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BLACKROCK CORE BOND TRUST

Form N-CSR

November 07, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-10543

Name of Fund: BlackRock Core Bond Trust (BHK)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Core Bond 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 Core Bond Trust (BHK)
BlackRock Corporate High Yield Fund V, Inc. (HYV)
BlackRock Corporate High Yield Fund VI, Inc. (HYT)
BlackRock High Income Shares (HIS)
BlackRock High Yield Trust (BHY)
BlackRock Income Opportunity Trust, Inc. (BNA)
BlackRock Income Trust, Inc. (BKT)
BlackRock Strategic Bond Trust (BHD)

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%

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US small cap equities (Russell 2000 Index)	(11.17)	22.19
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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Trust Summary as of August 31, 2011

BlackRock Core Bond Trust**Investment Objective**

BlackRock Core Bond Trust s (BHK) (the Trust) investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. 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.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned (2.35)% based on market price and 4.02% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 3.09% based on market price and 5.36% 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.

What factors influenced performance?

The largest individual factor impacting performance relative to its Lipper category competitors, many of which carry a lower average credit quality and/or a higher allocation to spread assets (those driven by movements in credit risk), is the Trust s high-quality bias. This bias hurt performance for the period as spread sectors and lower-quality risk assets generally outperformed US Treasuries and government-related assets for the 12-month period.

Early in reporting period, the Trust s exposure to non-government spread sectors, such as investment grade credit, non-agency residential mortgage-backed securities (MBS) and asset-backed securities (ABS) contributed positively to performance on an absolute basis. The Trust s allocation to high yield corporate credit and commercial mortgage-backed securities (CMBS) also had a positive impact. During the second half of the reporting period, the Trust s allocation to high-quality, government-related debt benefited performance, as did its longer duration (greater sensitivity to interest rates) and yield curve-flattening stance as interest rates rallied in the final month of the period.

The Trust uses interest rate derivatives, including futures contracts, options, swaps and swaptions, mainly for the purpose of managing risks relating to portfolio duration and yield curve positioning. The Trust also uses credit default swaps against both individual names and broad indices to manage credit risk in the portfolio. Credit default swaps against indices help to manage market risk as well. In addition, the Trust trades foreign currency exchange contracts and uses foreign currency derivatives to manage currency risk in the portfolio. Overall, derivative usage during period had a negative effect on performance.

Describe recent portfolio activity.

During the period, the Trust gradually reduced its exposure to non-agency residential MBS and CMBS. The proceeds from these transactions were rotated into more liquid corporate credit bonds that offer compelling carry yields (income) and strong fundamentals. Investment grade and high yield corporate bonds became the two largest credit spread sector allocations in the Trust. The Trust tactically managed its duration and yield curve positioning throughout the period.

Describe portfolio positioning at period end.

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, ABS and non-agency residential MBS. The Trust also held allocations to government-related sectors such

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as US Treasuries, agency debt and agency MBS. The Trust ended the period with leverage at 29% of its total managed assets.

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.

BlackRock Core Bond Trust

Trust Information

Symbol on New York Stock Exchange (NYSE)	BHK
Initial Offering Date	November 27, 2001
Yield on Closing Market Price as of August 31, 2011 (\$12.69) ¹	6.34%
Current Monthly Distribution per Common Share ²	\$0.067
Current Annualized Distribution per Common Share ²	\$0.804
Leverage as of August 31, 2011 ³	29%

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

² The distribution rate is not constant and is subject to change.

³ Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 12.69	\$ 13.92	(8.84)%	\$ 13.99	\$ 11.98
Net Asset Value	\$ 13.78	\$ 14.19	(2.89)%	\$ 14.30	\$ 13.19

The following charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond and US Government securities:

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	52%	38%
US Treasury Obligations	16	19
US Government Sponsored Agency Securities	13	23
Non-Agency Mortgage-Backed Securities	12	10
Asset-Backed Securities	4	5
Preferred Securities	1	1
Taxable Municipal Bonds	1	2
Foreign Agency Obligations	1	2

Credit Quality Allocations⁴

	8/31/11	8/31/10
AAA/Aaa ⁵	40%	43%
AA/Aa	8	11

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A	17	17
BBB/Baa	16	11
BB/Ba	6	8
B	11	7
CCC/Caa	2	2
Not Rated		1

⁴ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

⁵ Includes US Government Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.

ANNUAL REPORT

AUGUST 31, 2011

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Trust Summary as of August 31, 2011

BlackRock Corporate High Yield Fund V, Inc.**Investment Objective**

BlackRock Corporate High Yield Fund V, Inc.'s (HYV) (the Trust) investment objective is to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (BB or lower by S&P or Ba or lower by Moody's) or in unrated securities considered by the Trust's investment adviser to be of comparable quality. The Trust also seeks to provide shareholders with capital appreciation. The Trust seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in domestic and foreign high yield debt instruments, including high yield bonds (commonly referred to as junk bonds) and high yield corporate loans which are below 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.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned 10.79% based on market price and 10.29% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount 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.

What factors influenced performance?

High yield bonds outperformed higher-quality fixed income assets by a sizeable margin during the period due to the high yield market's prevalence of solid technicals, strong credit fundamentals and substantial income in a low-interest-rate environment. More recently, however, these positives have been upstaged by escalating macroeconomic concerns, which continued to fuel investor uncertainty and risk aversion. Across the high yield credit spectrum, security selection in the mid- to lower-quality tiers benefited Trust performance, as did the Trust's exposure to non-rated credits (i.e., preferred securities, warrants). Among fixed income sectors, positive security selection in the electric, metals & mining and media non-cable sectors boosted gains. Allocations to equity-related instruments also aided performance.

Over the period, an underexposure to higher-quality securities hurt Trust performance. Higher-quality securities exhibit more interest rate sensitivity than their lower-quality counterparts, so they reacted positively to a rally in US Treasury rates touched off by higher market volatility and a resulting flight to quality. Within sectors, security selection in the independent energy, non-captive diversified and consumer service sectors impeded Trust gains. Another notable detractor was the Trust's allocation to senior secured bank loans, which underperformed high yield bonds over the period. The Trust pursued a higher-quality bias in bank loans over the last several months of the period.

Describe recent portfolio activity.

During the first half of the period, the Trust shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Trust positioning once again became more conservative. The Trust continued to purchase new issues, albeit cautiously, seeking more stable industries with companies offering good cash flows, earnings and revenue visibility, as well as attractive downside protection. More recently, the Trust has reduced exposure to riskier credits that typically require significant economic growth or expansion to realize a boost in valuations. While selling down higher-beta names (i.e., those with higher sensitivity to market volatility), the Trust began actively hedging its equity exposure by taking short positions in S&P 500® Index futures. Furthermore, the Trust increased exposure to names in the independent energy sector, while significantly reducing exposure to the wireless sector.

Describe portfolio positioning at period end.

At period end, the Trust held 79% of its total portfolio in corporate bonds, 13% in floating rate loan interests (bank loans), 3% in common stocks, 3% in other interests with the remainder in preferred stocks. The Trust's cash equivalent position was negligible for most of the period. The Trust ended the period with leverage at 25% of its total managed assets.

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.

BlackRock Corporate High Yield Fund V, Inc.**Trust Information**

Symbol on NYSE	HYV
Initial Offering Date	November 30, 2001
Yield on Closing Market Price as of August 31, 2011 (\$11.55) ¹	8.83%
Current Monthly Distribution per Common Share ²	\$0.085
Current Annualized Distribution per Common Share ²	\$1.020
Leverage as of August 31, 2011 ³	25%

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 11.55	\$ 11.40	1.32%	\$ 12.58	\$ 10.10
Net Asset Value	\$ 11.71	\$ 11.61	0.86%	\$ 12.87	\$ 11.52

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	79%	80%
Floating Rate Loan Interests	13	15
Common Stocks	3	2
Other Interests	3	2
Preferred Stocks	2	1

Credit Quality Allocations⁴

	8/31/11	8/31/10
BBB/Baa	7%	3%

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BB/Ba	34	35
B	45	46
CCC/Caa	11	11
CC/Ca		1
D	1	
Not Rated	2	4

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2011

BlackRock Corporate High Yield Fund VI, Inc.

Investment Objective

BlackRock Corporate High Yield Fund VI, Inc. s (HYT) (the Trust) primary investment objective is to provide shareholders with current income. The Trust s secondary investment objective is to provide shareholders with capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in domestic and foreign high yield securities, including high yield bonds (commonly referred to as junk bonds), corporate loans, convertible debt securities and preferred securities which are below 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 objectives will be achieved.

Portfolio Management Commentary

How did the Trust perform?

For the 12 months ended August 31, 2011, the Trust returned 9.09% based on market price and 9.95% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% 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.

What factors influenced performance?

High yield bonds outperformed higher-quality fixed income assets by a sizeable margin during the period due to the high yield market s prevalence of solid technicals, strong credit fundamentals and substantial income in a low-interest-rate environment. More recently, however, these positives have been upstaged by escalating macroeconomic concerns, which continued to fuel investor uncertainty and risk aversion. Across the high yield credit spectrum, security selection in the mid- to lower-quality tiers benefited Trust performance, as did the Trust s exposure to non-rated credits (i.e., preferred securities, warrants). Among fixed income sectors, positive security selection in the electric, metals & mining and media non-cable sectors boosted gains. Allocations to equity-related instruments also aided performance.

Over the period, an underexposure to higher-quality securities hurt Trust performance. Higher-quality securities exhibit more interest rate sensitivity than their lower-quality counterparts, so they reacted positively to a rally in US Treasury rates touched off by higher market volatility and a resulting flight to quality. Within sectors, security selection in the independent energy, non-captive diversified and consumer service sectors impeded Trust gains. Another notable detractor was the Trust s allocation to senior secured bank loans, which underperformed high yield bonds over the period. The Trust pursued a higher-quality bias in bank loans over the last several months of the period.

Describe recent portfolio activity.

During the first half of the period, the Trust shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Trust positioning once again became more conservative. The Trust continued to purchase new issues, albeit cautiously, seeking more stable industries with companies offering good cash flows, earnings and revenue visibility, as well as attractive downside protection. More recently, the Trust has reduced exposure to riskier credits that typically require significant economic growth or expansion to realize a boost in valuations. While selling down higher-beta names (i.e., those with higher sensitivity to market volatility), the Trust began actively hedging its equity exposure by taking short positions in S&P 500® Index futures. Furthermore, the Trust increased exposure to names in the independent energy sector, while significantly reducing exposure to the wireless sector.

Describe portfolio positioning at period end.

At period end, the Trust held 79% of its total portfolio in corporate bonds, 13% in floating rate loan interests (bank loans), 3% in common stocks, 3% in other interests with the remainder in preferred stocks. The Trust's cash equivalent position was negligible for most of the period. The Trust ended the period with leverage at 24% of its total managed assets.

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.

BlackRock Corporate High Yield Fund VI, Inc.**Trust Information**

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Yield on Closing Market Price as of August 31, 2011 (\$11.21) ¹	8.83%
Current Monthly Distribution per Common Share ²	\$0.0825
Current Annualized Distribution per Common Share ²	\$0.9900
Leverage as of August 31, 2011 ³	24%

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 11.21	\$ 11.19	0.18%	\$ 12.23	\$ 10.00
Net Asset Value	\$ 11.49	\$ 11.38	0.97%	\$ 12.60	\$ 11.31

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	79%	81%
Floating Rate Loan Interests	13	15
Common Stocks	3	2
Other Interests	3	1
Preferred Stocks	2	1

Credit Quality Allocations⁴

	8/31/11	8/31/10
BBB/Baa	7%	3%

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BB/Ba	35	36
B	45	47
CCC/Caa	11	11
D	1	
Not Rated	1	3

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2011

BlackRock High Income Shares**Investment Objective**

BlackRock High Income Shares (HIS) (the Trust) primary investment objective is to provide the highest current income attainable consistent with reasonable risk as determined by the Trust's investment adviser, through investment in a professionally managed, diversified portfolio of high yield, high risk fixed income securities (commonly referred to as junk bonds). The Trust's secondary objective is to provide capital appreciation, but only when consistent with its primary objective. The Trust seeks to achieve its objectives by investing primarily in high yield, high risk debt instruments rated in the medium to lower categories by nationally recognized rating services (BBB or lower by S&P or Baa or lower by Moody's) or non-rated securities, which, in the investment adviser's opinion, are of comparable quality. Under normal market conditions, the average maturity of the Trust's portfolio is between eight and twelve years. 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 objectives will be achieved.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned 10.59% based on market price and 9.56% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount 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.

What factors influenced performance?

High yield bonds outperformed higher-quality fixed income assets by a sizeable margin during the period due to the high yield market's prevalence of solid technicals, strong credit fundamentals and substantial income in a low-interest-rate environment. More recently, however, these positives have been upstaged by escalating macroeconomic concerns, which continued to fuel investor uncertainty and risk aversion. Across the high yield credit spectrum, security selection in the mid- to lower-quality tiers benefited Trust performance, as did the Trust's exposure to non-rated credits (i.e., preferred securities, warrants). Among fixed income sectors, positive security selection in the electric, metals & mining and media non-cable sectors boosted gains. Allocations to equity-related instruments also aided performance.

Over the period, an underexposure to higher-quality securities hurt Trust performance. Higher-quality securities exhibit more interest rate sensitivity than their lower-quality counterparts, so they reacted positively to a rally in US Treasury rates touched off by higher market volatility and a resulting flight to quality. Within sectors, security selection in the independent energy, non-captive diversified and consumer service sectors impeded Trust gains. Another notable detractor was the Trust's allocation to senior secured bank loans, which underperformed high yield bonds over the period. The Trust pursued a higher-quality bias in bank loans over the last several months of the period.

Describe recent portfolio activity.

During the first half of the period, the Trust shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Trust positioning once again became more conservative. The Trust continued to purchase new issues, albeit cautiously, seeking more stable industries with companies offering good cash flows, earnings and revenue visibility, as well as attractive downside protection. More recently, the Trust has reduced exposure to riskier credits that typically require significant economic growth or expansion to realize a boost in valuations. While selling down higher-beta names (i.e., those with higher sensitivity to market volatility), the Trust began actively hedging its equity exposure by taking short positions in S&P 500® Index futures. Furthermore, the Trust increased exposure to names in the independent energy sector, while significantly reducing exposure to the wireless sector.

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Describe portfolio positioning at period end.

At period end, the Trust held 83% of its total portfolio in corporate bonds, 14% in floating rate loan interests (bank loans), 2% in preferred stocks and 1% in common stocks. The Trust's cash equivalent position was negligible for most of the period. The Trust ended the period with leverage at 20% of its total managed assets.

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.

BlackRock High Income Shares

Trust Information

Symbol on NYSE	HIS
Initial Offering Date	August 10, 1988
Yield on Closing Market Price as of August 31, 2011 (\$2.10) ¹	8.11%
Current Monthly Distribution per Common Share ²	\$0.0142
Current Annualized Distribution per Common Share ²	\$0.1704
Leverage as of August 31, 2011 ³	20%

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 2.10	\$ 2.09	0.48%	\$ 2.25	\$ 1.85
Net Asset Value	\$ 2.18	\$ 2.19	(0.46)%	\$ 2.36	\$ 2.14

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	83%	84%
Floating Rate Loan Interests	14	13
Preferred Stocks	2	2
Common Stocks	1	1

Credit Quality Allocations⁴

	8/31/11	8/31/10
BBB/Baa	7%	3%
BB/Ba	34	35
B	45	46
CCC/Caa	12	11
D	1	
Not Rated	1	5

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2011

BlackRock High Yield Trust**Investment Objective**

BlackRock High Yield Trust s (BHY) (the Trust) primary investment objective is to provide high current income. The Trust s secondary investment objective is to provide capital appreciation. The Trust seeks to achieve its objectives by investing, under normal market conditions, at least 80% of its assets in high-risk, high yield bonds and other such securities, such as preferred stocks, which are rated below investment grade. 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 objectives will be achieved.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned 10.73% based on market price and 9.66% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount 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.

What factors influenced performance?

High yield bonds outperformed higher-quality fixed income assets by a sizeable margin during the period due to the high yield market s prevalence of solid technicals, strong credit fundamentals and substantial income in a low-interest-rate environment. More recently, however, these positives have been upstaged by escalating macroeconomic concerns, which continued to fuel investor uncertainty and risk aversion. Across the high yield credit spectrum, security selection in the mid- to lower-quality tiers benefited Trust performance, as did the Trust s exposure to non-rated credits (i.e., preferred securities, warrants). Among fixed income sectors, positive security selection in the electric, metals & mining and media non-cable sectors boosted gains. Allocations to equity-related instruments also aided performance.

Over the period, an underexposure to higher-quality securities hurt Trust performance. Higher-quality securities exhibit more interest rate sensitivity than their lower-quality counterparts, so they reacted positively to a rally in US Treasury rates touched off by higher market volatility and a resulting flight to quality. Within sectors, security selection in the independent energy, non-captive diversified and consumer service sectors impeded Trust gains. Another notable detractor was the Trust s allocation to senior secured bank loans, which underperformed high yield bonds over the period. The Trust pursued a higher-quality bias in bank loans over the last several months of the period.

Describe recent portfolio activity.

During the first half of the period, the Trust shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Trust positioning once again became more conservative. The Trust continued to purchase new issues, albeit cautiously, seeking more stable industries with companies offering good cash flows, earnings and revenue visibility, as well as attractive downside protection. More recently, the Trust has reduced exposure to riskier credits that typically require significant economic growth or expansion to realize a boost in valuations. Furthermore, the Trust increased exposure to names in the independent energy sector, while significantly reducing exposure to the wireless sector.

Describe portfolio positioning at period end.

At period end, the Trust held 82% of its total portfolio in corporate bonds, 15% in floating rate loan interests (bank loans), 2% in other interests and 1% in preferred stocks. The Trust s cash equivalent position was negligible for most of the period. The Trust ended the period with leverage at 12% of its total managed assets.

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BlackRock High Yield Trust

Trust Information

Symbol on NYSE	BHY
Initial Offering Date	December 23, 1998
Yield on Closing Market Price as of August 31, 2011 (\$6.60) ¹	7.91%
Current Monthly Distribution per Common Share ²	\$0.0435
Current Annualized Distribution per Common Share ²	\$0.5220
Leverage as of August 31, 2011 ³	12%

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 6.60	\$ 6.44	2.48%	\$ 7.00	\$ 5.94
Net Asset Value	\$ 6.79	\$ 6.69	1.49%	\$ 7.33	\$ 6.66

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	82%	84%
Floating Rate Loan Interests	15	13
Other Interests	2	1
Preferred Stocks	1	1
Common Stocks		1

Credit Quality Allocations⁴

	8/31/11	8/31/10
BBB/Baa	8%	3%
BB/Ba	35	38
B	46	42
CCC/Caa	9	12
D	1	
Not Rated	1	5

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2011

BlackRock Income Opportunity Trust, Inc.

Investment Objective

BlackRock Income Opportunity Trust, Inc. s (BNA) (the Trust) investment objective is to provide current income and capital appreciation. The Trust seeks to achieve its investment objective by investing at least 75% of its assets in bonds that are investment grade quality at the time of investment. The Trust s investments will include a broad range of bonds, including corporate bonds, US government and agency securities and mortgage-related securities. 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.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned (0.37)% based on market price and 3.91% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 3.09% based on market price and 5.36% 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.

What factors influenced performance?

The largest individual factor impacting performance relative to its Lipper category competitors, many of which carry a lower average credit quality and/or a higher allocation to spread assets (those driven by movements in credit risk), is the Trust s high-quality bias. This bias hurt performance for the period as spread sectors and lower-quality risk assets generally outperformed US Treasuries and government-related assets for the 12-month period.

Early in the reporting period, the Trust s exposure to non-government spread sectors, such as investment grade credit, non-agency residential MBS and ABS contributed positively to performance on an absolute basis. The Trust s allocation to high yield corporate credit and CMBS also had a positive impact. During the second half of the reporting period, the Trust s allocation to high-quality, government-related debt benefited performance, as did its longer duration (greater sensitivity to interest rates) and yield curve-flattening stance as interest rates rallied in the final month of the period.

The Trust uses interest rate derivatives, including futures contracts, options, swaps and swaptions, mainly for the purpose of managing risks relating to portfolio duration and yield curve positioning. The Trust also uses credit default swaps against both individual names and broad indices to manage credit risk in the portfolio. Credit default swaps against indices help to manage market risk as well. In addition, the Trust trades foreign currency exchange contracts and uses foreign currency derivatives to manage currency risk in the portfolio. Overall, derivative usage during period had a negative effect on performance.

Describe recent portfolio activity.

During the period, the Trust gradually reduced its exposure to non-agency residential MBS and CMBS. The proceeds from these transactions were rotated into more liquid corporate credit bonds that offer compelling carry yields (income) and strong fundamentals. Investment grade and high yield corporate bonds became the two largest credit spread sector allocations in the Trust. The Trust tactically managed its duration and yield curve positioning throughout the period.

Describe portfolio positioning at period end.

At period end, the Trust maintained a diversified exposure to non-government spread sectors, including investment grade credit, high yield corporate credit, CMBS, ABS and non-agency residential MBS. The Trust also held allocations to government-related sectors such as US Treasuries, agency debt and agency MBS. The Trust ended the period with leverage at 29% of its total managed assets.

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BlackRock Income Opportunity Trust, Inc.**Trust Information**

Symbol on NYSE	BNA
Initial Offering Date	December 20, 1991
Yield on Closing Market Price as of August 31, 2011 (\$9.85) ¹	6.21%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Leverage as of August 31, 2011 ³	29%

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

² The distribution rate is not constant and is subject to change.

³ Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 9.85	\$ 10.56	(6.72)%	\$ 10.59	\$ 9.30
Net Asset Value	\$ 10.77	\$ 11.07	(2.71)%	\$ 11.13	\$ 10.28

The following charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond and US Government securities:

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	52%	38%
US Treasury Obligations	16	18
US Government Sponsored Agency Securities	13	23
Non-Agency Mortgage-Backed Securities	12	12
Asset-Backed Securities	4	4
Preferred Securities	1	1
Taxable Municipal Bonds	1	2
Foreign Agency Obligations	1	2

Credit Quality Allocations⁴

	8/31/11	8/31/10
AAA/Aaa ⁵	40%	41%
AA/Aa	7	11
A	19	20
BBB/Baa	16	12
BB/Ba	7	9
B	9	6
CCC/Caa	2	1

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- ⁴ Using the higher of S&P's or Moody's ratings.
- ⁵ Includes US Government Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.

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Trust Summary as of August 31, 2011

BlackRock Income Trust, Inc.

Investment Objective

BlackRock Income Trust, Inc. s (BKT) (the Trust) investment objective is to manage a portfolio of high-quality securities to achieve both preservation of capital and high monthly income. The Trust seeks to achieve its investment objective by investing at least 65% of its assets in mortgage-backed securities. The Trust invests at least 80% of its assets in securities that are (i) issued or guaranteed by the US government or one of its agencies or instrumentalities or (ii) rated at the time of investment either AAA by S&P or Aaa by Moody s. Securities issued or guaranteed by the US government or its agencies or instrumentalities are generally considered to be of the same or higher credit or quality as privately issued securities rated AAA or Aaa. 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.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned 8.47% based on market price and 7.70% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 5.28% based on market price and 6.99% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount 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.

What factors influenced performance?

During the first half of the reporting period, the Trust benefited mostly from its exposure to non-agency residential MBS and security selection within agency MBS. In the latter half of the period, the Trust s high-quality bias had a positive impact as investors fled riskier assets amid increasingly volatile markets. The Trust s active management of its agency MBS holdings and its allocation to US Treasuries benefited performance. Within the Trust s agency MBS allocation, holdings of agency IOs (interest-only) mortgages were particularly beneficial.

The Trust s exposure to CMBS and non-agency residential MBS was a negative factor in the latter half of the reporting period when concerns about slowing economic growth drove investors to more liquid segments of the mortgage market.

The Trust uses interest rate derivatives, including futures contracts, options, swaps and swaptions, mainly for the purpose of managing risks relating to portfolio duration and yield curve positioning. Overall, derivative usage during period had a negative effect on performance.

Describe recent portfolio activity.

During the period, the Trust gradually reduced its exposure to CMBS. The Trust also actively traded agency MBS and mortgage derivatives, seeking to take advantage of a benign pre-payment environment despite rates moving lower for most of the period.

Describe portfolio positioning at period end.

At period end, the Trust maintained its exposure to high-quality agency MBS with varying maturities and coupons and held allocations to non-agency residential MBS and CMBS. The Trust ended the period with leverage at 31% of its total managed assets. 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.

BlackRock Income Trust, Inc.

Trust Information

Symbol on NYSE	BKT
Initial Offering Date	July 22, 1988
Yield on Closing Market Price as of August 31, 2011 (\$7.18) ¹	6.10%
Current Monthly Distribution per Common Share ²	\$0.0365
Current Annualized Distribution per Common Share ²	\$0.4380
Leverage as of August 31, 2011 ³	31%

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

² The distribution rate is not constant and is subject to change.

³ Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see the Benefits and Risks of Leveraging on page 20.

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	\$ 7.18	\$ 6.95	3.31%	\$ 7.25	\$ 6.63
Net Asset Value	\$ 7.96	\$ 7.76	2.58%	\$ 8.02	\$ 7.64

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

Portfolio Composition

	8/31/11	8/31/10
US Government Sponsored Agency Securities	84%	83%
US Treasury Obligations	12	11
Non-Agency Mortgage-Backed Securities	3	5
Asset-Backed Securities	1	1

Credit Quality Allocations⁴

	8/31/11	8/31/10
AAA/Aaa ⁵	100%	100%

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes US Government Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.

Trust Summary as of August 31, 2011

BlackRock Strategic Bond Trust

Investment Objective

BlackRock Strategic Bond Trust s (BHD) (the Trust) investment objective is to provide total return through high current income and capital appreciation. The Trust seeks to achieve its investment objective by investing primarily in a diversified portfolio of fixed income securities including corporate bonds, US government and agency securities, mortgage-related and asset-backed securities and other types of fixed income securities. The Trust invests, under normal market conditions, a significant portion of its assets in corporate fixed income securities that are below investment grade quality, including high-risk, high yield bonds (commonly referred to as junk bonds) and other such securities, such as preferred stocks. 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.

Portfolio Management Commentary**How did the Trust perform?**

For the 12 months ended August 31, 2011, the Trust returned 6.83% based on market price and 8.09% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% 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.

What factors influenced performance?

The Trust invests mainly in high yield bonds and investment grade corporate credit. Despite the sharp market decline in the final month, both of these sectors posted gains for the 12-month period. On balance, lower-quality, higher-beta (greater market sensitivity) assets outperformed their higher-quality, lower-beta counterparts. The Trust s lower-quality bias within investment grade credit proved beneficial, as did the credit quality profile of its high yield bond holdings. The Trust s lower exposure to investment grade corporate credit in favor of high yield also had a positive impact.

Relative to its Lipper category competitors, which invest primarily in high yield bonds (approximately 90%), the Trust s allocation to investment grade credit was the largest detractor from performance as high yield outperformed the investment grade sector for the period. The Trust also held floating rate loan interests (approximately 10% of the portfolio), which also underperformed high yield and therefore hindered returns.

During the period, the Trust maintained leverage at an average amount between 18% and 22% of its total managed assets. This leverage added to performance on an absolute basis, but detracted from relative performance versus competitors that maintained higher levels of leverage, as would be expected during a period in which markets advanced.

Describe recent portfolio activity.

During the earlier part of the period, portfolio activity was consistent with a gradually recovering economy. The Trust modestly increased exposure to more economically sensitive companies and sectors, while maintaining its positions in a number of undervalued special situation credits. However, as concerns mounted over slowing US economic growth and the debt crisis in Europe in the latter half of the period, the Trust shifted to a more conservative stance. The Trust reduced exposure to the economy and consumer spending and sought credits that exhibit a more stable cash flow.

Describe portfolio positioning at period end.

At period end, the Trust held 60% of its total portfolio in high yield bonds, 25% investment grade corporate credit and 12% in floating rate loan interests (bank loans), with the remainder in other interests and preferred securities. The Trust ended the period with leverage at 20% of its total managed assets.

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BlackRock Strategic Bond Trust**Trust Information**

Symbol on NYSE	BHD
Initial Offering Date	February 26, 2002
Yield on Closing Market Price as of August 31, 2011 (\$12.93) ¹	7.84%
Current Monthly Distribution per Common Share ²	\$0.0845
Current Annualized Distribution per Common Share ²	\$1.0140
Leverage as of August 31, 2011 ³	20%

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

² The distribution rate is not constant and is subject to change.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 20.

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	\$ 12.93	\$ 13.17	(1.82)%	\$ 13.75	\$ 11.67
Net Asset Value	\$ 13.48	\$ 13.57	(0.66)%	\$ 14.40	\$ 13.21

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

Portfolio Composition

	8/31/11	8/31/10
Corporate Bonds	85%	85%
Floating Rate Loan Interests	12	11
Other Interests	2	1
Preferred Securities	1	2
Common Stocks		1

Credit Quality Allocations⁴

	8/31/11	8/31/10
AA/Aa	3%	3%
A	13	14
BBB/Baa	16	13
BB/Ba	26	28
B	34	33
CCC/Caa	6	8
D	1	
Not Rated	1	1

⁴ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

The Trusts may utilize leverage by borrowing through a credit facility or through entering into reverse repurchase agreements and treasury roll transactions. 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.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Trusts had not used leverage.

To illustrate these concepts, assume a Trust's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. 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 borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Trust's long-term investments, and therefore the Trust's 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' borrowings 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 borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Trusts, 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 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. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income.

Under the Investment Company Act of 1940, the Trusts are permitted to borrow through their credit facility or by entering into reverse repurchase agreements and/or treasury roll transactions up to 33 % of their total managed assets. As of August 31, 2011, the Trusts had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
BHK	29%
HYV	25%
HYT	24%
HIS	20%
BHY	12%

BNA	29%
BKT	31%
BHD	20%

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps 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, equity, credit, interest rate and/or foreign currency exchange 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.

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Schedule of Investments August 31, 2011

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Asset-Backed Securities 6.0%		
321 Henderson Receivables I LLC, Series 2010-3A, Class A, 3.82%, 12/15/48 (a)	USD 848	\$ 846,953
Capital One Multi-Asset Execution Trust, Series 2006-A5, Class A5, 0.27%, 1/15/16 (b)	350	349,462
Citibank Omni Master Trust (a): Series 2009-A13, Class A13, 5.35%, 8/15/18	795	875,716
Series 2009-A17, Class A17, 4.90%, 11/15/18	2,295	2,507,816
Countrywide Asset-Backed Certificates, Series 2006-13, Class 3AV2, 0.37%, 1/25/37 (b)	1,265	817,998
Credit Acceptance Auto Loan Trust, Series 2010-1, Class B, 3.63%, 10/15/18 (a)	1,980	1,985,941
DT Auto Owner Trust, Series 2011-2A, Class C, 3.05%, 2/16/16 (a)	1,500	1,506,067
Globaldrive BV, Series 2008-2, Class A, 4.00%, 10/20/16	EUR 351	509,288
Home Equity Asset Trust, Series 2007-2, Class 2A1, 0.33%, 7/25/37 (b)	USD 173	166,503
Nelnet Student Loan Trust, Series 2006-1, Class A5, 0.41%, 8/23/27 (b)	1,060	982,103
SLM Student Loan Trust (b): Series 2004-B, Class A2, 0.45%, 6/15/21	235	228,434
Series 2008-5, Class A3, 1.55%, 1/25/18	515	525,389
Series 2008-5, Class A4, 1.95%, 7/25/23	2,715	2,808,382
Santander Consumer Acquired Receivables Trust (a): Series 2011-S1A, Class B, 1.66%, 8/15/16	683	678,852
Series 2011-S1A, Class C, 2.01%, 8/15/16	517	513,310
Series 2011-S1A, Class D, 3.15%, 8/15/16	532	528,845
Series 2011-WO, Class C, 3.19%, 10/15/15	580	589,048
Santander Drive Auto Receivables Trust: Series 2010-2, Class B, 2.24%, 12/15/14	860	863,413
Series 2010-2, Class C, 3.89%, 7/17/17	1,010	1,031,184
Series 2010-B, Class B, 2.10%, 9/15/14 (a)	700	701,264
Series 2010-B, Class C, 3.02%, 10/17/16 (a)	740	740,296
Series 2011-S1A, Class B, 1.48%, 5/15/17 (a)	461	457,990
Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)	502	499,629
Series 2011-S2A, Class C, 2.86%, 6/15/17 (a)	1,186	1,181,048
Small Business Administration, Class 1: Series 2003-P10B, 5.14%, 8/10/13	270	284,187
Series 2004-P10B, 4.75%, 8/10/14	203	215,843
		22,394,961
Interest Only Asset-Backed Securities 0.2%		
Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)	4,251	333,460
Sterling Coofs Trust, Series 1, 2.36%, 4/15/29	6,606	524,361
		857,821
Total Asset-Backed Securities 6.2%		23,252,782

Common Stocks

Shares

Value

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Software 0.0%			
Bankruptcy Management Solutions, Inc. (c)	135	\$	1
Total Common Stocks 0.0%			1

		Par (000)	
Corporate Bonds			
Aerospace & Defense 0.6%			
United Technologies Corp.:			
4.88%, 5/01/15	USD	1,125	1,276,499
6.13%, 7/15/38		700	848,432
			2,124,931
Airlines 0.4%			
American Airlines, Inc., Series 2001-2, 7.86%, 4/01/13		380	380,000
Continental Airlines, Inc., Series 2010-1-B, 6.00%, 1/12/19		700	647,500
United Air Lines, Inc., 12.75%, 7/15/12		334	348,933
			1,376,433
Auto Components 0.1%			
BorgWarner, Inc., 4.63%, 9/15/20		265	281,153
Beverages 0.1%			
Crown European Holdings SA, 7.13%, 8/15/18 (a)	EUR	355	492,109
Building Products 0.1%			
Momentive Performance Materials, Inc., 11.50%, 12/01/16	USD	510	504,900
Capital Markets 6.1%			
American Capital Ltd., 7.96%, 12/31/13 (d)		720	714,946
CDP Financial, Inc. (a)(e):			
3.00%, 11/25/14		1,935	2,040,500
5.60%, 11/25/39		2,935	3,368,992
Credit Suisse AG:			
2.60%, 5/27/16 (a)		570	585,911
5.40%, 1/14/20 (e)		1,795	1,787,718
E*Trade Financial Corp., 12.50%, 11/30/17 (f)		1,160	1,334,000
The Goldman Sachs Group, Inc.:			
3.70%, 8/01/15		800	808,596
3.63%, 2/07/16 (e)		5,309	5,313,619
5.38%, 3/15/20		1,220	1,239,570
Morgan Stanley:			
2.79%, 5/14/13 (b)(e)		1,890	1,887,067
4.20%, 11/20/14		490	491,199
4.00%, 7/24/15		410	408,047
6.25%, 8/28/17 (e)		1,930	2,042,793
5.63%, 9/23/19		630	640,366
			22,663,324

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:

AUD	Australian Dollar
CAD	Canadian Dollar
CHF	Swiss Franc
CNY	Chinese Renminbi
ETF	Exchange-Traded Fund
EUR	Euro

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FHLMC	Federal Home Loan Mortgage Corp.
FKA	Formerly Known As
GBP	British Pound
JPY	Japanese Yen
LIBOR	London Interbank Offered Rate
PIK	Payment-In-Kind
RB	Revenue Bonds
SEK	Swedish Krona
SPDR	Standard and Poor's Depository Receipts
USD	US Dollar

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

		Par (000)	Value
Corporate Bonds			
Chemicals 0.5%			
American Pacific Corp., 9.00%, 2/01/15	USD	250	\$ 245,625
The Dow Chemical Co., 4.25%, 11/15/20		715	730,258
Hexion US Finance Corp., 8.88%, 2/01/18		375	350,625
Huntsman International LLC, 6.88%, 11/15/13 (a)	EUR	435	618,629
			1,945,137
Commercial Banks 7.7%			
CIT Group, Inc.:			
7.00%, 5/01/15	USD	60	59,700
7.00%, 5/01/16		90	89,550
7.00%, 5/01/17		363	357,969
7.00%, 5/02/17 (a)		50	49,375
Canadian Imperial Bank of Commerce,			
2.75%, 1/27/16 (a)		1,490	1,577,141
DEPFA ACS Bank, 5.13%, 3/16/37 (a)		3,775	2,888,388
DnB NOR Boligkreditt (a):			
2.10%, 10/14/16		4,020	4,111,576
2.90%, 3/29/17		2,600	2,722,104
Eksportfinans ASA (e):			
2.00%, 9/15/15		2,455	2,521,881
5.50%, 6/26/17		950	1,134,066
HSBC Bank Brasil SA Banco Multiplo, 4.00%,			
5/11/16 (a)		1,400	1,393,000
HSBC Bank Plc, 3.10%, 5/24/16 (a)		700	711,625
Royal Bank of Canada, 3.13%, 4/14/15 (a)		3,870	4,122,572
Sparebanken 1 Boligkreditt (a):			
1.25%, 10/25/13		1,580	1,590,798
2.63%, 5/27/17		1,675	1,731,027
Wachovia Corp., 5.25%, 8/01/14 (e)		3,425	3,663,613
			28,724,385
Commercial Services & Supplies 0.1%			
ARAMARK Corp., 8.50%, 2/01/15		65	67,112
AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a)		143	137,802
Mobile Mini, Inc., 7.88%, 12/01/20		320	311,200
			516,114
Construction & Engineering 0.1%			
Abengoa SA, 8.50%, 3/31/16	EUR	150	201,469
Construction Materials 0.2%			
Calcipar SA, 6.88%, 5/01/18 (a)	USD	415	393,213
Inversiones CMPC SA, 4.75%, 1/19/18 (a)		220	224,802
Lafarge SA, 7.13%, 7/15/36		165	137,647
			755,662
Consumer Finance 0.4%			
Ford Motor Credit Co. LLC:			
3.00%, 1/13/12 (b)		125	125,003
7.80%, 6/01/12		340	350,207
SLM Corp.:			
6.25%, 1/25/16		661	675,834
Series A, 0.55%, 1/27/14 (b)		550	495,856
			1,646,900
Containers & Packaging 0.6%			

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Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (a)	EUR	425	572,356
Pregis Corp., 12.38%, 10/15/13	USD	190	174,800
Smurfit Kappa Acquisitions (a): 7.25%, 11/15/17	EUR	725	999,804
7.75%, 11/15/19		410	562,462
			2,309,422

Diversified Financial Services 9.4%

Ally Financial, Inc.:			
8.30%, 2/12/15	USD	1,500	1,575,000
6.25%, 12/01/17		160	153,907
8.00%, 3/15/20		560	565,600

Corporate Bonds	Par	Value
	(000)	

Diversified Financial Services (concluded)

Bank of America Corp.:			
3.63%, 3/17/16	USD	300	\$ 292,790
3.75%, 7/12/16		950	937,814
7.63%, 6/01/19		450	508,330
5.63%, 7/01/20		650	658,279
Barrick North America Finance LLC, 4.40%, 5/30/21 (a)		15	15,701
Capital One Financial Corp.:			
3.15%, 7/15/16		2,490	2,478,506
4.75%, 7/15/21		960	965,967
Citigroup, Inc.:			
5.00%, 9/15/14		285	292,665
4.75%, 5/19/15		1,150	1,199,339
4.59%, 12/15/15 (e)		7,800	8,101,197
6.00%, 8/15/17		100	108,430
5.38%, 8/09/20		200	212,286
General Electric Capital Corp.:			
6.15%, 8/07/37 (e)(g)		4,150	4,330,160
6.88%, 1/10/39		135	155,320
JPMorgan Chase & Co.:			
3.70%, 1/20/15 (e)		3,425	3,567,997
3.15%, 7/05/16		103	105,210
6.30%, 4/23/19 (e)		2,000	2,311,200
Series BKNT, 6.00%, 10/01/17 (e)		2,050	2,297,890
Novus USA Trust, 1.54%, 11/18/11 (a)(b)		860	850,237
Reynolds Group Issuer, Inc. (a):			
8.75%, 10/15/16 (h)	EUR	550	766,373
7.88%, 8/15/19	USD	660	653,400
6.88%, 2/15/21		1,215	1,129,950
WMG Acquisition Corp. (a):			
9.50%, 6/15/16		160	163,200
11.50%, 10/01/18		785	714,350
			35,111,098

Diversified Telecommunication Services 4.5%

Level 3 Escrow, Inc., 8.13%, 7/01/19 (a)		348	330,600
Level 3 Financing, Inc., 8.75%, 2/15/17		239	234,220
Qwest Communications International, Inc.:			
7.50%, 2/15/14		1,200	1,215,000
8.00%, 10/01/15		568	606,340
7.13%, 4/01/18		272	285,600
Series B, 7.50%, 2/15/14		290	293,625
Qwest Corp.:			
7.63%, 6/15/15		192	213,600
8.38%, 5/01/16		380	433,200
6.50%, 6/01/17		103	110,339

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Telecom Italia Capital SA:		
4.95%, 9/30/14 (e)	1,075	1,059,490
6.00%, 9/30/34	1,550	1,257,233
Telefonica Emisiones SAU, 7.05%, 6/20/36	1,975	1,968,283
Verizon Communications, Inc.:		
8.75%, 11/01/18 (e)	2,220	3,007,079
6.40%, 2/15/38 (e)	3,483	4,028,284
8.95%, 3/01/39	900	1,338,673
Verizon New Jersey, Inc., 5.88%, 1/17/12	335	341,215
Windstream Corp., 7.88%, 11/01/17	60	63,075
		16,785,856
Electric Utilities 6.3%		
Alabama Power Co.:		
3.95%, 6/01/21	460	491,825
6.00%, 3/01/39 (e)	1,275	1,558,036
The Cleveland Electric Illuminating Co.:		
8.88%, 11/15/18	121	162,299
5.95%, 12/15/36	217	224,997
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	315	368,740