

BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND
Form N-CSR
November 03, 2015

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 811-08349

Name of Fund: BlackRock MuniHoldings Investment Quality Fund (MFL)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniHoldings Investment Quality Fund, 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: 08/31/2015

Date of reporting period: 08/31/2015

Item 1 Report to Stockholders

ANNUAL REPORT

BlackRock Municipal Bond Investment Trust (BIE)

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Income Investment Quality Trust (BAF)

BlackRock Municipal Income Quality Trust (BYM)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Investment Quality Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks between regions were the broader themes underlying market conditions during the 12-month period ended August 31, 2015. The period began with investors caught between the forces of low interest rates and an improving U.S. economy, high asset valuations, oil price instability and lingering geopolitical risks in Ukraine and the Middle East. U.S. growth picked up considerably in the fourth quarter of 2014, while the broader global economy showed signs of slowing. Investors favored the stability of U.S. assets despite expectations that the Federal Reserve (Fed) would eventually be inclined to raise short-term interest rates. International markets continued to struggle even as the European Central Bank and the Bank of Japan eased monetary policy. Oil prices plummeted in late 2014 due to a global supply-and-demand imbalance, sparking a sell-off in energy-related assets and emerging markets. Investors piled into U.S. Treasury bonds as their persistently low yields had become attractive as compared to the even lower yields on international sovereign debt.

Equity markets reversed in early 2015, with international markets outperforming the United States as global risks abated. Investors had held high expectations for the U.S. economy, but a harsh winter and west coast port strike brought disappointing first-quarter data and high valuations took their toll on U.S. stocks, while bond yields fell to extreme lows. (Bond prices rise as yields fall.) In contrast, economic reports in Europe and Asia easily beat investors' very low expectations, and accommodative policies from central banks in those regions helped international equities rebound. Oil prices stabilized, providing some relief for emerging market stocks, although a stronger U.S. dollar continued to be a headwind for the asset class.

U.S. economic data regained momentum in the second quarter, helping U.S. stocks resume an upward path; however, the improving data underscored the likelihood that the Fed would raise short-term rates before the end of 2015 and bond yields moved swiftly higher. The month of June brought a sharp, but temporary, sell-off across most asset classes as Greece's long-brewing debt troubles came to an impasse. Although these concerns abated in the later part of July when the Greek parliament passed a series of austerity and reform measures, the calm was short-lived. Chinese equity prices plunged and experienced extreme volatility despite policymakers' attempts to stabilize the market. Financial markets broadly were highly volatile during the month of August as evidence of a further deceleration in China's economy stoked worries about global growth. Equity and high yield assets declined, with emerging markets especially hard hit given falling commodity prices and lower growth estimates for many of those economies. High quality fixed income assets such as U.S. Treasury and municipal bonds benefited from investors seeking shelter from global volatility.

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 August 31, 2015

6-month

(5.32)%

12-month

0.48%

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U.S. large cap equities (S&P 500® Index)		
U.S. small cap equities (Russell 2000® Index)	(5.36)	0.03
International equities (MSCI Europe, Australasia, Far East Index)	(6.30)	(7.47)
Emerging market equities (MSCI Emerging Markets Index)	(15.97)	(22.95)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.03
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	(0.86)	3.24
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	(0.68)	1.56
Tax-exempt municipal bonds (S&P Municipal Bond Index)	0.21	2.38
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(2.85)	(2.93)

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Municipal Market Overview

For the Reporting Period Ended August 31, 2015

Municipal Market Conditions

Municipal bonds generated positive performance for the period, thanks to a favorable supply-and-demand environment and declining interest rates in the earlier half. (Bond prices rise as rates fall.) Interest rates moved lower in 2014 even as the U.S. Federal Reserve (the Fed) curtailed its open-market bond purchases. This, coupled with reassurance from the Fed that short-term rates would remain low for a considerable amount of time, resulted in strong demand for fixed income investments in 2014, with municipal bonds being one of the stronger-performing sectors for the year. This trend continued into the beginning of 2015 until rate volatility ultimately increased in February as a result of uneven U.S. economic data and widening central bank divergence, i.e., rate cuts outside the United States while the Fed poised for normalizing U.S. rates. During the 12 months ended August 31, 2015, municipal bond funds garnered net inflows of approximately \$20 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 \$417 billion (considerably higher than the \$308 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 August 31, 2015
6 months: 0.21%
12 months: 2.38%

A Closer Look at Yields

From August 31, 2014 to August 31, 2015, yields on AAA-rated 30-year municipal bonds rose by 7 basis points (bps) from 3.03% to 3.10%, while 10-year rates rose by 9 bps from 2.07% to 2.16% and 5-year rates increased 25 bps from 1.08% to 1.33% (as measured by Thomson Municipal Market Data). Overall, the municipal yield curve remained relatively steep over the 12-month period even as the spread between 2- and 30-year maturities flattened by 22 bps and the spread between 2- and 10-year maturities flattened by 20 bps.

During the same time period, U.S. Treasury rates fell by 15 bps on 30-year bonds, 14 bps on 10-year bonds and 9 bps in 5-years. Accordingly, tax-exempt municipal bonds underperformed Treasuries across the yield curve, most notably in the intermediate part of the curve as a result of increased supply and tempered demand. In absolute terms, positive performance of muni 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. The four largest states – 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 remain imperative amid uncertainty in a modestly improving economic environment.

The opinions expressed are those of BlackRock as of August 31, 2015, 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

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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.

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 AMT. 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 net asset value 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 ~~33~~33% 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 the Trusts' 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

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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 are discussed in detail in the Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2015

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Trust Summary as of August 31, 2015

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.

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 August 31, 2015 (\$14.10) ¹	6.47%
Tax Equivalent Yield ²	11.43%
Current Monthly Distribution per Common Share ³	\$0.076
Current Annualized Distribution per Common Share ³	\$0.912
Economic Leverage as of August 31, 2015 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
BIE ⁵	2.85%	4.26%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

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⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

Given the outperformance of longer-term bonds, the Trust's duration positioning (interest rate sensitivity) had a positive impact on performance. The Trust's longer-dated holdings in the transportation and health sectors were particularly strong contributors to performance. At a time of modest price gains for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. In addition, the use of leverage allowed the Trust to enhance its level of income.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bond yields and finished the period lower.

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

BlackRock Municipal Bond Investment Trust

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$ 14.10	\$ 14.58	(3.29)%	\$ 15.69	\$ 13.93
Net Asset Value	\$ 15.95	\$ 16.27	(1.97)%	\$ 16.76	\$ 15.80

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
Transportation	28%	25%
County/City/Special District/School District	24	23
Utilities	15	16
Health	12	14
Education	8	7
State	8	9
Tobacco	3	1
Corporate	1	1
Housing	1	4

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Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	7%	10%
AA/Aa	60	59
A	24	25
BBB/Baa	6	5
BB/Ba	1	
B	1	1
N/R	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.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2015		
2016		2%
2017		1
2018		16
2019		30

² 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 August 31, 2015

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 August 31, 2015 (\$15.23) ¹	5.91%
Tax Equivalent Yield ²	10.44%
Current Monthly Distribution per Common Share ³	\$0.075
Current Annualized Distribution per Common Share ³	\$0.900
Economic Leverage as of August 31, 2015 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
BBK ⁵	3.83%	5.96%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

- ⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

With this as the backdrop, the Trust's position in longer-dated bonds benefited performance. The Trust's allocations to the health, transportation and utilities sectors were also positive contributors to performance. The Trust's investment-grade holdings in the AA and A rated categories contributed positively, as did its exposure to higher yielding bonds.

Given the modest total return for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. In addition, the use of leverage allowed the Trust to enhance its level of income.

The Trust's position in certain longer duration bonds detracted from performance. Its use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$15.23	\$15.59	(2.31)%	\$16.93	\$14.82
Net Asset Value	\$16.49	\$16.54	(0.30)%	\$17.35	\$16.25

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
Health	23%	21%
Education	16	12
County/City/Special District/School District	16	20
Transportation	13	17
Utilities	13	11
State	9	6
Corporate	6	7
Tobacco	3	1
Housing	1	5

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	6%	11%
AA/Aa	43	43
A	27	22
BBB/Baa	11	14
BB/Ba	6	5
N/R ²	7	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 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 August 31, 2015 and August 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade each representing 2%, respectively, of the Trust's total investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2015	2%
2016	2
2017	3
2018	11

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

* Excludes short-term securities.

ANNUAL REPORT

AUGUST 31, 2015

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Trust Summary as of August 31, 2015

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 August 31, 2015 (\$13.89) ¹	5.92%
Tax Equivalent Yield ²	10.46%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Economic Leverage as of August 31, 2015 ⁴	35%

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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
BAF ⁵	3.68%	4.71%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

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⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

Given the outperformance of longer-term bonds, the Trust's duration positioning (interest rate sensitivity) had a positive impact on performance. (Bond prices rise when rates fall.) The Trust's longer-dated holdings in the transportation, school districts, utilities and state tax-backed sectors were particularly strong contributors to performance. At a time of modest price gains for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. In addition, the use of leverage allowed the Trust to enhance its level of income.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower.

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

BlackRock Municipal Income Investment Quality Trust

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$13.89	\$14.18	(2.05)%	\$15.29	\$13.71
Net Asset Value	\$15.80	\$15.97	(1.06)%	\$16.57	\$15.60

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
County/City/Special District/School District	31%	32%
Transportation	28	28
Utilities	17	19
Health	13	12
State	6	5
Education	3	2
Tobacco	1	1
Housing	1	1

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	3%	3%
AA/Aa	74	75
A	20	20
BBB/Baa	3	2

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,

2015	
2016	
2017	
2018	15%
2019	19

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 August 31, 2015

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 August 31, 2015 (\$13.67) ¹	6.28%
Tax Equivalent Yield ²	11.10%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of August 31, 2015 ⁴	37%

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

² Tax equivalent yield assumes the maximum 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
BYM ⁵	4.03%	3.85%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

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

Municipal bonds delivered a positive total return during the 12-month period. Long-term bonds outperformed short-term debt, leading to a flattening of the yield curve for the full 12 months. Performance trends differed significantly during throughout the 12-month period. In the first five months (September 2014 through February 2015), the market rallied significantly and the municipal yield curve flattened aggressively. During this time, long-term rates fell much more than intermediate rates, while two-year rates rose. In contrast, the final seven months of the period brought weaker price performance and a steepening of the yield curve.

Given the modest total return for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. The Trust's positions in the school district and transportation sectors also contributed positively.

The Trust's positions in Chicago general obligation bonds and related securities, as well as New Jersey state-appropriated credits, detracted from performance. The yield spreads on these securities widened significantly due to concerns over pension funding and the associated downgrades to the issuers' credit ratings. The Trust was also negatively impacted by its duration exposure, as municipal yields increased slightly during the annual period. Additionally, the Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower.

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

BlackRock Municipal Income Quality Trust

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$13.67	\$ 13.96	(2.08)%	\$ 15.17	\$ 13.29
Net Asset Value	\$15.21	\$ 15.56	(2.25)%	\$ 16.14	\$ 15.07

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
County/City/Special District/School District	27%	32%
Transportation	25	25
Health	13	8
Utilities	11	13
State	11	12
Education	7	6
Tobacco	3	2
Corporate	3	2

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	15%	17%
AA/Aa	57	52
A	21	26
BBB/Baa	6	5
N/R	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,

2015	3%
2016	3
2017	8
2018	17
2019	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 August 31, 2015

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 August 31, 2015 (\$14.18) ¹	6.69%
Tax Equivalent Yield ²	11.82%
Current Monthly Distribution per Common Share ³	\$0.079
Current Annualized Distribution per Common Share ³	\$0.948
Economic Leverage as of August 31, 2015 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
BLE ⁵	2.83%	5.01%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

- ⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

Given the modest total return for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. The Trust's investment-grade holdings in the AA and A rated categories contributed positively, as did its concentrations in the transportation, health, utilities and corporate-related sectors. The Trust's positioning with respect to duration (sensitivity to interest rate movements) and the yield curve made more modest contributions. In addition, the use of leverage allowed the Trust to enhance its level of income.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower. Additionally, the Trust's positions in tax-backed bonds issued by Illinois and New Jersey underperformed due to increasing concerns regarding unfunded pension liabilities and future budget gaps. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$14.18	\$14.70	(3.54)%	\$16.66	\$13.82
Net Asset Value	\$15.25	\$15.48	(1.49)%	\$16.09	\$15.15

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
Transportation	22%	20%
Utilities	16	16
County/City/Special District/School District	15	13
Health	12	14
Corporate	10	11
State	9	11
Education	9	8
Tobacco	5	4
Housing	2	3

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	7%	7%
AA/Aa	40	32
A	23	28
BBB/Baa	15	17
BB/Ba	5	5
B	1	2
N/R ²	9	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 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 August 31, 2015 and August 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade representing 2% and 1%, respectively, of the Trust's total investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2015	7%
2016	4
2017	4

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2018
2019

6
18

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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Trust Summary as of August 31, 2015

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 August 31, 2015 (\$14.06) ¹	6.10%
Tax Equivalent Yield ²	10.78%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of August 31, 2015 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
MFL ⁵	7.28%	4.29%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

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⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

Given the outperformance of longer-term bonds, the Trust's duration positioning (interest rate sensitivity) had a positive impact on performance. (Bond prices rise when rates fall.) The Trust's longer-dated holdings in the transportation and utilities sectors were particularly strong contributors to performance. At a time of modest price gains for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. In addition, the use of leverage allowed the Trust to enhance its level of income.

The Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower.

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

BlackRock MuniHoldings Investment Quality Fund

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$14.06	\$13.92	1.01%	\$15.15	\$13.19
Net Asset Value	\$15.18	\$15.46	(1.81)%	\$16.01	\$15.03

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
Transportation	36%	35%
County/City/Special District/School District	18	18
Utilities	17	19
Health	10	11
State	9	9
Education	5	6
Corporate	2	
Housing	2	1
Tobacco	1	1

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	5%	5%
AA/Aa	62	65
A	29	28
BBB/Baa	4	2

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,

2015	
2016	1%
2017	3
2018	14
2019	25

² 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 August 31, 2015

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 August 31, 2015 (\$9.65) ¹	6.65%
Tax Equivalent Yield ²	11.75%
Current Monthly Distribution per Common Share ³	\$0.0535
Current Annualized Distribution per Common Share ³	\$0.6420
Economic Leverage as of August 31, 2015 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 12 months ended August 31, 2015 were as follows:

	Returns Based On	
	Market Price	NAV ⁷
MVF ⁵	4.71%	4.27%
Lipper General & Insured Municipal Debt Funds (Leveraged) ⁶	3.91%	4.56%

⁵ All returns reflect reinvestment of dividends and/or distributions.

⁶ Average return.

⁷ The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

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

U.S. municipal bonds finished the 12-month period in positive territory, as the contribution of yields to total returns more than offset the impact of a small decline in prices. Yields moved slightly higher in the period as investors began to prepare for the possibility of interest rate increases by the Fed. (Bond prices fall when rates rise.) The short end of the yield curve, which is most sensitive to Fed policy shifts, experienced the largest increase in yields. In contrast, yields on longer-term bonds rose only slightly amid the environment of moderate economic growth and low inflation.

At a time of low total returns for the municipal bond market, the income generated from coupon payments on the Trust's portfolio of tax-exempt bonds made a meaningful contribution to absolute performance. The Trust's exposure to long-maturity bonds benefited performance given the flattening of the yield curve. Exposure to the health and transportation sectors provided the largest sector total returns for the period.

The Trust's duration positioning (sensitivity to interest rate movements) detracted modestly from performance given that bond yields rose across the yield curve during the period. The Trust's use of U.S. Treasury futures contracts to manage interest rate risk detracted slightly, as 10-year Treasury yields diverged from municipal bonds and finished the period lower.

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

Market Price and Net Asset Value Per Share Summary

	8/31/15	8/31/14	Change	High	Low
Market Price	\$ 9.65	\$ 9.83	(1.83)%	\$ 10.59	\$ 9.20
Net Asset Value	\$ 10.04	\$ 10.27	(2.24)%	\$ 10.56	\$ 9.94

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

Overview of the Trust's Total Investments*

Sector Allocation

	8/31/15	8/31/14
Health	24%	23%
Transportation	22	22
Education	11	10
Corporate	11	10
County/City/Special District/School District	10	12
Utilities	10	10
Housing	4	5
State	4	5
Tobacco	4	3

Credit Quality Allocation¹

	8/31/15	8/31/14
AAA/Aaa	9%	10%
AA/Aa	46	49
A	23	23
BBB/Baa	13	12
BB/Ba	3	1
B	1	2
N/R ²	5	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

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 August 31, 2015 and August 31, 2014, the market value of unrated securities deemed by the investment advisor to be investment grade representing 2% and 1%, respectively, of the Trust's total investments.

Call/Maturity Schedule³

Calendar Year Ended December 31,

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2015	4%
2016	5
2017	8
2018	15
2019	20

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 August 31, 2015

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	\$ 162,285
Alaska 0.3%		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 5.00%, 6/01/46	180	138,242
California 13.8%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	700	779,975
California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39	120	137,099
Kern Community College District, GO, Safety, Repair & Improvement, Election of 2002, Series C, 5.50%, 11/01/33	410	484,063
Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	760	836,646
Riverside County Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/40	1,000	1,143,050
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36	850	955,400
State of California, GO, Various Purposes, 6.00%, 3/01/33	685	825,281
State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/31	500	597,520
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	210	244,196
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	160	188,483
University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38	1,000	1,141,900
		7,333,613
Colorado 2.8%		
City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32	750	854,925
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiative, Series A, 5.50%, 7/01/34	580	655,000
		1,509,925
Florida 5.1%		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	105	121,354
County of Miami-Dade Florida, RB, Seaport, Series A, 6.00%, 10/01/38	1,875	2,249,231
	Par	
Municipal Bonds		
Florida (concluded)		
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	\$ 305	\$ 348,499
		2,719,084
Georgia 1.2%		
Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23	555	633,266
Illinois 18.5%		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien, Series C, 6.50%, 1/01/41	1,590	1,903,898
City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38	250	252,662
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts:		
5.25%, 12/01/36	500	530,255
5.25%, 12/01/40	750	786,960
5.00%, 12/01/44	565	589,623
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.50%, 12/01/38	250	284,395
5.25%, 12/01/43	1,000	1,107,780
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	750	877,215

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Illinois Finance Authority, Refunding RB, Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39	1,000	1,151,390
Illinois State Toll Highway Authority, RB, Series A, 5.00%, 1/01/40	340	374,078
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	365	420,604
6.00%, 6/01/28	105	123,391
State of Illinois, GO:		
5.25%, 2/01/31	255	263,392
5.25%, 2/01/32	500	514,680
5.50%, 7/01/33	500	538,135
5.50%, 7/01/38	110	116,740
		9,835,198
Indiana 2.6%		
Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39	1,190	1,355,946
Kansas 1.9%		
Kansas Development Finance Authority, Refunding RB, Adventist Health System/Sunbelt Obligated Group, Series C, 5.50%, 11/15/29	900	1,026,810
Kentucky 1.8%		
County of Louisville & Jefferson Kentucky Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34	800	934,360
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	451,505

Portfolio Abbreviations

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

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust
(BIE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Louisiana (concluded)		
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	\$ 315	\$ 344,723
		796,228
Maine 1.5%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32	675	808,427
Massachusetts 4.6%		
Massachusetts Development Finance Agency, Refunding RB, Trustees of Deerfield Academy, 5.00%, 10/01/40	375	428,674
Massachusetts Port Authority, Refunding RB, Series A:		
5.00%, 7/01/40	1,130	1,288,109
5.00%, 7/01/45	360	408,431
Metropolitan Boston Transit Parking Corp., Refunding RB, 5.25%, 7/01/36	300	345,252
		2,470,466
Michigan 3.3%		
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A, 5.50%, 7/01/41	485	567,954
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 6.00%, 10/15/38	500	566,035
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	530	644,390
		1,778,379
Mississippi 2.4%		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	1,000	1,275,190
Nevada 4.3%		
City of Las Vegas Nevada, GO, Limited Tax, Performing Arts Center, 6.00%, 4/01/34	1,000	1,143,050
County of Clark Nevada Airport System, ARB, Series B, 5.75%, 7/01/42	1,000	1,160,300
		2,303,350
New Jersey 5.6%		
New Jersey EDA, Refunding RB, School Facilities Construction, Series AA, 5.50%, 12/15/29	750	785,378
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	610	642,903
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A, 5.88%, 12/15/38	695	751,434
Series AA, 5.50%, 6/15/39	760	797,194
		2,976,909
New York 4.1%		
County of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 6/01/41 (b)	300	307,713
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012, Series A, 5.75%, 2/15/47	620	706,459
Metropolitan Transportation Authority, RB, Series A, 5.25%, 11/15/38	500	576,510
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	565,035
		2,155,717
Ohio 2.8%		
County of Allen Ohio Hospital Facilities, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 6/01/38	840	936,440
	Par	
	(000)	Value
Municipal Bonds		
Ohio (concluded)		

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State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31	\$ 500	\$ 573,930
		1,510,370
Pennsylvania 7.5%		
Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39	300	343,302
Pennsylvania Turnpike Commission, RB:		
Sub-Series A, 6.00%, 12/01/16 (a)	1,500	1,604,880
Sub-Series A, 5.63%, 12/01/31	750	867,503
Sub-Series C (AGC), 6.25%, 6/01/38	500	559,650
Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/37	530	600,914
		3,976,249
Rhode Island 1.8%		
Tobacco Settlement Financing Corp., Refunding RB, Series B, 4.50%, 6/01/45	990	975,556
South Carolina 1.4%		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	635	731,183
Texas 10.6%		
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.00%, 1/01/41	890	1,015,704
Central Texas Transportation Commission Turnpike System, Refunding RB, Series C, 5.00%, 8/15/42	750	805,387
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	395	449,178
Conroe Texas ISD, GO, School Building, Series A, 5.75%, 2/15/18 (a)	470	526,583
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare:		
6.00%, 8/15/20 (a)	75	90,773
6.00%, 8/15/45	945	1,121,498
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	500	582,970
North Texas Tollway Authority, Refunding RB, 1st Tier, Series K-1 (AGC), 5.75%, 1/01/38	250	280,595
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	180	204,930
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	584,690
		5,662,308
Virginia 0.7%		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	145	159,587
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	200	235,482
		395,069
Wisconsin 1.8%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Series C, 5.25%, 4/01/39	890	965,410
Total Municipal Bonds 102.2%		54,429,540

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Investment Trust
(BIE)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds Transferred to Tender Option Bond Trusts (c)		
California 19.6%		
California Educational Facilities Authority, RB, University of Southern California, Series B, 5.25%, 10/01/39 (d)	\$ 1,005	\$ 1,116,605
Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40	1,300	1,466,725
Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 (d)	1,410	1,637,863
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/19 (a)	2,079	2,475,306
Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34	200	224,390
San Diego Public Facilities Financing Authority Water, RB, Series B, 5.50%, 8/01/39	2,234	2,562,108
University of California, RB, Series O, 5.75%, 5/15/19 (a)	810	949,334
		10,432,331
District of Columbia 3.5%		
District of Columbia, RB, Series A, 5.50%, 12/01/30 (d)	735	855,481
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 5.50%, 10/01/39	899	1,003,374
		1,858,855
Illinois 7.3%		
State of Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/18 (a)	1,500	1,724,430
State of Illinois Toll Highway Authority, RB, Senior Priority, Series B, 5.50%, 1/01/33	2,000	2,180,933
		3,905,363
Nevada 3.2%		
County of Clark Nevada Water Reclamation District, GO, Limited Tax, 6.00%, 7/01/18 (a)	1,500	1,713,975
New Hampshire 1.2%		
New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 (d)	585	657,959
New Jersey 3.6%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System: Series A (AMBAC), 5.00%, 12/15/32	1,000	1,033,120
Series B, 5.25%, 6/15/36 (d)	840	861,135
		1,894,255
New York 14.0%		
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A, 5.75%, 6/15/40	750	840,284
Municipal Bonds Transferred to Tender Option Bond Trusts (c)		
New York (concluded)		
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	\$ 1,100,975
Series FF-2, 5.50%, 6/15/40	990	1,129,831
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	1,000	1,109,917
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	1,170	1,335,637
	680	784,298

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New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (d)	1,000	1,120,680
New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38		
		7,421,622
Texas 5.3%		
City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/31 (d)	1,050	1,175,215
County of Harris Texas Cultural Education Facilities Finance Corp., RB, Texas Children s Hospital Project, 5.50%, 10/01/39	1,450	1,650,767
		2,825,982
Virginia 1.0%		
County of Fairfax Virginia IDA, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35	460	518,972
Total Municipal Bonds Transferred to Tender Option Bond Trusts 58.7%		31,229,314
Total Long-Term Investments		
(Cost \$77,309,541) 160.9%		85,658,854

	Shares	
Short-Term Securities		
FBI Institutional Tax-Exempt Fund, 0.02% (e)(f)	860,286	860,286
Total Short-Term Securities		
(Cost \$860,286) 1.6%		860,286
Total Investments (Cost \$78,169,827) 162.5%		86,519,140
Other Assets Less Liabilities 1.4%		769,305
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (30.5)%		(16,238,621)
VRDP Shares, at Liquidation Value (33.4)%		(17,800,000)
Net Assets Applicable to Common Shares 100.0%		\$ 53,249,824