

BLACKROCK MUNIHOLDINGS FUND INC
Form N-CSRS
January 06, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSRS

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES**

Investment Company Act file number 811-08081

Name of Fund: BlackRock MuniHoldings Fund, Inc. (MHD)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock MuniHoldings Fund,
Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ,
08543-9011

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

Date of fiscal year end: 04/30/2009

Date of reporting period: 05/01/2008 - 10/31/2008

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Semi-Annual Report

OCTOBER 31, 2008 | (UNAUDITED)

[BlackRock MuniHoldings Fund, Inc. \(MHD\)](#)

[BlackRock MuniHoldings Insured Fund, Inc. \(MUS\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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OCTOBER 31, 2008

A Letter to Shareholders

Dear Shareholder

It has been a tumultuous period for investors, marked by almost daily headlines of deepening turmoil in financial markets and a darkening economic

outlook. The news took an extraordinarily heavy tone late in the period as the credit crisis boiled over and triggered unprecedented failures and consoli-

ation in the financial sector, stoking fears of a market and economic collapse and prompting a series of new government programs designed to

contain and combat the fallout.

The Federal Reserve Board (the Fed) has taken decisive measures to restore liquidity and stabilize the financial system. Key moves included

slashing the target federal funds rate 250 basis points (2.50%) between November 2007 and April 2008 and providing massive cash injections and

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lending programs. In October, as credit conditions further deteriorated, the central bank cut the key interest rate by 50 basis points on two separate

occasions on October 8 in coordination with five other global central banks, and again during its regularly scheduled meeting on October 29. This

left the key short-term rate at just 1.0%, its lowest level since 2004. While the U.S. economy appeared fairly resilient through the second quarter of

2008, the third quarter saw a contraction of 0.5%, and a more significant decline is expected for the fourth quarter. Moreover, on December 1, the

National Bureau of Economic Research confirmed that the U.S. had entered a recession in December 2007.

Against this backdrop, U.S. equity markets experienced intense volatility, with periods of downward pressure punctuated by sharp rebounds. Losses

were significant and broad-based, though small-cap stocks fared moderately better than their larger counterparts. Non-U.S. markets decelerated at a

considerably faster pace than domestic equities a stark reversal of recent years trends, when international stocks generally outpaced U.S. stocks.

Treasury issues also traded in a volatile fashion, but rallied overall (yields fell and prices correspondingly rose) and outperformed other fixed income

assets as investors continued their flight to higher quality and more liquid securities. Tax-exempt issues generally underperformed, as problems among

municipal bond insurers and the collapse in the market for auction rate securities afflicted the group throughout the course of the past year. At the

same time, the above mentioned economic headwinds and malfunctioning credit markets plagued the high yield sector, with the third quarter of 2008

marking one of the worst periods in history for the asset class.

Facing unprecedented volatility and macro pressures, the major benchmark indexes generally recorded losses for the six- and 12-month reporting periods:

Total Returns as of October 31, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	(29.28)%	(36.10)%
Small cap U.S. equities (Russell 2000 Index)	(24.39)	(34.16)
International equities (MSCI Europe, Australasia, Far East Index)	(41.21)	(46.62)
Fixed income (Barclays Capital U.S. Aggregate Index*)	(3.63)	0.30
Tax-exempt fixed income (Barclays Capital Municipal Bond Index*)	(4.70)	(3.30)
High yield bonds (Barclays Capital U.S. Corporate High Yield 2% Issuer Capped Index*)	(24.86)	(25.41)

*Formerly a Lehman Brothers Index.

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

Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For our most

current views on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting

BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of October 31, 2008 **BlackRock MuniHoldings Fund, Inc.**

Investment Objective

BlackRock MuniHoldings Fund, Inc. (MHD) (the Fund) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuers, is exempt from federal income taxes.

Performance

For the six months ended October 31, 2008, the Fund returned (24.99)%, based on market price and (15.97)% based on net asset value (NAV). For the same period, the closed-end Lipper General Municipal Debt Funds (Leveraged) category posted an average return of (16.98)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund's relative performance benefited from a high-quality bias as credit spreads widened; an emphasis on pre-refunded securities, which outperformed in the steepening yield curve environment; and a competitive dividend yield. With credit spreads at historically cheap levels, Fund management expects to increase exposure to the lower end of the credit spectrum in order to maintain an above-average yield among the Fund's Lipper peers.

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.

Fund Information

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Symbol on New York Stock Exchange	MHD
Initial Offering Date	May 2, 1997
Yield on Closing Market Price as of October 31, 2008 (\$10.73) ¹	7.94%
Tax Equivalent Yield ²	12.22%
Current Monthly Distribution per share of Common Stock ³	\$0.071
Current Annualized Distribution per share of Common Stock ³	\$0.852
Leverage as of October 31, 2008 ⁴	41%

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

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

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

⁴ As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Shares (Preferred Shares) and Tender Option Bond Trusts (TOBs)) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/08	4/30/08	Change	High	Low
Market Price	\$10.73	\$14.77	(27.35)%	\$15.20	\$ 7.53
Net Asset Value	\$12.37	\$15.20	(18.62)%	\$15.36	\$11.60

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

Portfolio Composition

Sector	10/31/08	4/30/08
Hospital	21%	21%
Industrial & Pollution Control	14	15
City, County & State	14	16
Education	11	9
Sales Tax	10	12
Transportation	10	7
Housing	8	8
Power	6	6
Tobacco	5	5
Water & Sewer	1	1

Credit Quality Allocations⁵

Credit Rating	10/31/08	4/30/08
AAA/Aaa	38%	40%
AA/Aa	18	12
A/A	16	18
BBB/Baa	11	8
BB/Ba	1	2
B/B	2	1
CCC/Caa	1	2
Not Rated ⁶	13	17

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

⁶ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of October 31, 2008 and April 30, 2008, the market value of these securities was \$6,027,960, representing 2% and \$10,735,995 representing 6% respectively, of the Fund's long-term investments.

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Fund Summary as of October 31, 2008 **BlackRock MuniHoldings Insured Fund, Inc.**

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Investment Objective

BlackRock MuniHoldings Insured Fund, Inc. (MUS) (the Fund) seeks to provide shareholders with current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuers, is exempt from federal income taxes. Under normal circumstances, the Fund invests at least 80% of its total assets in municipal bonds that are covered by insurance.

Performance

For the six months ended October 31, 2008, the Fund returned (21.75)%, based on market price and (15.04)% based on NAV. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of (13.73)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund was significantly overweight in pre-refunded bonds within the one- to five-year maturity range, which enhanced its performance as the yield curve steepened and short and intermediate maturities outperformed the rest of the market. Conversely, pressure on municipal insurers, exposure to AMT bonds and the Fund's overexposure to hospital bonds and single-family bonds hindered performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions.

These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund Information

Symbol on New York Stock Exchange	MUS
Initial Offering Date	May 1, 1998
Yield on Closing Market Price as of October 31, 2008 (\$9.12) ¹	6.38%
Tax Equivalent Yield ²	9.82%
Current Monthly Distribution per share of Common Stock ³	\$0.0485
Current Annualized Distribution per share of Common Stock ³	\$0.5820
Leverage as of October 31, 2008 ⁴	47%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

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

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

⁴ As a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Shares and TOBs) minus the sum of accrued liabilities.

The table below summarizes the changes in the Fund's market price and net asset value per share:

	10/31/08	4/30/08	Change	High	Low
Market Price	\$ 9.12	\$11.97	(23.81)%	\$12.23	\$7.11
Net Asset Value	\$11.01	\$13.31	(17.28)%	\$13.51	\$9.70

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

Portfolio Composition			Credit Quality Allocations ⁵		
Sector	10/31/08	4/30/08	Credit Rating	10/31/08	4/30/08
Transportation	17%	17%	AAA/Aaa	50%	83%
Lease Revenue	14	12	AA/Aa	43	8
Education	12	9	A/A	4	8
Sales Tax	12	13	BBB/Baa	3	1
Hospital	11	9			
City, County & State	10	16			
Housing	8	9			
Power	7	7			
Industrial & Pollution Control	4	4			
Water & Sewer	4	3			
Resource Recovery	1	1			

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

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The Benefits and Risks of Leveraging

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

To leverage, each Fund issues Preferred Shares, which pay dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental yield.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. The Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the Fund's total portfolio of \$150 million earns the income based on long-term interest rates. Conversely, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. Each Fund pays dividends on the higher short-term interest rates whereas each Fund's total portfolio earns income based on lower long-term interest rates.

In this case, the dividends paid to Preferred Shareholders are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Shares will be reduced or eliminated completely.

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

The Funds may also, from time to time, leverage their assets through the use of tender option bond (TOB) programs, as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal securities deposited into the TOB trust may adversely affect the Funds' NAVs per share.

The use of leverage may enhance opportunities for increased returns to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, the Funds' net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. The Funds may be required to sell portfolio securities at inopportune times or below fair market 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 Funds to incur losses. The use of leverage may limit the Funds' ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by ratings agencies that rate preferred shares issued by the Funds. The Funds will incur expenses in connection with the use of leverage, all of which are borne by the holders of the Common Shares and may reduce returns on the Common Shares.

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total man-

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aged assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of October 31, 2008, the Funds had economic leverage from Preferred Shares and TOBs as a percentage of their total managed assets as follows:

	Percent of Leverage
BlackRock MuniHoldings Fund, Inc	41%
BlackRock MuniHoldings Insured Fund, Inc	47%

Derivative Instruments

The Funds may invest in various derivative instruments, including swap agreements and other instruments specified in the Notes to Financial Statements, which constitute additional forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the other party to the transaction and illiquidity of the derivative instrument. The Funds' ability to successfully use a derivative instrument depends on the Advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments October 31, 2008 (Unaudited)

**BlackRock
MuniHoldings Fund, Inc.
(MHD)**
(Percentages shown are
based on Net Assets)

	Par (000)	Value		Par (000)	Value
Municipal Bonds			Municipal Bonds		
Alabama 3.3%			California (concluded)		
Camden, Alabama, IDB, Exempt Facilities Revenue			Sacramento County, California, Airport System		
Bonds (Weyerhaeuser Company), Series A, 6.125%, 12/01/13 (a)	\$ 1,750	\$1,945,807	Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (f)	\$ 2,115	\$ 1,602,218
Jefferson County, Alabama, Limited Obligation					

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Santa Clara County, GO (Election of 2002), Series D, 5%, 8/01/21 (c)	2,000	1,962,900	Series A, 5.25%, 10/01/38 (h) Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (b)(e) Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds: Series A, 6.25%, 5/01/37 Series B, 6.50%, 5/01/37	1,795	1,365,546
Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series A-3, 7.875%, 6/01/13 (a)	1,165	1,366,394	Orange County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Orlando Regional Healthcare), 6%, 12/01/12 (a)	2,340	330,829
Montebello, California, Unified School District, GO (b)(d)(e): 5.61%, 8/01/22	2,405	1,048,484		2,250	1,672,335
5.61%, 8/01/23	2,455	996,092		2,530	1,946,708
				3,225	3,553,305

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, we have abbreviated the names and descriptions of many of the securities according to the list on the right.

AMT	Alternative Minimum Tax (subject to)	IDB	Industrial Development Board
COP	Certificates of Participation	IDR	Industrial Development Revenue Bonds
EDA	Economic Development Authority	M/F	Multi-Family
GO	General Obligation Bonds	PCR	Pollution Control Revenue Bonds
HDA	Housing Development Authority	S/F	Single-Family
HFA	Housing Finance Agency	VRDN	Variable Rate Demand Notes
IDA	Industrial Development Authority		

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniHoldings Fund, Inc. (MHD)
(Percentages shown are based on Net Assets)

	Par (000)	Value		Par (000)	Value
Municipal Bonds			Municipal Bonds		
Florida (concluded)			Maryland (concluded)		
Orlando, Florida, Urban Community Development District, Capital Improvement Special Assessment Bonds, Series A, 6.95%, 5/01/11 (a)	\$ 800	\$ 872,200	Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Series A, 5.25%, 9/01/39 (c)(l)	\$ 5,725	\$ 5,313,370
Palm Coast Park Community Development District, Florida, Special Assessment Revenue Bonds, 5.70%, 5/01/37	710	473,442	Maryland State Economic Development Corporation, Student Housing Revenue Bonds (University of Maryland College Park Project), 6%, 6/01/13 (a)	760	847,970
Preserve at Wilderness Lake, Florida, Community Development District, Capital Improvement Bonds,			Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration AES Warrior Run), AMT, 7.40%, 9/01/19	2,750	2,346,820

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Series A, 5.90%, 5/01/34	1,580	1,160,968			10,467,92
		14,926,389	Massachusetts 1.2%		
Georgia 3.6%			Massachusetts State, HFA, Housing Revenue Bonds, AMT, Series A, 5.25%, 12/01/48	2,900	2,145,88
Atlanta, Georgia, Tax Allocation Refunding Bonds (Atlantic Station Project) (h):			Michigan 2.1%		
5.25%, 12/01/20	1,000	993,950	Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Hurley Medical Center), Series A, 6%, 7/01/20 (m)	1,400	1,124,43
5.25%, 12/01/21	2,000	1,967,600	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series B, 5.65%, 9/01/29	3,000	2,541,72
5.25%, 12/01/22	1,000	975,860			3,666,15
Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.375%, 7/15/38 (i)(j)	1,185	183,675			
Private Colleges and Universities Authority, Georgia, Revenue Refunding Bonds (Emory University Project), Series C, 5%, 9/01/38	2,260	2,098,207			
		6,219,292	Minnesota 2.2%		
			Minneapolis, Minnesota, Community Development Agency, Supported Development Revenue Refunding Bonds, Series G-3, 5.45%, 12/01/11 (a)	3,500	3,739,68
Illinois 3.3%			Mississippi 2.3%		
Chicago, Illinois, Special Assessment Bonds (Lake Shore East), 6.75%, 12/01/32	1,200	1,009,572	Mississippi Business Finance Corporation, Mississippi, PCR, Refunding (System Energy Resources Inc. Project), 5.90%, 5/01/22	2,500	2,018,25
Illinois HDA, Homeowner Mortgage Revenue Bonds, AMT, Sub-Series C-2, 5.35%, 2/01/27	4,000	3,387,240	Mississippi Development Bank, Special Obligation Revenue Refunding Bonds (Gulfport Water and Sewer System Project) (f):		
Illinois State Finance Authority Revenue Bonds: (Landing At Plymouth Place Project), Series A, 6%, 5/15/25	700	524,440	5.25%, 7/01/17	1,000	1,056,95
(Monarch Landing, Inc. Project), Series A, 7%, 12/01/37	1,010	780,296	5.25%, 7/01/19	810	836,69
		5,701,548			3,911,89
Kentucky 1.1%			Missouri 0.4%		
Louisville and Jefferson Counties, Kentucky, Metropolitan Sewer District, Sewer and Drain System Revenue Bonds, Series A, 5.50%, 5/15/34 (b)	2,000	1,933,440	Missouri State Development Finance Board, Infrastructure Facilities Revenue Refunding Bonds (Branson), Series A, 5.50%, 12/01/32	1,000	746,57
Louisiana 6.2%			New Jersey 9.4%		
Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Westlake Chemical Corporation), 6.75%, 11/01/32	3,500	2,649,150	New Jersey EDA, Cigarette Tax Revenue Bonds: 5.75%, 6/15/29	5,385	4,179,29
Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25%, 8/15/36	4,115	3,148,181	5.75%, 6/15/34	2,280	1,701,45
Louisiana Public Facilities Authority Revenue Bonds (Black & Gold Facilities Project), Series A, 5%, 7/01/39 (k)	3,815	2,932,705	New Jersey EDA, Retirement Community Revenue Bonds (a): (Cedar Crest Village Inc. Facility), Series A, 7.25%, 11/15/11	1,475	1,631,52
New Orleans, Louisiana, Financing Authority Revenue Bonds (Xavier University of Louisiana Project), 5.30%, 6/01/12 (a)(b)	1,750	1,869,157	(Seabrook Village Inc.), Series A, 8.25%, 11/15/10	2,600	2,899,85
		10,599,193	New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT: 6.625%, 9/15/12	1,000	820,10
			6.25%, 9/15/29	2,950	1,660,08
Maryland 6.1%			New Jersey State Turnpike Authority, Turnpike Revenue		
Anne Arundel County, Maryland, Special					

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Obligation Revenue Bonds (Arundel Mills Project), 7.10%, 7/01/09 (a)	1,870	1,959,760	Bonds, Series C, 5%, 1/01/30 (f)	3,500	3,337,140
					16,229,460

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniHoldings Fund, Inc. (f)
(Percentages shown are based on Net Assets)

	Par (000)	Value		Par (000)	
Municipal Bonds			Municipal Bonds		
New York 11.8%			South Carolina 2.0%		
Dutchess County, New York, IDA, Civic Facility Revenue Refunding Bonds (Saint Francis Hospital), Series A, 7.50%, 3/01/29	\$ 1,100	\$ 1,051,699	Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 6.375%, 8/15/12 (a)	\$ 3,020	\$ 3,360,000
New York City, New York, City IDA, Civic Facility Revenue Bonds, Series C, 6.80%, 6/01/28	535	503,077	South Dakota 0.8%		
New York City, New York, City IDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT: 8%, 11/01/12	725	543,750	South Dakota State Health and Educational Facilities Authority Revenue Bonds (Sanford Health), 5%, 11/01/40	1,825	1,440,000
8.375%, 11/01/16	725	507,493	Tennessee 5.1%		
New York City, New York, City Transitional Finance Authority, Building Aid Revenue Refunding Bonds, Series S-1, 4.50%, 1/15/38	700	542,983	Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75%, 8/01/17	3,750	3,420,000
New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5%, 10/15/20 (b)	6,615	6,703,178	Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds (Methodist Healthcare), 6.50%, 9/01/12 (a)	1,845	2,050,000
Tobacco Settlement Financing Corporation of New York Revenue Bonds:			Tennessee Educational Loan Revenue Bonds (Educational Funding South Inc.), AMT, Senior Series B, 6.20%, 12/01/21	3,160	3,160,000
Series A-1, 5.50%, 6/01/18	3,150	3,172,208			8,690,000
Series C-1, 5.50%, 6/01/17	3,500	3,529,960	Texas 13.4%		
Series C-1, 5.50%, 6/01/22	1,400	1,367,240	Brazos River, Texas, Harbor Navigation District, Brazoria County Environmental Revenue Refunding Bonds (Dow Chemical Company Project), AMT, Series A-7, 6.625%, 5/15/33	3,655	3,000,000
Westchester County, New York, IDA, Continuing Care Retirement, Mortgage Revenue Bonds (Kendal on Hudson Project), Series A, 6.50%, 1/01/13 (a)	2,080	2,353,458	Houston, Texas, Health Facilities Development Corporation, Retirement Facility Revenue Bonds (Buckingham Senior Living Community), Series A, 7.125%, 2/15/14 (a)	1,800	2,000,000
		20,275,046	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT, 6.375%, 4/01/27	3,000	2,380,000
Ohio 2.1%			Matagorda, Texas, Hospital District Revenue Bonds, Series A-2, 6.50%, 6/01/47	4,500	3,800,000
American Municipal Power, Inc., Ohio, Revenue Refunding Bonds (Prairie State Energy Campus Project), Series A, 5%, 2/15/38	2,455	2,139,287	North Texas Tollway Authority, System Revenue Refunding Bonds, Second Tier, Series F, 6.125%, 1/01/31	4,190	3,800,000
Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Bonds, Series A-2, 6.50%, 6/01/47	2,160	1,480,982	San Antonio Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds: 5.50%, 8/01/23	2,425	1,700,000
Pennsylvania 5.8%					
Bucks County, Pennsylvania, IDA, Retirement Community Revenue Bonds (Ann s Choice Inc.),					

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Series A, 6.25%, 1/01/35	1,700	1,215,347	5.50%, 8/01/24	1,100	8
Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series B, 6.125%, 11/01/27	3,500	2,121,525	5.50%, 8/01/25	1,120	8
Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, 7.75%, 12/01/17	725	686,611	Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, AMT, Series A, 5.70%, 1/01/33 (o)(p)	2,115	1,9
Philadelphia, Pennsylvania, Authority for Industrial Development, Senior Living Revenue Bonds: (Arbor House Inc. Project), Series E, 6.10%, 7/01/33	1,105	878,342	Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Refunding Bonds, AMT, Series B, 5.25%, 7/01/22 (o)(p)	2,565	2,4
(Saligman House Project), Series C, 6.10%, 7/01/33	1,245	989,626			22,9
Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125%, 12/01/11 (a)	3,500	4,154,745	Vermont 1.3% Vermont Educational and Health Buildings Financing Agency, Revenue Bonds (Developmental and Mental Health), Series A, 6%, 6/15/17	2,370	2,2
		10,046,196			
Rhode Island 1.8%			Virginia 10.1% Chesterfield County, Virginia, IDA, PCR (Virginia Electric and Power Company), Series A, 5.875%, 6/01/17	1,150	1,1
Rhode Island State Health and Educational Building Corporation, Hospital Financing Revenue Bonds (Lifespan Obligation Group), 6.50%, 8/15/12 (a)	2,820	3,112,293	Fairfax County, Virginia, EDA, Resource Recovery Revenue Refunding Bonds, AMT, Series A, 6.10%, 2/01/11 (g)	3,000	3,0

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniHoldings Fund, L
(Percentages shown are based on

Municipal Bonds	Par (000)	Value	Municipal Bonds Transferred to Tender Option Bond Trusts (q)	Par (000)
Virginia (concluded)			New York 2.5%	
Tobacco Settlement Financing Corporation of Virginia, Asset-Backed Revenue Bonds, 5.625%, 6/01/15 (a)	\$ 3,035	\$ 3,316,952	New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5.25%, 10/15/27 (g)	\$ 4,240
Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.375%, 7/01/36 (b)	10,940	9,765,263	Tennessee 1.1% Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds (Saint Jude Children s Research Hospital), 5%, 7/01/31	2,250
		17,308,948	Texas 7.2% Harris County, Texas, Toll Road Revenue Refunding Bonds, Senior Lien, Series A, 5.25%, 8/15/35 (f)	11,760
Washington 0.6%			Virginia 3.3% University of Virginia, Revenue Refunding Bonds, 5%, 6/01/40	3,750
Seattle, Washington, Housing Authority Revenue Bonds (Replacement Housing Project), 6.125%, 12/01/32	1,325	1,064,863	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (b)	2,370
Wisconsin 1.2%			Washington 1.0%	
Wisconsin State Health and Educational Facilities Authority Revenue Bonds: (New Castle Place Project), Series A, 7%, 12/01/31	825	673,753		
(SynergyHealth Inc.), 6%, 11/15/32	1,755	1,472,217		
		2,145,970		
Puerto Rico 0.5%				
Puerto Rico Industrial, Medical and Environmental				

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- (i) Issuer filed for bankruptcy or is in default of interest payments.
- (j) Non-income producing security.
- (k) CIFG Insured.
- (l) BHAC Insured.
- (m) ACA Insured.
- (n) FHA Insured.
- (o) FNMA Collateralized
- (p) GNMA Collateralized
- (q) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.
- (r) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Income
Merrill Lynch Institutional Tax-Exempt Fund	1,804,858	\$ 9,625
(s) Represents the current yield as of report date.		

See Notes to Financial Statements.

Effective May 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

Level 2 other observable inputs (including, but not limited to: quoted prices for 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 circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of October 31, 2008 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities
Level 1	\$ 1,813,829
Level 2	283,539,509
Level 3	

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Total \$285,353,338

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Schedule of Investments October 31, 2008 (Unaudited)

**BlackRock MuniHoldings Insured
Fund, Inc. (MUS)**
(Percentages shown are based on Net
Assets)

	Par (000)	Value	Municipal Bonds Florida (concluded)	Par (000)	Value
Municipal Bonds					
Alabama 1.3%					
Jefferson County, Alabama, Limited Obligation School			Hillsborough County, Florida, HFA, S/F Mortgage Revenue Bonds, AMT, Series 1, 5.375%, 10/01/49 (k)(l)(m)		
Warrants, Series A, 5.50%, 1/01/22	\$ 2,170	\$ 1,821,303			
Arkansas 4.6%					
Arkansas State Development Finance Authority, M/F Mortgage Revenue Refunding Bonds, Series C, 5.35%, 12/01/35 (a)(b)	7,420	6,466,011	Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25%, 7/01/37	\$ 2,100	\$ 1,782,564
			Hillsborough County, Florida, IDA, PCR, Refunding (Tampa Electric Company Project), Series B, 5.15%, 9/01/25	2,450	1,774,829
California State Public Works Board, Lease Revenue Bonds (Department of General Services Capitol East End Complex), Series A, 5%, 12/01/27 (c) California State, Various Purpose, GO, 5.25%, 12/01/22 (d)	2,000	1,793,280	Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Bonds (Baptist Medical Center Project), 5%, 8/15/37 (d)	700	693,175
			Jacksonville, Florida, Port Authority Revenue Bonds, AMT, 6%, 11/01/38 (n)	4,515	3,949,361
East Side Union High School District, California,	5,955	5,966,434		3,750	3,337,687

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Santa Clara County, GO (Election of 2002), Series B, 5%, 8/01/27 (a)(e)	1,800	1,659,744	Lee Memorial Health System, Florida, Hospital Revenue Bonds, Series A, 5%, 4/01/32 (c)	3,000	2,635,350
Eastern Municipal Water District, California, Water and Sewer, COP, Series H, 5%, 7/01/35	1,000	877,310	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5.50%, 10/01/41 (d)	3,900	3,056,625
Los Angeles County, California, Metropolitan Transportation Authority, Sales Tax Revenue Refunding Bonds, Proposition C, VRDN, Second Senior Series A, 8%, 7/01/20 (a)(f)	3,000	3,000,000	Miami-Dade County, Florida, School Board, COP, Refunding, Series B (n): 5.25%, 5/01/26 5.25%, 5/01/31	5,000	4,833,400
Modesto, California, Schools Infrastructure Financing Agency, Special Tax Bonds, 5.50%, 9/01/36 (c)	2,565	2,257,482	Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37	2,400	2,269,848
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (d)	3,150	2,386,283	(a)(h) Orlando, Florida, Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series A, 5.25%, 11/01/38 (n)	2,225	314,571
San Pablo, California, Joint Powers Financing Authority, Tax Allocation Revenue Refunding Bonds (a)(h): 5.66%, 12/01/24	2,635	938,930	Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, 5.125%, 12/01/28 (c)	2,000	1,812,980
5.66%, 12/01/25	2,355	780,518	Seminole County, Florida, Water and Sewer Revenue Bonds, 5%, 10/01/31	3,850	3,398,241
5.66%, 12/01/26	2,355	724,021			
Santa Ana, California, Unified School District, GO, 5%, 8/01/32 (a)	4,265	3,915,057		3,750	3,438,750
Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A, 5.25%, 9/01/31 (i)	2,140	1,766,527	Illinois 5.1% Chicago, Illinois, O Hare International Airport, General		38,760,557

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Vista, California, COP (Community Projects),			Airport Revenue Refunding Bonds,		
			Third Lien (a):		
			AMT, Series A,		
5%, 5/01/37 (a)	3,600	3,025,512	5.75%, 1/01/19	1,875	1,756,800
			Series A, 5%,		
West Contra Costa, California, Unified School District,			1/01/31	1,000	865,010
			Illinois State, GO,		
GO, Series C, 5%, 8/01/21 (a)(e)	3,480	3,374,417	First Series, 6%,		
			1/01/18 (e)	4,500	4,622,040
			Lake, Cook, Kane and McHenry		
		32,465,515	Counties, Illinois,		
			Community Unit		
			School District		
			Number 220,		
			GO, 5.75%,		
Colorado 8.0%			12/01/19 (e)	45	46,678
Aurora, Colorado, COP, 5.75%, 12/01/10 (c)(j)	10,620	11,330,903			
					7,290,528
District of Columbia 0.9%					
District of Columbia, Deed Tax Revenue Bonds (Housing			Indiana 6.1%		
			Indiana Municipal Power		
Production Trust Fund New Communities Project),			Agency, Power Supply		
			System		
			Revenue Bonds,		
Series A, 5%, 6/01/32 (a)	1,500	1,296,675	Series A (a):		
			5%, 1/01/37	4,460	3,720,086
Florida 27.3%			5%, 1/01/42	6,000	4,866,840
Brevard County, Florida, Health Facilities Authority,					
Healthcare Facilities Revenue Bonds (Health First Inc.					8,586,926
Project), 5%, 4/01/34	1,650	1,095,880	Kentucky 0.4%		
			Kentucky		
Broward County, Florida, HFA, S/F Mortgage			Economic		
			Development		
			Financing		
			Authority,		
Revenue Refunding Bonds, AMT, Series E,			Louisville Arena		
			Project Revenue		
			Bonds		
			(Louisville Arena		
5.90%, 10/01/39 (k)(l)(m)	1,470	1,364,395	Authority, Inc.),		
Broward County, Florida, School Board, COP,			Sub-Series A-1,		
Series A, 5.25%, 7/01/33 (d)	3,300	3,002,901	6%, 12/01/38 (n)	650	613,788

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniHoldings Insured Fund, Inc. (MU
(Percentages shown are based on Net Asse

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Municipal Bonds	(000)	Value	Municipal Bonds	(000)	Value
Louisiana 3.2%			New York (concluded)		
Louisiana Public Facilities Authority Revenue Bonds (CHRISTUS Health Project), VRDN, Series C, 9.90%, 7/01/47 (a)(f)	\$ 3,750	\$ 3,750,000	New York City, New York, GO, Series E, 5%, 11/01/17 (d)	\$ 4,000	\$ 4,121,700
Louisiana State Gas and Fuels Tax Revenue Bonds, Series A, 5%, 5/01/41 (a)(e)	940	814,651	New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5.25%, 10/15/27 (c)	4,095	4,107,300
		4,564,651			15,690,200
Massachusetts 1.6%			Oregon 1.0%		
Massachusetts State, HFA, Housing Development Revenue Refunding Bonds, AMT, Series A, 5.15%, 6/01/11 (a)	315	317,504	Portland, Oregon, Urban Renewal and Redevelopment Tax Allocation Bonds (Oregon Convention Center), Series A, 5.75%, 6/15/15 (c)	1,400	1,432,400
Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.50%, 7/01/32 (d)	2,440	2,007,364			
		2,324,868	Rhode Island 5.6%		
Michigan 4.2%			Providence, Rhode Island, Redevelopment Agency Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75%, 4/01/10 (c)(j)	5,000	5,289,500
Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (o):			Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of Design), Series D, 5.50%, 8/15/31 (o)	2,870	2,581,100
Series A, 5.50%, 6/01/30	2,000	1,639,640			7,870,600
Series B, 5.65%, 9/01/29	1,500	1,338,195	South Carolina 1.1%		
Series C, 5.65%, 9/01/29	3,500	2,975,455	Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 5.25%, 2/15/25 (a)(b)	1,525	1,482,500
		5,953,290			
Minnesota 3.0%			Tennessee 2.7%		
Sauk Rapids, Minnesota, Independent School District Number 47, GO, Series A, 5.65%, 2/01/19 (a)	4,015	4,240,763	Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), AMT, Series A (d):		
			5.25%, 7/01/22	2,300	2,017,300
Missouri 1.5%			5.35%, 1/01/26	2,115	1,803,400
Cape Girardeau, Missouri, School District Number 063, GO (Missouri Direct Deposit Program), 5.50%, 3/01/18 (e)	2,000	2,074,300			3,820,800
			Texas 16.0%		
Montana 5.0%			Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series B, 6%, 11/01/23 (a)	700	636,200
Mehlville, Montana, School District Number R-9, COP, Series A (d):			Katy, Texas, Independent School District, GO, Series C, 5%, 2/15/38	4,200	3,861,500
5.50%, 3/01/11 (j)	5,510	5,855,476	North Texas Tollway Authority, System Revenue Refunding Bonds (a):		
5.50%, 3/01/14	360	372,578	First Tier, 5.75%, 1/01/40	6,710	6,225,400
5.50%, 3/01/15	405	419,151	First Tier, Series B, 5.75%, 1/01/40	6,275	5,821,800
5.50%, 3/01/16	215	222,512	Series A, 5.625%, 1/01/33	6,585	6,207,400
5.50%, 3/01/17	280	289,716			
		7,159,433	Washington 2.6%		
Nevada 5.2%			Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45%, 7/01/37 (c)	2,310	1,800,200
Clark County, Nevada, Airport Revenue Bonds (Jet Aviation Fuel Tax), AMT, Series C, 5.375%, 7/01/20 (c)	1,000	891,580	Snohomish County, Washington, Public Utility District Number 001, Electric Revenue Bonds, 5.50%, 12/01/22 (d)	1,810	1,823,700
Clark County, Nevada, Passenger Facility Charge Revenue Bonds (Las Vegas McCarran International), AMT, Series A-1, 5%, 7/01/23 (c)(d)	1,750	1,444,712			3,623,900
Clark County, Nevada, Water Reclamation District, Limited Tax, GO, 6%, 7/01/38 (p)	5,000	5,091,250	Wisconsin 0.3%		
		7,427,542			
New Jersey 8.1%					

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New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25%, 7/01/33 (a)	6,700	6,277,498	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Blood Center of Southeastern Wisconsin Project), 5.50%, 6/01/24	500	437,000
New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5%, 1/01/30 (d)	5,500	5,244,085	Puerto Rico 1.1%		
		11,521,583	Puerto Rico Public Buildings Authority, Government Facilities Revenue Refunding Bonds, Series D, 5.25%, 7/01/36	1,870	1,546,600
New York 11.1%					
Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75%, 8/01/09 (d)(j)	7,130	7,461,117	Total Municipal Bonds 149.9%		212,556,200

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniHoldings Insured Fund, Inc.
(Percentages shown are based on net assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (q)	Par (000)	Value	Short-Term Securities	Shares
California 9.0%			Merrill Lynch Institutional Tax-Exempt Fund, 1.63% (g)(r)	4,037,217
Palomar Pomerado Health Care District, California, GO (Election of 2004), Series A, 5.125%, 8/01/37 (a) \$	4,340	\$ 4,046,703	Total Short-Term Securities (Cost \$4,037,217) 2.8%	
San Jose, California, GO (Libraries, Parks and Public Safety Projects), 5%, 9/01/30 (a)	1,259	1,177,340		
Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50%, 7/01/35 (d)	3,149	3,118,691	Total Investments (Cost \$295,128,781*) 190.2%	
Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1), Series A (d):			Liabilities in Excess of Other Assets (1.0%)	
5%, 9/01/32	2,180	1,948,353	Liability for Trust Certificates, Including Interest Expense and Fees Payable (22.8%)	
5%, 9/01/38	2,800	2,448,012	Preferred Shares, at Redemption Value (66.4%)	
		12,739,099	Net Assets Applicable to Common Shares 100.0%	
Colorado 3.5%			* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2008, as computed for federal income tax purposes, were as follows:	
Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-3, 5.10%, 10/01/41 (d)	5,610	4,953,854	Aggregate cost	\$ 2,448,012
Florida 4.4%			Gross unrealized appreciation	(1,948,353)
Lee County, Florida, HFA, S/F Mortgage Revenue Bonds (Multi-County Program), AMT, Series A-2, 6%, 9/01/40 (k)(l)(m)	2,505	2,420,707	Gross unrealized depreciation	(1,177,340)
Saint Petersburg, Florida, Public Utilities Revenue Refunding Bonds, 5%, 10/01/35 (a)	4,302	3,857,457	Net unrealized depreciation	(\$ 1,177,340)
		6,278,164	(a) MBIA Insured.	
Georgia 2.8%			(b) FHA Insured.	
Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/01/34 (d)	4,000	3,922,080	(c) AMBAC Insured.	
Illinois 6.6%			(d) FSA Insured.	
Chicago, Illinois, O Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5%, 1/01/38 (d)	8,000	7,016,120	(e) FGIC Insured.	
Chicago, Illinois, Water Revenue Refunding Bonds,			(f) Security may have a maturity of more than one year at the time of issuance. Investments with variable rate and demand features that qualify it as a short-term security are classified as short-term securities. Rate disclosed is as of report date. Maturity shown is the final maturity date.	
			(g) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:	

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				Net Activity
Second Lien, 5.25%, 11/01/33 (d)	2,509	2,309,575		
		9,325,695	Affiliate	
Massachusetts 7.5%			Merrill Lynch Institutional Tax-Exempt Fund	4,016,396
Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A, 5%, 7/01/35	3,375	3,048,604	(h) Represents a zero-coupon bond. Rate shown reflects the effective yield of purchase.	
Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (d)	8,008	7,590,423	(i) Radian Insured. (j) U.S. government securities, held in escrow, are used to pay interest on th	