 66,963  | \$ 64,491  | \$ 66,233  |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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See Notes to Financial Statements.

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### FINANCIAL HIGHLIGHTS

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

|  | Year Ended August 31, |          | For the period                                  |
|--|-----------------------|----------|---|
|  | 2004                  | 2003     | July 30, 20021<br>through<br>August 31,<br>2002 |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |                       |          |   |
| Net asset value, beginning of period                           | \$ 13.28              | \$ 14.40 | \$ 14.33 2                                      |
| Investment operations:   |                       |          |   |
| Net investment income  | 1.20                  | 1.14     | 0.03  |
| Net realized and unrealized gain (loss)                        | 0.95                  | (1.06)   | 0.07  |
| Dividends to preferred shareholders from net investment income | (0.09)                | (0.10)   | □   |
| Net increase (decrease) from investment operations             | 2.06                  | (0.02)   | 0.10  |
|  | (1.00)                | (1.00)   | □   |

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Dividends to common shareholders from net investment income

|  |          |          |          |
|--|----------|----------|----------|
| Capital charges with respect to issuance of: |          |          |          |
| Common shares                                | □        | □        | (0.03)   |
| Preferred shares                             | □        | (0.10)   | □        |
| Total capital charges                        | □        | (0.10)   | (0.03)   |
| Net asset value, end of period               | \$ 14.34 | \$ 13.28 | \$ 14.40 |
| Market price, end of period                  | \$ 13.92 | \$ 13.11 | \$ 15.00 |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 14.15%   | (6.00)%  | 0.00%    |

**RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup>**

|  |       |       |                      |
|--|-------|-------|----------------------|
| Expenses after fees waived and paid indirectly   | 0.95% | 0.92% | 0.65% <sup>5,6</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 0.95% | 0.93% | 0.65% <sup>5,6</sup> |
| Expenses before fees waived and paid indirectly  | 1.20% | 1.17% | 0.80% <sup>5,6</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 8.37% | 8.15% | 2.82% <sup>5,6</sup> |
| Preferred share dividends  | 0.61% | 0.69% | □% <sup>5,6</sup>    |
| Net investment income available to common shareholders   | 7.76% | 7.46% | 2.82% <sup>5,6</sup> |

**SUPPLEMENTAL DATA:**

|   |            |            |            |
|---|------------|------------|------------|
| Average net assets of common shareholders (000)         | \$ 325,680 | \$ 318,014 | \$ 307,165 |
| Portfolio turnover                                      | 64%        | 118%       | □%         |
| Net assets of common shareholders, end of period (000)  | \$ 326,770 | \$ 302,337 | \$ 323,483 |
| Preferred shares value outstanding, end of period (000) | \$ 205,550 | \$ 205,550 | \$ □       |
| Asset coverage per preferred share, end of period       | \$ 64,747  | \$ 61,774  | \$ □       |

<sup>1</sup>Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

<sup>2</sup>Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

<sup>3</sup>Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

<sup>4</sup>Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

<sup>5</sup>Annualized.

<sup>6</sup>These annualized ratios are not indicative of future expense ratios, due to the short operating history of the Trust.

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See Notes to Financial Statements.

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**FINANCIAL HIGHLIGHTS**

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

|   | <b>Year<br/>Ended<br/>August 31,<br/>2004</b> | <b>For the<br/>period<br/>October<br/>31, 20021<br/>through<br/>August 31,<br/>2003</b> |
|---|---|---|
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                          |   |   |
| Net asset value, beginning of period                                    | \$ 13.09                                      | \$ 14.332   |
| Investment operations:  |   |   |
| Net investment income   | 1.02  | 0.79  |
| Net realized and unrealized gain (loss)                                 | 0.89  | (1.15)  |
| Dividends to preferred shareholders from net investment income          | (0.08)  | (0.06)  |
| Net increase (decrease) from investment operations                      | 1.83  | (0.42)  |
| Dividends to common shareholders:                                       |   |   |
| Net investment income   | (0.90)  | (0.67)  |
| Net realized gains  | (0.01)  | □   |
| Total dividends and distributions                                       | (0.91)  | (0.67)  |
| Capital charges with respect to issuance of:                            |   |   |
| Common shares   | □   | (0.03)  |
| Preferred shares  | □   | (0.12)  |
| Total capital charges   | □   | (0.15)  |
| Net asset value, end of period  | \$ 14.01                                      | \$ 13.09  |
| Market price, end of period   | \$ 14.00                                      | \$ 13.01  |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>                              | <b>14.97%</b>                                 | <b>(8.98)%</b>  |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b> |   |   |
| Expenses after fees waived and paid indirectly                          | 0.99%   | 0.92% <sup>5</sup>  |
| Expenses after fees waived and before fees paid indirectly              | 0.99%   | 0.96% <sup>5</sup>  |

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|  |       |                    |
|--|-------|--------------------|
| Expenses before fees waived and paid indirectly  | 1.32% | 1.27% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.26% | 6.69% <sup>5</sup> |
| Preferred share dividends  | 0.54% | 0.50% <sup>5</sup> |
| Net investment income available to common shareholders   | 6.72% | 6.19% <sup>5</sup> |

**SUPPLEMENTAL DATA:**

|   |           |           |
|---|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 73,679 | \$ 74,302 |
| Portfolio turnover                                      | 4%        | 41%       |
| Net assets of common shareholders, end of period (000)  | \$ 73,823 | \$ 68,910 |
| Preferred shares value outstanding, end of period (000) | \$ 46,500 | \$ 46,500 |
| Asset coverage per preferred share, end of period       | \$ 64,691 | \$ 62,052 |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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See Notes to Financial Statements.

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**FINANCIAL HIGHLIGHTS**

**BlackRock California Municipal Bond Trust (BZA)**

|  | <u>Year Ended August 31,</u> |             | <b>For the<br/>period<br/>April 30,<br/>2021<br/>through<br/>August 31,<br/>2002</b> |
|--|------------------------------|-------------|--|
|  | <u>2004</u>                  | <u>2003</u> |  |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b> |                              |             |  |
| Net asset value, beginning of period           | \$ 13.71                     | \$ 14.87    | \$ 14.33 <sup>2</sup>  |

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|  |                 |                 |                    |
|--|-----------------|-----------------|--------------------|
| Investment operations:   |                 |                 |                    |
| Net investment income  | 1.15            | 1.18            | 0.28               |
| Net realized and unrealized gain (loss)  | 0.92            | (1.21)          | 0.63               |
| Dividends and distributions to preferred shareholders:   |                 |                 |                    |
| Net investment income  | (0.07)          | (0.09)          | (0.02)             |
| Net realized gains   | (0.01)          | (0.01)          | □                  |
|  | <u>1.99</u>     | <u>(0.13)</u>   | <u>0.89</u>        |
| Net increase (decrease) from investment operations   |                 |                 |                    |
|  | <u>1.99</u>     | <u>(0.13)</u>   | <u>0.89</u>        |
| Dividends and distributions to common shareholders:  |                 |                 |                    |
| Net investment income  | (0.96)          | (0.94)          | (0.23)             |
| Net realized gains   | (0.07)          | (0.08)          | □                  |
|  | <u>(1.03)</u>   | <u>(1.02)</u>   | <u>(0.23)</u>      |
| Total dividends and distributions  |                 |                 |                    |
|  | <u>(1.03)</u>   | <u>(1.02)</u>   | <u>(0.23)</u>      |
| Capital charges with respect to issuance of:   |                 |                 |                    |
| Common shares  | □               | □               | (0.03)             |
| Preferred shares   | □               | (0.01)          | (0.09)             |
|  | <u>□</u>        | <u>(0.01)</u>   | <u>(0.12)</u>      |
| Total capital charges  |                 |                 |                    |
|  | <u>□</u>        | <u>(0.01)</u>   | <u>(0.12)</u>      |
| Net asset value, end of period   |                 |                 |                    |
|  | <u>\$ 14.67</u> | <u>\$ 13.71</u> | <u>\$ 14.87</u>    |
| Market price, end of period  |                 |                 |                    |
|  | <u>\$ 13.90</u> | <u>\$ 13.15</u> | <u>\$ 14.58</u>    |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   |                 |                 |                    |
|  | <u>13.80%</u>   | <u>(2.92)%</u>  | <u>(1.23)%</u>     |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |                 |                 |                    |
| Expenses after fees waived and paid indirectly   | 1.06%           | 1.06%           | 1.12% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.07%           | 1.06%           | 1.12% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.55%           | 1.54%           | 1.53% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.87%           | 7.99%           | 5.75% <sup>5</sup> |
| Preferred share dividends  | 0.49%           | 0.58%           | 0.49% <sup>5</sup> |
| Net investment income available to common shareholders   | 7.38%           | 7.41%           | 5.26% <sup>5</sup> |
| <b>SUPPLEMENTAL DATA:</b>  |                 |                 |                    |
| Average net assets of common shareholders (000)  | \$ 48,928       | \$ 49,107       | \$ 47,390          |
| Portfolio turnover   | 24%             | 22%             | 18%                |
| Net assets of common shareholders, end of period (000)   | \$ 49,145       | \$ 45,940       | \$ 49,834          |
| Preferred shares value outstanding, end of period (000)  | \$ 29,975       | \$ 29,975       | \$ 29,975          |
| Asset coverage per preferred share, end of period  | \$ 65,990       | \$ 63,318       | \$ 66,569          |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.



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3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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See Notes to Financial Statements.

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## FINANCIAL HIGHLIGHTS

### BlackRock California Municipal Income Trust II (BCL)

|  | Year Ended August 31, |          | For the<br>period<br>July 30,<br>2002 <sup>1</sup><br>through<br>August 31,<br>2002 |
|--|-----------------------|----------|---|
|  | 2004                  | 2003     |   |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |                       |          |   |
| Net asset value, beginning of period                           | \$ 12.76              | \$ 14.42 | \$ 14.33 <sup>2</sup>   |
| Investment operations:   |                       |          |   |
| Net investment income  | 1.09                  | 1.02     | 0.02  |
| Net realized and unrealized gain (loss)                        | 0.97                  | (1.51)   | 0.10  |
| Dividends to preferred shareholders from net investment income | (0.08)                | (0.09)   | □   |
| Net increase (decrease) from investment operations             | 1.98                  | (0.58)   | 0.12  |
| Dividends to common shareholders from net investment income    | (0.97)                | (0.97)   | □   |
| Capital charges with respect to issuance of:                   |                       |          |   |
| Common shares  | □                     | □        | (0.03)  |
| Preferred shares   | □                     | (0.11)   | □   |
| Total capital charges  | □                     | (0.11)   | (0.03)  |
| Net asset value, end of period                                 | \$ 13.77              | \$ 12.76 | \$ 14.42  |
| Market price, end of period                                    | \$ 13.71              | \$ 13.01 | \$ 15.01  |

|  |            |            |                      |
|--|------------|------------|----------------------|
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 13.21%     | (6.94)%    | 0.07%                |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |            |            |                      |
| Expenses after fees waived and paid indirectly   | 1.05%      | 0.97%      | 1.05% <sup>5,6</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.05%      | 0.99%      | 1.05% <sup>5,6</sup> |
| Expenses before fees waived and paid indirectly  | 1.30%      | 1.23%      | 1.20% <sup>5,6</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.97%      | 7.38%      | 1.35% <sup>5,6</sup> |
| Preferred share dividends  | 0.58%      | 0.63%      | □% <sup>5,6</sup>    |
| Net investment income available to common shareholders   | 7.39%      | 6.75%      | 1.35% <sup>5,6</sup> |
| <b>SUPPLEMENTAL DATA:</b>  |            |            |                      |
| Average net assets of common shareholders (000)  | \$ 109,252 | \$ 110,286 | \$ 105,895           |
| Portfolio turnover   | 19%        | 85%        | □%                   |
| Net assets of common shareholders, end of period (000)   | \$ 109,952 | \$ 101,738 | \$ 112,576           |
| Preferred shares value outstanding, end of period (000)  | \$ 71,950  | \$ 71,950  | \$ □                 |
| Asset coverage per preferred share, end of period  | \$ 63,209  | \$ 60,353  | \$ □                 |

<sup>1</sup>Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

<sup>2</sup>Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

<sup>3</sup>Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

<sup>4</sup>Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

<sup>5</sup>Annualized.

<sup>6</sup>These annualized ratios are not indicative of future expense ratios, due to the short operating history of the Trust.

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See Notes to Financial Statements.

## FINANCIAL HIGHLIGHTS

### BlackRock Florida Insured Municipal Income Trust (BAF)

**For the  
period**

|  | <b>Year Ended<br/>August 31,<br/>2004</b> | <b>October<br/>31, 20021<br/>through<br/>August 31,<br/>2003</b> |
|--|---|--|
|  | <u>                    </u>               | <u>                    </u>                                      |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>   |   |  |
| Net asset value, beginning of period   | \$ 13.74                                  | \$ 14.33 <sup>2</sup>  |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Investment operations:   |   |  |
| Net investment income  | 1.02                                      | 0.75   |
| Net realized and unrealized gain (loss)  | 0.64                                      | (0.47)   |
| Dividends and distributions to preferred shareholders:   |   |  |
| Net investment income  | (0.07)                                    | (0.06)   |
| Net realized gains   | (0.01)                                    | □  |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Net increase from investment operations  | 1.58                                      | 0.22   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Dividends and distributions to common shareholders:  |   |  |
| Net investment income  | (0.90)                                    | (0.67)   |
| Net realized gains   | (0.08)                                    | □  |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Total dividends and distributions  | (0.98)                                    | (0.67)   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Capital charges with respect to issuance of:   |   |  |
| Common shares  | □   | (0.03)   |
| Preferred shares   | □   | (0.11)   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Total capital charges  | □   | (0.14)   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Net asset value, end of period   | \$ 14.34                                  | \$ 13.74   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| Market price, end of period  | \$ 14.14                                  | \$ 13.20   |
|  | <u>                    </u>               | <u>                    </u>                                      |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 14.82%                                    | (7.78)%  |
|  | <u>                    </u>               | <u>                    </u>                                      |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |   |  |
| Expenses after fees waived and paid indirectly   | 0.91%                                     | 0.83% <sup>5</sup>   |
| Expenses after fees waived and before fees paid indirectly                                       | 0.93%                                     | 0.87% <sup>5</sup>   |
| Expenses before fees waived and paid indirectly  | 1.25%                                     | 1.17% <sup>5</sup>   |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.13%                                     | 6.39% <sup>5</sup>   |
| Preferred share dividends  | 0.52%                                     | 0.54% <sup>5</sup>   |
| Net investment income available to common shareholders   | 6.61%                                     | 5.85% <sup>5</sup>   |
| <b>SUPPLEMENTAL DATA:</b>  |   |  |
| Average net assets of common shareholders (000)  | \$ 125,315                                | \$ 124,543   |
| Portfolio turnover   | 2%  | 50%  |
| Net assets of common shareholders, end of period (000)   | \$ 125,054                                | \$ 119,778   |

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|   |           |           |
|---|-----------|-----------|
| Preferred shares value outstanding, end of period (000) | \$ 76,000 | \$ 76,000 |
| Asset coverage per preferred share, end of period       | \$ 66,137 | \$ 64,404 |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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See Notes to Financial Statements.

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## FINANCIAL HIGHLIGHTS

### BlackRock Florida Municipal Bond Trust (BIE)

|  | Year Ended August 31, |          | For the period          |
|--|-----------------------|----------|-------------------------|
|  | 2004                  | 2003     | April 30, 2002          |
|  |                       |          | through August 31, 2002 |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>         |                       |          |                         |
| Net asset value, beginning of period                   | \$ 14.52              | \$ 14.90 | \$ 14.33 <sup>2</sup>   |
| Investment operations:                                 |                       |          |                         |
| Net investment income                                  | 1.16                  | 1.14     | 0.26                    |
| Net realized and unrealized gain (loss)                | 0.88                  | (0.43)   | 0.68                    |
| Dividends and distributions to preferred shareholders: |                       |          |                         |
| Net investment income                                  | (0.08)                | (0.09)   | (0.02)                  |
| Net realized gains                                     | □                     | (0.01)   | □                       |
| Net increase from investment operations                | 1.96                  | 0.61     | 0.92                    |

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Dividends and distributions to common shareholders:

|  |          |          |          |
|--|----------|----------|----------|
| Net investment income                        | (0.93)   | (0.92)   | (0.23)   |
| Net realized gains                           | (0.02)   | (0.06)   | □        |
| Total dividends and distributions            | (0.95)   | (0.98)   | (0.23)   |
| Capital charges with respect to issuance of: |          |          |          |
| Common shares                                | □        | □        | (0.03)   |
| Preferred shares                             | □        | (0.01)   | (0.09)   |
| Total capital charges                        | □        | (0.01)   | (0.12)   |
| Net asset value, end of period               | \$ 15.53 | \$ 14.52 | \$ 14.90 |
| Market price, end of period                  | \$ 14.17 | \$ 13.55 | \$ 14.92 |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 11.82%   | (2.90)%  | 1.03%    |

**RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup>**

|  |       |       |                    |
|--|-------|-------|--------------------|
| Expenses after fees waived and paid indirectly   | 1.02% | 1.05% | 1.12% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.03% | 1.05% | 1.12% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.50% | 1.53% | 1.54% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.62% | 7.54% | 5.36% <sup>5</sup> |
| Preferred share dividends  | 0.53% | 0.59% | 0.49% <sup>5</sup> |
| Net investment income available to common shareholders   | 7.09% | 6.95% | 4.87% <sup>5</sup> |

**SUPPLEMENTAL DATA:**

|   |           |           |           |
|---|-----------|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 50,422 | \$ 49,915 | \$ 46,792 |
| Portfolio turnover                                      | 10%       | 19%       | □%        |
| Net assets of common shareholders, end of period (000)  | \$ 51,383 | \$ 48,042 | \$ 49,284 |
| Preferred shares value outstanding, end of period (000) | \$ 29,775 | \$ 29,775 | \$ 29,775 |
| Asset coverage per preferred share, end of period       | \$ 68,147 | \$ 65,340 | \$ 66,383 |

<sup>1</sup>Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

<sup>2</sup>Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

<sup>3</sup>Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

<sup>4</sup>Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

<sup>5</sup>Annualized.

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

See Notes to Financial Statements.

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**FINANCIAL HIGHLIGHTS**

**BlackRock Maryland Municipal Bond Trust (BZM)**

|  | Year Ended August 31, |          | For the period<br>April 30,<br>2001<br>through<br>August<br>31, 2002 |
|--|-----------------------|----------|--|
|  | 2004                  | 2003     |  |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>         |                       |          |  |
| Net asset value, beginning of period                   | \$ 14.36              | \$ 14.76 | \$ 14.33 <sup>2</sup>  |
| Investment operations:                                 |                       |          |  |
| Net investment income                                  | 1.06                  | 1.07     | 0.25   |
| Net realized and unrealized gain (loss)                | 0.76                  | (0.45)   | 0.53   |
| Dividends and distributions to preferred shareholders: |                       |          |  |
| Net investment income                                  | (0.08)                | (0.10)   | (0.03)   |
| Net realized gains                                     | □                     | (0.01)   | □  |
| Net increase from investment operations                | 1.74                  | 0.51     | 0.75   |
| Dividends and distributions to common shareholders:    |                       |          |  |
| Net investment income                                  | (0.86)                | (0.84)   | (0.21)   |
| Net realized gains                                     | □                     | (0.04)   | □  |
| Total dividends and distributions                      | (0.86)                | (0.88)   | (0.21)   |
| Capital charges with respect to issuance of:           |                       |          |  |
| Common shares  | □                     | □        | (0.02)   |
| Preferred shares                                       | □                     | (0.03)   | (0.09)   |
| Total capital charges                                  | □                     | (0.03)   | (0.11)   |
| Net asset value, end of period                         | \$ 15.24              | \$ 14.36 | \$ 14.76   |
| Market price, end of period                            | \$ 14.99              | \$ 13.90 | \$ 14.95   |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>             | 14.31%                | (1.32)%  | 1.10%  |

**RATIOS TO AVERAGE NET ASSETS OF**

**COMMON SHAREHOLDERS:<sup>4</sup>**

|  |       |       |                    |
|--|-------|-------|--------------------|
| Expenses after fees waived and paid indirectly   | 1.18% | 1.15% | 1.12% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.19% | 1.15% | 1.12% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.67% | 1.63% | 1.54% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.05% | 7.18% | 5.30% <sup>5</sup> |
| Preferred share dividends  | 0.54% | 0.64% | 0.54% <sup>5</sup> |
| Net investment income available to common shareholders   | 6.51% | 6.54% | 4.76% <sup>5</sup> |

**SUPPLEMENTAL DATA:**

|   |           |           |           |
|---|-----------|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 30,350 | \$ 30,069 | \$ 28,153 |
| Portfolio turnover                                      | 12%       | 14%       | 1%        |
| Net assets of common shareholders, end of period (000)  | \$ 30,715 | \$ 28,923 | \$ 29,705 |
| Preferred shares value outstanding, end of period (000) | \$ 18,000 | \$ 18,000 | \$ 18,000 |
| Asset coverage per preferred share, end of period       | \$ 67,662 | \$ 65,172 | \$ 66,259 |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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

See Notes to Financial Statements.

**FINANCIAL HIGHLIGHTS**

**BlackRock New Jersey Municipal Bond Trust (BLJ)**

|      |      | Year Ended August 31,         | For the period<br>April 30,<br>20021 |
|------|------|-------------------------------|--------------------------------------|
| 2004 | 2003 | through<br>August 31,<br>2002 |                                      |

**PER COMMON SHARE OPERATING**

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**PERFORMANCE:**

|  |          |          |                       |
|--|----------|----------|-----------------------|
| Net asset value, beginning of period                   | \$ 13.77 | \$ 14.58 | \$ 14.33 <sup>2</sup> |
| Investment operations:                                 |          |          |                       |
| Net investment income                                  | 1.16     | 1.15     | 0.25                  |
| Net realized and unrealized gain (loss)                | 0.84     | (0.85)   | 0.37                  |
| Dividends and distributions to preferred shareholders: |          |          |                       |
| Net investment income                                  | (0.07)   | (0.09)   | (0.02)                |
| Net realized gains                                     | □        | (0.01)   | □                     |
| Net increase from investment operations                | 1.93     | 0.20     | 0.60                  |
| Dividends and distributions to common shareholders:    |          |          |                       |
| Net investment income                                  | (0.94)   | (0.93)   | (0.23)                |
| Net realized gains                                     | (0.05)   | (0.06)   | □                     |
| Total dividends and distributions                      | (0.99)   | (0.99)   | (0.23)                |
| Capital charges with respect to issuance of:           |          |          |                       |
| Common shares  | □        | □        | (0.03)                |
| Preferred shares                                       | □        | (0.02)   | (0.09)                |
| Total capital charges                                  | □        | (0.02)   | (0.12)                |
| Net asset value, end of period                         | \$ 14.71 | \$ 13.77 | \$ 14.58              |
| Market price, end of period                            | \$ 13.91 | \$ 13.64 | \$ 14.65              |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>             | 9.32%    | (0.10)%  | (0.75)%               |

**RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup>**

|  |       |       |                    |
|--|-------|-------|--------------------|
| Expenses after fees waived and paid indirectly   | 1.14% | 1.14% | 1.15% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.15% | 1.14% | 1.15% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.63% | 1.62% | 1.57% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.93% | 7.94% | 5.29% <sup>5</sup> |
| Preferred share dividends  | 0.49% | 0.60% | 0.45% <sup>5</sup> |
| Net investment income available to common shareholders   | 7.44% | 7.34% | 4.84% <sup>5</sup> |

**SUPPLEMENTAL DATA:**

|   |           |           |           |
|---|-----------|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 33,214 | \$ 32,652 | \$ 31,611 |
| Portfolio turnover                                      | 20%       | 20%       | 17%       |
| Net assets of common shareholders, end of period (000)  | \$ 33,384 | \$ 31,226 | \$ 32,981 |
| Preferred shares value outstanding, end of period (000) | \$ 20,225 | \$ 20,225 | \$ 20,225 |
| Asset coverage per preferred share, end of period       | \$ 66,266 | \$ 63,602 | \$ 65,771 |



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1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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

See Notes to Financial Statements.

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### FINANCIAL HIGHLIGHTS

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

|  | <b>Year<br/>Ended<br/>August 31,<br/>2004</b> | <b>For the<br/>period<br/>October<br/>31, 20021<br/>through<br/>August 31,<br/>2003</b> |
|--|---|---|
|  |   |   |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |   |   |
| Net asset value, beginning of period                           | \$ 13.45                                      | \$ 14.33 <sup>2</sup>   |
| Investment operations:   |   |   |
| Net investment income  | 1.01  | 0.75  |
| Net realized and unrealized gain (loss)                        | 0.69  | (0.75)  |
| Dividends to preferred shareholders from net investment income | (0.07)  | (0.07)  |
|  | 1.63  | (0.07)  |
| Net increase (decrease) from investment operations             |   |   |
|  | (0.90)  | (0.67)  |
| Dividends to common shareholders from net investment income    |   |   |
| Capital charges with respect to issuance of:                   |   |   |
| Common shares  | □   | (0.03)  |
| Preferred shares   | □   | (0.11)  |
|  | □   | (0.14)  |
| Total capital charges  |   |   |
| Net asset value, end of period                                 | \$ 14.18                                      | \$ 13.45  |

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|  |               |                    |
|--|---------------|--------------------|
| Market price, end of period  | \$ 14.08      | \$ 13.28           |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | <b>13.04%</b> | <b>(7.13)%</b>     |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |               |                    |
| Expenses after fees waived and paid indirectly   | 0.93%         | 0.87% <sup>5</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 0.95%         | 0.91% <sup>5</sup> |
| Expenses before fees waived and paid indirectly  | 1.27%         | 1.22% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.14%         | 6.35% <sup>5</sup> |
| Preferred share dividends  | 0.52%         | 0.55% <sup>5</sup> |
| Net investment income available to common shareholders   | 6.62%         | 5.80% <sup>5</sup> |
| <b>SUPPLEMENTAL DATA:</b>  |               |                    |
| Average net assets of common shareholders (000)  | \$ 91,808     | \$ 90,967          |
| Portfolio turnover   | 11%           | 80%                |
| Net assets of common shareholders, end of period (000)   | \$ 91,260     | \$ 86,431          |
| Preferred shares value outstanding, end of period (000)  | \$ 56,000     | \$ 56,000          |
| Asset coverage per preferred share, end of period  | \$ 65,744     | \$ 63,587          |

<sup>1</sup>Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

<sup>2</sup>Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

<sup>3</sup>Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

<sup>4</sup>Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

<sup>5</sup>Annualized.

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

See Notes to Financial Statements.

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## FINANCIAL HIGHLIGHTS

### BlackRock New York Municipal Bond Trust (BQH)

|  | <u>Year Ended August 31,</u> |                | <b>For the<br/>period<br/>April 30,<br/>20021</b> |
|--|------------------------------|----------------|---|
|  | <u>2004</u>                  | <u>2003</u>    | <b>through<br/>August 31,<br/>2002</b>            |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>   |                              |                |   |
| Net asset value, beginning of period   | \$ 14.15                     | \$ 14.83       | \$ 14.33 <sup>2</sup>                             |
| Investment operations:   |                              |                |   |
| Net investment income  | 1.13                         | 1.12           | 0.25  |
| Net realized and unrealized gain (loss)  | 0.81                         | (0.71)         | 0.62  |
| Dividends and distributions to preferred shareholders:   |                              |                |   |
| Net investment income  | (0.07)                       | (0.09)         | (0.02)  |
| Net realized gains   | □                            | (0.01)         | □   |
| Net increase from investment operations  | 1.87                         | 0.31           | 0.85  |
| Dividends and distributions to common shareholders:  |                              |                |   |
| Net investment income  | (0.93)                       | (0.92)         | (0.23)  |
| Net realized gains   | □                            | (0.06)         | □   |
| Total dividends and distributions  | (0.93)                       | (0.98)         | (0.23)  |
| Capital charges with respect to issuance of:   |                              |                |   |
| Common shares  | □                            | □              | (0.03)  |
| Preferred shares   | □                            | (0.01)         | (0.09)  |
| Total capital charges  | □                            | (0.01)         | (0.12)  |
| Net asset value, end of period   | \$ 15.09                     | \$ 14.15       | \$ 14.83  |
| Market price, end of period  | \$ 13.97                     | \$ 13.35       | \$ 14.50  |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | <b>11.83%</b>                | <b>(1.26)%</b> | <b>(1.78)%</b>                                    |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b>                          |                              |                |   |
| Expenses after fees waived and paid indirectly   | 1.11%                        | 1.12%          | 1.12% <sup>5</sup>                                |
| Expenses after fees waived and before fees paid indirectly                                       | 1.12%                        | 1.12%          | 1.12% <sup>5</sup>                                |
| Expenses before fees waived and paid indirectly  | 1.60%                        | 1.60%          | 1.54% <sup>5</sup>                                |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.57%                        | 7.57%          | 5.24% <sup>5</sup>                                |
| Preferred share dividends  | 0.48%                        | 0.62%          | 0.50% <sup>5</sup>                                |
| Net investment income available to common shareholders   | 7.09%                        | 6.95%          | 4.74% <sup>5</sup>                                |
| <b>SUPPLEMENTAL DATA:</b>  |                              |                |   |
| Average net assets of common shareholders (000)  | \$ 40,396                    | \$ 40,072      | \$ 38,183   |
| Portfolio turnover   | 16%                          | 7%             | 15%   |

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|   |           |           |           |
|---|-----------|-----------|-----------|
| Net assets of common shareholders, end of period (000)  | \$ 40,757 | \$ 38,207 | \$ 40,062 |
| Preferred shares value outstanding, end of period (000) | \$ 24,200 | \$ 24,200 | \$ 24,200 |
| Asset coverage per preferred share, end of period       | \$ 67,108 | \$ 64,473 | \$ 66,390 |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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

See Notes to Financial Statements.

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## FINANCIAL HIGHLIGHTS

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

|  | Year Ended August 31, |          | For the period<br>July 30,<br>20021 |
|--|-----------------------|----------|-------------------------------------|
|  | 2004                  | 2003     | through<br>August<br>31, 2002       |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                 |                       |          |                                     |
| Net asset value, beginning of period                           | \$ 13.36              | \$ 14.47 | \$ 14.33 <sup>2</sup>               |
| Investment operations:   |                       |          |                                     |
| Net investment income  | 1.04                  | 0.98     | 0.02                                |
| Net realized and unrealized gain (loss)                        | 0.79                  | (0.94)   | 0.15                                |
| Dividends to preferred shareholders from net investment income | (0.08)                | (0.10)   | □                                   |
| Net increase (decrease) from investment operations             | 1.75                  | (0.06)   | 0.17                                |
| Dividends to common shareholders from net investment income    | (0.95)                | (0.94)   | □                                   |

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|  |          |          |          |
|--|----------|----------|----------|
| Capital charges with respect to issuance of: |          |          |          |
| Common shares                                | □        | □        | (0.03)   |
| Preferred shares                             | □        | (0.11)   | □        |
| Total capital charges                        | □        | (0.11)   | (0.03)   |
| Net asset value, end of period               | \$ 14.16 | \$ 13.36 | \$ 14.47 |
| Market price, end of period                  | \$ 13.70 | \$ 13.12 | \$ 15.10 |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>   | 11.82%   | (6.93)%  | 0.67%    |

**RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup>**

|  |       |       |                      |
|--|-------|-------|----------------------|
| Expenses after fees waived and paid indirectly   | 1.07% | 1.00% | 1.43% <sup>5,6</sup> |
| Expenses after fees waived and before fees paid indirectly                                       | 1.08% | 1.03% | 1.43% <sup>5,6</sup> |
| Expenses before fees waived and paid indirectly  | 1.32% | 1.27% | 1.58% <sup>5,6</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.36% | 6.95% | 1.77% <sup>5,6</sup> |
| Preferred share dividends  | 0.59% | 0.68% | □% <sup>5,6</sup>    |
| Net investment income available to common shareholders   | 6.77% | 6.27% | 1.77% <sup>5,6</sup> |

**SUPPLEMENTAL DATA:**

|   |           |           |           |
|---|-----------|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 70,018 | \$ 69,863 | \$ 64,673 |
| Portfolio turnover                                      | 14%       | 40%       | □%        |
| Net assets of common shareholders, end of period (000)  | \$ 69,903 | \$ 65,953 | \$ 70,276 |
| Preferred shares value outstanding, end of period (000) | \$ 44,650 | \$ 44,650 | \$ □      |
| Asset coverage per preferred share, end of period       | \$ 64,144 | \$ 61,930 | \$ □      |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

6These annualized ratios are not indicative of future expense ratios, due to the short operating history of the Trust.

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

See Notes to Financial Statements.

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**FINANCIAL HIGHLIGHTS****BlackRock Virginia Municipal Bond Trust (BHV)**

|   | <u>Year Ended August 31,</u> |             | <u>For the<br/>period<br/>April 30,<br/>20021<br/>through<br/>August 31,<br/>2002</u> |
|---|------------------------------|-------------|---|
|   | <u>2004</u>                  | <u>2003</u> |   |
| <b>PER COMMON SHARE OPERATING PERFORMANCE:</b>                          |                              |             |   |
| Net asset value, beginning of period                                    | \$ 14.46                     | \$ 14.90    | \$ 14.33 <sup>2</sup>   |
| Investment operations:  |                              |             |   |
| Net investment income   | 1.09                         | 1.09        | 0.27  |
| Net realized and unrealized gain (loss)                                 | 0.86                         | (0.44)      | 0.65  |
| Dividends and distributions to preferred shareholders:                  |                              |             |   |
| Net investment income   | (0.07)                       | (0.08)      | (0.03)  |
| Net realized gains  | □                            | (0.02)      | □   |
| Net increase from investment operations                                 | 1.88                         | 0.55        | 0.89  |
| Dividends and distributions to common shareholders:                     |                              |             |   |
| Net investment income   | (0.87)                       | (0.85)      | (0.21)  |
| Net realized gains  | □                            | (0.10)      | □   |
| Total dividends and distributions                                       | (0.87)                       | (0.95)      | (0.21)  |
| Capital charges with respect to issuance of:                            |                              |             |   |
| Common shares   | □                            | □           | (0.02)  |
| Preferred shares  | □                            | (0.04)      | (0.09)  |
| Total capital charges   | □                            | (0.04)      | (0.11)  |
| Net asset value, end of period  | \$ 15.47                     | \$ 14.46    | \$ 14.90  |
| Market price, end of period   | \$ 15.34                     | \$ 14.40    | \$ 15.20  |
| <b>TOTAL INVESTMENT RETURN<sup>3</sup></b>                              | 12.79%                       | 0.94%       | 2.81%   |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:<sup>4</sup></b> |                              |             |   |
| Expenses after fees waived and paid indirectly                          | 1.25%                        | 1.17%       | 1.12% <sup>5</sup>  |
| Expenses after fees waived and before fees paid indirectly              | 1.26%                        | 1.17%       | 1.12% <sup>5</sup>  |

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|  |       |       |                    |
|--|-------|-------|--------------------|
| Expenses before fees waived and paid indirectly  | 1.73% | 1.64% | 1.54% <sup>5</sup> |
| Net investment income after fees waived and paid indirectly and before preferred share dividends | 7.15% | 7.23% | 5.70% <sup>5</sup> |
| Preferred share dividends  | 0.47% | 0.53% | 0.54% <sup>5</sup> |
| Net investment income available to common shareholders   | 6.68% | 6.70% | 5.16% <sup>5</sup> |

### SUPPLEMENTAL DATA:

|   |           |           |           |
|---|-----------|-----------|-----------|
| Average net assets of common shareholders (000)         | \$ 23,273 | \$ 22,896 | \$ 21,321 |
| Portfolio turnover                                      | 14%       | 18%       | 8%        |
| Net assets of common shareholders, end of period (000)  | \$ 23,527 | \$ 21,944 | \$ 22,545 |
| Preferred shares value outstanding, end of period (000) | \$ 13,525 | \$ 13,525 | \$ 13,525 |
| Asset coverage per preferred share, end of period       | \$ 68,490 | \$ 65,562 | \$ 66,674 |

1Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

2Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from the initial offering price of \$15.00 per share.

3Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

4Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

5Annualized.

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

See Notes to Financial Statements.

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## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Organization & Accounting Policies

BlackRock Insured Municipal Income Trust (["Insured Municipal"]), BlackRock California Insured Municipal Income Trust (["California Insured"]), BlackRock Florida Insured Municipal Income Trust (["Florida Insured"]), BlackRock New York Insured Municipal Income Trust (["New York Insured"]) (collectively the ["Insured Trusts"]), BlackRock Municipal Bond Trust (["Municipal Bond"]), BlackRock California Municipal Bond Trust (["California Bond"]), BlackRock Florida Municipal Bond Trust (["Florida Bond"]), BlackRock Maryland Municipal Bond Trust (["Maryland Bond"]), BlackRock New Jersey Municipal Bond Trust (["New Jersey Bond"]), BlackRock New York Municipal Bond Trust (["New York Bond"]), BlackRock Virginia Municipal Bond Trust (["Virginia Bond"]) (collectively the ["Bond Trusts"]), BlackRock Municipal Income Trust II (["Municipal Income II"]), BlackRock California Municipal Income Trust II (["California Income II"]) and BlackRock New York Municipal Income Trust II (["New York Income II"]) (collectively the ["Income II Trusts"]) (collectively the ["Trusts"]) are organized as Delaware statutory trusts. The Insured Trusts were organized on August 19, 2002. They had no transactions until October 19, 2002, when each of the Insured Trusts sold 8,028 common shares for \$115,001 to BlackRock Funding, Inc. Investment operations for the Insured Trusts commenced on October 31, 2002. Insured Municipal, Municipal Bond and Municipal Income II are registered as

diversified closed-end management investment companies under the Investment Company Act of 1940, as amended. California Insured, California Bond, California Income II, Florida Insured, Florida Bond, Maryland Bond, New Jersey Bond, New York Insured, New York Bond, New York Income II and Virginia Bond are registered as non-diversified closed-end management investment companies under the Investment Company Act of 1940, as amended.

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

**Investments Valuation:** Municipal investments (including commitments to purchase such investments on a [when-issued] basis) are valued on the basis of prices provided by dealers or pricing services selected under the supervision of each Trust's Board of Trustees or Board of Directors as the case may be (each, a [Board]). In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from bond dealers, market transactions in comparable investments and various relationships between investments. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades. Short-term securities may be valued at amortized cost. Investments in other investment companies are valued at net asset value. Any investments or other assets for which such current market quotations are not readily available are valued at fair value as determined in good faith under procedures established by, and under the general supervision and responsibility of, each Trust's Board.

**Investments Transactions and Investment Income:** Investments transactions are recorded on trade date. Realized and unrealized gains and losses are calculated on the identified cost basis. Each Trust also records interest income on an accrual basis and amortizes premium and/or accretes discount on securities purchased using the interest method.

**Financial Futures Contracts:** A futures contract is an agreement between two parties to buy and sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by [marking-to-market] on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Financial futures contracts, when used by the Trusts, help in maintaining a targeted duration. Futures contracts can be sold to effectively shorten an otherwise longer duration portfolio. In the same sense, futures contracts can be purchased to lengthen a portfolio that is shorter than its duration target. Thus, by buying or selling futures contracts, the Trusts may attempt to manage the duration of positions so that changes in interest rates do not change the duration of the portfolio unexpectedly.

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

**Federal Income Taxes:** It is each Trust's intention to continue to be treated as a regulated investment company under the Internal Revenue Code and to distribute sufficient net income to shareholders. For this reason and because substantially all of the gross income of each Trust consists of tax-exempt interest, no Federal income tax provisions are required.

**Dividends and Distributions:** Each Trust declares and pays dividends and distributions to common shareholders monthly from net investment income, net realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards may be distributed annually. Dividends and distributions are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. Dividends and distributions to preferred shareholders are accrued and determined as described in Note 4.



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

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by the Trust's Board, non-interested Trustees/Directors ("Trustees") are required to defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of other BlackRock closed-end trusts selected by the Trustees. This has the same economic effect for the Trustees as if the Trustees had invested the deferred amounts in such Trusts.

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

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

| Trust              | UNII     | Accumulated<br>Gain |
|--------------------|----------|---------------------|
| Insured Municipal  | \$ (845) | \$ 845              |
| Municipal Bond     | (1,505)  | 1,505               |
| Municipal Income   |          |                     |
| II                 | (340)    | 340                 |
| California Insured | (42)     | 42                  |
| California Bond    | 103      | (103)               |
| California Income  |          |                     |
| II                 | (32)     | 32                  |
| Florida Insured    | (215)    | 215                 |
| Florida Bond       | (99)     | 99                  |
| Maryland Bond      | (8)      | 8                   |
| New Jersey Bond    | (103)    | 103                 |
| New York Insured   | □        | □                   |
| New York Bond      | (1,040)  | 1,040               |
| New York Income    |          |                     |
| II                 | □        | □                   |
| Virginia Bond      | (290)    | 290                 |

## Note 2. Agreements

Each Trust has an Investment Management Agreement with BlackRock Advisors, Inc. (the "Advisor"), a wholly owned subsidiary of BlackRock, Inc. BlackRock Financial Management, Inc., a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to each Trust. BlackRock, Inc. is an indirect majority owned subsidiary of The PNC Financial Services Group, Inc. The investment management agreement covers both investment advisory and administration services.

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

Pursuant to the agreements, the Advisor provides continuous supervision of the investment portfolio and pays the compensation of officers of each Trust who are affiliated persons of the Advisor, occupancy and certain clerical and accounting costs of each Trust. Each Trust bears all other costs and expenses, which include reimbursements to the Advisor for certain operational support services provided to each Trust.

Pursuant to the terms of each Trust's custody agreement, each Trust received earnings credits from its custodian for positive cash balances maintained, which are used to offset custody fees.

### Note 3. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments and U.S. government securities, for the year ended August 31, 2004, were as follows:

| Trust                | Purchases      | Sales          | Trust            | Purchases    | Sales        |
|----------------------|----------------|----------------|------------------|--------------|--------------|
| Insured Municipal    | \$ 339,530,512 | \$ 341,402,950 | Florida Bond     | \$ 7,996,800 | \$ 9,039,224 |
| Municipal Bond       | 150,745,874    | 158,296,154    | Maryland Bond    | 6,059,315    | 5,738,181    |
| Municipal Income II  | 330,918,641    | 325,626,628    | New Jersey Bond  | 10,630,440   | 11,145,530   |
| California Insured   | 4,905,326      | 5,224,177      | New York Insured | 15,592,141   | 15,949,025   |
| California Bond      | 18,192,960     | 20,116,059     | New York Bond    | 10,598,462   | 10,256,029   |
|                      |                |                | New York Income  |              |              |
| California Income II | 33,864,263     | 37,875,235     | II               | 15,889,323   | 15,391,640   |
| Florida Insured      | 3,031,763      | 5,371,047      | Virginia Bond    | 5,123,960    | 5,187,806    |

There were no purchases or sales of U.S. government securities.

Details of open financial futures contracts at August 31, 2004 were as follows:

| Trust                   | Number of Contracts | Type        | Expiration Date | Value at Trade Date | Value at August 31, 2004 | Unrealized Depreciation |
|-------------------------|---------------------|-------------|-----------------|---------------------|--------------------------|-------------------------|
| <b>Short Positions:</b> |                     |             |                 |                     |                          |                         |
|                         |                     | 10 Yr. U.S. |                 |                     |                          |                         |
| Insured Municipal       | 1,683               | T-Note      | Dec 04          | \$ 187,707,670      | \$ 189,021,968           | \$ (1,314,298)          |
|                         | 607                 |             | Dec 04          | 67,700,078          | 68,173,691               | (473,613)               |

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|                      |       |                    |        |             |             |             |
|----------------------|-------|--------------------|--------|-------------|-------------|-------------|
| Municipal Bond       |       | 10 Yr. U.S. T-Note |        |             |             |             |
| Municipal Income II  | 1,406 | 10 Yr. U.S. T-Note | Dec 04 | 156,814,125 | 157,911,402 | (1,097,277) |
| California Insured   | 359   | 10 Yr. U.S. T-Note | Dec 04 | 40,039,978  | 40,320,192  | (280,214)   |
| California Bond      | 216   | 10 Yr. U.S. T-Note | Dec 04 | 24,090,832  | 24,259,502  | (168,670)   |
| California Income II | 581   | 10 Yr. U.S. T-Note | Dec 04 | 64,799,981  | 65,253,568  | (453,587)   |
| Florida Insured      | 507   | 10 Yr. U.S. T-Note | Dec 04 | 56,546,480  | 56,942,447  | (395,967)   |
| Florida Bond         | 173   | 10 Yr. U.S. T-Note | Dec 04 | 19,295,081  | 19,430,066  | (134,985)   |
| Maryland Bond        | 107   | 10 Yr. U.S. T-Note | Dec 04 | 11,934,027  | 12,017,430  | (83,403)    |
| New Jersey Bond      | 152   | 10 Yr. U.S. T-Note | Dec 04 | 16,952,931  | 17,071,502  | (118,571)   |
| New York Insured     | 381   | 10 Yr. U.S. T-Note | Dec 04 | 42,493,556  | 42,791,068  | (297,512)   |
| New York Bond        | 143   | 10 Yr. U.S. T-Note | Dec 04 | 15,949,357  | 16,060,694  | (111,337)   |
| New York Income II   | 255   | 10 Yr. U.S. T-Note | Dec 04 | 28,440,444  | 28,639,692  | (199,248)   |
| Virginia Bond        | 94    | 10 Yr. U.S. T-Note | Dec 04 | 10,483,892  | 10,557,377  | (73,485)    |

At August 31, 2004, the total cost of securities for Federal Income tax purposes and the aggregate gross unrealized appreciation and depreciation for securities held by each Trust were as follows:

| <b>Trust</b>         | <b>Cost</b>    | <b>Appreciation</b> | <b>Depreciation</b> | <b>Net</b>    |
|----------------------|----------------|---------------------|---------------------|---------------|
| Insured Municipal    | \$ 588,046,425 | \$ 28,161,379       | \$ 796,693          | \$ 27,364,686 |
| Municipal Bond       | 232,918,116    | 10,196,481          | 1,677,596           | 8,518,885     |
| Municipal Income II  | 507,145,985    | 18,245,259          | 2,903,200           | 15,342,059    |
| California Insured   | 119,223,258    | 2,032,559           | 2,292,647           | (260,088)     |
| California Bond      | 75,027,777     | 3,345,670           | 399,089             | 2,946,581     |
| California Income II | 177,882,011    | 5,023,851           | 3,189,422           | 1,834,429     |
| Florida Insured      | 196,369,826    | 3,211,030           | 891,655             | 2,319,375     |
| Florida Bond         | 76,393,937     | 4,220,646           | 30,532              | 4,190,114     |
| Maryland Bond        | 45,857,219     | 2,199,337           | 93,689              | 2,105,648     |
| New Jersey Bond      | 51,802,395     | 2,048,633           | 1,179,662           | 868,971       |

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|                    |             |           |           |           |
|--------------------|-------------|-----------|-----------|-----------|
| New York Insured   | 144,672,488 | 2,534,879 | 1,410,312 | 1,124,567 |
| New York Bond      | 61,660,652  | 2,970,928 | 493,208   | 2,477,720 |
| New York Income II | 111,963,390 | 2,715,452 | 806,585   | 1,908,867 |
| Virginia Bond      | 34,686,295  | 1,788,990 | □         | 1,788,990 |

For Federal income tax purposes, the following Trusts had capital loss carryforwards as of their last respective tax year end (the Bond Trusts□ have a tax year end of October 31st and the Income II Trusts□ have a tax year end of June 30th). These amounts may be used to offset future realized capital gains, if any:

| Trust                | Capital Loss |         | Trust              | Capital Loss |         |
|----------------------|--------------|---------|--------------------|--------------|---------|
|                      | Carryforward | Expires |                    | Amount       | Expires |
| Municipal Bond       | \$ 338,279   | 2011    | Maryland Bond      | \$ 4,564     | 2011    |
| Municipal Income II  | \$ 1,338,302 | 2011    | New York Bond      | \$ 142,736   | 2011    |
|                      | 5,200,107    | 2012    | New York Income II | \$ 722,685   | 2012    |
|                      | \$ 6,538,409 |         | Virginia Bond      | \$ 48,573    | 2011    |
| California Income II | \$ 1,454,313 | 2011    |                    |              |         |
|                      | 1,163,822    | 2012    |                    |              |         |
|                      | \$ 2,618,135 |         |                    |              |         |

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

#### Note 4. Distributions to Shareholders

The tax character of distributions paid during the year ended August 31, 2004 and the period ended August 31, 2003, were as follows:

| Distributions Paid From: | Year ended August 31, 2004 |                    |                            |                        |
|--------------------------|----------------------------|--------------------|----------------------------|------------------------|
|                          | Tax-exempt<br>Income       | Ordinary<br>Income | Long-term<br>Capital Gains | Total<br>Distributions |
| Insured Municipal        | \$ 26,673,933              | \$ □               | \$ □                       | \$ 26,673,933          |
| Municipal Bond           | 11,334,330                 | □                  | □                          | 11,334,330             |
| Municipal Income II      | 24,882,207                 | □                  | □                          | 24,882,207             |

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|                      |           |         |       |           |
|----------------------|-----------|---------|-------|-----------|
| California Insured   | 5,137,946 | 73,705  | □     | 5,211,651 |
| California Bond      | 3,444,704 | 233,112 | 9,008 | 3,686,824 |
| California Income II | 8,419,618 | □       | □     | 8,419,618 |
| Florida Insured      | 8,495,387 | 719,040 | □     | 9,214,427 |
| Florida Bond         | 3,358,938 | 80,766  | □     | 3,439,704 |
| Maryland Bond        | 1,887,652 | □       | □     | 1,887,652 |
| New Jersey Bond      | 2,304,183 | 121,320 | □     | 2,425,503 |
| New York Insured     | 6,272,601 | □       | □     | 6,272,601 |
| New York Bond        | 2,693,108 | □       | □     | 2,693,108 |
| New York Income II   | 5,074,526 | □       | □     | 5,074,526 |
| Virginia Bond        | 1,430,624 | □       | □     | 1,430,624 |

Period ended August 31, 2003

| <b>Distributions Paid From:</b> | <b>Tax-exempt<br/>Income</b> | <b>Ordinary<br/>Income</b> | <b>Long-term<br/>Capital Gains</b> | <b>Total<br/>Distributions</b> |
|---------------------------------|------------------------------|----------------------------|------------------------------------|--------------------------------|
| Insured Municipal               | \$ 20,038,910                | \$ □                       | \$ □                               | \$ 20,038,910                  |
| Municipal Bond                  | 11,285,924                   | 597,573                    | □                                  | 11,883,490                     |
| Municipal Income II             | 25,082,459                   | □                          | □                                  | 25,082,459                     |
| California Insured              | 3,860,751                    | □                          | □                                  | 3,860,751                      |
| California Bond                 | 3,437,724                    | 314,651                    | □                                  | 3,752,375                      |
| California Income II            | 8,464,717                    | □                          | □                                  | 8,464,717                      |
| Florida Insured                 | 6,444,887                    | □                          | □                                  | 6,444,887                      |
| Florida Bond                    | 3,332,440                    | 211,968                    | □                                  | 3,544,408                      |
| Maryland Bond                   | 1,889,456                    | 83,572                     | □                                  | 1,973,020                      |
| New Jersey Bond                 | 2,305,459                    | 159,954                    | □                                  | 2,465,413                      |
| New York Insured                | 4,747,699                    | □                          | □                                  | 4,747,699                      |
| New York Bond                   | 2,725,834                    | 176,602                    | □                                  | 2,902,435                      |
| New York Income II              | 5,138,475                    | □                          | □                                  | 5,138,475                      |
| Virginia Bond                   | 1,410,553                    | 174,265                    | □                                  | 1,584,783                      |

As of August 31, 2004, the components of distributable earnings on a tax basis were as follows:

| <b>Trust</b>         | <b>Undistributed<br/>Tax-exempt<br/>Income</b> | <b>Undistributed<br/>Ordinary<br/>Income</b> | <b>Undistributed<br/>Long-term<br/>Gains</b> | <b>Unrealized Net<br/>Appreciation</b> |
|----------------------|--|--|--|--|
| Insured Municipal    | \$ 4,691,837                                   | \$ □   | \$ □   | \$ 27,334,835                          |
| Municipal Bond       | 4,073,085                                      | □  | □  | 8,504,578                              |
| Municipal Income II  | 5,971,844                                      | □  | □  | 15,314,103                             |
| California Insured   | 919,485  | □  | □  | □                                      |
| California Bond      | 1,234,685                                      | □  | □  | 2,940,403                              |
| California Income II | 770,059  | □  | □  | 1,826,863                              |
| Florida Insured      | 1,317,127                                      | □  | □  | 2,311,286                              |
| Florida Bond         | 1,182,093                                      | □  | □  | 4,185,326                              |
| Maryland Bond        | 712,563  | □  | □  | 2,099,827                              |
| New Jersey Bond      | 795,712  | □  | □  | 862,400                                |
| New York Insured     | 870,642  | □  | □  | 1,120,304                              |
| New York Bond        | 887,422  | □  | □  | 2,472,552                              |
| New York Income II   | 316,284  | □  | □  | 1,903,809                              |

|               |         |   |   |           |
|---------------|---------|---|---|-----------|
| Virginia Bond | 621,632 | □ | □ | 1,784,180 |
|---------------|---------|---|---|-----------|

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## Note 5. Capital

There are an unlimited number of \$0.001 par value common shares of beneficial interest authorized for each Trust. Each Trust may classify or reclassify any unissued common shares into one or more series of Auction Market Preferred Shares (□preferred shares□). At August 31, 2004, the shares outstanding and the shares owned by affiliates of the Advisor of each Trust were as follows:

| Trust                   | Common Shares | Common Shares Owned | Trust                | Common Shares | Common Shares Owned |
|-------------------------|---------------|---------------------|----------------------|---------------|---------------------|
|                         | Outstanding   |                     |                      | Outstanding   |                     |
| Insured Municipal       | 26,149,334    | □                   | Florida Municipal    | 3,309,483     | □                   |
| Municipal Bond          | 10,123,055    | □                   | Maryland Municipal   | 2,015,154     | □                   |
| Municipal Income II     | 22,781,072    | □                   | New Jersey Municipal | 2,269,366     | □                   |
| California Insured      | 5,268,785     | □                   | New York Insured     | 6,436,539     | □                   |
| California Municipal    | 3,351,150     | □                   | New York Bond        | 2,700,991     | □                   |
| California Municipal II | 7,984,696     | □                   | New York Income II   | 4,935,268     | □                   |
| Florida Insured         | 8,718,823     | □                   | Virginia Bond        | 1,521,015     | □                   |

During the year ended August 31, 2004, Insured Municipal, Municipal Income II, California Insured, California Income II, Maryland Bond, New Jersey Bond, New York Insured and Virginia Bond issued additional shares under their dividend reinvestment plans of 23,876, 7,680, 4,760, 10,283, 1,033, 1,848, 12,431 and 3,974, respectively. Transactions in common shares of beneficial interest for the period ended August 31, 2003, were as follows:

| Trust                | Shares from                              |  |                           |                                    |
|----------------------|--|--|---------------------------|------------------------------------|
|                      | Initial Public Offering October 31, 2002 | Underwriters□ Exercising the Over-allotment Option | Reinvestment of Dividends | Net Increase in Shares Outstanding |
| Insured Municipal    | 24,008,028                               | 2,000,000  | 117,430                   | 26,125,458                         |
| Municipal Bond       | □  | □  | 12,096                    | 12,096                             |
| Municipal Income II  | □  | 300,000  | 15,364                    | 315,364                            |
| California Insured   | 5,008,028                                | 250,000  | 5,997                     | 5,264,025                          |
| California Bond      | □  | □  | 840                       | 840                                |
| California Income II | □  | 150,000  | 16,385                    | 166,385                            |
| Florida Insured      | 8,008,028                                | 700,000  | 10,795                    | 8,718,823                          |
| Florida Bond         | □  | □  | 1,232                     | 1,232                              |
| Maryland Bond        | □  | □  | 1,240                     | 1,240                              |

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|                    |           |         |        |           |
|--------------------|-----------|---------|--------|-----------|
| New Jersey Bond    | □         | □       | 5,212  | 5,212     |
| New York Insured   | 6,008,028 | 400,000 | 16,080 | 6,424,108 |
| New York Bond      | □         | □       | □      | □         |
| New York Income II | □         | 75,000  | 2,240  | 77,240    |
| Virginia Bond      | □         | □       | 4,017  | 4,017     |

Offering costs incurred in connection with the Trusts' offering of common shares have been charged against the proceeds from the initial common share offering of the common shares were as follows:

| <u>Trust</u>       | <u>Offering Costs</u> |
|--------------------|-----------------------|
| Insured Municipal  | \$765,000             |
| California Insured | 142,500               |
| Florida Insured    | 246,000               |
| New York Insured   | 177,000               |

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As of August 31, 2004, each Trust had the following series of preferred shares outstanding as listed in the table below. The preferred shares have a liquidation value of \$25,000 per share plus any accumulated unpaid dividends.

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

Underwriting discounts and offering costs incurred in connection with the preferred share offerings for the year ended August 31, 2004, and the period ended August 31, 2003, have been charged to paid-in capital in excess of par of the common shares as follows.

| <u>Trust</u>        | <u>Underwriting Discount</u> | <u>Offering Cost</u> | <u>Trust</u>     | <u>Underwriting Discount</u> | <u>Offering Cost</u> |
|---------------------|------------------------------|----------------------|------------------|------------------------------|----------------------|
| Insured Municipal   | \$ 2,289,750                 | \$ 369,482           | Florida Bond     | \$ □                         | \$ 28,492            |
| Municipal Bond      | □                            | (128,162)            | Maryland Bond    | □                            | 50,675               |
| Municipal Income II | 2,055,500                    | 239,168              | New Jersey Bond  | □                            | 48,427               |
| California Insured  | 465,000                      | 144,518              | New York Insured | 560,000                      | 151,970              |

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|                      |         |         |                    |         |         |
|----------------------|---------|---------|--------------------|---------|---------|
| California Bond      | □       | 21,849  | New York Bond      | □       | 37,459  |
| California Income II | 719,500 | 129,975 | New York Income II | 446,500 | 120,782 |
| Florida Insured      | 760,000 | 184,848 | Virginia Bond      | □       | 58,033  |

Dividends on seven-day preferred shares are cumulative at a rate which is reset every seven days based on the results of an auction. The dividend ranges on the preferred shares for each of the Trusts for the year ended August 31, 2004, were as follows:

| <u>Trust</u>         | <u>Low</u> | <u>High</u> | <u>Trust</u>       | <u>Low</u> | <u>High</u> |
|----------------------|------------|-------------|--------------------|------------|-------------|
| Insured Municipal    | 0.60%      | 1.30%       | Florida Bond       | 0.45%      | 1.40%       |
| Municipal Bond       | 0.43       | 1.35        | Maryland Bond      | 0.60       | 1.30        |
| Municipal Income II  | 0.45       | 1.40        | New Jersey Bond    | 0.40       | 2.10        |
| California Insured   | 0.54       | 1.07        | New York Insured   | 0.45       | 1.20        |
| California Bond      | 0.40       | 1.93        | New York Bond      | 0.40       | 1.16        |
| California Income II | 0.45       | 1.40        | New York Income II | 0.62       | 1.28        |
| Florida Insured      | 0.45       | 1.97        | Virginia Bond      | 0.20       | 1.10        |

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

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

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

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## Note 6. Dividends

Subsequent to August 31, 2004, the Board of each Trust declared dividends from undistributed earnings per common share payable October 1, 2004, to shareholders of record on September 13, 2004. The per share common dividends declared were as follows:

| <u>Trust</u>      | <u>Common Dividend<br/>Per Share</u> | <u>Trust</u> | <u>Common<br/>Dividend<br/>Per Share</u> |
|-------------------|--------------------------------------|--------------|--|
| Insured Municipal | \$0.078125                           | Florida Bond | \$0.077808                               |



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|                      |          |                    |          |
|----------------------|----------|--------------------|----------|
| Municipal Bond       | 0.086375 | Maryland Bond      | 0.071350 |
| Municipal Income II  | 0.083750 | New Jersey Bond    | 0.078582 |
| California Insured   | 0.075000 | New York Insured   | 0.075000 |
| California Bond      | 0.079656 | New York Bond      | 0.077099 |
| California Income II | 0.081250 | New York Income II | 0.078750 |
| Florida Insured      | 0.075000 | Virginia Bond      | 0.072428 |

The dividends declared on preferred shares for the period September 1, 2004 to September 30, 2004, for each of the Trusts were as follows:

| <u>Trust</u>        | <u>Series</u> | <u>Dividends Declared</u> | <u>Trust</u>         | <u>Series</u>   | <u>Dividends Declared</u> |
|---------------------|---------------|---------------------------|----------------------|-----------------|---------------------------|
| Insured Municipal   | M7            | \$71,288                  | California Income II | T7              | \$32,493                  |
|                     | R7            | 85,728                    |                      | R7              | 44,336                    |
|                     | F7            | 67,258                    |                      | Florida Insured | M7                        |
| Municipal Bond      | T7            | 52,743                    | Florida Bond         | W7              | 35,623                    |
|                     | R7            | 54,680                    | Maryland Bond        | R7              | 21,254                    |
| Municipal Income II | M7            | 50,717                    | New Jersey Bond      | M7              | 13,931                    |
|                     | T7            | 65,381                    | New York Insured     | R7              | 53,290                    |
|                     | W7            | 60,787                    | New York Bond        | T7              | 28,208                    |
|                     | R7            | 64,641                    | New York Income II   | W7              | 40,417                    |
| California Insured  | F7            | 32,476                    | Virginia Bond        | R7              | 14,629                    |
| California Bond     | F7            | 19,879                    |                      |                 |                           |

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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To the Trustees and Shareholders of:

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

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We have audited the accompanying statements of assets and liabilities of the Trusts, including the portfolios of investments, as of August 31, 2004, the related statements of operations for the year then ended, and the statements of changes in net assets and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trusts' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2004, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the Trusts as of August 31, 2004, the results of their operations for the year then ended, and the changes in their net assets and financial highlights for each of the periods presented in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Boston, Massachusetts  
October 25, 2004

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### TRUSTEES INFORMATION (Unaudited)

#### Independent Trustees

| Name, address, age                               | Andrew F. Brimmer<br>P.O. Box 4546<br>New York, NY 10163-4546<br>Age: 77    | Richard E. Cavanagh<br>P.O. Box 4546<br>New York, NY 10163-4546<br>Age: 58     | Kent Dixon<br>P.O. Box 4546<br>New York, NY 10163-4546<br>Age: 67                   |
|--|---|--|---|
| Current positions held with the Trusts           | Lead Trustee<br>Audit Committee Chairman <sup>2</sup>                       | Trustee<br>Audit Committee Member  | Trustee<br>Audit Committee Member <sup>2</sup>                                      |
| Term of office and length of time served         | 3 years <sup>5</sup> / since inception                                      | 3 years <sup>5</sup> / since inception   | 3 years <sup>5</sup> / since inception  |
| Principal occupations during the past five years | President of Brimmer & Company, Inc., a Washington, D.C.-based economic and | President and Chief Executive Officer of The Conference Board, Inc., a leading | Consultant/Investor. Former President and Chief Executive Officer of Empire Federal |

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|   |  |  |
|---|--|--|
| <p>financial consulting firm, also<br/>         Wilmer D. Barrett Professor of Economics,<br/>         University of Massachusetts □ Amherst.<br/>         Formerly member of the Board of<br/>         Governors of the Federal Reserve System.<br/>         Former Chairman, District of Columbia<br/>         Financial Control Board.</p> | <p>global business research organization,<br/>         from 1995-present. Former Executive<br/>         Dean of the John F. Kennedy School of<br/>         Government at Harvard University from<br/>         1988-1995. Acting Director, Harvard<br/>         Center for Business and Government<br/>         (1991-1993). Formerly Partner (principal)<br/>         of McKinsey &amp; Company, Inc. (1980-<br/>         1988). Former Executive Director of<br/>         Federal Cash Management, White House<br/>         Office of Management and Budget (1977-<br/>         1979). Co-author, THE WINNING PER-<br/>         FORMANCE (best selling management<br/>         book published in 13 national editions).</p> | <p>Savings Bank of America and Banc PLUS<br/>         Savings Association, former Chairman of<br/>         the Board, President and Chief Executive<br/> <br/>         Officer of Northeast Savings.</p> |
|---|--|--|

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|  |           |           |           |
|--|-----------|-----------|-----------|
| <p>Number of portfolios overseen within the fund complex</p> | <p>52</p> | <p>52</p> | <p>52</p> |
|--|-----------|-----------|-----------|

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|   |   |  |   |
|---|---|--|---|
| <p>Other Directorships held outside of the fund complex</p> | <p>Director of CarrAmerica Realty Corporation and Borg-Warner Automotive.<br/>         Formerly Director of Airborne Express,<br/>         BankAmerica Corporation (Bank of America), BellSouth Corporation, College Retirement Equities Fund (Trustee), Commodity Exchange, Inc. (Public Governor), Connecticut Mutual Life Insurance Company, E.I. du Pont de Nemours &amp; Company, Equitable Life Assurance Society of the United States, Gannett Company, Mercedes-Benz of</p> | <p>Trustee: Aircraft Finance Trust (AFT) and Educational Testing Service (ETS).<br/>         Director, Arch Chemicals, Fremont Group and The Guardian Life Insurance Company of America.</p> | <p>Former Director of ISFA (the owner of INVEST, a national securities brokerage service designed for banks and thrift institutions).</p> |
|---|---|--|---|

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North America, MNC Financial Corporation (American Security Bank), NCM Capital Management, Navistar International Corporation, PHH Corp. and UAL Corporation (United Airlines).

For  Interested Director/ Trustee  relationships, events or transactions by reason of which the Trustee is an interested person as defined in Section 2(a)(19)(1940 Act)

<sup>1</sup> Interested Trustee as defined by Section 2(a)(19) of the Investment Company Act of 1940.

<sup>2</sup> The Board of each Trust has determined that each Trust has two Audit Committee financial experts serving on its Audit Committee, Dr. Brimmer and Mr. Dixon, both of whom are independent for the purpose of the definition of Audit Committee financial expert as applicable to the Trusts.

<sup>3</sup> Appointed Audit Committee Member on May 25, 2004.

<sup>4</sup> Trustee since inception; appointed Chairman of the Board on August 22, 2002.

<sup>5</sup> The Board is classified into three classes of which one class is elected annually. Each Trustee serves a three year term concurrent with the class from which he is elected.

<sup>6</sup> Except during the period 10/31/02 through 11/11/02 for all of the Trusts.

<sup>7</sup> Appointed Trustee on August 22, 2002, for the Bond Trusts and Income II Trusts. Trustee since inception for the Insured Trusts.

<sup>8</sup> Effective 12/11/03.

| Independent Trustees (continued)                  |   | Interested Trustees <sup>1</sup>                   |  |  |
|---|---|--|--|--|
| Frank J. Fabozzi<br>P.O. Box 4546<br>New York, NY | James Clayburn La Force, Jr.<br>P.O. Box 4546 | Walter F. Mondale<br>P.O. Box 4546<br>New York, NY | Ralph L. Schlosstein<br>BlackRock, Inc.<br>40 East 52nd Street | Robert S. Kapito<br>BlackRock, Inc.<br>40 East 52nd Street |

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|  |   |  |   |   |
|--|---|--|---|---|
| 10163-4546   | New York, NY<br>10163-4546  | 10163-4546   |   |   |
| Age: 56  | Age: 75   | Age: 76  | New York, NY 10022<br>Age: 53   | New York, NY 10022<br>Age: 47   |
| Trustee<br>Audit Committee<br>Member <sup>3</sup>  | Trustee   | Trustee  | Chairman of the Board<br><sup>4</sup>   | President and Trustee   |
| 3 years <sup>5</sup> / since<br>inception  | 3 years <sup>5</sup> / since<br>inception   | 3 years <sup>5</sup> / since<br>inception <sup>6</sup>   | 3 years <sup>5</sup> / since<br>inception   | 3 years <sup>5</sup> / since August<br>22,  |
| Consultant. Editor of<br>THE<br>JOURNAL OF<br>PORTFOLIO<br>MANAGEMENT and<br>Frederick Frank<br>Adjunct<br>Professor of Finance at<br>the<br>School of Management<br>at Yale<br>University. Author and<br>editor<br>of several books on<br>fixed<br>income portfolio<br>management.<br>Visiting Professor of<br>Finance<br>and Accounting at the<br>Sloan<br>School of<br>Management,<br>Massachusetts<br>Institute of<br>Technology from 1986<br>to<br>August 1992. | Dean Emeritus of the<br>John E.<br>Anderson Graduate<br>School of<br>Management,<br>University of<br>California since July 1,<br>1993.<br>Acting Dean of the<br>School of<br>Business, Hong Kong<br>University of Science<br>and<br>Technology 1990-1993.<br>From<br>1978 to September<br>1993, Dean<br>of the John E.<br>Anderson<br>Graduate School of<br>Management,<br>University of<br>California. | Senior Counsel, Dorsey &<br>Whitney, LLP, a law<br>firm<br>(January<br>2004-present);<br>Partner, Dorsey &<br>Whitney,<br>LLP, (December 1996-<br>December 2003,<br>September<br>1987-August 1993).<br>Formerly<br>U.S. Ambassador to<br>Japan<br>(1993-1996). Formerly<br>Vice<br>President of the United<br>States,<br>U.S. Senator and<br>Attorney<br><br>General of the State of<br>Minnesota. 1984<br>Democratic<br>Nominee for President<br>of the<br>United States. | Director since 1999<br>and<br>President of<br>BlackRock, Inc.<br>since its formation in<br>1998 and<br>of BlackRock, Inc.'s<br>predeces-<br>sor entities since 1988.<br>Member<br>of the Management<br>Committee<br>and Investment<br>Strategy Group<br>of BlackRock, Inc.<br>Formerly,<br>Managing Director of<br>Lehman<br>Brothers, Inc. and<br>Co-head of<br>its Mortgage and<br>Savings<br>Institutions Group.<br>Currently,<br>Chairman and a<br>Trustee of each<br>of the closed-end<br>Trusts in<br>which BlackRock<br>Advisors,<br>Inc. acts as investment<br>advisor. | Vice Chairman of<br>BlackRock,<br>Inc. Head of the<br>Portfolio<br>Management Group. Also<br>a<br>member of the<br>Management<br>Committee, the<br>Investment<br>Strategy Group, the<br>Fixed<br>Income and Global<br>Operating<br>Committees and the<br>Equity<br>Investment Strategy<br>Group.<br>Responsible for the<br>portfolio<br>management of the<br>Fixed<br>Income, Domestic Equity<br>and<br>International Equity,<br>Liquidity,<br>and Alternative<br>Investment<br>Groups of BlackRock.<br>Currently<br>President and a<br>Director/Trustee<br>of each of the closed-end<br>Trusts<br>in which BlackRock<br>Advisors,<br>Inc. acts as investment<br>advisor. |
| 52   | 52  | 52   | 52  | 52  |

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|  |   |   |  |  |
|--|---|---|--|--|
| Director, Guardian Mutual Funds Group (18 portfolios). | Payden & Rygel Investment Trust, Metzler-Payden Investment Trust, Advisors Series Trust, Arena Pharmaceuticals, Inc. and CancerVax Corporation. | Director of United Health Foundation and the Japan Society. Member of the Hubert H. Humphrey Institute of Public Affairs Advisory Board, The Mike and Maureen Mansfield Foundation, Dean's Board of Visitors of the Medical School at the University of Minnesota, and the Mayo Foundation Advisory Council to the President. | Chairman and President of the BlackRock Liquidity Funds (10 portfolios), Director of Anthracite Capital, Inc. <sup>8</sup> and Director of several of BlackRock's alternative investment vehicles. Currently, a Member of the Visiting Board of Overseers of the John F. Kennedy School of Government at Harvard University, the Financial Institutions Center Board of the Wharton School of the University of Pennsylvania, a trustee of the American Museum of Natural History, a trustee of the Public Theatre in New York City, a trustee of Trinity School in New York City and a Trustee of New Visions for Public Education in New York City. Formerly, a Director of Pulte Corporation and a Member of Fannie Mae's Advisory Council. | Chairman of the Hope and Heroes Children's Cancer Fund. President of the Board of Directors of the Periwinkle National Theatre for Young Audiences. Director of icruise.com, Corp. |
|  |   |   | Director and President of the Advisor  | Director and Vice Chairman of the Advisor.   |

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## DIVIDEND REINVESTMENT PLANS

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

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

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

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

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

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## ADDITIONAL INFORMATION

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We are required by the Internal Revenue Code to advise you within 60 days of a Trust's tax year-end as to the Federal tax status of dividends paid by the Trusts during such tax year. Accordingly, during the tax year-ended September 30, 2004, all dividends paid by the Insured Trusts (the only Trusts with September 30th tax year-ends) were federally tax-exempt interest dividends with the exception of California Insured and Florida Insured which had ordinary income dividends of \$0.0129 and \$0.0754 per share, respectively.

The Joint Annual Meeting of Shareholders was held on May 26, 2004, to elect Class II Trustees for each of the following Trusts to three year terms, expiring in 2007:

|              | <b>Frank J. Fabozzi</b> |                 | <b>Walter F. Mondale</b> |                 | <b>Ralph L. Schlosstein</b> |                 |
|--------------|-------------------------|-----------------|--------------------------|-----------------|-----------------------------|-----------------|
| <b>Trust</b> | <b>Votes<br/>For</b>    | <b>Withheld</b> | <b>Votes<br/>For</b>     | <b>Withheld</b> | <b>Votes<br/>For</b>        | <b>Withheld</b> |
|              |                         |                 |                          |                 |                             |                 |

|                      |       |    |            |         |            |         |
|----------------------|-------|----|------------|---------|------------|---------|
| Insured Municipal    | 8,496 | 30 | 22,217,085 | 458,440 | 22,358,848 | 316,677 |
| Municipal Bond       | 3,346 | 77 | 8,690,713  | 196,988 | 8,769,746  | 117,955 |
| Municipal Income II  | 7,501 | 17 | 19,650,525 | 468,298 | 19,735,985 | 382,838 |
| California Insured   | 1,750 | 54 | 4,732,764  | 46,166  | 4,738,189  | 40,741  |
| California Bond      | 1,170 | □  | 3,020,165  | 31,884  | 3,030,297  | 21,752  |
| California Income II | 2,750 | 10 | 6,992,733  | 103,209 | 7,042,515  | 53,427  |
| Florida Insured      | 2,774 | 19 | 7,805,034  | 129,861 | 7,839,068  | 95,827  |
| Florida Bond         | 1,074 | □  | 2,588,030  | 75,474  | 2,604,984  | 58,520  |
| Maryland Bond        | 716   | 4  | 1,641,720  | 44,904  | 1,663,865  | 22,759  |
| New Jersey Bond      | 603   | 2  | 1,880,997  | 20,864  | 1,885,206  | 16,655  |
| New York Insured     | 2,184 | 10 | 5,608,300  | 79,591  | 5,616,289  | 71,602  |
| New York Bond        | 954   | □  | 2,325,141  | 26,542  | 2,326,645  | 25,038  |
| New York Income II   | 1,761 | □  | 4,340,802  | 58,798  | 4,352,144  | 47,456  |
| Virginia Bond        | 538   | 3  | 1,071,649  | 31,447  | 1,092,586  | 10,510  |

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

Certain of the officers of the Trusts listed on the inside back cover of this Report to Shareholders are also officers of the Advisor or Sub-Advisor. They serve in the following capacities for the Advisor or Sub-Advisor: Robert S. Kapito, Director and Vice Chairman of the Advisor and the Sub-Advisor, Kevin M. Klingert, Henry Gabbay and Anne Ackerley, Managing Directors of the Advisor and the Sub-Advisor, Richard M. Shea and James Kong, Managing Directors of the Sub-Advisor, Vincent B. Tritto, Director of the Sub-Advisor, and Brian P. Kindelan, Director of the Advisor.

## BlackRock Closed-End Funds

### Trustees

Ralph L. Schlosstein, *Chairman*  
 Andrew F. Brimmer  
 Richard E. Cavanagh  
 Kent Dixon  
 Frank J. Fabozzi  
 Robert S. Kapito  
 James Clayburn La Force, Jr.  
 Walter F. Mondale

### Transfer Agent

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

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

Bank of New York  
 100 Church Street, 8th Floor  
 New York, NY 10286

### Officers

Robert S. Kapito, *President*  
 Henry Gabbay, *Treasurer*  
 Bartholomew Battista, *Chief Compliance*

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

Deutsche Bank Trust Company Americas

### Officer

Anne Ackerley, *Vice President*

60 Wall Street, 27th Floor  
 New York, NY 10005



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Kevin M. Klingert, *Vice President*  
Richard M. Shea, *Vice President/Tax*  
James Kong, *Assistant Treasurer*  
Vincent B. Tritto, *Secretary*  
Brian P. Kindelan, *Assistant Secretary*

**Independent Registered Public Accountants**  
Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116

### Investment Advisor

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

### Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, NY 10036

### Sub-Advisor<sup>1</sup>

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

### Legal Counsel Independent Trustees

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

### Custodian

State Street Bank and Trust Company  
225 Franklin Street  
Boston, MA 02110

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

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

<sup>1</sup> For the Insured Trusts and Bond Trusts.

<sup>2</sup> For the Income II Trusts.

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called householding and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Trusts at (800)227-7BFM.

The Trusts have delegated to the Advisor the voting of proxies relating to their voting securities pursuant to the Advisor's proxy voting policies and procedures. You may obtain a copy of these proxy voting policies and procedures, without charge, by calling (800) 699-1236. These policies and procedures are also available on the website of the Securities and Exchange Commission (the Commission) at <http://www.sec.gov>.

Information on how proxies relating to the Trusts' voting securities were voted (if any) by the Advisor during the most recent 12-month period ended June 30th is available, upon request, by calling (800) 699-1236 or on the website of the Commission at <http://www.sec.gov>.

The Trusts file their complete schedule of portfolio holdings for the first and third quarters of their respective fiscal years with the Commission on Form N-Q. Each Trust's Form N-Q will be available on the Commission's website at <http://www.sec.gov>. Each Trust's Form N-Q, when available, may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information regarding the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Each Trust's Form N-Q, when available, may also be obtained, upon request, by calling (800) 699-1236.

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

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## **Item 2. Code of Ethics**

(a) The Registrant has adopted a code of ethics (the "Code of Ethics") that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

(b) Not applicable.

(c) The Registrant has not amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(d) The Registrant has not granted a waiver or an implicit waiver from a provision of its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(e) Not applicable.

(f) The Registrant 's Code of Ethics is attached as an Exhibit hereto.

## **Item 3. Audit Committee Financial Expert**

The Registrant 's Board of Trustees has determined that it has two audit committee financial experts serving on its audit committee, each of whom is an "independent" Trustees: Dr. Andrew F. Brimmer and Mr. Kent Dixon. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any

purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification.

**Item 4. Principal Accountant Fees and Services.**

(a) Audit Fees. The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Trust's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$31,900 for the fiscal year ended August 31, 2004 and \$39,700 for the fiscal year ended August 31, 2003.

(b) Audit-Related Fees. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Trust's financial statements and are not reported

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above in Item 4(a) were \$3,500 for the fiscal year ended August 31, 2004 and \$10,800 for the fiscal year ended August 31, 2003. The nature of these services was attest services not required by statute or regulation, overhead and out-of-pocket expenses.

(c) Tax Fees. The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal

accountant for tax compliance, tax advice and tax planning were \$9,200 for the fiscal year ended August 31, 2004 and \$0 for the fiscal year ended August 31, 2003. The nature of these services was federal, state and local income and excise tax return preparation and related advice and planning and miscellaneous tax advice.

(d) All Other Fees. The were no fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above in Items 4(a) through (c).

(e) Audit Committee Pre-Approval Policies and Procedures.

(i) The Trust has policies and procedures (the "Policy") for the pre-approval by the Trust's Audit Committee of Audit, Audit-Related, Tax and Other Services (as each is defined in the Policy) provided by the Trust's independent auditor (the "Independent Auditor") to the Trust and other "Covered Entities" (as defined below). The term of any such pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period. The amount of any such pre-approval is set forth in the appendices to the Policy (the "Service Pre-Approval Documents"). At its first

meeting of each calendar year, the Audit Committee will review and re-approve the Policy and approve or re-approve the Service Pre-Approval Documents for that year, together with any changes deemed necessary or desirable by the Audit Committee. The Audit Committee may, from time to time, modify the nature of the services pre-approved, the aggregate level of fees pre-approved or both.

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

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

In the intervals between the scheduled meetings of the Audit Committee, the Audit Committee delegates pre-approval authority under this Policy to the Chairman of the Audit Committee (the "Chairman"). The Chairman shall report any pre-approval decisions under this Policy to the Audit

Committee at its next scheduled meeting. At each scheduled meeting, the Audit Committee will review with the Independent Auditor the Covered Services pre-approved by the Chairman pursuant to delegated authority, if any, and the fees related thereto. Based on these reviews, the Audit Committee can modify, at its discretion, the pre-approval originally granted by the Chairman pursuant to delegated authority. This modification can be to the nature of services pre-approved, the aggregate level of fees approved, or both. Pre-approval of Covered Services by the Chairman pursuant to delegated



authority is  
expected to be  
the exception  
rather than the  
rule and the

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Audit Committee may modify or withdraw this delegated authority at any time the Audit Committee determines that it is appropriate to do so.

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

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

In addition to the annual Audit services engagement specifically approved by the Audit Committee, any other Audit services for the Trust not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority.) Requests or applications to provide Covered Services that require approval by the Audit Committee (or the Chairman pursuant to delegated authority) must be submitted to the Audit Committee or the Chairman, as the case may be, by both the Independent Auditor and the Chief Financial Officer of the respective Covered Entity, and must include a joint statement as to whether, in their view, (a) the request or application is consistent with the rules of the Securities and Exchange Commission ("SEC") on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request or application submitted to the Chairman between scheduled meetings of the Audit Committee should include a discussion as to why approval is being sought prior to the next regularly scheduled meeting of the Audit Committee.

(ii) All of the services described in each of Items 4(b) through (d) were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) The non-audit fees billed by the Trust's accountant for services rendered to the Trust, the Advisor or any entity controlling, controlled by, or under common control with the Advisor that provides ongoing services to the registrant (except for any sub-advisor whose role is primarily portfolio management and is subcontracted with or overseen by another investment advisor) that directly impacted the Trust for each of the last two fiscal years were \$12,800 for the fiscal year ended August 31, 2004 and \$10,800 for the fiscal year ended August 31, 2003.

(h) Not applicable.

**Item 5. Audit Committee of Listed Registrants.**

The Trust has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The audit committee

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of the Trust is comprised of: Dr. Andrew F. Brimmer; Richard E. Cavanagh; Kent Dixon and Frank Fabozzi.

**Item 6. Schedule of Investments.**

The Registrant's Schedule of Investments is included as part of the Report to Shareholders filed under Item 1 of this form.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

The Registrant has delegated the voting of proxies relating to its voting securities to its investment advisor, BlackRock Advisors, Inc. (the "Advisor") and its sub-advisor, BlackRock Financial Management, Inc. (the "Sub-Advisor"). The Proxy Voting Policies and Procedures of the Advisor and Sub-Advisor (the "Proxy Voting Policies") are attached as an Exhibit 99.PROXYPOL hereto.

**Item 8. Purchases of Equity Securities by Closed-End Management Companies and Affiliated Purchasers.**

Not applicable.

**Item 9. Submission of Matters to a Vote of Security Holders.**

Not applicable.

**Item 10. Controls and Procedures.**

(a) The Registrant's principal executive officer and principal financial officer have evaluated the Registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures are effective, as of a date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported timely.

(b) The Registrant's principal executive officer and principal financial officer are aware of no changes in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal half-year that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 11. Exhibits.**

(a) (1) Code of Ethics attached as EX-99.CODE ETH.

(a)

(2) Separate certifications of Principal Executive and Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 attached as EX-99.CERT.

(a) (3) Not applicable.

(b) Certification of Principal Executive and Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished as EX-99.906CERT.

Proxy Voting Policies attached as EX-99.PROXYPOL.

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## SIGNATURES

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.

(Registrant) \_\_\_\_\_ BlackRock Insured Municipal Income Trust \_\_\_\_\_

By: /s/ Henry Gabbay

\_\_\_\_\_  
Name: Henry Gabbay

Title: Treasurer

Date: October 25, 2004

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

Signatures

By: /s/ Robert S. Kapito

\_\_\_\_\_  
Name: Robert S. Kapito

Title: Principal Executive Officer

Date: October 25, 2004

Signatures

By: /s/ Henry Gabbay

\_\_\_\_\_  
Name: Henry Gabbay

Title: Principal Financial Officer

Date: October 25, 2004