

BLACKROCK MUNICIPAL INCOME QUALITY TRUST
Form N-Q
January 22, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

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: 08/31/2019

Date of reporting period: 11/30/2018

Item 1 Schedule of Investments

Schedule of Investments (unaudited)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| Municipal Bonds 118.0% | | |
| Alabama 3.4% | | |
| City of Birmingham Alabama, GO, Convertible CAB, Series A1, 0.00%, 03/01/45 ^(c) | \$ 1,165 | \$ 1,239,257 |
| City of Birmingham Alabama Airport Authority, ARB, (AGM), 5.50%, 07/01/40 | 5,800 | 6,038,032 |
| City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC), 6.00%, 06/01/19 ^(b) | 1,495 | 1,525,005 |
| State of Alabama Docks Department, Refunding RB, 6.00%, 10/01/20 ^(b) | 3,800 | 4,075,196 |
| | | 12,877,490 |
| Alaska 0.3% | | |
| Alaska Industrial Development & Export Authority, RB, Providence Health Services, Series A, 5.50%, 10/01/41 | 1,070 | 1,145,863 |
| Arizona 0.8% | | |
| Arizona State University, RB, Green Bonds, Series B, 5.00%, 07/01/42 | 1,395 | 1,549,440 |
| State of Arizona, COP, Department of Administration, Series A (AGM): 5.00%, 10/01/27 | 1,250 | 1,278,675 |
| 5.25%, 10/01/28 | 250 | 256,285 |
| | | 3,084,400 |
| California 10.4% | | |
| California Health Facilities Financing Authority, RB, St. Joseph Health System, Series A, 5.75%, 07/01/39 | 625 | 638,994 |
| California Health Facilities Financing Authority, Refunding RB, Kaiser Permanente, Sub-Series A-2, 5.00%, 11/01/47 | 1,465 | 1,807,136 |
| California Infrastructure & Economic Development Bank, RB, Bay Area Toll Bridges, 1st Lien, Series A (AMBAC), 5.00%, 01/01/28 ^(b) | 10,100 | 12,211,506 |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 04/01/42 | 1,620 | 1,720,505 |
| California Statewide Communities Development Authority, Refunding RB, Adventist Health System, Series A, 4.00%, 03/01/48 | 3,175 | 3,086,163 |
| City & County of San Francisco Public Utilities Commission Wastewater Revenue, Refunding RB, Sewer System, Series B, 4.00%, 10/01/42 | 1,500 | 1,511,175 |
| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
| California (continued) | | |
| Mount San Antonio Community College District, GO, Refunding, CAB, Election of 2008, Series A, 0.00%, 08/01/43 ^(c) | \$ 1,580 | \$ 1,289,501 |
| San Diego California Unified School District, GO, Election of 2008 ^(c) : CAB, Series C, 0.00%, 07/01/38 | 2,000 | 931,820 |
| CAB, Series G, 0.00%, 07/01/34 | 725 | 355,692 |
| CAB, Series G, 0.00%, 07/01/35 | 775 | 357,724 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | | |
|--|--------|------------|
| CAB, Series G, 0.00%, 07/01/36 | 1,155 | 501,605 |
| CAB, Series G, 0.00%, 07/01/37 | 770 | 314,738 |
| CAB, Series K-2, 0.00%, 07/01/38 | 1,745 | 799,088 |
| CAB, Series K-2, 0.00%, 07/01/39 | 2,115 | 923,176 |
| CAB, Series K-2, 0.00%, 07/01/40 | 2,715 | 1,126,291 |
| San Diego California Unified School District, GO, Refunding, CAB, Series R-1, 0.00%, 07/01/31 ^(c) | 1,400 | 906,094 |
| State of California, GO, Refunding, Various Purposes, 5.00%, 10/01/41 | 1,100 | 1,175,526 |
| State of California, GO, Various Purposes, 5.00%, 04/01/42 | 3,000 | 3,218,580 |
| State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/33 | 1,415 | 1,598,412 |
| Yosemite Community College District, GO, CAB, Election of 2004, Series D, 0.00%, 08/01/37 ^(c) | 10,000 | 4,855,400 |
| | | 39,329,126 |
| Colorado 0.6% | | |
| Regional Transportation District, COP, Refunding, Series A, 5.38%, 06/01/31 | 960 | 1,002,499 |
| Regional Transportation District, COP, Series A, 5.00%, 06/01/39 | 1,305 | 1,411,410 |
| | | 2,413,909 |
| Connecticut 1.4% | | |
| State of Connecticut, GO, Series E, 5.00%, 09/15/37 ^(d) | 2,280 | 2,477,790 |
| University of Connecticut, RB, Series A, 5.00%, 01/15/34 | 2,620 | 2,851,058 |
| | | 5,328,848 |
| Delaware 0.8% | | |
| County of Kent Delaware, RB, CHF-Dover, LLC-Delaware State University Project, Series A: 5.00%, 07/01/40 | 770 | 810,710 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| Delaware (continued) | | |
| County of Kent Delaware, RB, CHF-Dover, LLC-Delaware State University Project, Series A (continued): 5.00%, 07/01/48 | \$ 2,110 | \$ 2,205,414 |
| | | 3,016,124 |
| District of Columbia 2.6% | | |
| District of Columbia Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, 6.75%, 05/15/40 | 9,500 | 9,805,235 |
| Florida 7.1% | | |
| County of Brevard Florida Health Facilities Authority, Refunding RB, Health First, Inc. Project, 5.00%, 04/01/39 | 1,795 | 1,915,696 |
| County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38 | 2,770 | 3,130,155 |
| County of Miami-Dade Florida Aviation, Refunding ARB ^(b) : Aviation, Miami International Airport, Series A-1, 5.50%, 10/01/20 | 5,000 | 5,317,500 |
| Series A, 5.50%, 10/01/19 | 5,000 | 5,146,900 |
| County of Miami-Dade Florida Educational Facilities Authority, RB, University of Miami, Series A, 5.00%, 04/01/40 | 3,910 | 4,249,584 |
| County of Miami-Dade Florida Health Facilities Authority, Refunding RB, Nicklaus Children's Hospital Project, 5.00%, 08/01/42 | 685 | 744,342 |
| County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project: 5.00%, 08/01/41 | 630 | 663,522 |
| 5.00%, 08/01/47 | 1,845 | 1,933,320 |
| County of Sarasota Florida Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 07/01/19 ^(b) | 300 | 306,198 |
| Reedy Creek Improvement District, GO, Series A, 5.25%, 06/01/33 | 1,340 | 1,490,589 |
| | <i>Par (000)</i> | <i>Value</i> |
| Florida (continued) | | |
| Tohopekaliga Water Authority, Refunding RB, Series A, 5.25%, 10/01/21 ^(b) | \$ 2,000 | \$ 2,172,440 |
| | | 27,070,246 |
| Georgia 3.3% | | |
| City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 01/01/30 | 7,500 | 8,094,525 |
| City of Atlanta Georgia Water & Wastewater Revenue, Refunding RB, 5.00%, 11/01/40 | 1,500 | 1,658,025 |
| County of Gainesville Georgia & Hall Hospital Authority, Refunding RB, Northeast Georgia Health System, Inc. Project, Series A (GTD), 5.50%, 08/15/54 | 545 | 612,613 |
| County of Georgia Housing & Finance Authority, RB, S/F Housing, Series A: 3.95%, 12/01/43 | 685 | 685,979 |
| 4.00%, 12/01/48 | 500 | 500,355 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | | |
|--|-------|------------|
| Private Colleges & Universities Authority, RB, Savannah College of Art & Design: | | |
| 5.00%, 04/01/33 | 155 | 166,433 |
| 5.00%, 04/01/44 | 595 | 627,338 |
| | | 12,345,268 |
| Hawaii 1.4% | | |
| State of Hawaii Harbor System, RB, Series A, 5.50%, 07/01/35 | 5,000 | 5,249,500 |
| Illinois 13.7% | | |
| City of Chicago Illinois O Hare International Airport, GARB: | | |
| 3rd Lien, 5.63%, 01/01/21 ^(b) | 1,230 | 1,320,688 |
| 3rd Lien, 5.63%, 01/01/35 | 295 | 312,623 |
| Senior Lien, Series D, 5.25%, 01/01/42 | 3,300 | 3,647,952 |
| City of Chicago Illinois O Hare International Airport, Refunding GARB, Senior Lien, Series D, 5.25%, 01/01/34 | 9,800 | 10,669,750 |
| City of Chicago Illinois Transit Authority, RB: | | |
| 5.25%, 12/01/49 | 3,500 | 3,840,865 |
| Sales Tax Receipts, 5.25%, 12/01/36 | 650 | 685,230 |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.13%, 12/01/38 | 7,700 | 7,878,409 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| Illinois (continued) | | |
| County of Cook Illinois Community College District No. 508, GO, City College of Chicago (continued): | | |
| 5.50%, 12/01/38 | \$ 1,000 | \$ 1,039,730 |
| County of Cook Illinois Forest Preserve District, GO, Refunding, Limited Tax Project, Series B, 5.00%, 12/15/37 | 210 | 217,778 |
| County of Will Illinois, GO, 5.00%, 11/15/45 | 1,400 | 1,528,674 |
| Illinois Finance Authority, RB, Chicago LLC, University of Illinois at Chicago Project, Series A: | | |
| 5.00%, 02/15/37 | 700 | 741,979 |
| 5.00%, 02/15/47 | 480 | 503,424 |
| 5.00%, 02/15/50 | 240 | 250,826 |
| Illinois Finance Authority, Refunding RB: | | |
| OSF Health Care System, Series A, 5.00%, 11/15/45 | 2,815 | 3,016,610 |
| Silver Cross Hospital & Medical Centers, Series C, 4.13%, 08/15/37 | 3,130 | 3,087,651 |
| Silver Cross Hospital & Medical Centers, Series C, 5.00%, 08/15/44 | 390 | 411,587 |
| University of Chicago Medical Center, Series B, 4.00%, 08/15/41 | 900 | 900,189 |
| Railsplitter Tobacco Settlement Authority, RB, 6.00%, 06/01/21 ^(b) | 710 | 775,789 |
| State of Illinois, GO: | | |
| 5.25%, 07/01/29 | 8,345 | 8,787,619 |
| 5.50%, 07/01/33 | 880 | 932,774 |
| 5.50%, 07/01/38 | 1,475 | 1,548,366 |
| | | 52,098,513 |
| Indiana 1.8% | | |
| Indiana Finance Authority, RB, CWA Authority Project, 1st Lien, Series A, 5.25%, 10/01/38 | 1,100 | 1,180,795 |
| Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC): | | |
| 5.50%, 01/01/19 ^(b) | 1,125 | 1,128,172 |
| 5.50%, 01/01/38 | 4,625 | 4,637,534 |
| | | 6,946,501 |
| Iowa 2.4% | | |
| Iowa Finance Authority, RB: | | |
| Lifespace Communities, Series A, 5.00%, 05/15/43 | 485 | 498,439 |
| Iowa Health Care Facilities, Genesis Health System, 5.50%, 07/01/33 | 3,000 | 3,355,170 |
| | <i>Par</i> | |
| | <i>(000)</i> | <i>Value</i> |
| Iowa (continued) | | |
| Iowa Finance Authority, RB (continued): | | |
| Iowa Health Care Facilities, Series A (AGC), 5.63%, 08/15/19 ^(b) | \$ 5,000 | \$ 5,127,900 |
| | | 8,981,509 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

Kentucky 0.4%

| | | |
|---|-------|-----------|
| State of Kentucky Property & Building Commission, Refunding RB, Project No. 93 (AGC): | | |
| 5.25%, 02/01/19 ^(b) | 1,330 | 1,337,129 |
| 5.25%, 02/01/29 | 170 | 170,880 |
| | | 1,508,009 |

Maryland 1.2%

| | | |
|---|-------|-----------|
| Maryland Community Development Administration, Refunding RB, S/F Housing, Series A, | | |
| 4.10%, 09/01/38 | 745 | 752,607 |
| Maryland Health & Higher Educational Facilities Authority, RB, University of Maryland | | |
| Medical System Issue, 4.00%, 07/01/48 | 4,000 | 3,950,240 |
| | | 4,702,847 |

Massachusetts 3.1%

| | | |
|--|-------|------------|
| Massachusetts Development Finance Agency, RB: | | |
| Emerson College Issue, Series A, 5.00%, 01/01/47 | 2,370 | 2,501,962 |
| Emerson College Issue, 5.00%, 01/01/48 | 2,595 | 2,752,231 |
| UMass Dartmouth Student Housing Project, 5.00%, 10/01/48 | 1,970 | 2,056,956 |
| Massachusetts Development Finance Agency, Refunding RB: | | |
| Foxborough Regional Charter School Issue, 5.00%, 07/01/37 | 190 | 198,478 |
| Western New England University, 5.00%, 09/01/43 | 1,750 | 1,859,427 |
| Massachusetts Housing Finance Agency, RB, M/F Housing, Series A: | | |
| 3.80%, 12/01/43 | 365 | 352,970 |
| 3.85%, 06/01/46 | 490 | 472,262 |
| Massachusetts School Building Authority, RB, Dedicated Sales Tax, Senior Series A, | | |
| 5.00%, 05/15/43 | 1,395 | 1,522,475 |
| | | 11,716,761 |

Michigan 7.3%

| | | |
|---|-------|-----------|
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, | | |
| 07/01/41 | 1,100 | 1,184,997 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| Michigan (continued) | | |
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44 | \$ 3,640 | \$ 3,909,870 |
| Michigan Finance Authority, Refunding RB: | | |
| Henry Ford Health System, 5.00%, 11/15/41 | 2,235 | 2,393,193 |
| Hospital; Trinity Health Credit Group, 5.00%, 12/01/39 | 9,020 | 9,534,771 |
| Trinity Health Credit Group, 5.00%, 12/01/21 ^(b) | 30 | 32,474 |
| Michigan State Housing Development Authority, RB, S/F Housing, Series A, 3.80%, 10/01/38 | 3,965 | 3,872,933 |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB, Beaumont Health Credit Group, Series D, 5.00%, 09/01/39 | 1,560 | 1,670,932 |
| State of Michigan Building Authority, Refunding RB, Facilities Program: | | |
| Series I-A, 5.38%, 10/15/36 | 2,000 | 2,159,560 |
| Series I-A, 5.38%, 10/15/41 | 800 | 861,296 |
| Series II-A, 5.38%, 10/15/36 | 1,500 | 1,619,670 |
| Western Michigan University, Refunding RB, General, University and College Improvements (AGM), 5.00%, 11/15/39 | 430 | 473,881 |
| | | 27,713,577 |
| Minnesota 0.4% | | |
| City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series A, 5.00%, 11/15/49 | 1,315 | 1,422,225 |
| Nebraska 1.8% | | |
| Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 09/01/37 | 6,345 | 6,879,186 |
| Nevada 1.9% | | |
| County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A: 5.25%, 07/01/42 | 3,000 | 3,092,610 |
| (AGM), 5.25%, 07/01/39 | 4,100 | 4,227,879 |
| | | 7,320,489 |
| New Jersey 9.2% | | |
| New Jersey EDA, RB: | | |
| School Facilities Construction Bonds, Series DDD, 5.00%, 06/15/42 | 375 | 386,201 |
| Series WW, 5.25%, 06/15/33 | 170 | 182,339 |
| | <i>Par</i> | |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| New Jersey (continued) | | |
| New Jersey EDA, RB (continued): | | |
| Series WW, 5.00%, 06/15/34 | \$ 225 | \$ 237,283 |
| Series WW, 5.00%, 06/15/36 | 1,395 | 1,462,518 |
| Series WW, 5.25%, 06/15/40 | 400 | 421,092 |
| New Jersey EDA, Refunding RB, Sub-Series A, 4.00%, 07/01/32 | 930 | 907,950 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | | |
|---|-------|------------|
| New Jersey Health Care Facilities Financing Authority, Refunding RB, Hospital Asset Transfer Program, 5.00%, 10/01/37 | 1,605 | 1,676,150 |
| New Jersey Transportation Trust Fund Authority, RB: 5.00%, 06/15/36 | 5,070 | 5,285,373 |
| CAB, Transportation System, Series A, 0.00%, 12/15/38 ^(c) | 5,845 | 2,207,832 |
| Transportation Program, Series AA, 5.25%, 06/15/33 | 1,660 | 1,775,204 |
| Transportation Program, Series AA, 5.00%, 06/15/38 | 945 | 984,709 |
| Transportation System, Series A, 5.50%, 06/15/41 | 3,000 | 3,144,660 |
| Transportation System, Series AA, 5.50%, 06/15/39 | 3,785 | 4,042,948 |
| Transportation System, Series B, 5.25%, 06/15/36 | 5,000 | 5,225,400 |
| Transportation System, Series D, 5.00%, 06/15/32 | 900 | 959,274 |
| New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System, Series A, 5.00%, 12/15/36 | 340 | 359,274 |
| South Jersey Port Corp., RB, Sub-Marine Terminal, Series A, 5.00%, 01/01/49 | 720 | 768,593 |
| Tobacco Settlement Financing Corp., Refunding RB, Series A: 5.00%, 06/01/35 | 1,750 | 1,898,592 |
| 5.25%, 06/01/46 | 1,725 | 1,828,138 |
| Tobacco Settlement Bonds, 5.00%, 06/01/33 | 1,000 | 1,093,200 |
| | | 34,846,730 |
| New Mexico 0.1% | | |
| New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 08/01/44 | 405 | 440,875 |
| New York 3.5% | | |
| City of New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4, 5.50%, 01/15/33 | 1,950 | 1,958,444 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| New York (continued) | | |
| City of New York Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/32 | \$ 1,650 | \$ 1,794,309 |
| City of New York Water & Sewer System, Refunding RB, Water and Sewer System, 2nd General Resolution, Fiscal 2013, Series BB, 4.00%, 06/15/47 | 2,855 | 2,858,141 |
| Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012: 5.75%, 02/15/21 ^(b) | 480 | 519,139 |
| 5.75%, 02/15/47 | 290 | 310,468 |
| Metropolitan Transportation Authority, Refunding RB, Series B, 5.00%, 11/15/37 | 1,570 | 1,721,850 |
| State of New York Dormitory Authority, RB, Education, Series B, 5.75%, 03/15/19 ^(b) | 1,300 | 1,314,443 |
| State of New York Mortgage Agency, Refunding RB, Series 211, 3.75%, 10/01/43 | 2,810 | 2,730,168 |
| | | 13,206,962 |
| Ohio 3.0% | | |
| County of Lucas Ohio, Refunding RB, Promedica Healthcare, Series A, 6.50%, 11/15/21 ^(b) | 610 | 685,378 |
| Northwest Local School District/Hamilton & Butler Counties, GO, School Improvements, 4.00%, 12/01/50 | 2,645 | 2,646,190 |
| State of Ohio, Refunding RB, University Hospitals Health System, Series A, 5.00%, 01/15/41 | 3,500 | 3,656,695 |
| State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1: 5.25%, 02/15/32 | 780 | 858,717 |
| 5.25%, 02/15/33 | 1,095 | 1,203,679 |
| University of Akron, Refunding RB, Series A, 5.00%, 01/01/37 | 2,000 | 2,200,900 |
| | | 11,251,559 |
| Oregon 0.4% | | |
| Counties of Washington & Multnomah Oregon School District No. 48J Beaverton, GO, Convertible CAB, Series D, 5.00%, 06/15/36 ^(a) | 945 | 1,076,695 |
| | <i>Par (000)</i> | <i>Value</i> |
| Security | | |
| Oregon (continued) | | |
| County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 ^(c) | \$ 1,115 | \$ 495,406 |
| | | 1,572,101 |
| Pennsylvania 5.7% | | |
| Commonwealth Financing Authority, RB, Tobacco Master Settlement Payment: 5.00%, 06/01/33 | 790 | 877,587 |
| 5.00%, 06/01/34 | 1,750 | 1,936,603 |
| (AGM), 4.00%, 06/01/39 | 3,230 | 3,245,213 |
| County of Montgomery Higher Education & Health Authority, Refunding RB, Thomas Jefferson University, Series A, 4.00%, 09/01/49 | 1,145 | 1,113,993 |
| Pennsylvania HFA, RB, S/F Housing Mortgage, Series 118-B, 4.05%, 10/01/40 | 1,770 | 1,776,797 |
| | 4,245 | 4,669,712 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | | |
|--|-------|------------|
| Pennsylvania Higher Educational Facilities Authority, Refunding RB, Thomas Jefferson University, Series A, 5.25%, 09/01/50 | | |
| Pennsylvania Turnpike Commission, RB: | | |
| Series A, 5.00%, 12/01/38 | 695 | 752,080 |
| Series A-1, 5.00%, 12/01/41 | 2,730 | 2,956,645 |
| Series B, 5.00%, 12/01/40 | 1,060 | 1,147,599 |
| Series C, 5.50%, 12/01/23 ^(b) | 630 | 728,097 |
| Subordinate, Special Motor License Fund, 6.00%, 12/01/20 ^(b) | 625 | 673,444 |
| Pennsylvania Turnpike Commission, Refunding RB: | | |
| Series A-1, 5.00%, 12/01/40 | 850 | 916,810 |
| Turnpike Subordinate Revenue, Second Series, 5.00%, 12/01/35 | 860 | 932,524 |
| | | 21,727,104 |
| Rhode Island 2.0% | | |
| Narragansett Bay Commission, Refunding RB, Series A, 4.00%, 09/01/43 | 2,275 | 2,291,425 |
| Tobacco Settlement Financing Corp., Refunding RB, Series B, 4.50%, 06/01/45 | 5,855 | 5,387,420 |
| | | 7,678,845 |
| South Carolina 6.2% | | |
| South Carolina Jobs EDA, Refunding RB, Palmetto Health, Series A (AGM), 6.50%, 08/01/21 ^(b) | 260 | 289,562 |
| Spartanburg Regional Health Services District, Refunding RB, Series A, 4.00%, 04/15/43 | 3,500 | 3,395,630 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| South Carolina (continued) | | |
| State of South Carolina Ports Authority, ARB, 5.25%, 07/01/20 ^(b) | \$ 5,000 | \$ 5,251,450 |
| State of South Carolina Public Service Authority, RB: | | |
| Santee Cooper, Series A, 5.50%, 12/01/54 | 6,960 | 7,413,653 |
| Series E, 5.50%, 12/01/53 | 1,610 | 1,706,342 |
| State of South Carolina Public Service Authority, Refunding RB, Series B: | | |
| Santee Cooper, 5.00%, 12/01/38 | 2,360 | 2,470,165 |
| (AGM), 5.00%, 12/01/56 | 2,845 | 3,039,968 |
| | | 23,566,770 |
| South Dakota 0.5% | | |
| City of Rapid City South Dakota, RB, 4.00%, 12/01/48 ^(d) | 1,760 | 1,741,573 |
| Tennessee 0.0% | | |
| County of Nashville & Davidson Metropolitan Government Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 07/01/40 | 35 | 37,608 |
| Texas 15.1% | | |
| City of Arlington Texas, Special Tax Bonds, Sub Lien, Series C (BAM), 5.00%, 02/15/45 | 2,105 | 2,194,399 |
| City of San Antonio Texas Electric & Gas Revenue, RB, Junior Lien, 5.00%, 02/01/38 | 615 | 665,996 |
| Coppell Texas ISD, GO, CAB, Refunding (PSF-GTD), 0.00%, 08/15/30 ^(c) | 10,030 | 6,902,847 |
| County of Harris Texas, GO, Refunding, (NPFGC) ^(c) : | | |
| 0.00%, 08/15/25 | 7,485 | 6,283,433 |
| 0.00%, 08/15/28 | 10,915 | 8,161,800 |
| County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Junior Lien, Series H (NPFGC) ^(c) : | | |
| 0.00%, 11/15/38 | 5,785 | 2,115,864 |
| 0.00%, 11/15/39 | 6,160 | 2,105,796 |
| County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 09/15/36 ^(c) | 2,340 | 1,115,033 |
| Dallas-Fort Worth International Airport, Refunding ARB, Series F, 5.25%, 11/01/33 | 1,090 | 1,203,513 |
| | <i>Par (000)</i> | <i>Value</i> |
| Security | | |
| Texas (continued) | | |
| Grand Parkway Transportation Corp., RB: | | |
| Convertible CAB, Series B, 0.00%, 10/01/46 ^(c) | \$ 2,365 | \$ 2,191,527 |
| Subordinate Tier Toll Revenue Bonds, Series B, 5.00%, 04/01/53 | 465 | 495,095 |
| Subordinate Tier Toll Revenue Bonds, TELA Supported, Series A, 5.00%, 10/01/48 | 1,810 | 2,011,019 |
| Harris County-Houston Sports Authority, Refunding RB, 3rd Lien, Series A (NPFGC) ^(c) : | | |
| 0.00%, 11/15/24 ^(b) | 5,965 | 2,238,008 |
| 0.00%, 11/15/38 | 10,925 | 3,792,067 |
| Leander ISD, GO, Refunding, CAB, Series D (PSF-GTD), 0.00%, 08/15/38 ^(c) | 3,775 | 1,617,248 |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | | |
|---|-------|------------|
| North Texas Tollway Authority, RB ^(b) : | | |
| CAB, Special Project System, Series B, 0.00%, 09/01/31 ^(c) | 1,975 | 852,292 |
| Convertible CAB, Series C, 0.00%, 09/01/31 ^(c) | 2,500 | 3,004,850 |
| Special Projects System, Series A, 6.00%, 09/01/21 | 1,000 | 1,102,490 |
| North Texas Tollway Authority, Refunding RB: | | |
| 1st Tier System, Series A, 6.00%, 01/01/19 ^(b) | 510 | 511,622 |
| 1st Tier System, Series A, 6.00%, 01/01/28 | 115 | 115,327 |
| Series B, 5.00%, 01/01/40 | 385 | 410,614 |
| San Antonio Public Facilities Corp., Refunding RB, Convention Center Refinancing and Expansion Project, 4.00%, 09/15/42 | 3,155 | 3,158,470 |
| Texas Municipal Gas Acquisition & Supply Corp. III, RB, Natural Gas Utility Improvements: | | |
| 5.00%, 12/15/31 | 2,105 | 2,252,139 |
| 5.00%, 12/15/32 | 2,540 | 2,713,812 |
| | | 57,215,261 |
| Utah 0.8% | | |
| Salt Lake City Corp. Airport Revenue, ARB, Series B, 5.00%, 07/01/43 | 2,000 | 2,233,680 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par</i> | <i>Value</i> |
|--|--------------|--------------|
| | <i>(000)</i> | |
| Utah (continued) | | |
| Utah Charter School Finance Authority, RB, Utah Charter Academies Project, 5.00%, 10/15/48 | \$ 840 | \$ 912,702 |
| | | 3,146,382 |
| Virginia 0.9% | | |
| County of Fairfax Virginia IDA, Refunding RB, Health Care-Inova Health, 5.50%, 05/15/19 ^(b) | 260 | 264,251 |
| Virginia Beach Development Authority, Refunding RB, Westminster-Canterbury on Chesapeake Bay: 5.00%, 09/01/44 | 1,375 | 1,480,352 |
| 4.00%, 09/01/48 | 885 | 852,140 |
| Virginia HDA, RB, M/F Housing, Rental Housing, Series B, 4.00%, 06/01/53 | 895 | 873,699 |
| | | 3,470,442 |
| Washington 1.1% | | |
| Washington Health Care Facilities Authority, RB: MultiCare Health System, Remarketing, Series B, 5.00%, 08/15/44 | 2,000 | 2,166,780 |
| Providence Health & Services, Series A, 5.25%, 10/01/39 | 675 | 698,753 |
| Washington State Housing Finance Commission, Refunding RB, Horizon House Project, 5.00%, 01/01/38 ^(e) | 1,400 | 1,457,988 |
| | | 4,323,521 |
| West Virginia 1.1% | | |
| West Virginia Hospital Finance Authority, RB, Improvement, West Virginia University Health System Obligated Group, Series A, 4.00%, 06/01/51 | 4,385 | 4,089,626 |
| Wisconsin 2.3% | | |
| State of Wisconsin Health & Educational Facilities Authority, RB: Ascension Health Senior Credit Group, Series E, 5.00%, 11/15/33 | 1,500 | 1,534,230 |
| Marshfield Clinic Health System, Inc. Series C, 4.00%, 02/15/42 | 5,000 | 4,890,450 |
| | <i>Par</i> | <i>Value</i> |
| <i>Security</i> | <i>(000)</i> | |
| Wisconsin (continued) | | |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Milwaukee Regional Medical Center Thermal Service, 5.00%, 04/01/44 | \$ 1,895 | \$ 2,097,708 |
| | | 8,522,388 |
| Total Municipal Bonds 118.0% | | |
| (Cost \$426,087,836) | | 447,793,373 |
| Municipal Bonds Transferred to Tender Option Bond Trusts^(f) 45.6% | | |

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

Arizona 0.4%

| | | |
|--|-------|-----------|
| City of Phoenix Civic Improvement Corp., Refunding RB, Water System, Junior Lien, Series A, 5.00%, 07/01/19 ^(b) | 1,300 | 1,323,296 |
|--|-------|-----------|

California 2.0%

| | | |
|--|-------|-----------|
| Los Angeles California Unified School District, GO, Election of 2008, Series B-1, 5.25%, 07/01/42 ^(g) | 3,432 | 3,999,157 |
|--|-------|-----------|

| | | |
|---|-----|---------|
| San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 ^(b) | 449 | 459,236 |
|---|-----|---------|

| | | |
|--|-------|-----------|
| Visalia Unified School District, COP, (AGM), 4.00%, 05/01/48 | 3,077 | 3,080,096 |
|--|-------|-----------|

7,538,489

Connecticut 0.4%

| | | |
|--|-------|-----------|
| State of Connecticut Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45 | 1,561 | 1,701,194 |
|--|-------|-----------|

District of Columbia 0.3%

| | | |
|--|-------|-----------|
| District of Columbia, RB, Series A, 5.50%, 12/01/30 ^(g) | 1,080 | 1,115,257 |
|--|-------|-----------|

Florida 6.0%

| | | |
|--|-------|-----------|
| City of Miami Beach Florida, RB, 5.00%, 09/01/45 | 3,500 | 3,854,077 |
|--|-------|-----------|

| | | |
|---|-------|-----------|
| County of Miami-Dade Florida Transit System, Refunding RB, Sales Tax, 5.00%, 07/01/42 | 1,950 | 2,088,938 |
|---|-------|-----------|

| | | |
|--|--------|------------|
| County of Miami-Dade Florida Water & Sewer System, RB, (AGM), 5.00%, 10/01/20 ^(b) | 10,101 | 10,652,685 |
|--|--------|------------|

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| Florida (continued) | | |
| County of Orange Florida School Board, COP, Series A (AGC), 5.50%, 08/01/19 ^(b) | \$ 6,096 | \$ 6,241,440 |
| | | 22,837,140 |
| Illinois 5.2% | | |
| Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 08/15/41 | 2,400 | 2,597,760 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 06/15/19 ^{(b)(g)} | 1,400 | 1,424,093 |
| State of Illinois Toll Highway Authority, RB: | | |
| Series A, 5.00%, 01/01/38 | 7,714 | 8,279,592 |
| Series A, 5.00%, 01/01/40 | 3,045 | 3,342,445 |
| Series B, 5.00%, 01/01/40 | 1,170 | 1,271,648 |
| Series C, 5.00%, 01/01/38 | 2,658 | 2,902,895 |
| | | 19,818,433 |
| Kansas 1.6% | | |
| County of Wyandotte Kansas Unified School District, GO, Series A, 5.50%, 09/01/47 | 5,363 | 6,216,637 |
| Maryland 0.9% | | |
| City of Baltimore Maryland Water Utility Fund, RB, Sub-Water Projects, Series A, 5.00%, 07/01/41 | 3,139 | 3,481,429 |
| Massachusetts 3.3% | | |
| Commonwealth of Massachusetts, GO, Series A, 5.00%, 03/01/46 | 1,661 | 1,817,189 |
| Massachusetts Development Finance Agency, Refunding RB, Partners Healthcare System, 4.00%, 07/01/35 ^(e) | 7,070 | 7,214,978 |
| Massachusetts School Building Authority, RB, Senior Series B, 5.00%, 11/15/46 ^{(g)(e)} | 3,300 | 3,672,232 |
| | | 12,704,399 |
| Michigan 0.9% | | |
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A, 5.00%, 11/01/44 | 2,220 | 2,385,082 |
| State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45 | 960 | 1,062,691 |
| | | 3,447,773 |
| Nevada 2.8% | | |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 04/01/19 ^{(b)(g)} | 4,197 | 4,252,903 |
| | <i>Par</i> | |
| <i>Security</i> | <i>(000)</i> | <i>Value</i> |
| Nevada (continued) | | |
| County of Clark Nevada Water Reclamation District, GO, Series B, 5.75%, 07/01/19 ^(b) | \$ 2,024 | \$ 2,069,912 |
| Las Vegas Valley Water District Nevada, GO, Refunding, Water Improvement, Series A, 5.00%, 06/01/46 | 3,900 | 4,291,892 |

| | | |
|---|--------|------------|
| | | 10,614,707 |
| New Jersey 0.8% | | |
| County of Hudson New Jersey Improvement Authority, RB, Hudson County Vocational-Technical Schools Project, 5.25%, 05/01/51 | 920 | 1,022,311 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 06/15/36 ^(g) | 2,000 | 2,090,446 |
| | | 3,112,757 |
| New York 12.4% | | |
| City of New York Water & Sewer System, Refunding RB: 2nd General Resolution, Fiscal 2013, Series CC, 5.00%, 06/15/47 | 6,240 | 6,854,080 |
| 2nd General Resolution, Series FF, 5.00%, 06/15/39 | 8,355 | 9,229,713 |
| Series DD, 5.00%, 06/15/35 | 1,845 | 2,038,540 |
| Metropolitan Transportation Authority, RB, Transportation, Sub-Series D-1, 5.25%, 11/15/44 | 3,850 | 4,271,267 |
| Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56 | 1,698 | 1,849,582 |
| New York City Transitional Finance Authority, Refunding RB, Future Tax Secured, Series B, 5.00%, 11/01/30 | 12,500 | 13,641,812 |
| Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 198th Series, 5.25%, 11/15/56 | 2,561 | 2,871,181 |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Par (000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| New York (continued) | | |
| State of New York Urban Development Corp., RB, Personal Income Tax, General Purpose, Series A-1, 5.00%, 03/15/43 | \$ 5,720 | \$ 6,200,466 |
| | | 46,956,641 |
| Ohio 0.2% | | |
| State of Ohio, RB, Cleveland Clinic Health Obligated Group, Series B, 5.50%, 01/01/34 | 620 | 621,680 |
| Pennsylvania 1.8% | | |
| County of Westmoreland Pennsylvania Municipal Authority, Refunding RB, (BAM), 5.00%, 08/15/42 | 1,020 | 1,106,152 |
| Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42 | 4,997 | 5,649,957 |
| | | 6,756,109 |
| South Carolina 0.2% | | |
| South Carolina Public Service Authority, Refunding RB, Series A ^(b) : 5.50%, 01/01/19 | 553 | 554,424 |
| 5.50%, 01/01/19 ^(g) | 48 | 47,949 |
| | | 602,373 |
| Texas 3.2% | | |
| City of Houston Texas Community College, GO, Limited Tax, 4.00%, 02/15/43 ^(e) | 7,001 | 7,010,884 |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Baylor Health Care System Project, Series A, 5.00%, 11/15/38 | 719 | 772,335 |
| | <i>Par (000)</i> | <i>Value</i> |
| Texas (continued) | | |
| County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Texas Health Resources System, Series A, 5.00%, 02/15/41 | \$ 3,920 | \$ 4,279,552 |
| | | 12,062,771 |
| Virginia 0.6% | | |
| Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.00%, 07/01/48 ^(e) | 1,996 | 2,254,967 |
| Washington 1.0% | | |
| Washington Health Care Facilities Authority, Refunding RB, Seattle Children's Hospital, Series B, 5.00%, 10/01/38 | 3,210 | 3,620,463 |
| Wisconsin 1.6% | | |
| State of Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 04/01/19 ^(b) | 2,500 | 2,527,650 |
| | 3,520 | 3,724,706 |

Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series A, 5.00%, 04/01/42

6,252,356

Total Municipal Bonds Transferred to Tender Option Bond Trusts 45.6%
(Cost \$171,421,872)

173,038,871

Total Long-Term Investments 163.6%
(Cost \$597,509,708)

620,832,244

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i> | <i>Shares</i> | <i>Value</i> |
|---|---------------|----------------|
| Short-Term Securities 0.2% | | |
| BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.55% ^{(h)(i)} | 745,344 | \$ 745,419 |
| Total Short-Term Securities 0.2% | | |
| (Cost \$745,419) | | 745,419 |
| | | |
| Total Investments 163.8% | | |
| (Cost \$598,255,127) | | 621,577,663 |
| Other Assets Less Liabilities 1.2% | | 5,051,117 |
| Liability for TOB Trust Certificates, Including | | |
| Interest Expense and Fees Payable (28.9)% | | (109,846,551) |
| VMTP Shares at Liquidation Value Costs (36.1)% | | (137,200,000) |
| | | |
| Net Assets Applicable to Common Shares 100.0% | | \$ 379,582,229 |

- (a) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Zero-coupon bond.
- (d) When-issued security.
- (e) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing.
- (g) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between April, 1, 2019 to January, 1, 2038 is \$11,321,496.
- (h) Annualized 7-day yield as of period end.
- (i) During the period ended November 30, 2018, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| | <i>Shares Held at</i> | <i>Net Activity</i> | <i>Shares Held at</i> | <i>Value at</i> | <i>Income</i> | <i>Net Realized Gain (Loss) ^(a)</i> | <i>Change in Unrealized Appreciation (Depreciation)</i> |
|--------------------------------------|---------------------------|-------------------------|---------------------------|-----------------|---------------|--|---|
| <i>Affiliate</i> | <i>08/31/18</i> | | <i>11/30/18</i> | <i>11/30/18</i> | | | |
| BlackRock Liquidity Funds, MuniCash, | 4,490,659 | (3,745,315) | 745,344 | \$ 745,419 | \$ 15,145 | \$ | \$ |

Institutional
Class

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

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

| <i>Description</i> | <i>Number of Contracts</i> | <i>Expiration Date</i> | <i>Notional Amount (000)</i> | <i>Value/ Unrealized Appreciation (Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|--|
| Short Contracts: | | | | |
| 10-Year U.S. Treasury Note | 62 | 03/20/19 | \$ 7,406 | \$ (18,384) |
| Long U.S. Treasury Bond | 160 | 03/20/19 | 22,385 | (95,379) |
| 5-Year U.S. Treasury Note | 40 | 03/29/19 | 4,518 | (6,507) |
| | | | | \$ (120,270) |

Schedule of Investments (unaudited) (continued)

BlackRock Municipal Income Quality Trust (BYM)

November 30, 2018

Portfolio Abbreviations

AGC Assured Guarantee Corp.

AGM Assured Guaranty Municipal Corp.

AMBAC American Municipal Bond Assurance Corp.

ARB Airport Revenue Bonds

BAM Build America Mutual Assurance Co.

BARB Building Aid Revenue Bonds

CAB Capital Appreciation Bonds

COP Certificates of Participation

EDA Economic Development Authority

GARB General Airport Revenue Bonds

GO General Obligation Bonds

GTD-PSF Guaranteed Permanent School Fund

HDA Housing Development Authority

HFA Housing Finance Agency

IDA Industrial Development Authority

ISD Independent School District

LRB Lease Revenue Bonds

M/F Multi-Family

NPFGC National Public Finance Guarantee Corp.

RB Revenue Bonds

S/F Single-Family

November 30, 2018

Fair Value Hierarchy as of Period End

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

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

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

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

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

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

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

Edgar Filing: BLACKROCK MUNICIPAL INCOME QUALITY TRUST - Form N-Q

| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|---|----------------|----------------|----------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments ^(a) | \$ | \$ 620,832,244 | \$ | \$ 620,832,244 |
| Short-Term Securities | 745,419 | | | 745,419 |
| | \$ 745,419 | \$ 620,832,244 | \$ | \$ 621,577,663 |
| Derivative Financial Instruments ^(b) | | | | |
| Liabilities: | | | | |
| Interest rate contracts | \$ (120,270) | \$ | \$ | \$ (120,270) |

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

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

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

| | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i> |
|----------------------------------|----------------|------------------|----------------|------------------|
| Liabilities: | | | | |
| TOB Trust Certificates | \$ | \$ (109,488,431) | \$ | \$ (109,488,431) |
| VMTP Shares at Liquidation Value | | (137,200,000) | | (137,200,000) |
| | \$ | \$ (246,688,431) | \$ | \$ (246,688,431) |

During the period ended November 30, 2018, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Municipal Income Quality Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Quality Trust

Date: January 18, 2019

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

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Municipal Income Quality Trust

Date: January 18, 2019

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Municipal Income Quality Trust

Date: January 18, 2019