

BLACKROCK MUNICIPAL INCOME QUALITY TRUST
Form N-CSRS
May 03, 2016

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 811-21178

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: 08/31/2016

Date of reporting period: 02/29/2016

Item 1 Report to Stockholders

SEMI-ANNUAL REPORT (UNAUDITED)

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 May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks across regions have been the overarching themes driving financial markets over the past couple of years. With U.S. growth outpacing the global economic recovery while inflationary pressures remained low, investors spent most of 2015 anticipating the curtailment of the Federal Reserve's near-zero interest rate policy, which ultimately came in December. In contrast, the European Central Bank and the Bank of Japan took measures to stimulate growth. In this environment, the U.S. dollar strengthened considerably, causing profit challenges for U.S. exporters and high levels of volatility in emerging market currencies and commodities.

Global market volatility increased in the latter part of 2015 and continued into early 2016. Oil prices collapsed in mid-2015 due to excess supply, and remained precarious while the world's largest oil producers sought to negotiate a deal. Developing countries, many of which rely heavily on oil exports to sustain their economies, were particularly affected by falling oil prices. Meanwhile, China, one of the world's largest oil consumers, exhibited further signs of slowing economic growth. This, combined with a depreciating yuan and declining confidence in the country's policymakers, stoked worries about the potential impact of China's weakness on the broader global economy.

Toward the end of the period, volatility abated as investors were relieved to find that conditions were not as bad as previously feared. While the recent selloff in risk assets has resulted in more reasonable valuations and some appealing entry points, investors continue to face mixed economic data and uncertainty relating to oil prices, corporate earnings and an unusual U.S. presidential election season.

For the 12-month period, higher quality assets such as U.S. Treasuries, municipal bonds and investment grade corporate bonds generated positive returns, while risk assets such as equities and high yield bonds broadly declined.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of February 29, 2016

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	(0.92)%	(6.19)%
U.S. small cap equities (Russell 2000® Index)	(10.16)	(14.97)
International equities (MSCI Europe, Australasia, Far East Index)	(9.48)	(15.18)
Emerging market equities (MSCI Emerging Markets Index)	(8.85)	(23.41)

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3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.06	0.08
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	5.01	4.11
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	2.20	1.50
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.56	3.78
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(5.57)	(8.26)

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

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Municipal Market Overview

For the Reporting Period Ended February 29, 2016

Municipal Market Conditions

Municipal bonds generated positive performance for the period, due to a favorable supply-and-demand environment. Interest rates were volatile in 2015 (bond prices rise as rates fall) leading up to a long-awaited rate hike from the U.S. Federal Reserve (the Fed) that ultimately came in December. However, ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in strong demand for fixed income investments, with municipal bonds being one of the strongest-performing sectors. Investors favored the relative stability of municipal bonds amid bouts of volatility resulting from uneven U.S. economic data, falling oil prices, global growth concerns, geopolitical risks, and widening central bank divergence i.e., policy easing outside the United States while the Fed was posturing to commence policy tightening. During the 12 months ended February 29, 2016, municipal bond funds garnered net inflows of approximately \$18 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance remained relatively strong from a historical perspective at \$390 billion (considerably higher than the \$365 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 60%) as issuers took advantage of low interest rates and a flatter yield curve to reduce their borrowing costs.

S&P Municipal Bond Index	
Total Returns as of February 29, 2016	
6 months:	3.56%
12 months:	3.78%

A Closer Look at Yields

From February 28, 2015 to February 29, 2016, yields on AAA-rated 30-year municipal bonds decreased by 7 basis points (bps) from 2.87% to 2.80%, while 10-year rates fell by 26 bps from 2.02% to 1.76% and 5-year rates decreased 26 bps from 1.19% to 0.93% (as measured by Thomson Municipal Market Data). The municipal yield curve experienced significant flattening over the 12-month period with the spread between 2- and 30-year maturities flattening by 17 bps and the spread between 2- and 10-year maturities flattening by 36 bps.

During the same time period, on a relative basis, tax-exempt municipal bonds broadly outperformed U.S. Treasuries with the greatest outperformance experienced in longer-term issues. In absolute terms, the positive performance of municipal bonds was driven largely by a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities had become scarce. More broadly, municipal bonds benefited from the greater appeal of tax-exempt investing in light of the higher tax rates implemented in 2014. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

Financial Conditions of Municipal Issuers

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

The opinions expressed are those of BlackRock as of February 29, 2016, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

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

The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

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

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments. Derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments also 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 limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trusts' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Trust Summary as of February 29, 2016

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 at least 80% of its assets in municipal bonds the interest of which is exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Florida intangible personal property 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, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular federal income tax would now satisfy the foregoing objective and policy.

On December 18, 2015, the Boards of the Trust and BlackRock Municipal Income Investment Trust (BBF) approved the reorganization of the Trust with and into BBF, with BBF continuing as the surviving fund after the reorganization. At a special shareholder meeting on March 21, 2016, the shareholders of the Trust approved the reorganization of the Trust with and into BBF, which is expected to be completed in May 2016.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BIE
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 29, 2016 (\$15.54) ¹	5.87%
Tax Equivalent Yield ²	10.37%
Current Monthly Distribution per Common Share ³	\$0.076
Current Annualized Distribution per Common Share ³	\$0.912
Economic Leverage as of February 29, 2016 ⁴	39%

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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BIE ^{1,2}	13.63%	4.46%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

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¹ All returns reflect reinvestment of dividends and/or distributions.

² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

The Trust's position in A-rated bonds, which outperformed higher-rated bonds amid investors' continued search for yield, made a positive contribution to its six-month results. This was especially true with regard to the Trust's position in longer-dated, A-rated bonds in the transportation, utilities and tax-backed local sectors.

At a time in which yields declined, the Trust's longer-duration holdings contributed positively to its performance. (Duration is a measure of interest rate sensitivity.) Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months.

The Trust's positions in shorter-dated holdings, such as pre-refunded issues and bonds with very short call dates, detracted from performance. The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

BlackRock Municipal Bond Investment Trust

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$ 15.54	\$ 14.10	10.21%	\$ 15.70	\$ 14.07
Net Asset Value	\$ 16.16	\$ 15.95	1.32%	\$ 16.31	\$ 15.76

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Transportation	26%	28%
County/City/Special District/School District	23	24
Utilities	16	15
Health	12	12
Education	11	8
State	7	8
Tobacco	3	3
Corporate	1	1
Housing	1	1

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	2%
2017	1
2018	16
2019	30
2020	12

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	6%	7%
AA/Aa	59	60
A	25	24
BBB/Baa	6	6
BB/Ba	1	1
B	²	1
N/R	3	1

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

² Represents less than 1% of total investments.

* Excludes short-term securities.

SEMI-ANNUAL REPORT

FEBRUARY 29, 2016

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Trust Summary as of February 29, 2016

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.

Trust Information

Symbol on NYSE	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of February 29, 2016 (\$16.78) ¹	5.36%
Tax Equivalent Yield ²	9.47%
Current Monthly Distribution per Common Share ³	\$0.075
Current Annualized Distribution per Common Share ³	\$0.900
Economic Leverage as of February 29, 2016 ⁴	36%

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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BBK ^{1,2}	13.39%	5.85%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

¹ All returns reflect reinvestment of dividends and/or distributions.

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² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

The Trust's longer duration bonds generally delivered the best performance during the past six months, reflecting the overall decline in yields. (Duration is a measure of interest rate sensitivity.) On a sector basis, the Trust's positions in the education, health care, transportation and utilities segments were key contributors to performance. The Trust's allocation to higher-yielding bonds also contributed positively, reflecting the fact that the middle-to-lower investment-grade quality categories of A and BBB generated the strong returns.

Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$16.78	\$15.23	10.18%	\$16.85	\$15.21
Net Asset Value	\$16.96	\$16.49	2.85%	\$17.15	\$16.28

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Health	20%	23%
County/City/Special District/School District	17	16
Transportation	15	13
Education	15	16
Utilities	13	13
State	9	9
Corporate	7	6
Tobacco	3	3
Housing	1	1

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	1%
2017	1
2018	3
2019	2
2020	2

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	5%	6%
AA/Aa	45	43
A	25	27
BBB/Baa	12	11
BB/Ba	4	6
B	1	
N/R ²	8	7

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- ¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

- ² The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of February 29, 2016 and August 31, 2015, the market value of unrated securities deemed by the investment advisor to be investment grade represents 3% and 2%, respectively, of the Trust's total investments.

* Excludes short-term securities.

Trust Summary as of February 29, 2016

BlackRock Municipal Income Investment Quality Trust

Trust Overview

BlackRock Municipal Income Investment Quality Trust's (BAF) (the Trust) investment objective is to provide current income exempt from 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 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, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular federal income tax would now satisfy the foregoing objective and policy.

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

Trust Information

Symbol on NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 29, 2016 (\$15.21) ¹	5.40%
Tax Equivalent Yield ²	9.54%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Economic Leverage as of February 29, 2016 ⁴	36%

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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BAF ^{1,2}	12.59%	5.30%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

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¹ All returns reflect reinvestment of dividends and/or distributions.

² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

The Trust's position in A-rated bonds, which outperformed higher-rated bonds amid investors' continued search for yield, made a positive contribution to its six-month results. This was especially true with regard to the Trust's position in longer-dated, A-rated bonds in the transportation, utilities and tax-backed local sectors.

At a time in which yields declined, the Trust's longer-duration holdings contributed positively to its performance. (Duration is a measure of interest rate sensitivity.) Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for trust performance during the past six months.

The Trust's positions in shorter-dated holdings, such as pre-refunded issues and bonds with very short call dates, detracted from performance. The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

BlackRock Municipal Income Investment Quality Trust

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$15.21	\$13.89	9.50%	\$15.23	\$13.81
Net Asset Value	\$16.18	\$15.80	2.41%	\$16.35	\$15.63

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Transportation	31%	28%
County/City/Special District/School District	28	31
Utilities	14	17
Health	12	13
State	8	6
Education	4	3
Tobacco	1	1
Corporate	1	
Housing	1	1

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	3%	3%
AA/Aa	74	74
A	20	20
BBB/Baa	3	3

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	
2017	
2018	14%
2019	18
2020	3

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

* Excludes short-term securities.

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Trust Summary as of February 29, 2016

BlackRock Municipal Income Quality Trust

Trust Overview

BlackRock Municipal Income Quality Trust s (BYM) (the Trust) investment objective is to provide current income exempt from 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 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.

Trust Information

Symbol on NYSE	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of February 29, 2016 (\$14.85) ¹	5.78%
Tax Equivalent Yield ²	10.21%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of February 29, 2016 ⁴	36%

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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

³ The monthly distribution per Common Share, declared on March 1, 2016, was decreased to \$0.0685 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BYM ^{1,2}	11.90%	5.99%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

¹ All returns reflect reinvestment of dividends and/or distributions.

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² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

At a time in which yields declined, the Trust's longer-duration exposure contributed positively to performance. (Duration is a measure of interest rate sensitivity.) Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months. The Trust also benefited from its exposure to the tax-backed local sector.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$14.85	\$13.67	8.63%	\$ 15.06	\$ 13.56
Net Asset Value	\$15.65	\$15.21	2.89%	\$ 15.83	\$ 15.05

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
County/City/Special District/School District	29%	27%
Transportation	27	25
Utilities	12	11
Health	10	13
State	10	11
Education	7	7
Tobacco	3	3
Corporate	2	3

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	11%	15%
AA/Aa	54	57
A	26	21
BBB/Baa	6	6
N/R	3	1

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	5%
2017	7
2018	16
2019	8
2020	8

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

* Excludes short-term securities.

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Trust Summary as of February 29, 2016

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.

Trust Information

Symbol on NYSE MKT	BLE
Initial Offering Date	July 30, 2002
Yield on Closing Market Price as of February 29, 2016 (\$15.57) ¹	6.09%
Tax Equivalent Yield ²	10.76%
Current Monthly Distribution per Common Share ³	\$0.079
Current Annualized Distribution per Common Share ³	\$0.948
Economic Leverage as of February 29, 2016 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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BLE ^{1,2}	13.28%	5.46%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

¹ All returns reflect reinvestment of dividends and/or distributions.

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² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months.

Long-dated securities with maturities 20 years and above, which comprised the largest proportion of the Trust's holdings, aided Trust performance given the decline in longer-term yields. Additionally, the Trust's long duration positioning contributed positively to its performance. (Duration is a measure of interest-rate sensitivity.)

The Trust's positions in securities rated BBB, A and AA generated strong returns, reflecting an environment in which lower-rated issues generally outperformed. The Trust's large allocations to the transportation and utilities sectors also had a positive impact on performance.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$15.57	\$14.18	9.80%	\$15.74	\$14.18
Net Asset Value	\$15.59	\$15.25	2.23%	\$15.75	\$15.07

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Transportation	21%	22%
Utilities	17	16
County/City/Special District/School District	13	15
Health	12	12
Corporate	10	10
State	10	9
Education	10	9
Tobacco	6	5
Housing	1	2

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	9%
2017	3
2018	5
2019	17
2020	14

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	6%	7%
AA/Aa	41	40
A	22	23
BBB/Baa	15	15
BB/Ba	5	5
B	1	1
N/R ²	10	9

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of

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BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

- ² The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of February 29, 2016 and August 31, 2015, the market value of unrated securities deemed by the investment advisor to be investment grade represents 3% and 2%, respectively, of the Trust's total investments.

* Excludes short-term securities.

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Trust Summary as of February 29, 2016

BlackRock MuniHoldings Investment Quality Fund

Trust Overview

BlackRock MuniHoldings Investment Quality Fund s (MFL) (the Trust) investment objective is to provide shareholders with current income exempt from 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 at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular federal income tax would now satisfy the foregoing objective and policy.

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

Trust Information

Symbol on NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of February 29, 2016 (\$15.03) ¹	5.71%
Tax Equivalent Yield ²	10.09%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of February 29, 2016 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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MFL ^{1,2}	10.08%	5.28%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

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¹ All returns reflect reinvestment of dividends and/or distributions.

² 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.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

The Trust's position in A-rated bonds, which outperformed higher-rated bonds amid investors' continued search for yield, made a positive contribution to its six-month results. This was especially true with regard to the Trust's position in longer-dated, A-rated bonds in the transportation, utilities and tax-backed local sectors.

At a time in which yields declined, the Trust's longer-duration holdings contributed positively to its performance. (Duration is a measure of interest rate sensitivity.) Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months.

The Trust's positions in shorter-dated holdings, such as pre-refunded issues and bonds with very short call dates, detracted from performance. The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

BlackRock MuniHoldings Investment Quality Fund

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$15.03	\$14.06	6.90%	\$15.08	\$13.85
Net Asset Value	\$15.52	\$15.18	2.24%	\$15.69	\$15.02

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Transportation	40%	36%
Utilities	17	17
County/City/Special District/School District	14	18
State	11	9
Health	10	10
Education	6	5
Tobacco	1	1
Housing	1	2
Corporate	¹	2

¹ Represents less than 1% of total investments.

Credit Quality Allocation²

	2/29/16	8/31/15
AAA/Aaa	5%	5%
AA/Aa	61	62
A	31	29
BBB/Baa	2	4
N/R	1	

² For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	1%
2017	3
2018	14
2019	25
2020	4

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

* Excludes short-term securities.

Trust Summary as of February 29, 2016

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). Under normal market conditions, the Trust primarily invests in long term municipal obligations rated investment grade at the time of investment and in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest up to 20% of its total assets in securities rated below investment grade or deemed equivalent at the time of purchase. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on NYSE MKT	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of February 29, 2016 (\$10.60) ¹	6.06%
Tax Equivalent Yield ²	10.71%
Current Monthly Distribution per Common Share ³	\$0.0535
Current Annualized Distribution per Common Share ³	\$0.6420
Economic Leverage as of February 29, 2016 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 marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the six months ended February 29, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MVF ^{1,2}	13.40%	4.68%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	11.72%	5.87%

¹ All returns reflect reinvestment of dividends and/or distributions.

² The Trust moved from a discount to NAV to a premium during the period, which accounts for the difference between performance based on price and performance based on NAV.

³ Average return.

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

Tax-exempt bonds performed well during the six-month period, as the combination of falling U.S. Treasury yields and improving municipal finances created healthy buying interest in the asset class. (Prices rise as yields fall.) In addition, municipal bonds benefited from a general flight to quality caused by elevated volatility in the higher-risk segments of the financial markets.

At a time in which yields declined, the Trust's duration exposure contributed positively to performance. (Duration is a measure of interest rate sensitivity.) The Trust's positions in long-maturity bonds, which outperformed short-term issues, also added value. The Trust's exposure to zero-coupon bonds, which delivered better returns than current-coupon bonds, further aided returns. Income in the form of coupon payments made a meaningful contribution to the Trust's total return. Leverage also amplifies the effect of interest rate movements, which was a positive for Trust performance during the past six months. On a sector basis, the Trust's positions in the health care and transportation segments were key positive contributors to performance.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in bond prices.

Market Price and Net Asset Value Per Share Summary

	2/29/16	8/31/15	Change	High	Low
Market Price	\$ 10.60	\$ 9.65	9.84%	\$ 10.63	\$ 9.44
Net Asset Value	\$ 10.18	\$ 10.04	1.39%	\$ 10.27	\$ 9.94

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

Overview of the Trust's Total Investments*

Sector Allocation

	2/29/16	8/31/15
Transportation	23%	22%
Health	23	24
County/City/Special District/School District	11	10
Education	10	11
Utilities	10	10
Corporate	10	11
Housing	5	4
State	4	4
Tobacco	4	4

Credit Quality Allocation¹

	2/29/16	8/31/15
AAA/Aaa	9%	9%
AA/Aa	46	46
A	21	23
BBB/Baa	14	13
BB/Ba	3	3
B	1	1
N/R ²	6	5

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings

² The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of February 29, 2016 and August 31, 2015, the market value of unrated securities deemed by the investment advisor to be investment grade representing 3% and 2%, respectively, of the Trust's total investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	7%
2017	7
2018	15
2019	20
2020	16

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³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

* Excludes short-term securities.

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Schedule of Investments February 29, 2016 (Unaudited)

BlackRock Municipal Bond Investment Trust (BIE)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 0.3%		
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	\$ 145	\$ 161,049
Alaska 0.3%		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 5.00%, 6/01/46	180	152,991
California 13.8%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	700	777,406
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39	120	137,308
City of Los Angeles California Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	760	832,534
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33	410	510,922
Riverside County Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/40	1,000	1,182,110
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/19 (a)	850	961,954
State of California, GO, Various Purposes, 6.00%, 3/01/33	685	812,917
State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/31	500	616,680
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	210	251,042
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	160	192,342
University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38	1,000	1,186,060
		7,461,275
Colorado 2.9%		
City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32	750	893,887
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiative, Series A, 5.50%, 7/01/34	580	653,051
		1,546,938
Florida 8.7%		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	105	125,727
City of Miami Beach Florida Parking Revenue, RB, 5.00%, 9/01/45	455	517,672
County of Miami-Dade Florida, RB, Seaport, Series A, 6.00%, 10/01/38	1,875	2,279,737
County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, University of Miami, Series A, 5.00%, 4/01/45	1,255	1,418,163
		4,702,962
Municipal Bonds		
Florida (continued)		
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	\$ 305	\$ 361,663
		4,702,962
Georgia 1.2%		
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23	555	623,953
Illinois 16.8%		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien, Series C, 6.50%, 1/01/41	1,590	1,914,312
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts:		
5.25%, 12/01/36	500	548,505
5.25%, 12/01/40	750	817,028
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.50%, 12/01/38	250	288,275
5.25%, 12/01/43	1,000	1,122,240
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	750	884,895
Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	1,000	1,158,190
Metropolitan Pier & Exposition Authority, Hyatt Regency McCormick Place, Refunding RB, Series B-2, 5.25%, 6/15/50	250	261,903
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	365	430,455
6.00%, 6/01/28	105	125,589

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State of Illinois, GO:

5.25%, 2/01/31	255	277,172
5.25%, 2/01/32	500	540,300
5.50%, 7/01/33	500	547,930
5.50%, 7/01/38	110	119,161

9,035,955

Indiana 2.5%

Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/19 (a)	1,190	1,362,609
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Kansas 1.9%

Kansas Development Finance Authority, Refunding RB, Adventist Health System/Sunbelt Obligated Group, Series C, 5.50%, 11/15/29	900	1,033,326
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Kentucky 1.7%

County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34	800	930,528
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Louisiana 1.5%

Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35	380	444,623
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	315	345,945

790,568

Portfolio Abbreviations

AGC	Assured Guarantee Corp.	EDA	Economic Development Authority	ISD	Independent School District
AGM	Assured Guaranty Municipal Corp.	EDC	Economic Development Corp.	LRB	Lease Revenue Bonds
AMBAC	American Municipal Bond Assurance Corp.	ERB	Education Revenue Bonds	M/F	Multi-Family
AMT	Alternative Minimum Tax (subject to)	GARB	General Airport Revenue Bonds	NPFGC	National Public Finance Guarantee Corp.
ARB	Airport Revenue Bonds	GO	General Obligation Bonds	PILOT	Payment in Lieu of Taxes
BARB	Building Aid Revenue Bonds	HFA	Housing Finance Agency	PSF-GTD	Permanent School Fund Guaranteed
BHAC	Berkshire Hathaway Assurance Corp.	HRB	Housing Revenue Bonds	RB	Revenue Bonds
CAB	Capital Appreciation Bonds	IDA	Industrial Development Authority	S/F	Single-Family
COP	Certificates of Participation	IDB	Industrial Development Board		

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See Notes to Financial Statements.

FEBRUARY 29, 2016

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust (BIE)

	Par (000)	Value
Municipal Bonds		
Maine 1.5%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32	\$ 675	\$ 807,577
Massachusetts 2.2%		
Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40	375	430,965
Massachusetts Port Authority, Refunding RB, Series A, 5.00%, 7/01/45	360	418,252
Metropolitan Boston Transit Parking Corp., Refunding RB, 5.25%, 7/01/36	300	351,204
		1,200,421
Michigan 3.3%		
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41	485	572,829
Michigan State Building Authority, Refunding RB, Facilities Program Series: 6.00%, 10/15/18 (a)	305	346,779
6.00%, 10/15/38	195	218,917
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	530	629,062
		1,767,587
Mississippi 2.5%		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	1,000	1,339,350
Nevada 4.3%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,000	1,156,520
County of Clark Nevada Airport System, ARB, Series B, 5.75%, 7/01/42	1,000	1,158,760
		2,315,280
New Jersey 5.7%		
New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29	750	818,265
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	610	647,588
New Jersey Transportation Trust Fund Authority, RB, Transportation System: Series A, 5.88%, 12/15/38	695	757,960
Series AA, 5.50%, 6/15/39	760	832,968
		3,056,781
New York 4.5%		
County of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 6/01/41 (b)	300	312,891
Hudson Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47	620	720,570
Metropolitan Transportation Authority, RB, Series A, 5.25%, 11/15/38	500	593,325
Metropolitan Transportation Authority, Refunding RB, Series A-1, 5.25%, 11/15/56	220	255,623
New York Liberty Development Corp., Refunding RB, 2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49	500	562,785
		2,445,194
Ohio 2.8%		
County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38	840	939,876
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31	500	596,145
		1,536,021
Municipal Bonds		
Pennsylvania 7.3%		
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39	\$ 300	\$ 341,478
Pennsylvania Turnpike Commission, RB:		
Sub-Series A, 6.00%, 12/01/16 (a)	1,500	1,563,645
Sub-Series A, 5.63%, 12/01/31	750	876,060
Sub-Series C (AGC), 6.25%, 6/01/18 (a)	500	561,645
Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37	530	609,447

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		3,952,275
Puerto Rico 0.2%		
Children s Trust Fund Tobacco Settlement, Refunding RB, Asset-Backed, 5.63%, 5/15/43	95	95,241
Rhode Island 2.1%		
Tobacco Settlement Financing Corp., Refunding RB, Series B:		
4.50%, 6/01/45	990	999,653
5.00%, 6/01/50	125	129,106
		1,128,759
South Carolina 3.5%		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	635	750,519
State of South Carolina Public Service Authority, Refunding RB:		
Series C, 5.00%, 12/01/46	500	561,730
Series E, 5.25%, 12/01/55	500	568,215
		1,880,464
Tennessee 0.1%		
Metropolitan Government Nashville & Davidson County Health & Educational Facilities Board, Refunding RB, 5.00%, 10/01/41 (c)	55	61,456
Texas 9.1%		
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41	890	1,053,386
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	395	460,819
Conroe Texas ISD, GO, School Building, Series A, 5.75%, 2/15/18 (a)	470	516,657
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare:		
6.00%, 8/15/20 (a)	75	91,405
6.00%, 8/15/45	945	1,123,331
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	500	591,090
North Texas Tollway Authority, Refunding RB, 1st Tier, Series K-1 (AGC), 5.75%, 1/01/38	250	279,342
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	180	207,765
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	500	589,965
		4,913,760
Virginia 0.7%		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	145	164,659
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	200	231,630
		396,289
Wisconsin 1.8%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Series C, 5.25%, 4/01/39	890	963,959
Total Municipal Bonds 103.2%		55,662,568

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust (BIE)

Municipal Bonds Transferred to Tender Option Bond Trusts (d)	Par (000)	Value
California 19.3%		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (e)	\$ 1,005	\$ 1,116,133
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40	1,300	1,488,110
Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 (e)	1,410	1,641,515
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/19 (a)	2,079	2,446,155
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	200	225,012
San Diego Public Facilities Financing Authority Water, RB, Series B, 5.50%, 8/01/39	2,234	2,552,617
University of California, RB, Series O, 5.75%, 5/15/19 (a)	810	938,209
		10,407,751
District of Columbia 3.4%		
District of Columbia, RB, Series A, 5.50%, 12/01/30 (e)	735	858,698
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 5.50%, 10/01/18 (a)	899	1,008,923
		1,867,621
Illinois 7.2%		
State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/18 (a)	1,500	1,692,405
State of Illinois Toll Highway Authority, RB, Senior Priority, Series B, 5.50%, 1/01/18 (a)	2,000	2,176,650
		3,869,055
Nevada 3.1%		
County of Clark Nevada Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/18 (a)	1,500	1,684,470
New Hampshire 1.2%		
New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (e)	585	661,814
New Jersey 3.6%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A (AMBAC), 5.00%, 12/15/32	1,000	1,050,130
Series B, 5.25%, 6/15/36 (e)	840	892,688
		1,942,818
New York 13.9%		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40	750	832,026
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:		
Series FF, 5.00%, 6/15/45	1,000	1,145,627
Series FF-2, 5.50%, 6/15/40	990	1,123,782
Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
New York (continued)		
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	\$ 1,000	\$ 1,109,557
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	1,170	1,354,792
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (e)	680	792,227
New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38	1,000	1,122,440
		7,480,451
Texas 5.2%		
City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/31 (e)	1,050	1,171,071
County of Harris Texas Cultural Education Facilities Finance Corp., RB, Texas Children's Hospital Project, 5.50%, 10/01/39	1,450	1,646,171
		2,817,242
Virginia 1.0%		
	460	519,281

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County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A,
5.50%, 5/15/35

Total Municipal Bonds Transferred to Tender Option Bond Trusts 57.9%		31,250,503
Total Long-Term Investments		
(Cost \$77,666,668) 161.1%		86,913,071
Short-Term Securities	Shares	
BlackRock Liquidity Funds, MuniCash, 0.02% (f)(g)	135,473	135,473
Total Short-Term Securities		
(Cost \$135,473) 0.3%		135,473
Total Investments (Cost \$77,802,141) 161.4%		87,048,544
Other Assets Less Liabilities 1.7%		932,414
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (30.1)%		(16,237,349)
VRDP Shares, at Liquidation Value (33.0)%		(17,800,000)
Net Assets Applicable to Common Shares 100.0%		\$ 53,943,609

Notes to Schedule of investments

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) When-issued security.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between October 1, 2016 to November 15, 2019, is \$4,102,787. See Note 4 of the Notes to Financial Statements for details.

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust (BIE)

(f) During the six months ended February 29, 2016, investments in issuers considered to be affiliates of the Trust 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, 2015	Net Activity	Shares Held at February 29, 2016	Income
BlackRock Liquidity Funds, MuniCash		135,473	135,473	
FFI Institutional Tax-Exempt Fund	860,286	(860,286)		\$ 59
Total			135,473	\$ 59

(g) Current yield as of period end.

Derivative Financial Instruments Outstanding as of Period End

Financial Futures Contracts

Contracts	Short	Issue	Expiration	Notional Value	Unrealized Appreciation
(12)		5-Year U.S. Treasury Note	June 2016	\$ 1,451,813	\$ 3,579
(10)		10-Year U.S. Treasury Note	June 2016	\$ 1,305,156	6,550
(4)		Long U.S. Treasury Bond	June 2016	\$ 658,125	3,180
(1)		Ultra U.S. Treasury Bond	June 2016	\$ 173,156	2,091
Total					\$ 15,400

Derivative Financial Instruments Categorized by Risk Exposure

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

Assets	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Financial futures contracts	Net unrealized appreciation ¹					\$ 15,400		\$ 15,400

¹ Includes cumulative appreciation (depreciation) on financial futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the six months ended February 29, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Financial futures contracts					\$ (156,495)		\$ (156,495)
Net Change in Unrealized Appreciation (Depreciation) on:							
Financial futures contracts					\$ (3,046)		\$ (3,046)

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Average Quarterly Balances of Outstanding Derivative Financial Instruments

Financial futures contracts:

Average notional value of contracts	short	\$	3,190,699
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For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Municipal Bond Investment Trust (BIE)

Fair Value Hierarchy as of Period End

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

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

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 86,913,071		\$ 86,913,071
Short-Term Securities	\$ 135,473			135,473
Total	\$ 135,473	\$ 86,913,071		\$ 87,048,544

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

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Interest rate contracts	\$ 15,400			\$ 15,400

¹ Derivative financial instruments are financial futures contracts, which are valued at the unrealized appreciation (depreciation) on the instrument.

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

	Level 1	Level 2	Level 3	Total
Assets:				
Cash pledged for financial futures contracts	\$ 45,950			\$ 45,950
Liabilities:				
TOB Trust Certificates		\$ (16,235,837)		(16,235,837)
VRDP Shares		(17,800,000)		(17,800,000)
Total	\$ 45,950	\$ (34,035,837)		\$ (33,989,887)

During the six months ended February 29, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments February 29, 2016 (Unaudited)

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 1.8%		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC) (a):		
6.00%, 6/01/19	\$ 1,600	\$ 1,853,632
City of Hoover Alabama Board of Education, Refunding, Special Tax, Capital Outlay Warrants, 4.25%, 2/15/40	1,275	1,320,581
		3,174,213
Arizona 7.3%		
Arizona Health Facilities Authority, Refunding RB, Phoenix Children s Hospital, Series A, 5.00%, 2/01/42		
	2,200	2,379,960
City of Phoenix Arizona IDA, Refunding RB, Basis Schools, Inc. Projects, Series A, 5.00%, 7/01/45 (b)	460	473,814
County of Pinal Arizona Electric District No. 3, Refunding RB, Electric System, 4.75%, 7/01/31	3,750	4,205,250
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	1,500	1,766,580
5.00%, 12/01/37	2,065	2,439,653
University Medical Center Corp., RB,		
6.50%, 7/01/19 (a)	500	591,525
University Medical Center Corp., Refunding RB, 6.00%, 7/01/21 (a)	900	1,124,856
		12,981,638
Arkansas 3.5%		
City of Benton Arkansas, RB, 4.00%, 6/01/39		
	905	961,182
City of Fort Smith Arkansas Water & Sewer Revenue, Refunding RB, 4.00%, 10/01/40	1,240	1,287,232
City of Hot Springs Arkansas, RB, Wastewater, 5.00%, 12/01/38	1,200	1,367,592
City of Little Rock Arkansas, RB, 4.00%, 7/01/41	2,025	2,089,901
County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42	465	525,390
		6,231,297
California 21.3%		
California Health Facilities Financing Authority, RB, Sutter Health:		
Series A, 3.25%, 11/15/36		
	820	809,004
Series B, 5.88%, 8/15/31		
	1,900	2,292,977
California HFA, RB, Home Mortgage, Series G, AMT, 5.05%, 2/01/29		
	2,285	2,320,669
California Infrastructure & Economic Development Bank, Refunding RB, 4.00%, 11/01/45		
	3,350	3,456,898
Carlsbad California Unified School District, GO, Election of 2006, Series B, 0.00%, 5/01/34 (c)		
	1,000	1,027,220
City of San Jose California, Refunding ARB, Series A-1, AMT, 5.75%, 3/01/34		
	2,000	2,355,040
Dinuba California Unified School District, GO, Election of 2006 (AGM), 5.75%, 8/01/33		
	500	571,160
Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 0.00%, 8/01/34 (c)		
	1,650	1,464,161
Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (d)		
	8,000	3,241,440
Palomar Community College District, GO, CAB, Election of 2006, Series B:		
0.00%, 8/01/30 (d)		
	1,500	951,660
0.00%, 8/01/33 (d)		
	4,000	1,530,240
0.00%, 8/01/39 (c)		
	2,000	1,729,860
San Diego Community College District, GO, CAB, Election of 2002, 0.00%, 8/01/33 (c)		
	2,800	3,095,260
State of California, GO, Refunding, Various Purposes:		
5.00%, 2/01/38		
	3,000	3,476,010
4.00%, 10/01/44		
	1,080	1,146,074
	Par (000)	Value
Municipal Bonds		
California (continued)		
State of California, GO, Various Purposes:		
5.75%, 4/01/31		
	\$ 2,000	\$ 2,273,140
6.00%, 3/01/33		
	1,000	1,186,740
6.50%, 4/01/33		
	1,950	2,275,397
5.50%, 3/01/40		
	2,350	2,720,054

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		37,923,004
Colorado 1.2%		
Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33	1,070	1,200,743
Park Creek Metropolitan District, Refunding RB, Senior Limited Property Tax (AGM), 6.00%, 12/01/20 (a)	750	917,910
		2,118,653
Connecticut 0.7%		
Connecticut State Health & Educational Facility Authority, Refunding RB:		
4.00%, 7/01/38	570	600,883
Lawrence & Memorial Hospital, Series F, 5.00%, 7/01/36	550	604,439
Trinity Health Corp., 3.25%, 12/01/36	100	97,922
		1,303,244
Delaware 2.6%		
County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40	1,200	1,300,968
Delaware Transportation Authority, RB:		
5.00%, 6/01/45	2,000	2,303,620
5.00%, 6/01/55	950	1,068,180
		4,672,768
Florida 4.2%		
Capital Trust Agency, Inc., RB, M/F Housing, The Gardens Apartment Project, Series A, 4.75%, 7/01/40	600	609,012
County of Miami-Dade Florida, RB, AMT, Seaport Department, Series B, 6.00%, 10/01/31	4,135	5,097,504
County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, University of Miami, Series A, 5.00%, 4/01/45	920	1,039,609
County of Orange Florida Health Facilities Authority, Refunding RB, Mayflower Retirement Center, 5.00%, 6/01/36	125	134,420
Stevens Plantation Community Development District, Special Assessment, Series A, 7.10%, 5/01/35 (e)(f)	910	636,882
		7,517,427
Georgia 2.6%		
City of Atlanta Georgia Water & Wastewater Revenue, 5.00%, 11/01/43	4,000	4,619,800
Hawaii 0.2%		
Hawaii State Department of Budget & Finance, Refunding RB, Special Purpose, Senior Living, Kahala Nui, 5.25%, 11/15/37	400	439,516
Idaho 2.5%		
Idaho Health Facilities Authority, RB:		
St. Lukes Health System Project Series A, 5.00%, 3/01/39	900	1,012,932
Trinity Health Corp., Series 2016 ID, 4.00%, 12/01/45	1,300	1,345,331
Idaho Health Facilities Authority, Refunding RB, Trinity Health Group, Series B, 6.25%, 12/01/18 (a)	1,750	2,013,795
		4,372,058
Illinois 4.7%		
City of Chicago Illinois, Refunding ARB, O Hare International Airport Passenger Facility Charge, Series B, AMT, 4.00%, 1/01/29	1,600	1,640,320

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

	Par (000)	Value
Municipal Bonds		
Illinois (continued)		
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A, 5.00%, 1/01/41	\$ 870	\$ 947,543
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40	665	724,431
Illinois Finance Authority, RB, Rush University Medical Center, Series C, 6.63%, 5/01/19 (a)	650	767,683
Illinois Finance Authority, Refunding RB:		
OSF Healthcare System, Series A, 6.00%, 5/15/39	1,010	1,164,399
Roosevelt University Project, 6.50%, 4/01/44	1,000	1,095,010
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,150	1,375,503
State of Illinois, GO, 5.00%, 2/01/39	665	697,319
		8,412,208
Iowa 0.9%		
Iowa Higher Education Loan Authority, Refunding RB, Private College Facility, Upper Iowa University Project:		
5.75%, 9/01/30	500	524,400
6.00%, 9/01/39	1,000	1,046,860
		1,571,260
Kansas 2.5%		
County of Seward Kansas Unified School District No. 480, GO, Refunding, 5.00%, 9/01/39	4,000	4,484,680
Kentucky 1.9%		
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 1/01/40	1,830	2,071,468
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C (c):		
0.00%, 7/01/34	500	389,750
0.00%, 7/01/39	830	630,327
0.00%, 7/01/43	270	203,024
		3,294,569
Louisiana 2.2%		
City of Alexandria Louisiana Utilities, RB, 5.00%, 5/01/39	860	969,848
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35	1,050	1,228,563
Louisiana Public Facilities Authority, RB, Belle Chasse Educational Foundation Project, 6.50%, 5/01/31	400	442,932
Louisiana Public Facilities Authority, Refunding RB, 4.00%, 11/01/45	1,305	1,302,690
		3,944,033
Maryland 0.9%		
County of Anne Arundel Maryland Consolidated, Special Tax District, Villages at Two Rivers Project:		
5.13%, 7/01/36	170	175,163
5.25%, 7/01/44	170	174,842
County of Montgomery Maryland, RB, Trinity Health Credit Group, 5.00%, 12/01/45	1,000	1,167,700
		1,517,705
Massachusetts 1.2%		
Massachusetts Development Finance Agency, Refunding RB:		
Emerson College, 5.00%, 1/01/41	1,600	1,778,464
International Charter School, 5.00%, 4/15/40	400	432,224
		2,210,688
Municipal Bonds		
Michigan 2.2%		
Michigan Finance Authority, RB, Detroit Water & Sewage Disposal System, Senior Lien, Series 2014 C-2, AMT, 5.00%, 7/01/44	\$ 240	\$ 255,242
Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group, Series C, 4.00%, 12/01/32	2,100	2,225,034
State of Michigan Building Authority, Refunding RB, Facilities Program, Series I:		

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6.25%, 10/15/18 (a)	755	863,327
6.25%, 10/15/38	495	558,900
		3,902,503
Minnesota 3.3%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC):		
6.50%, 11/15/18 (a)	710	818,261
6.50%, 11/15/38	3,890	4,398,228
Minnesota Higher Education Facilities Authority, Refunding RB (g):		
3.00%, 4/01/36	260	246,605
4.00%, 4/01/39	380	399,285
		5,862,379
Mississippi 3.2%		
County of Warren Mississippi, RB, Gulf Opportunity Zone Bonds, International Paper Co. Project, Series A, 5.38%, 12/01/35		
	400	444,272
Mississippi Development Bank, RB, Special Obligation:		
CAB, Hinds Community College District (AGM), 5.00%, 4/01/36		
	845	928,790
County of Jackson Limited Tax Note (AGC), 5.50%, 7/01/32		
	1,750	1,963,133
University of Southern Mississippi, RB, Campus Facilities Improvements Project, 5.38%, 9/01/19 (a)		
	2,100	2,428,566
		5,764,761
Missouri 2.3%		
Missouri Development Finance Board, RB, Annual Appropriation Sewer System, Series B, 5.00%, 11/01/41		
	900	978,030
Missouri State Health & Educational Facilities Authority, RB:		
A.T. Still University of Health Sciences, 5.25%, 10/01/31		
	500	573,845
A.T. Still University of Health Sciences, 4.25%, 10/01/32		
	320	344,707
A.T. Still University of Health Sciences, 5.00%, 10/01/39		
	500	565,955
Heartland Regional Medical Center, 4.13%, 2/15/43		
	400	413,668
University of Central Missouri, Series C-2, 5.00%, 10/01/34		
	1,000	1,147,240
		4,023,445
Nebraska 3.7%		
Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 9/01/42		
	600	646,926
County of Douglas Hospital Authority No. 2, RB, Madonna Rehabilitation Hospital Project, 4.00%, 5/15/33		
	1,095	1,125,846
County of Douglas Hospital Authority No. 3, Refunding RB, Health Facilities Nebraska Methodist Health System, 5.00%, 11/01/45		
	400	448,504
Lincoln Airport Authority, Refunding RB, Series A, 4.00%, 7/01/40		
	520	547,534
Minden Public Schools, GO, 4.00%, 12/15/39		
	500	511,045

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

	Par (000)	Value
Municipal Bonds		
Nebraska (continued)		
Nebraska Public Power District, Refunding RB, Series A:		
5.00%, 1/01/32	\$ 250	\$ 291,130
4.00%, 1/01/44	400	415,912
Omaha School District, GO, 4.00%, 12/15/39	2,500	2,624,750
		6,611,647
Nevada 1.6%		
City of Las Vegas Nevada, Special Assessment, No. 809 Summerlin Area, 5.65%, 6/01/23	1,110	1,118,925
County of Clark Nev		