

BLACKROCK MUNICIPAL INCOME QUALITY TRUST

Form N-CSR

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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21178

Name of Fund: BlackRock Municipal Income Quality Trust (BYM)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2011

Date of reporting period: 08/31/2011

Item 1 – Report to Stockholders

August 31, 2011

Annual Report

BlackRock Municipal Bond Investment Trust (BIE)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Income Investment Quality Trust (BAF)

BlackRock Municipal Income Quality Trust (BYM)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Investment Quality Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

Not FDIC Insured § No Bank Guarantee § May Lose Value

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Dear Shareholder

Market volatility has been extraordinary in recent months. Government debt and deficit issues in both the US and Europe have taken a toll on investor sentiment while weaker-than-expected US economic data raised concerns of another recession. Political instability and concerns that central banks have nearly exhausted their stimulus measures have further compounded investor uncertainty. Although markets remain volatile and conditions are highly uncertain, BlackRock remains focused on finding opportunities in this environment.

The pages that follow reflect your fund's reporting period ended August 31, 2011. Accordingly, the following discussion is intended to provide you with additional perspective on the performance of your investments during that period.

One year ago, the global economy appeared to solidly be in recovery mode and investors were optimistic given the anticipated second round of quantitative easing from the US Federal Reserve (the Fed). Stock markets rallied despite the ongoing sovereign debt crisis in Europe and inflationary pressures looming over emerging markets. Fixed income markets, however, saw yields move sharply upward (pushing prices down) especially on the long end of the historically steep yield curve. While high yield bonds benefited from the risk rally, most fixed income sectors declined in the fourth quarter. The tax-exempt municipal market faced additional headwinds as it became evident that the Build America Bond program would not be extended and municipal finance troubles abounded.

The new year brought spikes of volatility as political turmoil swept across the Middle East/North Africa region and as prices of oil and other commodities soared. Natural disasters in Japan disrupted industrial supply chains and concerns mounted over US debt and deficit issues. Equities generally performed well early in the year, however, as investors chose to focus on the continuing stream of strong corporate earnings and positive economic data. Credit markets were surprisingly resilient in this environment and yields regained relative stability in 2011. The tax-exempt market saw relief from its headwinds and steadily recovered from its fourth-quarter lows. Equities, commodities and high yield bonds outpaced higher-quality assets as investors increased their risk tolerance.

However, longer-term headwinds had been brewing. Inflationary pressures intensified in emerging economies, many of which were overheating, and the European debt crisis continued to escalate. Markets were met with a sharp reversal in May when political unrest in Greece pushed the nation closer to defaulting on its debt. This development rekindled fears about the broader debt crisis and its further contagion among peripheral European countries. Concurrently, it became evident that the pace of global economic growth had slowed as higher oil prices and supply chain disruptions finally showed up in economic data. By mid-summer, confidence in policymakers was tarnished as the prolonged US debt ceiling debate revealed the degree of polarization in Washington, DC. The downgrade of the US government's credit rating on August 5 was the catalyst for the recent turmoil in financial markets. Extreme volatility persisted as Europe's debt and banking crisis deepened and US economic data continued to weaken. Investors fled from riskier assets, pushing stock and high yield bond indices into negative territory for the six-month period ended August 31, while lower-risk investments including US Treasuries, municipal securities and investment grade corporate bonds posted gains. Twelve-month returns on all asset classes remained positive. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

BlackRock remains focused on managing risk and finding opportunities in all market environments.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of August 31, 2011

	6-month	12-month
US large cap equities (S&P 500 Index)	(7.23)%	18.50%
US small cap equities	(11.17)	22.19

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(Russell 2000 Index)		
International equities (MSCI Europe, Australasia, Far East Index)	(11.12)	10.01
Emerging market equities (MSCI Emerging Markets Index)	(5.11)	9.07
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.08	0.15
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	13.04	6.21
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.49	4.62
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	6.39	2.66
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	(1.57)	8.32

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Municipal Market Overview

For the 12-Month Period Ended August 31, 2011

At the outset of the 12-month period, investor concerns were focused on the possibility of deflation and a double-dip recession in the US economy thus leading to a flatter municipal yield curve at that time as compared to August 31, 2011. Rates moved lower (and prices higher) across the curve through September 2010, reaching historic lows in August when the yield on 5-year issues touched 1.06%, the 10-year reached 2.18% and the 30-year closed at 3.67%. However, the market took a turn in October amid a "perfect storm" of events that ultimately resulted in the worst quarterly performance for municipals since the Fed tightening cycle of 1994. Treasury yields lost support due to concerns over the US deficit and municipal valuations suffered a quick and severe setback as it became evident that the Build America Bond (BAB) program would expire at the end of 2010. The program had opened the taxable market to municipal issuers, successfully alleviating supply pressure in the traditional tax-exempt marketplace and bringing down yields in that space.

Towards the end of the fourth quarter 2010, news about municipal finance troubles mounted and damaged confidence among retail investors. From mid-November through year end, weekly outflows from municipal mutual funds averaged over \$2.5 billion. Political uncertainty surrounding the midterm elections and tax policies along with the expiration of the BAB program exacerbated the situation. These conditions combined with seasonal illiquidity sapped willful market participation from the trading community. December brought declining demand with no comparable reduction in supply as issuers rushed their deals to market before the BAB program was retired. This supply-demand imbalance led to wider quality spreads and higher yields.

Demand is usually strong at the beginning of a new year, but retail investors continued to move away from municipal mutual funds in 2011. From mid-November, outflows persisted for 29 consecutive weeks, totaling \$35.1 billion before the trend finally broke in June. Weak demand has been counterbalanced by lower supply in 2011. According to Thomson Reuters, year-to-date through August, new issuance was down 38% compared to the same period last year. Issuers have been reluctant to bring new deals to the market due to higher interest rates, fiscal policy changes and a reduced need for municipal borrowing. In this positive technical environment, the S&P/InvestorTools Main Municipal Bond Index gained 4.22% for the second quarter of 2011, its best second-quarter performance since 1992, and municipals outperformed most other fixed income asset classes for the quarter.

On August 5, S&P downgraded the US credit rating from AAA to AA+, leading to the downgrade of 11,000 municipal issues directly linked to the US government debt rating. Nevertheless, the municipal market posted solid gains for the month of August, aided primarily by an exuberant Treasury market, severe volatility in US equities and continued supply constraint in the primary municipal market. For the month of August, the curve flattened due to outperformance in the long-end driven by demand from both traditional and non-traditional buyers.

Overall, the municipal yield curve steepened during the period from August 31, 2010, to August 31, 2011. As measured by Thomson Municipal Market Data, yields on AAA quality-rated 30-year municipals rose 22 basis points (bps) to 3.89%, while yields for 5-year maturities rallied by 17 bps to .89%, and 10-year maturities increased by 7 bps to 2.25%. With the exception of the 2- to 5-year range, the yield spread between maturities increased over the past year, with the greatest increase seen in the 5- to 30-year range, where the spread widened by 39 bps, while overall the slope between 2- and 30-year maturities increased by 27 bps to 3.59%.

The fundamental picture for municipalities is improving as most states began their new fiscal year with a balanced budget. Austerity is the general theme across the country, while a small number of states continue to rely on the "kick the can" approach, using aggressive revenue projections and accounting gimmicks to close their shortfalls. As long as economic growth stays positive, tax receipts for states should continue to rise and lead to better credit fundamentals. BlackRock maintains a constructive view of the municipal market, recognizing that careful credit research and security selection remain imperative amid uncertainty in the economic environment.

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

Trust Summary as of August 31, 2011

BlackRock Municipal Bond Investment Trust

Trust Overview

BlackRock Municipal Bond Investment Trust s (BIE) (the Trust) investment objective is to provide current income exempt from regular federal income tax and Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

Performance

For the 12 months ended August 31, 2011, the Trust returned (2.38)% based on market price and 1.29% based on net asset value (NAV.) For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Contributing positively to the Trust s performance was its exposure to spread sectors, including housing and health bonds, which provided a relatively high degree of incremental income in the low interest rate environment. The Trust s holdings of premium coupon bonds (6% or higher) and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term interest rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Trust s exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BIE
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of August 31, 2011 (\$14.22) ¹	6.84%
Tax Equivalent Yield ²	10.52%
Current Monthly Distribution per Common Share ³	\$0.0810
Current Annualized Distribution per Common Share ³	\$0.9720
Leverage as of August 31, 2011 ⁴	41%

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

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

³ The distribution rate is not constant and is subject to change.

⁴ Represents Auction Market Preferred Shares (AMPS) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	8/31/11	8/31/10	Change	High	Low
Market Price	\$14.22	\$15.60	(8.85)%	\$15.76	\$12.14
Net Asset Value	\$14.67	\$15.51	(5.42)%	\$15.51	\$12.76

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

Sector Allocations

	8/31/11	8/31/10
Health	23%	22%
Transportation	21	18
Utilities	19	18
County/City/Special District/School District	17	19
Education	7	8
State	6	8
Housing	5	5
Tobacco	1	1
Corporate	1	1

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	10%	14%
AA/Aa	62	64
A	21	17
BBB/Baa	6	4
BB/Ba	1	
Not Rated		1

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

Trust Summary as of August 31, 2011

BlackRock Municipal Bond Trust

Trust Overview

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

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

Performance

For the 12 months ended August 31, 2011, the Trust returned 1.38% based on market price and 2.02% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust s positive performance was derived mostly from its holdings in higher-yielding sectors including health, corporate/industrial development and housing bonds, which provided incremental income. The Trust also benefited from its exposure to lower-quality bonds, which, in addition to offering higher embedded yields, experienced some price appreciation due to spread compression during the period. The Trust was heavily invested in tax-backed credits and moderately invested in the education sector, both of which returned moderately positive performance. Over the period, the Trust maintained a slightly long duration bias and greater exposure to the long end of the yield curve. Although this positioning was favorable as the period drew to a close, it detracted from performance on the whole for the year. The Trust s allocation to Puerto Rico credits, which underperformed all other states and territories for the period, had a negative impact on returns. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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Trust Information

Symbol on NYSE	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of August 31, 2011 (\$14.86) ¹	7.15%
Tax Equivalent Yield ²	11.00%
Current Monthly Distribution per Common Share ³	\$0.0885
Current Annualized Distribution per Common Share ³	\$1.0620
Leverage as of August 31, 2011 ⁴	37%

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

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

³ The distribution rate is not constant and is subject to change.

⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 14.86	\$ 15.79	(5.89)%	\$ 16.00	\$ 12.20
Net Asset Value	\$ 14.48	\$ 15.29	(5.30)%	\$ 15.30	\$ 12.70

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

Sector Allocations

	8/31/11	8/31/10
Health	21%	23%
State	14	15
Housing	14	14
County/City/Special District/School District	12	13
Transportation	10	9
Education	10	10
Corporate	10	8
Utilities	7	5
Tobacco	2	3

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	11%	26%
AA/Aa	35	20
A	18	22
BBB/Baa	22	20
BB/Ba	1	1
B	6	3
CCC/Caa	1	1
Not Rated ⁶	6	7

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2011 and August 31, 2010, the market value of these securities was \$4,646,558, representing 2%, and \$6,207,616, representing 3%, respectively, of the Trust's long-term investments.

Trust Summary as of August 31, 2011

BlackRock Municipal Income Investment Quality Trust

Trust Overview

Effective November 9, 2010, BlackRock Insured Municipal Income Investment Trust changed its name to BlackRock Municipal Income Investment Quality Trust.

BlackRock Municipal Income Investment Quality Trust s (BAF) (the Trust) investment objective is to provide current income exempt from federal income tax, including the alternative minimum tax and Florida intangible property tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its assets in municipal bonds exempt from federal income taxes, including the alternative minimum tax. The Trust also invests primarily in municipal bonds that are investment grade quality at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

Performance

Effective November 9, 2010, the Trust s investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. During the period, Lipper combined these categories into one General & Insured Municipal Debt Funds (Leveraged) category. For the 12 months ended August 31, 2011, the Trust returned (5.01)% based on market price and 2.62% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Contributing positively to the Trust s performance was its exposure to spread sectors, including housing and health bonds, which provided a relatively high degree of incremental income in the low interest rate environment. The Trust s holdings of premium coupon bonds (6% or higher) and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term interest rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Trust s exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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

Trust Information

Symbol on NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2011 (\$13.92) ¹	6.42%
Tax Equivalent Yield ²	9.88%
Current Monthly Distribution per Common Share ³	\$0.0745
Current Annualized Distribution per Common Share ³	\$0.8940
Leverage as of August 31, 2011 ⁴	34%

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

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

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³ The distribution rate is not constant and is subject to change.

⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 13.92	\$ 15.64	(11.00)%	\$ 15.92	\$ 11.92
Net Asset Value	\$ 14.50	\$ 15.08	(3.85)%	\$ 15.08	\$ 12.76

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

Sector Allocations

	8/31/11	8/31/10
County/City/Special District/School District	34%	36%
Utilities	22	27
Transportation	16	15
Health	9	10
Education	9	
State	8	11
Housing	1	1
Tobacco	1	

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	14%	59%
AA/Aa	70	25
A	12	13
BBB/Baa	4	
Not Rated		3 ₆

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2010, the market value of these securities was \$5,171,100, representing 3% of the Trust's long-term investments.

Trust Summary as of August 31, 2011

BlackRock Municipal Income Quality Trust

Trust Overview

Effective November 9, 2010, BlackRock Insured Municipal Income Trust changed its name to BlackRock Municipal Income Quality Trust.

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

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

Performance

Effective November 9, 2010, the Trust's investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. During the period, Lipper combined these categories into one General & Insured Municipal Debt Funds (Leveraged) category. For the 12 months ended August 31, 2011, the Trust returned (2.79)% based on market price and 3.09% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust's exposure to bonds with shorter maturities and shorter durations (lower sensitivity to interest rate movements) contributed positively to performance as yields on the short and intermediate parts of the municipal curve increased to a smaller degree than on the long end (bond prices fall as yields rise). Holdings of premium coupon bonds, which tend to be less sensitive to changes in interest rates, also had a positive impact. Conversely, the Trust's exposure to longer maturity bonds had a negative impact as the long end of the yield curve steepened during the period (i.e., long-term interest rates increased more than short and intermediate rates). Holdings of tobacco issues also detracted as the sector lagged the broader market. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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Trust Information

Symbol on NYSE	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2011 (\$13.85) ¹	6.67%
Tax Equivalent Yield ²	10.26%
Current Monthly Distribution per Common Share ³	\$0.0770
Current Annualized Distribution per Common Share ³	\$0.9240
Leverage as of August 31, 2011 ⁴	38%

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

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

³ The distribution rate is not constant and is subject to change.

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- ⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 13.85	\$ 15.26	(9.24)%	\$ 15.42	\$ 11.71
Net Asset Value	\$ 14.09	\$ 14.64	(3.76)%	\$ 14.69	\$ 12.20

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

Sector Allocations

	8/31/11	8/31/10
Transportation	24%	21%
Utilities	21	24
County/City/Special District/School District	18	21
State	14	15
Health	8	7
Tobacco	6	6
Education	6	3
Corporate	2	2
Housing	1	1

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	21%	57%
AA/Aa	58	24
A	13	12
BBB/Baa	8	5
Not Rated		2 ₆

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

- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2010, the market value of these securities was \$10,513,600, representing 2% of the Trust's long-term investments.

Trust Summary as of August 31, 2011

BlackRock Municipal Income Trust II

Trust Overview

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

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

Performance

For the 12 months ended August 31, 2011, the Trust returned (0.07)% based on market price and 2.70% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Security selection contributed positively to performance, particularly among housing, tax-backed, tobacco, transportation and health credits. An emphasis on industrial development bonds had a positive impact as these issues outperformed the broader municipal market during most of the period. In addition, the Trust s holdings generated a high distribution yield, which over the course of the year had a meaningful impact on returns. Detracting from performance was the Trust s large exposure to lower-quality bonds when credits widened toward the end of 2010. Additionally, the Trust s long portfolio duration and yield curve positioning had a negative impact as long rates increased and the yield curve steepened over the period. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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

Trust Information

Symbol on NYSE Amex	BLE
Initial Offering Date	July 30, 2002
Yield on Closing Market Price as of August 31, 2011 (\$14.13) ¹	7.09%
Tax Equivalent Yield ²	10.91%
Current Monthly Distribution per Common Share ³	\$0.0835
Current Annualized Distribution per Common Share ³	\$1.0020
Leverage as of August 31, 2011 ⁴	37%

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

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

³ The distribution rate is not constant and is subject to change.

⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 14.13	\$ 15.22	(7.16)%	\$ 15.35	\$ 11.87
Net Asset Value	\$ 13.96	\$ 14.63	(4.58)%	\$ 14.63	\$ 12.41

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

Sector Allocations

	8/31/11	8/31/10
Health	21%	19%
State	16	17
Transportation	13	11
Utilities	13	13
Corporate	10	11
County/City/Special District	10	12
Education	8	7
Housing	5	6
Tobacco	4	4

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	10%	18%
AA/Aa	32	21
A	26	30
BBB/Baa	16	17
BB/Ba	5	1
B	4	6
CCC/Caa		1
Not Rated ⁶	7	6

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2011 and August 31, 2010, the market value of these securities was \$11,677,703, representing 2%, and \$13,839,185, representing 3%, respectively, of the Trust's long-term investments.

Trust Summary as of August 31, 2011

BlackRock MuniHoldings Investment Quality Fund

Trust Overview

Effective November 9, 2010, BlackRock MuniHoldings Insured Investment Fund changed its name to BlackRock MuniHoldings Investment Quality Fund.

BlackRock MuniHoldings Investment Quality Fund s (MFL) (the Trust) investment objective is to provide shareholders with current income exempt from federal income tax and to provide shareholders with the opportunity to own shares the value of which is exempt from Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, the Board approved an amended policy in September 2008, allowing the Trust the flexibility to invest in municipal obligations regardless of geographical location.

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

Performance

Effective November 9, 2010, the Trust s investment policy was changed by the removal of the insurance investment policy that required at least 80% of its assets to be invested in insured municipal securities. Accordingly, the Trust was moved from the Lipper Insured Municipal Debt Funds (Leveraged) category into the Lipper General Municipal Debt Funds (Leveraged) category. During the period, Lipper combined these categories into one General & Insured Municipal Debt Funds (Leveraged) category. For the 12 months ended August 31, 2011, the Trust returned 1.12% based on market price and 2.01% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Contributing positively to the Trust s performance was its exposure to spread sectors, including housing and health bonds, which provided a relatively high degree of incremental income in the low interest rate environment. The Trust s holdings of premium coupon bonds (6% or higher) and shorter-duration bonds (bonds with lower sensitivity to interest rate movements) performed well as long-term interest rates climbed toward the end of 2010 and into the early part of 2011. Conversely, the Trust s exposure to bonds with longer duration (greater sensitivity to interest rate movements) and bonds with longer-dated maturities detracted from performance as the municipal yield curve steepened over the 12-month period. US Treasury financial futures contracts used to hedge interest rate risk in the portfolio had a negative impact on performance.

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

Trust Information

Symbol on NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of August 31, 2011 (\$13.84) ¹	6.63%
Tax Equivalent Yield ²	10.20%
Current Monthly Distribution per Common Share ³	\$0.0765
Current Annualized Distribution per Common Share ³	\$0.9180
Leverage as of August 31, 2011 ⁴	40%

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

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- ² Tax equivalent yield assumes the maximum federal tax rate of 35%.
- ³ The distribution rate is not constant and is subject to change.
- ⁴ Represents Variable Rate Demand Preferred Shares (VRDP Shares) and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 13.84	\$ 14.65	(5.53)%	\$ 14.87	\$ 11.68
Net Asset Value	\$ 14.00	\$ 14.69	(4.70)%	\$ 14.69	\$ 12.23

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

Sector Allocations

	8/31/11	8/31/10
Utilities	25%	26%
Transportation	25	27
County/City/Special District/School District	18	18
Health	11	11
State	10	12
Education	6	2
Housing	4	4
Tobacco	1	

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	12%	64%
AA/Aa	72	24
A	12	11
BBB/Baa	2	
Not Rated ⁶	2	1

- ⁵ Using the higher of S&P's or Moody's ratings.
- ⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2011 and August 31, 2010, the market value of these securities was \$3,979,631, representing less than 1%, and \$5,793,997, representing 1%, respectively, of the Trust's long-term investments.

Trust Summary as of August 31, 2011

BlackRock MuniVest Fund, Inc.

Trust Overview

BlackRock MuniVest Fund, Inc. s (MVF) (the Trust) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Trust seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Trust invests, under normal market conditions, primarily in long term municipal obligations rated investment grade at the time of investment and invests primarily in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Performance

For the 12 months ended August 31, 2011, the Trust returned 1.11% based on market price and 2.90% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of (0.90)% based on market price and 2.36% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Trust benefited from its higher coupon bond holdings, which performed well in the rising interest rate environment. In addition, the Trust sought investments with valuations that remain attractive relative to their level of credit risk. However, the Trust s overall long duration stance (greater sensitivity to interest rates) detracted from performance as the municipal market saw long-term interest rates rise and the yield curve steepen over the 12-month period due to municipal credit concerns and the expiration of the BAB program. During the period, the Trust increased its cash position for the purpose of improving portfolio diversification. The elevated cash balance did not have a material impact on performance.

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

Trust Information

Symbol on NYSE Amex	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of August 31, 2011 (\$9.73) ¹	7.28%
Tax Equivalent Yield ²	11.20%
Current Monthly Distribution per Common Share ³	\$0.0590
Current Annualized Distribution per Common Share ³	\$0.7080
Leverage as of August 31, 2011 ⁴	41%

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

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

³ The distribution rate is not constant and is subject to change.

⁴ Represents AMPS and TOBs as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to AMPS and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	8/31/11	8/31/10	Change	High	Low
Market Price	\$ 9.73	\$ 10.38	(6.26)%	\$ 10.45	\$ 8.53
Net Asset Value	\$ 9.55	\$ 10.01	(4.60)%	\$ 10.03	\$ 8.45

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

Sector Allocations

	8/31/11	8/31/10
Health	23%	22%
Transportation	17	13
Corporate	13	17
Utilities	12	12
County/City/Special District/School District	9	10
Education	9	7
State	8	8
Housing	7	7
Tobacco	2	4

Credit Quality Allocations⁵

	8/31/11	8/31/10
AAA/Aaa	12%	23%
AA/Aa	46	35
A	22	23
BBB/Baa	15	15
BB/Ba	1	
B	1	1
Not Rated ⁶	3	3

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of August 31, 2011 and August 31, 2010, the market value of these securities was \$22,724,541 and \$21,938,423, each representing 2%, respectively, of the Trust's long-term investments.

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, the Trusts are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Trust anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of August 31, 2011, the Trusts had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage
BIE	41%

BBK	37%
BAF	34%
BYM	38%
BLE	37%
MFL	40%
MVF	41%

Derivative Financial Instruments

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

Schedule of Investments August 31, 2011

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

	Par (000)	Value
Municipal Bonds		
Alaska 0.2%		
Northern Tobacco Securitization Corp., RB, Asset-Backed Series A, 5.00%, 6/01/46	\$ 180	\$ 111,834
California 14.0%		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44	720	776,563
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	700	750,365
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39	120	126,814
Cucamonga Valley Water District, RB, Refunding Series A (AGM), 5.00%, 9/01/26	785	847,164
Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45	950	929,584
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,660	1,753,425
San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36	850	899,725
State of California, GO, Various Purpose, 6.00%, 3/01/33	685	772,899
		6,856,539
Colorado 1.2%		
Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34	580	603,902
Delaware 1.3%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	655	649,354
District of Columbia 1.4%		
District of Columbia Water & Sewer Authority, RB, Series A, 5.25%, 10/01/29	640	697,965
Florida 0.2%		
County of St. Johns Florida, RB, CAB (AMBAC), 5.40%, 6/01/32 (a)	240	79,022
Georgia 2.4%		
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23	1,000	1,150,060
Municipal Bonds		
Illinois 12.0%		
City of Chicago Illinois, Refunding RB, General, Third Lien, Series C, 6.50%, 1/01/41	\$ 1,590	\$ 1,790,022
County of Cook Illinois, GO, Refunding, Series A, 5.25%, 11/15/33	900	951,750
Illinois Finance Authority, RB, Navistar International, Recovery Zone, 6.50%, 10/15/40	270	270,526
Illinois Finance Authority, Refunding RB:		

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Carle Foundation, Series A 6.00%, 8/15/41	750	763,470
Northwestern Memorial Hospital 6.00%, 8/15/39	1,000	1,077,870
OSF Healthcare System 6.00%, 5/15/39	520	526,074
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	365	384,100
6.00%, 6/01/28	105	107,321
		5,871,133
Indiana 3.1%		
Indiana Finance Authority, Refunding RB, 5.25%, 10/01/38	220	228,419
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	1,190	1,285,700
		1,514,119
Iowa 0.2%		
Iowa Tobacco Settlement Authority, RB, Asset-Backed, Series C, 5.63%, 6/01/46	140	98,710
Kansas 2.0%		
Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29	900	976,536
Kentucky 3.9%		
Kentucky Economic Development Finance Authority, Refunding RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40	350	354,753
Louisville & Jefferson County Metropolitan Government, Refunding RB, Jewish Hospital & St. Mary's HealthCare, 6.13%, 2/01/37	675	681,541
Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34	800	879,208
		1,915,502
Louisiana 0.8%		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp., Series A-1, 6.50%, 11/01/35	380	387,839
Maine 1.5%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32	675	727,461

Portfolio Abbreviations

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

ACA	American Capital Access Corp.
AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
AMT	Alternative Minimum Tax (subject to)
ARB	Airport Revenue Bonds
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CIFG	CDC IXIS Financial Guaranty
COP	Certificates of Participation
EDA	Economic Development Authority
EDC	Economic Development Corp.
ERB	Education Revenue Bonds
FHA	Federal Housing Administration
GARB	General Airport Revenue Bonds
GO	General Obligation Bonds
HFA	Housing Finance Agency
HRB	Housing Revenue Bonds

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IDA	Industrial Development Authority
IDB	Industrial Development Board
ISD	Independent School District
MRB	Mortgage Revenue Bonds
NPFGC	National Public Finance Guarantee Corp.
PILOT	Payment in Lieu of Taxes
PSF-GTD	Permanent School Fund Guaranteed
Q-SBLF	Qualified School Bond Loan Fund
Radian	Radian Group, Inc.
RB	Revenue Bonds
SAN	State Aid Notes
S/F	Single-Family
VRDN	Variable Rate Demand Notes

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Maryland 1.1%		
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	\$ 525	\$ 515,996
Massachusetts 3.4%		
Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40	375	407,482
Massachusetts Health & Educational Facilities Authority, Refunding RB, Partners Healthcare System, Series B, 5.25%, 7/01/29	1,000	1,000,570
Massachusetts State College Building Authority, RB, Series A, 5.50%, 5/01/39	250	269,233
		1,677,285
Michigan 4.3%		
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital, 5.50%, 5/15/36	445	441,987
Lansing Board of Water & Light, RB, Series A, 5.50%, 7/01/41	485	525,973
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38	500	534,560
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	530	615,076
		2,117,596
Multi-State 6.8%		
Centerline Equity Issuer Trust, 7.20%, 11/15/52 (b)(c)	3,000	3,301,020
Nevada 8.2%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,000	1,102,850
County of Clark Nevada, RB: Motor Vehicle Fuel Tax 5.00%, 7/01/28	1,130	1,189,755
Series B 5.75%, 7/01/42	1,630	1,727,164
		4,019,769
New Jersey 4.5%		
New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29	750	807,952
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	620	644,726
New Jersey Transportation Trust Fund Authority, RB, Transportation Systems, Transportation System, Series A, 5.88%, 12/15/38	695	758,732
		2,211,410
New York 5.4%		
City of Troy New York, Refunding RB, Rensselaer Polytechnic, Series A, 5.13%, 9/01/40	350	348,170
New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	1,000	1,058,130
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	325	335,273
	840	903,470

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Triborough Bridge & Tunnel Authority, RB, General,
Series A-2, 5.38%, 11/15/38

2,645,043

North Carolina 2.6%

North Carolina Medical Care Commission, RB,
Novant Health Obligation, Series A, 4.75%, 11/01/43

1,450 1,261,239

Ohio 0.3%

Buckeye Tobacco Settlement Financing Authority, RB,
Senior Series A-2, 6.50%, 6/01/47

160 123,251

Municipal Bonds

**Par
(000)**

Value

Pennsylvania 7.4%

Pennsylvania Economic Development Financing Authority,
RB, American Water Co. Project, 6.20%, 4/01/39

\$ 300 \$ 325,824

Pennsylvania Turnpike Commission, RB:

Sub-Series A 5.63%, 12/01/31

1,070 1,147,618

Sub-Series A 6.00%, 12/01/41

1,500 1,582,530

Sub-Series C (AGC), 6.25%, 6/01/38

500 562,800

3,618,772

Texas 11.2%

Central Texas Regional Mobility Authority, RB,
Senior Lien, 6.00%, 1/01/41

890 849,719

Conroe ISD Texas, GO, School Building, Series A,
5.75%, 2/15/35

470 538,211

Harris County Health Facilities Development Corp.,
Refunding RB, Memorial Hermann Healthcare System,
Series B, 7.13%, 12/01/31

250 280,495

Lower Colorado River Authority, RB, 5.75%, 5/15/28

450 481,320

North Texas Tollway Authority, RB, Special Projects System,
Series A, 5.50%, 9/01/41

900 968,085

North Texas Tollway Authority, RB, System, First Tier,
System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38

250 264,360

Tarrant County Cultural Education Facilities Finance
Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45

1,020 1,070,357

Texas Private Activity Bond Surface Transportation Corp.,
RB, Senior Lien, NTE Mobility Partners LLC,
North Tarrant Express Managed Lanes Project,
6.88%, 12/31/39

1,000 1,030,650

5,483,197

Virginia 1.7%

Virginia Public School Authority, RB, School Financing,
School Financing, 6.50%, 12/01/35

750 853,283

Total Municipal Bonds 101.1%

49,467,837

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

California 20.0%

California Educational Facilities Authority, RB,
University of Southern California, Series A,
5.25%, 10/01/39

1,005 1,076,667

Grossmont Union High School District, GO,
Election of 2008, Series B, 5.00%, 8/01/40

1,300 1,324,297

Los Angeles Community College District California, GO,
Election of 2008:

Series A 6.00%, 8/01/33

2,079 2,357,267

Series C 5.25%, 8/01/39

1,410 1,514,777

Los Angeles Unified School District California, GO,
Series I, 5.00%, 1/01/34

200 205,200

San Diego Public Facilities Financing Authority,
Refunding RB, Series B, 5.50%, 8/01/39

2,234 2,393,894

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University of California, RB, Series O, 5.75%, 5/15/34	810	895,795
		9,767,897
District of Columbia 3.7%		
District of Columbia, RB, Series A, 5.50%, 12/01/30	735	832,189
District of Columbia Water & Sewer Authority, RB, Series A, 5.50%, 10/01/39	899	978,413
		1,810,602
Florida 7.2%		
Jacksonville Economic Development Commission, RB, Mayo Clinic Jacksonville, Series B, 5.50%, 11/15/36	3,510	3,539,414

See Notes to Financial Statements.

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
Illinois 7.8%		
Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38	\$ 1,500	\$ 1,721,190
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	2,000	2,086,273
		3,807,463
Nevada 3.4%		
Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38	1,500	1,680,585
New Hampshire 1.3%		
New Hampshire Health & Education Facilities Authority, Refunding RB, Dartmouth College, 5.25%, 6/01/39	585	635,018
New Jersey 2.1%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32	1,000	1,025,950
New York 6.1%		
New York City Municipal Water Finance Authority, RB: Fiscal 2009, Series A 5.75%, 6/15/40	750	835,131
Series FF-2 5.50%, 6/15/40	990	1,082,657
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	1,000	1,073,240
		2,991,028
Ohio 1.7%		
County of Allen Ohio, Refunding RB, Catholic Healthcare, Series A, 5.25%, 6/01/38	840	840,512
South Carolina 2.2%		
South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38	1,005	1,088,646
Texas 5.4%		
City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31	1,050	1,148,041
Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children's Hospital Project, 5.50%, 10/01/39	1,450	1,507,435
		2,655,476
Virginia 1.0%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	460	481,989
Wisconsin 1.9%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., 5.25%, 4/01/39	890	901,978
Total Municipal Bonds Transferred to Tender Option Bond Trusts 63.8%		31,226,558
Total Long-Term Investments (Cost \$76,806,231) 164.9%		80,694,395
Short-Term Securities		
FFI Institutional Tax-Exempt Fund, 0.01% (e)(f)	2,198,525	\$ 2,198,525
		2,198,525

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Total Short-Term Securities

(Cost \$2,198,525) 4.5%

Total Investments (Cost \$79,004,756*)	169.4%	82,892,920
Other Assets Less Liabilities	0.4%	183,871
Liability for TOB Trust Certificates, Including Interest		
Expense and Fees Payable	(33.3)%	(16,284,547)
AMPS, at Redemption Value	(36.5)%	(17,851,044)
Net Assets Applicable to Common Shares	100.0%	\$ 48,941,200

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 62,879,677
Gross unrealized appreciation	\$ 4,115,394
Gross unrealized depreciation	(377,983)
Net unrealized appreciation	\$ 3,737,411

- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at August 31, 2010	Net Activity	Shares Held at August 31, 2011	Income
FFI Institutional Tax-Exempt Fund	1,698,254	500,271	2,198,525	\$ 1,362

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

Financial futures contracts sold as of August 31, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation
14	10-Year U.S. Treasury Note	Chicago Board of Trade	December 2011	\$ 1,811,442	\$ 5,005

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial statement purposes as follows:

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

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

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

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 80,694,395		\$ 80,694,395
Short-Term Securities	\$ 2,198,525			2,198,525
Total	\$ 2,198,525	\$ 80,694,395		\$ 82,892,920

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

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Assets:				
Interest rate contracts	\$ 5,005			\$ 5,005

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments August 31, 2011

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

	Par (000)	Value
Municipal Bonds		
Alabama 4.3%		
Birmingham Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):		
6.00%, 6/01/34	\$ 1,150	\$ 1,253,868
6.00%, 6/01/39	450	487,170
Birmingham Water Works Board, RB, 4.75%, 1/01/36	2,100	2,107,728
Hoover City Board of Education, GO, Refunding, 4.25%, 2/15/40	2,750	2,640,220
		6,488,986
Arizona 6.3%		
Arizona Sports & Tourism Authority, RB, Multipurpose Stadium Facilities, Series A (NPFGC), 5.00%, 7/01/31	2,000	1,845,960
Arizona State University, RB, Series D, 5.50%, 7/01/26	200	223,866
Mohave County Unified School District No. 20 Kingman, GO, School Improvement Project of 2006, Series C (AGC), 5.00%, 7/01/26	200	216,400
Pima County IDA, Refunding IDR, Tucson Electric Power, 5.75%, 9/01/29	900	910,602
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	1,500	1,321,035
5.00%, 12/01/37	2,065	1,781,393
San Luis Facility Development Corp., RB, Senior Lien, Regional Detention Center Project:		
6.25%, 5/01/15	245	238,035
7.00%, 5/01/20	300	295,911
7.25%, 5/01/27	600	540,390
State of Arizona, COP, Department of Administration, Series A (AGM), 5.00%, 10/01/29	750	771,052
University Medical Center Corp. Arizona, RB:		
6.00%, 7/01/39	900	899,910
6.50%, 7/01/39	500	516,335
		9,560,889
California 17.4%		
California County Tobacco Securitization Agency, RB, CAB, Stanislaus, Sub-Series C, 6.30%, 6/01/55 (a)	4,500	40,320
California Educational Facilities Authority, RB, Santa Clara University, 5.00%, 2/01/40	1,000	1,026,210
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 5.88%, 8/15/31	1,900	2,051,525
California HFA, RB, Home Mortgage, Series G, AMT, 5.05%, 2/01/29	2,285	2,124,616
Carlsbad Unified School District, GO, Election of 2006, Series B, 6.09%, 5/01/34 (b)	1,000	661,410
City of San Jose California, RB, San Jose Airport, Series A1, AMT, 5.75%, 3/01/34	2,000	2,050,000
Dinuba Unified School District, GO, Election of 2006 (AGM):		
5.63%, 8/01/31	250	272,193
5.75%, 8/01/33	500	547,140

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Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 7.46%, 8/01/34 (b)	1,650	907,632
Norwalk-La Mirada Unified School District California, GO, Refunding, CAB, Election of 2002, Series E (AGC), 6.47%, 8/01/38 (a)	8,000	1,329,440
Palomar Community College District, GO, CAB, Election of 2006, Series B:		
6.09%, 8/01/30 (a)	1,500	443,205
6.40%, 8/01/39 (b)	2,000	855,060
San Diego Community College District California, GO, CAB, Election of 2002, 6.24%, 8/01/19 (b)	2,800	1,803,200
State of California, GO, Various Purpose:		
5.75%, 4/01/31	2,000	2,171,080
6.00%, 3/01/33	2,050	2,313,056
6.50%, 4/01/33	1,950	2,249,559
5.50%, 3/01/40	2,350	2,443,765

	Par (000)	Value
Municipal Bonds		
California (concluded)		
State of California, GO, Refunding:		
(CIFG), 4.50%, 8/01/28	\$ 500	\$ 489,545
Veterans AMT, 5.05%, 12/01/36	1,000	962,650
Val Verde Unified School District California, Special Tax Bonds, Refunding, Junior Lien, 6.25%, 10/01/28	1,585	1,545,961
		26,287,567
Colorado 2.6%		
Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33	1,070	1,170,912
Park Creek Metropolitan District, RB, Refunding, Limited Property Tax (AGM), 6.00%, 12/01/38	1,000	1,065,620
Sand Creek Metropolitan District, GO, Refunding, Limited Tax, Series B:		
4.75%, 12/01/35	1,000	942,250
5.00%, 12/01/40	800	732,328
		3,911,110
Connecticut 0.7%		
Connecticut State Health & Educational Facility Authority, RB:		
Sacred Heart University, Series G, 5.38%, 7/01/31	400	405,920
Western Connecticut Health, Series M, 5.38%, 7/01/41	700	714,686
		1,120,606
Delaware 0.8%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Project, 6.00%, 10/01/40	1,200	1,189,656
District of Columbia 5.9%		
District of Columbia, Refunding RB, Friendship Public Charter School Inc. (ACA), 5.25%, 6/01/33	595	474,447
District of Columbia, Tax Allocation Bonds, Gallery Place Project (AGM), 5.40%, 7/01/31	6,000	6,050,340
District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40	2,500	2,352,400
		8,877,187
Florida 7.4%		
County of Lee Florida, Refunding RB, Lee Airport, Series A, AMT (AGM), 5.00%, 10/01/28	2,000	1,970,560
Miami Beach Health Facilities Authority, RB, Mount Sinai Medical Center of Florida, 6.75%, 11/15/21	1,180	1,195,045
	7,255	7,263,198

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Palm Beach County Housing Finance Authority, HRB, Indian Trace Apartments, Series A, AMT (AGM), 5.63%, 1/01/44		
Stevens Plantation Community Development District, Special Assessment Bonds, Series A, 7.10%, 5/01/35	925	738,076
		11,166,879
Idaho 1.3%		
Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/33	1,750	1,925,017
Illinois 7.4%		
Illinois Finance Authority, RB: MJH Education Assistance IV LLC, Sub-Series B, 5.38%, 6/01/35 (c)(d)	425	84,987
Navistar International, Recovery Zone, 6.50%, 10/15/40	1,285	1,287,506
Roosevelt University Project, 6.50%, 4/01/44	1,000	1,038,070
Rush University Medical Center, Series C, 6.63%, 11/01/39	650	689,754
Illinois Finance Authority, Refunding RB, Series A: Friendship Village Schaumburg, 5.63%, 2/15/37	210	166,939
OSF Healthcare System, 6.00%, 5/15/39	1,040	1,052,147

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
Railsplitter Tobacco Settlement Authority, RB: 6.25%, 6/01/24	\$ 1,000	\$ 1,045,730
6.00%, 6/01/28	1,150	1,175,415
Village of Bolingbrook Illinois, GO, Refunding, Series B (NPFGC), 6.24%, 1/01/36 (a)	23,065	4,694,881
		11,235,429
Indiana 3.2%		
County of Monroe Indiana, Multifamily Housing Revenue Bond Pass-Through Certificates, RB, Series 1, Canterbury House Apartments, Mandatory Put Bonds, AMT, 5.90%, 12/01/34 (e)	1,815	1,820,391
Indiana Finance Authority, Refunding RB, Improvement, U.S. Steel Corp., 6.00%, 12/01/26	1,000	999,990
Indiana Finance Authority, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38	2,000	2,076,540
		4,896,921
Iowa 1.6%		
Iowa Higher Education Loan Authority, RB, Private College Facility, Buena Vista University Project, 5.00%, 4/01/31	875	895,711
Iowa Higher Education Loan Authority, Refunding RB, Private College Facility: 5.75%, 9/01/30	500	507,010
6.00%, 9/01/39	1,000	984,410
		2,387,131
Kansas 2.9%		
Wichita Airport Authority, RB, Special, Cessna Citation Service Center, Series A, AMT, 6.25%, 6/15/32	5,000	4,419,800
Kentucky 0.3%		
Kentucky Economic Development Finance Authority, RB, Louisville Arena, Sub-Series A-1 (AGC), 6.00%, 12/01/38	500	523,925
Louisiana 2.3%		
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp, Series A-1, 6.50%, 11/01/35	1,050	1,071,661
Louisiana Public Facilities Authority, RB, Belle Chasse Educational Foundation Project, 6.50%, 5/01/31	400	412,396
Louisiana Public Facilities Authority, Refunding RB, Entergy Gulf States Louisiana, LLC Project, Series A, 5.00%, 9/01/28	2,000	2,042,840
		3,526,897
Maryland 2.1%		
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 9/01/25	500	491,425
Maryland Health & Higher Educational Facilities Authority, Refunding RB, Doctor s Community Hospital, 5.63%, 7/01/30	2,900	2,641,001
		3,132,426

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New Jersey State Housing & Mortgage Finance Agency, RB, Series AA, 6.50%, 10/01/38		20,738,272
New Mexico 0.3%		
Village of Los Ranchos de Albuquerque New Mexico, Refunding RB, Albuquerque Academy Project, 4.50%, 9/01/40	500	482,720
New York 7.1%		
Albany Industrial Development Agency, RB, New Covenant Charter School Project, Series A, 7.00%, 5/01/35 (c)(d)	455	113,773
City of New York, New York, GO, Series A-1, 5.00%, 8/01/35	200	211,862
Hudson Yards Infrastructure Corp., RB, Series A: 5.00%, 2/15/47	1,000	953,300
(FGIC), 5.00%, 2/15/47	680	648,244
New York City Housing Development Corp., RB, Series A, 5.50%, 11/01/34	3,000	3,009,300

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Municipal Bonds	Par (000)	Value
New York (concluded)		
New York City Industrial Development Agency, RB: American Airlines Inc., JFK International Airport, AMT, 7.75%, 8/01/31 (e)	\$ 3,165	\$ 3,160,221
Queens Baseball Stadium, PILOT (AGC), 6.50%, 1/01/46	700	744,751
New York Liberty Development Corp., Refunding RB, Second Priority, Bank of America Tower at One Bryant Park Project, 6.38%, 7/15/49	800	825,288
New York State Dormitory Authority, RB, Rochester Institute of Technology, Series A, 6.00%, 7/01/33	1,000	1,098,420
		10,765,159
North Carolina 7.9%		
City of Charlotte North Carolina, Refunding RB, Series A, 5.50%, 7/01/34	225	239,044
Gaston County Industrial Facilities & Pollution Control Financing Authority North Carolina, RB, Exempt Facilities, National Gypsum Co. Project, AMT, 5.75%, 8/01/35	2,945	2,245,916
North Carolina Capital Facilities Finance Agency, RB, Duke Energy Carolinas, Series B, 4.38%, 10/01/31	2,475	2,421,466
North Carolina Medical Care Commission, RB, Series A: Novant Health Obligation, 4.75%, 11/01/43	4,720	4,105,550
WakeMed, Series A (AGC), 5.88%, 10/01/38	1,000	1,032,740
North Carolina Medical Care Commission, Refunding RB: Caromont Health (AGC), 4.63%, 2/15/35	1,000	982,130
University Health System, Series D, 6.25%, 12/01/33	800	876,400
		11,903,246
Ohio 0.3%		
County of Hancock Ohio, Refunding RB, Blanchard Valley Regional Health Center, 5.75%, 12/01/26	395	406,542
Oklahoma 1.2%		
Tulsa Airports Improvement Trust, RB, Series A, Mandatory Put Bonds, AMT, 7.75%, 6/01/35 (e)	1,725	1,765,503
Oregon 1.8%		
City of Portland Oregon, Multifamily Housing Revenue Bond Pass-Through Certificates, RB, Pacific Tower Apartments, Series 6, AMT, 6.05%, 11/01/34	510	512,351
Oregon Health & Science University, RB, Series A, 5.75%, 7/01/39	750	806,138
Oregon State Facilities Authority, Refunding RB, Limited College Project, Series A: 5.00%, 10/01/34	850	862,359
5.25%, 10/01/40	500	510,110
		2,690,958
Pennsylvania 3.1%		
Delaware River Port Authority, RB, Series D (AGM), 5.00%, 1/01/40	2,600	2,665,728
	2,000	1,996,540

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Pennsylvania Economic Development Financing Authority,
 RB, Aqua Pennsylvania Inc. Project, Series B,
 4.50%, 12/01/42

		4,662,268
Puerto Rico 1.2%		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 5.75%, 8/01/37	1,000	1,034,620
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC), 5.74%, 8/01/41 (a)	5,000	766,050
		1,800,670

Municipal Bonds	Par (000)	Value
Rhode Island 1.4%		
Rhode Island Health & Educational Building Corp., RB, Hospital Financing, LifeSpan Obligation, Series A (AGC), 7.00%, 5/15/39	\$ 1,000	\$ 1,136,490
State of Rhode Island, COP, Series C, School for the Deaf (AGC), 5.38%, 4/01/28	900	970,461
		2,106,951

Tennessee 0.2%		
Memphis-Shelby County Sports Authority Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28	275	289,930

Texas 15.0%		
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B: 7.13%, 12/01/31	500	560,990
7.25%, 12/01/35	1,750	1,951,898
Harris County Housing Finance Corp., Multifamily Housing Revenue Bond Pass-Through Certificates, RB, Series 9, Copperwood Ranch Apartments, Mandatory Put Bonds, AMT, 5.95%, 11/01/35 (e)	2,400	2,422,008
Harris County-Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 6.18%, 11/15/41 (a)	11,690	1,340,492
Love Field Airport Modernization Corp., RB, Southwest Airlines Co. Project, 5.25%, 11/01/40	1,750	1,638,525
Lower Colorado River Authority, Refunding RB (NPFGC), 5.00%, 5/15/13 (h)	15	16,172
Matagorda County Navigation District No. 1 Texas, Refunding RB, Central Power & Light Co. Project, Series A, 6.30%, 11/01/29	1,500	1,608,915
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, Senior Lien, LBJ Infrastructure Group LLC, LBJ Freeway Managed Lanes Project, 7.00%, 6/30/40	2,000	2,076,360
Texas State Turnpike Authority, RB (AMBAC): CAB, 6.08%, 8/15/35 (a)	50,000	10,456,500
First Tier, Series A, 5.00%, 8/15/42	750	719,235
		22,791,095

Vermont 1.1%		
Vermont Educational & Health Buildings Financing Agency, RB, Hospital, Fletcher Allen Health, Series A, 4.75%, 12/01/36	2,000	1,742,320

Virginia 0.5%		
Henrico County EDA, RB, Bon Secours Health, Series B-1 (AGC), 4.50%, 11/01/42	860	800,084

Washington 1.0%		
	1,400	1,504,608

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Washington Health Care Facilities Authority, RB,
MultiCare Health System, Series B (AGC),
6.00%, 8/15/39

Wyoming 0.8%

County of Sweetwater Wyoming, Refunding RB,
Idaho Power Co. Project, 5.25%, 7/15/26

	1,200	1,291,332
Total Municipal Bonds	144.6%	219,005,179

See Notes to Financial Statements.

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Schedule of Investments (concluded)

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

Municipal Bonds Transferred to Tender Option Bond Trusts (i)	Par (000)	Value
Colorado 2.5%		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 9/01/36	\$ 3,750	\$ 3,783,600
Massachusetts 1.0%		
Massachusetts Water Resources Authority, Refunding RB, General, Series A, 5.00%, 8/01/41	1,450	1,501,649
New York 4.1%		
New York City Municipal Water Finance Authority, RB: Fiscal 2009, Series A, 5.75%, 6/15/40	450	501,079
Series FF-2, 5.50%, 6/15/40	405	442,905
New York City Municipal Water Finance Authority, Refunding RB, Series A, 4.75%, 6/15/30	3,000	3,122,940
New York State Dormitory Authority, RB, New York University, Series A, 5.00%, 7/01/38	2,199	2,279,035
		6,345,959
Ohio 2.2%		
County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 10/01/41	1,260	1,267,125
Ohio Higher Educational Facility Commission, Refunding RB, Hospital, Cleveland Clinic Health, Series A, 5.25%, 1/01/33	2,000	2,062,840
		3,329,965
Total Municipal Bonds Transferred to Tender Option Bond Trusts 9.8%		14,961,173
Total Long-Term Investments (Cost \$232,083,034) 154.4%		233,966,352

Short-Term Securities	Shares	
FFI Institutional Tax-Exempt Fund, 0.01% (j)(k)	2,247,948	2,247,948
Total Short-Term Securities (Cost \$2,247,948) 1.5%		2,247,948
Total Investments (Cost \$234,330,982*) 155.9%		236,214,300
Other Assets Less Liabilities 1.7%		2,563,206
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (4.9)%		(7,403,992)
AMPS, at Redemption Value (52.7)%		(79,902,319)
Net Assets Applicable to Common Shares 100.0%		\$ 151,471,195

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 226,098,791
Gross unrealized appreciation	\$ 10,055,163
Gross unrealized depreciation	(7,338,802)
Net unrealized appreciation	\$ 2,716,361

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- (a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (c) Issuer filed for bankruptcy and/or is in default of interest payments.
- (d) Non-income producing security.
- (e) Variable rate security. Rate shown is as of report date.
- (f) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (g) Security represents a beneficial interest in a trust. The collateral deposited into the trust is federally tax-exempt revenue bonds issued by various state or local governments, or their respective agencies or authorities. The security is subject to remarketing prior to its stated maturity.
- (h) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (i) Securities represent bonds transferred to a TOB trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (j) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at August 31, 2010	Net Activity	Shares Held at August 31, 2011	Income
FFI Institutional Tax-Exempt Fund	4,831,353	(2,583,405)	2,247,948	\$ 2,522

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

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs are categorized in three broad levels for financial statement purposes as follows:

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

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

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

The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of August 31, 2011 in determining the fair valuation of the Trust's investments:

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Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 233,966,352		\$ 233,966,352
Short-Term				
Securities	\$ 2,247,948			2,247,948
Total	\$ 2,247,948	\$ 233,966,352		\$ 236,214,300

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

See Notes to Financial Statements.

Schedule of Investments August 31, 2011

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

	Par (000)	Value
Municipal Bonds		
Alabama 1.7%		
Birmingham Special Care Facilities Financing Authority, RB, Children's Hospital (AGC):		
6.13%, 6/01/34	\$ 1,000	\$ 1,101,810
6.00%, 6/01/39	1,000	1,082,600
		2,184,410
Arizona 0.4%		
State of Arizona, COP, Department of Administration, Series A (AGM), 5.25%, 10/01/28	465	488,073
California 14.3%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	2,155	2,310,052
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42	1,120	1,206,733
County of Sacramento California, RB, Senior Series A (AGC), 5.50%, 7/01/41	1,400	1,448,174
Cucamonga Valley Water District, Refunding RB, Series A (AGM), 5.00%, 9/01/26	2,000	2,158,380
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	1,000	1,038,310
Election of 2008, Series C, 5.25%, 8/01/39	1,000	1,074,310
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,175	1,241,129
Los Angeles Municipal Improvement Corp., Refunding RB, Real Property, Series B (AGC), 5.50%, 4/01/39	3,210	3,289,769
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/34	1,000	1,080,080
San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33	925	1,047,248
San Diego Public Facilities Financing Authority, Refunding RB, Series B (AGC), 5.38%, 8/01/34	1,125	1,205,381
San Jacinto Unified School District, GO, Election of 2006 (AGM), 5.25%, 8/01/32	1,000	1,036,960
		18,136,526
Colorado 1.5%		
Colorado Health Facilities Authority, RB, Hospital, NCMC Inc. Project, Series B (AGM), 6.00%, 5/15/26	1,425	1,600,845
Regional Transportation District, COP, Series A, 5.00%, 6/01/25	300	317,853
		1,918,698
Florida 11.7%		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31	4,525	4,850,574
City of Miami Florida, RB (NPFGC), 5.25%, 1/01/28	1,100	1,151,744
Village Center Community Development District, RB, Series A (NPFGC), 5.00%, 11/01/32	10,000	8,820,300
		14,822,618
Georgia 2.3%		

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City of Atlanta Georgia, Refunding RB, General, Series C, 6.00%, 1/01/30	2,500	2,850,550
Illinois 14.7%		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	745	789,849
Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	1,300	1,471,743
City of Chicago Illinois, RB, General, Third Lien, Series C (AGM): 5.25%, 1/01/30	1,000	1,055,130
5.25%, 1/01/35	435	451,613
City of Chicago Illinois, RB, Third Lien, O Hare International Airport, Series A, 5.75%, 1/01/39	825	880,786
	Par (000)	Value
Municipal Bonds		
Illinois (concluded)		
City of Chicago Illinois, Refunding RB: General, Third Lien, Series C, 6.50%, 1/01/41	\$ 3,740	\$ 4,210,492
Second Lien (NPFGC), 5.50%, 1/01/30	1,000	1,085,460
Illinois Finance Authority, Refunding RB, Carle Foundation, Series A, 6.00%, 8/15/41	1,885	1,918,855
Illinois Municipal Electric Agency, RB, Series A (NPFGC): 5.25%, 2/01/28	1,560	1,637,797
5.25%, 2/01/35	1,000	1,026,470
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	915	962,882
6.00%, 6/01/28	260	265,746
State of Illinois, RB: (AGM), 5.00%, 6/15/27	1,000	1,036,200
Build Illinois, Series B, 5.25%, 6/15/28	1,750	1,867,285
		18,660,308
Indiana 2.5%		
Indiana Finance Authority, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38	550	571,049
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	2,415	2,572,023
		3,143,072
Iowa 0.3%		
Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29	410	430,611
Louisiana 4.1%		
East Baton Rouge Sewerage Commission, RB, Series A, 5.25%, 2/01/39	1,750	1,843,205
Louisiana State Citizens Property Insurance Corp., RB, Series C-3 (AGC), 6.13%, 6/01/25	2,510	2,787,807
New Orleans Aviation Board Louisiana, Refunding GARB, Restructuring (AGC): Series A-1, 6.00%, 1/01/23	375	433,057
Series A-2, 6.00%, 1/01/23	150	173,223
		5,237,292
Michigan 16.1%		
City of Detroit Michigan, RB: Second Lien, Series B (AGM), 6.25%, 7/01/36	1,700	1,883,804
Second Lien, Series B (AGM), 7.00%, 7/01/36	200	233,404
Second Lien, Series B (NPFGC), 5.50%, 7/01/29	1,790	1,853,957
Senior Lien, Series B (AGM), 7.50%, 7/01/33	1,500	1,773,525

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Senior Lien, Series B (BHAC), 5.50%, 7/01/35	4,750	4,924,610
System, Second Lien, Series A (BHAC), 5.50%, 7/01/36	2,330	2,421,149
City of Detroit Michigan, Refunding RB, Second Lien: Series C-1 (AGM), 7.00%, 7/01/27	1,800	2,108,430
Series E (BHAC), 5.75%, 7/01/31	2,300	2,454,813
Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26	365	391,130
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC): 5.25%, 10/15/24	565	625,557
5.25%, 10/15/25	300	329,571
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,205	1,398,427
		20,398,377
Minnesota 4.9%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	5,680	6,254,589
Nevada 1.7%		
Clark County Water Reclamation District, GO, Series A, 5.25%, 7/01/34	2,000	2,122,380

See Notes to Financial Statements.

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
New Jersey 4.0%		
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	\$ 1,300	\$ 1,356,160
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,575	1,637,811
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGC), 5.50%, 12/15/38	2,000	2,119,140
		5,113,111
New York 2.9%		
New York City Transitional Finance Authority, RB, Fiscal 2009:		
Series S-3, 5.25%, 1/15/39	900	952,317
Series S-4 (AGC), 5.50%, 1/15/29	2,465	2,702,232
		3,654,549
Ohio 0.1%		
Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40	75	75,415
Puerto Rico 2.1%		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGM), 5.50%, 7/01/30	1,170	1,237,813
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	1,350	1,459,985
		2,697,798
Texas 20.4%		
Austin Community College District, RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/33	2,000	2,107,420
City of Austin Texas, Refunding RB, Series A (AGM):		
5.00%, 11/15/28	705	761,626
5.00%, 11/15/29	895	958,321
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC):		
6.00%, 11/15/35	2,600	2,952,794
6.00%, 11/15/36	2,215	2,513,981
5.38%, 11/15/38	1,000	1,078,650
Clifton Higher Education Finance Corp., Refunding RB, Baylor University, 5.25%, 3/01/32	1,270	1,370,482
Dallas Area Rapid Transit, Refunding RB, Senior Lien, 5.25%, 12/01/38	2,380	2,533,105
Frisco ISD Texas, GO, School Building (AGC):		
5.38%, 8/15/39	1,415	1,524,450
5.50%, 8/15/41	3,365	3,658,193
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.13%, 12/01/31	500	560,990
Lubbock Cooper ISD Texas, GO, School Building (AGC), 5.75%, 2/15/42	500	535,605

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North Texas Tollway Authority, RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38	1,500	1,586,160
North Texas Tollway Authority, Refunding RB, System, First Tier: (AGM), 6.00%, 1/01/43	1,000	1,087,780
Series A (AGC), 5.75%, 1/01/40	1,500	1,576,080
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC), 6.50%, 7/01/37	1,000	1,073,930
		25,879,567
Utah 0.8%		
City of Riverton Utah, RB, IHC Health Services Inc., 5.00%, 8/15/41	1,000	1,005,190
	Par	Value
	(000)	
Municipal Bonds		
Virginia 0.9%		
Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35	\$ 1,000	\$ 1,137,710
Washington 1.6%		
City of Seattle Washington, Refunding RB, Series A, 5.25%, 2/01/36	1,025	1,114,605
State of Washington, GO, Various Purpose, Series B, 5.25%, 2/01/36	795	871,002
		1,985,607
Total Municipal Bonds 109.0%		138,196,451
Municipal Bonds Transferred to Tender Option Bond Trusts (a)		
Alabama 1.2%		
Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	1,500	1,542,810
California 11.0%		
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	2,500	2,580,900
San Marcos Unified School District, GO, Election of 2010, Series A, 5.25%, 8/01/31	10,680	11,349,850
		13,930,750
District of Columbia 0.7%		
District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35	760	899,181
Florida 10.8%		
City of Jacksonville Florida, RB, Better Jacksonville (NPFGC), 5.00%, 10/01/27	3,930	4,012,412
County of Pinellas Florida, RB (AGM), 5.00%, 10/01/32	9,500	9,636,277
		13,648,689
Illinois 4.9%		
Chicago Transit Authority, Refunding RB, Federal Transit Administration Section 5309 (AGM), 5.00%, 6/01/28	2,999	3,071,313
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	2,999	3,129,409
		6,200,722
Kentucky 0.8%		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	898	972,914
Nevada 1.8%		

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Clark County Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/38	2,000	2,240,780
New Jersey 0.8%		
New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	1,000	1,093,560
Texas 1.9%		
North Texas Tollway Authority, RB, Special Projects, System, Series A, 5.50%, 9/01/41	2,310	2,484,752
Total Municipal Bonds Transferred to Tender Option Bond Trusts 33.9%		43,014,158
Total Long-Term Investments (Cost \$174,150,461) 142.9%		181,210,609

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

	Shares	Value
Short-Term Securities		
FFI Institutional Tax-Exempt Fund, 0.01% (b)(c)	9,230,241	\$ 9,230,241
Total Short-Term Securities		9,230,241
(Cost \$9,230,241) 7.3%		
Total Investments (Cost \$183,380,702*) 150.2%		190,440,850
Other Assets Less Liabilities 0.7%		898,545
Liability for TOB Trust Certificates, Including		
Interest Expense and Fees Payable (17.6)%		(22,281,092)
AMPS, at Redemption Value (33.3)%		(42,275,707)
Net Assets Applicable to Common Shares 100.0%		\$ 126,782,596

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 161,272,002
Gross unrealized appreciation	\$ 8,296,059
Gross unrealized depreciation	(1,393,477)
Net unrealized appreciation	\$ 6,902,582

- (a) Securities represent bonds transferred to a TOB trust in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (b) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at August 31, 2010	Net Activity	Shares Held at August 31, 2011	Income
FFI Institutional Tax-Exempt Fund	1,211,264	8,018,977	9,230,241	\$ 3,616

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

Financial futures contracts sold as of August 31, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation
32	10-Year U.S. Treasury Note	Chicago Board of Trade	December 2011	\$4,140,439	\$11,439

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Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial statement purposes as follows:

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

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

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

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 181,210,609		\$ 181,210,609
Short-Term Securities	\$ 9,230,241			9,230,241
Total	\$ 9,230,241	\$ 181,210,609		\$ 190,440,850

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

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Assets:				
Interest rate contracts	\$ 11,439			\$ 11,439

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

Schedule of Investments August 31, 2011

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

Municipal Bonds	Par (000)	Value
Alabama 3.8%		
Alabama State Docks Department, Refunding RB, 6.00%, 10/01/40	\$ 3,800	\$ 3,984,034
Birmingham Airport Authority, RB (AGM), 5.50%, 7/01/40	5,800	6,046,674
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 6/01/39	1,495	1,618,487
County of Jefferson Alabama, RB, Series A 4.75%, 1/01/25	2,800	2,310,112
		13,959,307
Arizona 1.0%		
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	1,500	1,563,495
State of Arizona, COP, Department of Administration, Series A (AGM): 5.00%, 10/01/27	1,500	1,566,840
5.25%, 10/01/28	650	682,253
		3,812,588
California 28.2%		
California Health Facilities Financing Authority, Refunding RB, St. Joseph Health System, Series A, 5.75%, 7/01/39	625	641,981
California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, First Lien, Series A (AMBAC), 5.00%, 1/01/28 (a)	10,100	12,662,976
Coast Community College District California, GO, Refunding, CAB, Election of 2002, Series C (AGM): 5.58%, 8/01/13 (b)	7,450	6,806,841
5.40%, 8/01/36 (c)	4,200	842,982
Fresno Unified School District California, GO, Election of 2001, Series E (AGM), 5.00%, 8/01/30	1,100	1,121,065
Golden State Tobacco Securitization Corp. California, RB, Series 2003-A-1 (a): 6.63%, 6/01/13	6,500	7,194,330
6.75%, 6/01/13	14,500	16,080,355
Los Angeles Municipal Improvement Corp., RB, Series B1 (NPFGC), 4.75%, 8/01/37	3,500	3,184,440
Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33	17,500	17,817,800
Monterey Peninsula Community College District, GO, CAB, Series C (AGM) (c): 5.15%, 8/01/31	13,575	3,963,357
5.16%, 8/01/32	14,150	3,775,645
Orange County Sanitation District, COP, Series B (AGM), 5.00%, 2/01/31	2,500	2,614,400
San Diego Unified School District California, GO, CAB, Election of 2008, Series C, 6.84%, 7/01/38 (c)	2,000	364,120
San Francisco City & County Public Utilities Commission, Refunding RB, Series A (AGM) 5.00%, 11/01/11 (a)	3,460	3,487,680

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5.00%, 11/01/31 San Joaquin Hills Transportation Corridor Agency California, Refunding RB, CAB, Series A (NPFGC), 5.50%, 1/15/31 (c)	11,540	11,555,348
San Jose Unified School District Santa Clara County California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29	53,000	10,012,230
	2,350	2,431,757
		104,557,307

Colorado 0.3%

Regional Transportation District, COP, Series A, 5.38%, 6/01/31	960	1,013,731
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District of Columbia 2.4%

District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 5/15/40	9,500	8,939,120
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	Par (000)	Value
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Municipal Bonds

Florida 15.3%

Broward County School Board Florida, COP, Series A (AGM), 5.25%, 7/01/33	\$ 2,000	\$ 2,051,760
County of Broward Florida, RB, Series A, 5.25%, 10/01/34	6,750	7,222,770
County of Duval Florida, COP, Master Lease Program (AGM), 5.00%, 7/01/33	3,800	3,861,218
County of Miami-Dade Florida, RB: CAB, Sub-Series A (NPFGC), 5.25%, 10/01/38 (c)	25,520	3,887,461
Miami International Airport, Series A, 5.50%, 10/01/41	5,000	5,132,750
Water & Sewer System (AGM), 5.00%, 10/01/39	10,100	10,336,542
County of Miami-Dade Florida, Refunding RB (AGM), 5.00%, 7/01/35	1,300	1,327,820
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 3, 5.45%, 7/01/33	3,800	3,928,022
Florida State Department of Environmental Protection, RB, Series B (NPFGC), 5.00%, 7/01/27	7,500	7,916,625
Miami-Dade County School Board, COP, RB, Series B (AGC), 5.25%, 5/01/31	1,135	1,188,141
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34	6,090	6,400,529
Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39	300	305,775
South Florida Water Management District, COP (AMBAC), 5.00%, 10/01/36	1,000	1,010,230
Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/36	2,000	2,122,100
		56,691,743

Georgia 2.5%

City of Atlanta Georgia, Refunding RB, General, Series C, 6.00%, 1/01/30	7,500	8,551,650
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Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System Series D (AGM), 5.50%, 7/01/41	900	921,195
		9,472,845

Hawaii 1.4%

Hawaii State Harbor, RB, Series A, 5.50%, 7/01/35	5,000	5,212,650
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Illinois 3.9%

Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	2,500	2,650,500
Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40	600	627,894

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City of Chicago Illinois, RB, Series A (AGC), 5.00%, 1/01/38	7,310	7,404,518
County of Cook Illinois, GO, Refunding, Series A, 5.25%, 11/15/33	1,475	1,559,813
Illinois Municipal Electric Agency, RB, Series A (NPFGC), 5.25%, 2/01/27	1,350	1,424,007
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	710	725,691
		14,392,423
Indiana 2.1%		
Indiana Finance Authority, Refunding RB, First Lien, CWA Authority, Series A, 5.25%, 10/01/38	1,100	1,142,097
Indiana Municipal Power Agency, RB, Series B, 5.75%, 1/01/34	450	461,596
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	5,750	6,123,865
		7,727,558

See Notes to Financial Statements.

Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Iowa 1.4%		
Iowa Finance Authority, RB, Series A (AGC), 5.63%, 8/15/37	\$ 5,000	\$ 5,236,350
Kentucky 0.4%		
Kentucky State Property & Buildings Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/29	1,500	1,599,420
Louisiana 2.1%		
State of Louisiana, RB, Series A (AGM), 5.00%, 5/01/31	7,500	7,809,525
Michigan 3.3%		
City of Detroit Michigan, RB:		
System, Second Lien, Series A (BHAC), 5.50%, 7/01/36	2,900	3,013,448
System, Second Lien, Series B (NPFGC), 5.00%, 7/01/36	100	95,743
City of Detroit Michigan, Refunding RB, Second Lien, Series E (BHAC), 5.75%, 7/01/31	3,000	3,201,930
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	465	473,747
Lansing Board of Water & Light, RB, Series A, 5.50%, 7/01/41	1,100	1,192,928
Michigan State Building Authority, RB, Refunding Facilities Program:		
Series I-A, 5.38%, 10/15/36	2,000	2,081,460
Series I-A, 5.38%, 10/15/41	800	829,992
Series II-A, 5.38%, 10/15/36	1,500	1,561,095
		12,450,343
Nebraska 1.2%		
Nebraska Investment Finance Authority, Refunding RB, Series A:		
5.90%, 9/01/36	2,450	2,671,260
6.05%, 9/01/41	1,770	1,911,759
		4,583,019
Nevada 1.1%		
County of Clark Nevada, RB, Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39		
	4,100	4,208,199
New Jersey 0.9%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A, 5.50%, 6/15/41		
	3,000	3,186,360
New York 1.0%		
New York City Transitional Finance Authority, RB, Fiscal 2009, Series S-4, 5.50%, 1/15/33		
	1,950	2,095,119
New York State Dormitory Authority, ERB, Series B, 5.75%, 3/15/36		
	1,300	1,455,753
		3,550,872
North Carolina 0.9%		
North Carolina Medical Care Commission, RB, Novant Health Obligation, Series A, 4.75%, 11/01/43		
	3,875	3,370,552
Ohio 0.5%		
County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/37		
	610	683,426

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Ohio Higher Educational Facility Commission, Refunding
RB, Summa Health System, 2010 Project (AGC),
5.25%, 11/15/40

1,125 1,131,232
1,814,658

Pennsylvania 0.2%

Pennsylvania Turnpike Commission, RB, Subordinate,
Special Motor, License Fund, Series A, 6.00%,
12/01/36

625 712,506

Municipal Bonds

**Par
(000)**

Value

Puerto Rico 1.8%

Puerto Rico Sales Tax Financing Corp., RB, First
Sub-Series A:

6.38%, 8/01/39 \$ 5,300 \$ 5,731,791
5.50%, 8/01/42 950 962,074
6,693,865

Rhode Island 0.8%

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

2,625 2,909,419

South Carolina 1.5%

South Carolina Jobs-EDA, Refunding RB, Palmetto
Health, Series A (AGM), 6.50%, 8/01/39
South Carolina State Ports Authority, RB, 5.25%,
7/01/40

260 282,766
5,000 5,200,250
5,483,016

Tennessee 3.3%

Knox County Health Educational & Housing Facilities
Board Tennessee, Refunding RB, CAB, Series A
(AGM) (c):

5.88%, 1/01/23 9,110 4,791,587
5.90%, 1/01/24 8,500 4,201,210
5.91%, 1/01/25 6,850 3,186,209
12,179,006

Texas 26.9%

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

4,165 4,412,443

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

5.13%, 5/15/29 9,250 9,830,068
5.13%, 5/15/34 10,000 10,617,500

Comal ISD, GO, School Building (PSF-GTD), 5.00%,
2/01/36

2,500 2,595,075

Coppell ISD Texas, GO, Refunding, CAB (PSF-GTD),
5.64%, 8/15/30 (c)

10,030 4,477,793

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

5.57%, 8/15/25 7,485 4,400,956
5.60%, 8/15/28 10,915 5,439,490

County of Harris Texas, Refunding RB, Senior Lien, Toll
Road (AGM), 5.00%, 8/15/30

5,510 5,668,082

Harris County-Houston Sports Authority, Refunding RB
(NPFGC) (c):

CAB, Junior Lien, Series H, 5.93%, 11/15/38 5,785 736,778
CAB, Junior Lien, Series H, 5.95%, 11/15/39 6,160 727,311

Third Lien, Series A-3, 5.97%, 11/15/38

16,890 2,095,542

Lewisville ISD Texas, GO, Refunding, CAB, School
Building (NPFGC), 4.67%, 8/15/24 (c)

3,815 2,136,171

Mansfield ISD Texas, GO, School Building (PSF-GTD),
5.00%, 2/15/33

2,980 3,144,138

North Texas Tollway Authority, Refunding RB, First Tier:
Series A, 6.00%, 1/01/28

625 676,475

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System (NPFGC), 5.75%, 1/01/40	23,050	23,624,867
Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42	20,000	19,179,600
		99,762,289

See Notes to Financial Statements.

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Schedule of Investments (continued)

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

	Par (000)	Value
Municipal Bonds		
Washington 3.4%		
Chelan County Public Utility District No. 1, RB, Chelan Hydro System, Series C (AMBAC), 5.13%, 7/01/33	\$ 3,655	\$ 3,679,196
County of King Washington, Refunding RB (AGM), 5.00%, 1/01/36	2,200	2,256,672
Washington Health Care Facilities Authority, RB: MultiCare Health Care, Series C (AGC), 5.50%, 8/15/43	5,000	5,154,100
Providence Health & Services, Series A, 5.00%, 10/01/39	1,000	993,980
Providence Health & Services, Series A, 5.25%, 10/01/39	675	687,103
		12,771,051
Wisconsin 1.1%		
Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, 5.00%, 11/15/33	1,500	1,515,990
Froedtert & Community Health, 5.25%, 4/01/39	2,500	2,534,200
		4,050,190
Total Municipal Bonds 112.7%		418,149,912
Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
Arizona 0.4%		
Phoenix Civic Improvement Corp., RB, Junior Lien, Series A, 5.00%, 7/01/34	1,300	1,383,915
California 10.8%		
California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/33	3,379	3,451,252
California State University, Refunding RB, Systemwide, Series A (AGM), 5.00%, 11/01/32	8,000	8,282,560
Foothill-De Anza Community College District, GO, Election of 1999, Series C (NPFGC), 5.00%, 8/01/36	7,500	7,717,050
Los Angeles Community College District California, GO, Election of 2001, Series A (AGM), 5.00%, 8/01/32	5,000	5,196,850
San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33	449	481,372
San Diego County Water Authority, COP, Refunding, Series 2008-A (AGM), 5.00%, 5/01/33	4,870	5,048,339
University of California, RB, Series C (NPFGC), 4.75%, 5/15/37	10,000	9,882,200
		40,059,623
District of Columbia 0.3%		
District of Columbia, RB, Series A, 5.50%, 12/01/30	1,080	1,222,809
Florida 5.2%		
City of Tallahassee Florida, RB (NPFGC): 5.00%, 10/01/32	3,000	3,086,970
5.00%, 10/01/37	5,000	5,123,550
Florida State Board of Education, GO, Series D, 5.00%, 6/01/37	2,999	3,147,255

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Highlands County Health Facilities Authority, RB, Adventist, Series C, 5.25%, 11/15/36 (e)	1,800	1,816,974
Orange County School Board, COP, Series A (NPFGC), 5.00%, 8/01/30	6,000	6,091,140
		19,265,889
Hawaii 2.8%		
Honolulu City & County Board of Water Supply, RB, Series A (FGIC), 5.00%, 7/01/33	10,000	10,227,100
Municipal Bonds Transferred to Tender Option Bond Trusts (d)	Par (000)	Value
Illinois 8.8%		
Illinois Finance Authority, RB, Carle Foundation, Series A (AGM), 6.00%, 8/15/41	\$ 2,400	\$ 2,504,064
Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33	4,499	4,694,114
Metropolitan Pier & Exposition Authority, RB, McCormick Place Expansion Project, Series A (NPFGC), 5.00%, 12/15/28	24,010	24,167,265
State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34	1,400	1,444,589
		32,810,032
Massachusetts 3.6%		
Massachusetts School Building Authority, RB, Series A (AGM), 5.00%, 8/15/30	12,987	13,540,105
Nevada 1.8%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/39	4,197	4,606,711
Clark County Water Reclamation District, GO, Series B, 5.75%, 7/01/34	2,024	2,261,902
		6,868,613
New York 4.6%		
Erie County Industrial Development Agency, RB, City School District of Buffalo Project, Series A (AGM), 5.75%, 5/01/28	4,494	4,930,476
Metropolitan Transportation Authority, RB, Series A (NPFGC), 5.00%, 11/15/31	7,002	7,351,043
Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.25%, 11/15/34	4,500	4,811,085
		17,092,604
Ohio 0.2%		
State of Ohio, RB, Cleveland Clinic Health, Series B, 5.50%, 1/01/34	620	650,033
South Carolina 0.2%		
South Carolina State Public Service Authority, RB, Santee Cooper, Series A, 5.50%, 1/01/38	600	649,938
Texas 3.2%		
North East ISD Texas, GO, School Building (PSF-GTD) Series A, 5.00%, 8/01/37	1,500	1,573,455
Northside ISD Texas, GO, School Building (PSF-GTD), 5.13%, 6/15/29	9,500	10,180,059
		11,753,514
Utah 1.4%		
Utah Transit Authority, RB, Series A (AGM), 5.00%, 6/15/36	5,000	5,242,850
Virginia 0.1%		
Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	400	419,120
Washington 1.0%		
Central Puget Sound Regional Transit Authority, RB, Series A (AGM), 5.00%, 11/01/32	3,494	3,677,574

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Total Municipal Bonds Transferred to Tender Option Bond Trusts 44.4%	164,863,719
Total Long-Term Investments (Cost \$574,675,678) 157.1%	583,013,631

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

	Par (000)	Value
Short-Term Securities		
New York 0.5%		
City of New York, New York, GO, VRDN, Sub-Series A-6 (AGM Insurance, Dexia Credit Local SBPA), 1.50%, 9/01/11 (e)	\$ 1,700	\$ 1,700,000
	Shares	
Money Market Funds 1.6%		
FFI Institutional Tax-Exempt Fund, 0.01% (f)(g)	5,821,237	5,821,237
Total Short-Term Securities		
(Cost \$7,521,237) 2.1%		7,521,237
Total Investments (Cost \$582,196,195*) 159.2%		590,534,868
Other Assets Less Liabilities 1.0%		3,744,775
Liability for TOB Trust Certificates, Including		
Interest Expense and Fees Payable (23.2)%		(86,011,131)
AMPS, at Redemption Value (37.0)%		(137,254,205)
Net Assets Applicable to Common Shares 100.0%		\$ 371,014,307

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 496,199,453
Gross unrealized appreciation	\$ 25,117,947
Gross unrealized depreciation	(16,746,622)
Net unrealized appreciation	\$ 8,371,325

- (a) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Securities represent bonds transferred to a TOB in exchange for which the Trust acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (e) Variable rate security. Rate shown is as of report date and maturity shown is the date the principal owed can be recovered through demand.
- (f) Investments in companies considered to be an affiliate of the Trust during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at August 31, 2010	Net Activity	Shares Held at August 31, 2011	Income
FFI Institutional Tax-Exempt Fund	9,416,737	(3,595,500)	5,821,237	\$ 7,116

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(g) Represents the current yield as of report date.

Financial futures contracts sold as of August 31, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation
95	10-Year US Treasury Note	Chicago Board of Trade	December 2011	\$ 12,291,929	\$ 33,960

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized in three broad levels for financial statement purposes as follows:

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

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

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

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and does not necessarily correspond to the Trust's perceived risk of investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2011 in determining the fair valuation of the Trust's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 583,013,631		\$ 583,013,631
Short-Term Securities	\$ 5,821,237	1,700,000		7,521,237
Total	\$ 5,821,237	\$ 584,713,631		\$ 590,534,868

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

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Assets:				
Interest rate contracts	\$ 33,960			\$ 33,960

² Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2011

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

Municipal Bonds	Par (000)	Value
Arizona 3.3%		
Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/38	\$ 2,135	\$ 2,225,375
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32	5,635	4,962,688
5.00%, 12/01/37	3,990	3,442,013
		10,630,076
Arkansas 0.5%		
County of Little River Arkansas, Refunding RB, Georgia-Pacific Corp. Project, AMT, 5.60%, 10/01/26	1,825	1,737,473
California 20.3%		