

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST  
Form N-CSR  
January 07, 2008

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 811-21972

Name of Fund: BlackRock Preferred and Equity Advantage Trust (BTZ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock Preferred and Equity Advantage Trust,  
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: 10/31/2007

Date of reporting period: 11/01/2006 - 10/31/2007

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Item 1  Report to Stockholders

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EQUITIES FIXED REAL LIQUIDITY ALTERNATIVES BLACKROCK  
INCOME ESTATE SOLUTIONS



Closed-End Funds

ANNUAL REPORT | OCTOBER 31, 2007

[BlackRock Broad Investment Grade 2009 Term Trust Inc. \(BCT\)](#)

[BlackRock Core Bond Trust \(BHK\)](#)

[BlackRock High Yield Trust \(BHY\)](#)

[BlackRock Income Opportunity Trust \(BNA\)](#)

[BlackRock Income Trust Inc. \(BKT\)](#)

[BlackRock Limited Duration Income Trust \(BLW\)](#)

[BlackRock Preferred and Equity Advantage Trust \(BTZ\)](#)

[BlackRock Strategic Bond Trust \(BHD\)](#)

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

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## A Letter to Shareholders

### Dear Shareholder

The October reporting period was fairly tumultuous for financial markets, but culminated in positive performance for most major benchmarks:

#### Total returns as of October 31, 2007

	6-month	12-month
U.S. equities (S&P 500 Index)	+5.49 %	+14.56%
Small cap U.S. equities (Russell 2000 Index)	+2.25 %	+9.27%
International equities (MSCI Europe, Australasia, Far East Index)	+8.19 %	+24.91%
Fixed income (Lehman Brothers U.S. Aggregate Bond Index)	+2.68 %	+5.38%
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+1.30 %	+2.91%
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	-0.07 %	+6.89%

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

Subprime mortgage woes dominated headlines for much of 2007, but intensified in the summer and fall, spawning a widespread liquidity and credit crisis with ramifications across global markets. The Federal Reserve Board (Fed) and other countries' central banks stepped in to inject liquidity into the markets and bolster investor confidence. The Fed cut the federal funds rate by 0.50% in September and another 0.25% on the final day of the reporting period, bringing its target rate to 4.50%. In taking action, the central bankers, who had long deemed themselves inflation fighters, were seeking to stem the fallout from the credit crunch and forestall a wider economic unraveling. By period-end, the Fed had cited the risks between slower economic growth and faster inflation as equally balanced.

Amid the volatility throughout the past year, equity markets have displayed surprising resilience. Most recently, the credit turmoil dampened corporate merger-and-acquisition (M&A) activity, a key source of strength for equity markets. Still, market fundamentals have held firm, dividend payouts and share buybacks have continued to grow, and valuations remain attractive. These tailwinds generally have prevailed over the headwinds created by the slowing U.S. economy, troubled housing market and, recently, a more difficult corporate earnings backdrop. International markets fared even better than U.S. equities, benefiting from robust M&A activity and generally stronger economies.

In fixed income markets, mixed economic signals and the credit woes resulted in a flight to quality. At the height of the uncertainty, investors shunned bonds associated with the housing and credit markets in favor of higher-quality Treasury issues. The yield on 10-year Treasury issues, which touched 5.30% in June (its highest level in five years), fell to 4.48% by period-end, while prices correspondingly rose. The tax-exempt bond market has been challenged by a combination of record-setting supply year-to-date, economic uncertainty and concerns around the credit worthiness of bond insurers. This has brought municipal bond prices to relatively attractive levels and, as such, demand generally has remained firm.

As you navigate market volatility, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more market insight and commentary from BlackRock investment professionals, we invite you to visit [www.blackrock.com/funds](http://www.blackrock.com/funds). As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Robert C. Doll, Jr.

Vice Chairman, BlackRock, Inc.

THIS PAGE NOT PART OF YOUR TRUSTS REPORT

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## Trust Summary as of October 31, 2007

## BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

## Investment Objective

The Trust's investment objective is to manage a portfolio of fixed income securities that will return \$15 per share (the initial public offering price per share) to investors on or about December 31, 2009 while providing high monthly income.

## Trust Information

Symbol on American Stock Exchange:	BCT
Initial Offering Date:	June 17, 1993
Yield on Closing Market Price as of October 31, 2007 (\$15.15): <sup>1</sup>	5.94%
Current Monthly Distribution per Share: <sup>2</sup>	\$ 0.075
Current Annualized Distribution per Share: <sup>2</sup>	\$ 0.900

<sup>1</sup> 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.

<sup>2</sup> A change in the distribution rate was declared on November 1, 2007. The Monthly Distribution per Common Share was decreased to \$0.049. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$ 15.15	\$ 15.08	0.46%	\$ 15.65	\$ 14.82
Net Asset Value	\$ 13.38	\$ 13.79	(2.97)%	\$ 13.81	\$ 13.36

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

## Portfolio Composition

Composition	10/31/07	10/31/06
Agency Multiple Class Mortgage Pass-Through Securities	31%	28%
Taxable Municipal Bonds	18	11
Non-Agency Multiple Class Mortgage Pass-Through Securities	16	
Inverse Floating Rate Mortgage Securities	15	8

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Corporate Bonds	9	14
Interest Only Mortgage-Backed Securities	8	7
Mortgage Pass-Through Securities	3	2
U.S. Government and Agency Securities		30

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## Trust Summary as of October 31, 2007

BlackRock Core Bond Trust (BHK)

## Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BHK
Initial Offering Date:	November 27, 2001
Yield on Closing Market Price as of October 31, 2007 (\$12.23): <sup>1</sup>	6.57%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.067
Current Annualized Distribution per Share: <sup>2</sup>	\$0.804
Leverage as of October 31, 2007: <sup>3</sup>	22%

- 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.
- A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.062. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$12.23	\$12.86	(4.90) %	\$13.25	\$11.32
Net Asset Value	\$13.63	\$13.82	(1.37) %	\$14.01	\$13.11

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

## Portfolio Composition

Composition	10/31/07	10/31/06
Corporate Bonds	42%	58%
Mortgage Pass-Through Securities	36	10



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Asset-Backed Securities	4	8
Commercial Mortgage-Backed Securities	4	6
U.S. Government and Agency Securities	4	5
Non-Agency Multiple Class Mortgage Pass-Through Securities	4	2
Agency Multiple Class Mortgage Pass-Through Securities	3	8
Trust Preferred Stocks	2	
Interest Only Mortgage-Backed Securities	1	1
Interest Only Asset-Backed Securities		1
Foreign Government Bonds		1

### Corporate Bond Breakdown<sup>4</sup>

Credit Rating	10/31/07	10/31/06
AAA/Aaa	6%	7%
AA/Aa	24	26
A	21	10
BBB/Baa	20	17
BB/Ba	7	12
B	16	23
CCC/Caa	6	5

- 4 Using the highest of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Rating (Fitch's) ratings. Corporate bonds represented approximately 66.2% and 58.3% of net assets on October 31, 2007 and 2006, respectively.

## Trust Summary as of October 31, 2007

BlackRock High Yield Trust (BHY)

## Investment Objective

The Trust's investment objective is to generate high current income and, to a lesser extent, to seek capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BHY
Initial Offering Date:	December 23, 1998
Yield on Closing Market Price as of October 31, 2007 (\$6.92): <sup>1</sup>	8.84%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.051
Current Annualized Distribution per Share: <sup>2</sup>	\$0.612
Leverage as of October 31, 2007: <sup>3</sup>	15%

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

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

3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$6.92	\$7.77	(10.94)%	\$8.70	\$5.83
Net Asset Value	\$7.91	\$7.85	0.76%	\$8.32	\$7.63

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

Portfolio Composition<sup>4</sup>

Corporate Portfolio Composition	10/31/07	10/31/06
Telecommunications	15%	13%
Energy	14	16
Media	11	11
Basic Materials	10	11
Financial Institutions	10	14
Consumer Products	6	6
Technology	6	5

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Automotive	4	3
Entertainment & Leisure	4	4
Industrials	4	3
Health Care	3	3
Containers & Packaging	3	3
Aerospace & Defense	3	3
Transportation	2	2
Building & Development	2	3
Real Estate	1	
Ecological Services & Equipment	1	
Commercial Services	1	

- 4 For Trust compliance purposes, the Trust's sector and industry classification refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

**Corporate Bond Breakdown<sup>5</sup>**

<b>Credit Rating</b>	<b>10/31/07</b>	<b>10/31/06</b>
BBB/Baa	4%	3%
BB/Ba	21	26
B	51	55
CCC/Caa	21	12
C		2
Not Rated	3	2

- 5 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 110.4% and 128.9% of net assets on October 31, 2007 and 2006, respectively.

## Trust Summary as of October 31, 2007

## BlackRock Income Opportunity Trust (BNA)

## Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BNA
Initial Offering Date:	December 20, 1991
Yield on Closing Market Price as of October 31, 2007 (\$10.19): <sup>1</sup>	6.48%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.055
Current Annualized Distribution per Share: <sup>2</sup>	\$0.660
Leverage as of October 31, 2007: <sup>3</sup>	22%

- 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.
- A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.051. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$10.19	\$10.58	(3.69)%	\$10.88	\$ 9.13
Net Asset Value	\$11.02	\$11.17	(1.34)%	\$11.33	\$ 10.53

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

## Portfolio Composition

Composition	10/31/07	10/31/06
Corporate Bonds	38%	48%
Mortgage Pass-Through Securities	36	12
Asset-Backed Securities	7	13
Non-Agency Multiple Class Mortgage Pass-Through Securities	5	6
Agency Multiple Class Mortgage Pass-Through Securities	4	7

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U.S. Government and Agency Securities	3	7
Commercial Mortgage-Backed Securities	3	4
Trust Preferred Stocks	2	
Federal Housing Administration Securities	1	1
Interest Only Mortgage-Backed Securities	1	1
Inverse Floating Rate Mortgage Securities		1

**Corporate Bond Breakdown<sup>4</sup>**

<b>Credit Rating</b>	<b>10/31/07</b>	<b>10/31/06</b>
AAA/Aaa	8%	9%
AA/Aa	21	17
A	20	10
BBB/Baa	22	19
BB/Ba	6	13
B	17	25
CCC/Caa	6	6
Not Rated		1

4 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 64.0% and 52.1% of net assets on October 31, 2007 and 2006, respectively.

## Trust Summary as of October 31, 2007

BlackRock Income Trust Inc. (BKT)

## Investment Objective

The Trust's investment objective is to manage a portfolio of high quality securities to achieve high monthly income consistent with the preservation of capital.

## Trust Information

Symbol on New York Stock Exchange:	BKT
Initial Offering Date:	July 22, 1988
Yield on Closing Market Price as of October 31, 2007 (\$5.81): <sup>1</sup>	6.40%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.031
Current Annualized Distribution per Share: <sup>2</sup>	\$0.372
Leverage as of October 31, 2007: <sup>3</sup>	8%

- 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 A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.024. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$5.81	\$6.07	(4.28)%	\$6.33	\$5.49
Net Asset Value	\$6.53	\$6.48	0.77%	\$6.61	\$6.25

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

## Portfolio Composition

Composition	10/31/07	10/31/06
Mortgage Pass-Through Securities	27%	22%
Agency Multiple Class Mortgage Pass-Through Securities	26	28
Interest Only Mortgage-Backed Securities	13	10
U.S. Government and Agency Securities	10	20
Non-Agency Multiple Class Mortgage Pass-Through Securities	9	9

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Principal Only Mortgage-Backed Securities	5	5
Inverse Floating Rate Mortgage Securities	4	3
Federal Housing Administration Securities	2	2
Asset-Backed Securities	2	
Commercial Mortgage-Backed Securities	1	
Corporate Bonds	1	1

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## Trust Summary as of October 31, 2007

## BlackRock Limited Duration Income Trust (BLW)

## Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BLW
Initial Offering Date:	July 30, 2003
Yield on Closing Market Price as of October 31, 2007 (\$16.68): <sup>1</sup>	8.99%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.125
Current Annualized Distribution per Share: <sup>2</sup>	\$1.500
Leverage as of October 31, 2007: <sup>3</sup>	14%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$16.68	\$18.85	(11.51) %	\$19.89	\$14.20
Net Asset Value	\$18.52	\$19.01	(2.58) %	\$19.38	\$18.08

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

## Portfolio Composition

Composition	10/31/07	10/31/06
Bank Loans	42%	36%
Corporate Bonds	37	43
Mortgage Pass-Through Securities	16	14
U.S. Government and Agency Securities	3	4
Foreign Government Bonds	2	2
Non-Agency Multiple Class Mortgage Pass-Through Securities		1



**Corporate Bond Breakdown<sup>4</sup>**

<b>Credit Rating</b>	<b>10/31/07</b>	<b>10/31/06</b>
AA/Aa	1%	2%
A	4	1
BBB/Baa	8	9
BB/Ba	23	24
B	43	51
CCC/Caa	18	11
Not Rated	3	2

4 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 49.1% and 64.3% of net assets on October 31, 2007 and 2006, respectively.

## Trust Summary as of October 31, 2007

## BlackRock Preferred and Equity Advantage Trust (BTZ)

## Investment Objective

The Trust's investment objective is to seek current income, current gains and capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BTZ
Initial Offering Date:	December 27, 2006
Yield on Closing Market Price as of October 31, 2007 (\$18.65): <sup>1</sup>	10.05%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.15625
Current Annualized Distribution per Share: <sup>2</sup>	\$1.87500
Leverage as of October 31, 2007: <sup>3</sup>	33%

- <sup>1</sup> 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.
- <sup>2</sup> The distribution is not constant and is subject to change.
- <sup>3</sup> As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

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

	10/31/2007	High	Low
Market Price	\$18.65	\$25.25	\$15.63
Net Asset Value	\$21.37	\$24.35	\$20.87

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

Portfolio Composition<sup>4</sup>

Composition	10/31/07
Financial Institutions	65%
Energy	8
Technology	5
Consumer Products	4
Health Care	4
Telecommunications	3
Real Estate	3
Media	2
Industrials	2
Basic Materials	1
Entertainment & Leisure	1

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Automotive	1
Transportation	1

4 For Trust compliance purposes, the Trust's sector and industry classification refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

**Preferred, Trust Preferred and Corporate Bond Breakdown<sup>5</sup>**

<b>Credit Rating</b>	<b>10/31/07</b>
AA/Aa	20%
A	42
BBB/Baa	29
BB/Ba	1
B	6
CCC/Caa	1
Not Rated	1

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

## Trust Summary as of October 31, 2007

## BlackRock Strategic Bond Trust (BHD)

## Investment Objective

The Trust's investment objective is to seek total return through high current income and capital appreciation.

## Trust Information

Symbol on New York Stock Exchange:	BHD
Initial Offering Date:	February 26, 2002
Yield on Closing Market Price as of October 31, 2007 (\$11.88): <sup>1</sup>	7.78%
Current Monthly Distribution per Share: <sup>2</sup>	\$0.077
Current Annualized Distribution per Share: <sup>2</sup>	\$0.924

<sup>1</sup> 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.

<sup>2</sup> The distribution is not constant and is subject to change.

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

	10/31/07	10/31/06	Change	High	Low
Market Price	\$11.88	\$12.85	(7.55)%	\$13.29	\$10.40
Net Asset Value	\$13.80	\$13.83	(0.22)%	\$14.19	\$13.47

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

Corporate Portfolio Composition<sup>3</sup>

Composition	10/31/07	10/31/06
Media	17%	14%
Telecommunications	14	12
Energy	13	13
Financial Institutions	12	18
Aerospace & Defense	8	6
Basic Materials	6	6
Consumer Products	5	7
Technology	4	5
Automotive	4	2
Health Care	4	4
Transportation	3	1
Ecological Services & Equipment	3	2
Industrials	2	3
Containers & Packaging	2	1

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Entertainment & Leisure	1	3
Building & Development	1	2
Real Estate	1	1

<sup>3</sup> For Trust compliance purposes, the Trust's sector and industry classification refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

**Corporate Bond Breakdown<sup>4</sup>**

Credit Rating	10/31/07	10/31/06
AAA/Aaa	1%	3%
AA/Aa	4	6
A	17	12
BBB/Baa	15	13
BB/Ba	12	16
B	37	40
CCC/Caa	12	9
Not Rated	2	1

<sup>4</sup> Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 84.5% and 107.6% of net assets on October 31, 2007 and 2006, respectively.

## Portfolio of Investments as of October 31, 2007

**BlackRock Broad Investment Grade 2009 Term Trust Inc.  
(BCT)**  
 (Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>LONG-TERM INVESTMENTS 29.2%</b>		
<b>Mortgage Pass-Through Securities 0.9%</b>		
	Federal National Mortgage Assoc.,	
\$ 314	5.50%, 1/01/17-2/01/17	\$ 316,169
14	6.50%, 7/01/29	14,777
	Total Mortgage Pass-Through Securities	330,946
<b>Agency Multiple Class Mortgage Pass-Through Securities 9.1%</b>		
	Federal Home Loan Mortgage Corp.,	
1,745	Ser. 1510, Class G, 7.05%, 5/15/13	1,753,683
1,098	Ser. 1598, Class J, 6.50%, 10/15/08	1,095,825
81	Ser. 2564, Class NC, 5.00%, 2/15/33	69,195
668	Federal National Mortgage Assoc., Ser. 49, Class H, 7.00%, 4/25/13	689,837
	Total Agency Multiple Class Mortgage Pass-Through Securities	3,608,540
<b>Inverse Floating Rate Mortgage Securities 4.3%</b>		
132 <sup>1</sup>	Citicorp Mortgage Securities, Inc., Ser. 14, Class A-4, 6.352%, 11/25/23	131,701
	Federal Home Loan Mortgage Corp.,	
5 <sup>1</sup>	Ser. 1425, Class SB, 11.886%, 12/15/07	4,876
4 <sup>1</sup>	Ser. 1506, Class S, 9.708%, 5/15/08	4,468
152 <sup>1</sup>	Ser. 1515, Class S, 8.753%, 5/15/08	152,069
10 <sup>1</sup>	Ser. 1600, Class SC, 8.60%, 10/15/08	9,853
144 <sup>1</sup>	Ser. 1618, Class SA, 8.25%, 11/15/08	144,815
7 <sup>1</sup>	Ser. 1661, Class SB, 8.83%, 1/15/09	7,035
21 <sup>1</sup>	Ser. 1688, Class S, 9.566%, 12/15/13	21,408
105 <sup>1</sup>	Ser. 2412, Class SE, 5.519%, 2/15/09	106,281
275 <sup>1</sup>	Ser. 2517, Class SE, 3.522%, 10/15/09	264,534
	Federal National Mortgage Assoc.,	
7 <sup>1</sup>	Ser. 13, Class SJ, 8.75%, 2/25/09	7,505
3 <sup>1</sup>	Ser. 174, Class S, 97.223%, 9/25/22	9,514
118 <sup>1</sup>	Ser. 192, Class SC, 6.84%, 10/25/08	117,971
37 <sup>1</sup>	Ser. 214, Class SH, 5.592%, 12/25/08	36,653
51 <sup>1</sup>	Ser. 214, Class SK, 10.00%, 12/25/08	52,172
618 <sup>1</sup>	Residential Accredited Loans, Inc., Ser. QS16, Class A3, 6.435%, 10/25/17	620,297
	Total Inverse Floating Rate Mortgage Securities	1,691,152
<b>Interest Only Mortgage-Backed Securities 2.3%</b>		
	Federal Home Loan Mortgage Corp.,	
1	Ser. 65, Class I, 918.03%, 8/15/20	1,058
	Ser. 141, Class H, 1,060.00%, 5/15/21	220
1,444	Ser. 2523, Class EH, 5.50%, 4/15/20	73,865
149	Ser. 2633, Class PI, 4.50%, 3/15/12	781
3,531	Ser. 2739, Class PI, 5.00%, 3/15/22	94,580
1,467	Ser. 2976, Class KI, 5.50%, 11/15/34	191,597
1,664	Ser. 3189, Class KI, 6.00%, 1/15/35	174,439
2,615	Ser. 3207, Class QI, 6.00%, 2/15/35	234,558

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	Federal National Mortgage Assoc., Ser. 8, Class HA, 1,199.999%, 1/25/08	105
899	Ser. 13, Class IG, 5.00%, 10/25/22	21,655
35 <sup>1</sup>	Ser. 20, Class SL, 10.12%, 9/25/08	1,260
2	Ser. 49, Class L, 444.917%, 4/25/13	16,790
4,343	Ser. 70, Class ID, 5.00%, 4/25/22	61,437
	Ser. G-21, Class L, 949.50%, 7/25/21	7,410
12,042 <sup>1</sup>	Vendee Mortgage Trust, Ser. 1, 0.043%, 10/15/31	26,627
	<b>Total Interest Only Mortgage-Backed Securities</b>	<b>906,382</b>

<b>Principal Amount (000)</b>	<b>Description</b>	<b>Value</b>
<b>Principal Only Mortgage-Backed Security 0.0%</b>		
\$ 14 <sup>2</sup>	Salomon Brothers Mortgage Securities, Inc. VI, Ser. 3, Class A, 12.50%, 10/23/17	\$ 13,246
<b>Asset-Backed Securities 0.0%</b>		
234 <sup>1,3,4,5</sup>	Global Rated Eligible Asset Trust, Ser. A, Class 1, 7.33%, 9/15/07	23
568 <sup>1,3,5</sup>	Structured Mortgage Asset Residential Trust, Ser. 2, 8.24%, 12/15/07	57
	<b>Total Asset-Backed Securities</b>	<b>80</b>
<b>Corporate Bond 2.6%</b>		
1,000	Morgan Stanley Group, Inc., 10.00%, 6/15/08	1,029,161
<b>Taxable Municipal Bonds 5.2%</b>		
500	Fresno California Pension Oblig., 7.80%, 6/01/14	544,725
500	Kern County California Pension Oblig., 6.98%, 8/15/09	518,005
500	Los Angeles County California Pension Oblig., Ser. D, 6.97%, 6/30/08	506,585
500	Orleans Parish Louisiana School Board, Ser. A, 6.60%, 2/01/08	501,925
	<b>Total Taxable Municipal Bonds</b>	<b>2,071,240</b>
<b>Non-Agency Multiple Class Mortgage Pass-Through Securities 4.8%</b>		
1,914 <sup>1</sup>	JPMorgan Mortgage Trust, Ser. A7, Class 2A2, 5.83%, 1/25/37	1,910,904
	<b>Total Long-Term Investments (cost \$11,827,713)</b>	<b>11,561,651</b>
<b>SHORT-TERM INVESTMENT 70.3%</b>		
<b>U.S. Government and Agency Discount Notes 70.3%</b>		
27,800 <sup>6</sup>	Federal Home Loan Bank Disc. Notes, 4.351%, 11/01/07 (cost \$27,800,000)	27,800,000
	<b>Total Investments 99.5% (cost \$39,627,713)</b>	<b>\$ 39,361,651</b>
	<b>Other assets in excess of liabilities 0.5%</b>	<b>207,328</b>
	<b>Net Assets 100%</b>	<b>\$ 39,568,979</b>

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Variable rate security. Rate shown is interest rate as of October 31, 2007.

- 2 Rate shown is effective yield of the underlying collateral as of October 31, 2007.
- 3 Illiquid security. As of October 31, 2007, the Trust held less than 0.1% of its net assets, with a current market value of \$80, in these securities.
- 4 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2007, the Trust held less than 0.1% of its net assets, with a current market value of \$23, in securities restricted as to resale.
- 5 Security is fair valued.
- 6 Rate shown is the yield to maturity as of the date of purchase.
- 7 Cost for federal income tax purposes is \$39,627,713. The net unrealized depreciation on a tax basis is \$266,062, consisting of \$321,614 gross unrealized appreciation and \$587,676 gross unrealized depreciation.

### Portfolio Abbreviations

<b>ADR</b>	American Depositary Receipt
<b>EUR</b>	Euro
<b>GBP</b>	British Pound
<b>LIBOR</b>	London Interbank Offered Rate
<b>PRIME</b>	Prime Rate
<b>REIT</b>	Real Estate Investment Trust
<b>TBA</b>	To Be Announced
<b>TBD</b>	To Be Determined

See Notes to Financial Statements.

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## Portfolio of Investments as of October 31, 2007

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

Principal Amount (000)	Description	Value
<b>LONG-TERM INVESTMENTS 158.7%</b>		
<b>Mortgage Pass-Through Securities 58.2%</b>		
\$ 757 <sup>1</sup>	Citigroup Mortgage Loan Trust, Inc., Ser. 4, Class A, 5.345%, 8/25/35	\$ 738,529
	Federal Home Loan Mortgage Corp.,	
75	5.00%, 8/01/33	71,842
1,428 <sup>2</sup>	5.50%, 11/01/18	1,434,281
5,183	5.50%, 11/01/18-5/01/36	5,112,866
2,498	6.00%, 2/01/13-12/01/18	2,545,922
23	7.00%, 9/01/31	23,749
59 <sup>1</sup>	7.379%, 5/01/32	60,118
4,000	TBA, 5.50%, 12/12/37	3,935,000
	Federal National Mortgage Assoc.,	
44	4.50%, 2/01/20	42,798
10,051	5.00%, 11/01/17-6/01/37	9,870,125
12,498 <sup>2</sup>	5.00%, 1/01/18-5/01/37	12,026,793
2,747	5.50%, 1/01/18-7/01/34	2,719,784
43,246 <sup>2</sup>	5.50%, 12/01/35-4/01/36	42,661,096
6,658 <sup>2</sup>	6.00%, 2/01/36-10/01/36	6,708,610
3,159	6.00%, 8/01/29-11/01/36	3,182,236
289	7.00%, 1/01/31-7/01/32	302,834
400	TBA, 5.00%, 11/19/22	393,750
85,500	TBA, 5.50%, 11/19/22-11/13/37	84,249,051
18,900	TBA, 6.00%, 11/13/37-12/12/37	19,019,812
15,600	TBA, 6.50%, 12/12/37	15,946,133
	Government National Mortgage Assoc.,	
205	5.50%, 8/15/33	204,241
200	TBA, 6.50%, 11/20/37	205,312
760 <sup>1</sup>	GSR Mortgage Loan Trust, Ser. AR4, Class 6A1, 5.25%, 7/25/35	739,031
	Small Business Administration,	
767	Ser. P10B, Class 1, 4.754%, 8/01/14	751,230
1,351	Ser. P10B, Class 1, 5.136%, 8/01/13	1,352,827
	Total Mortgage Pass-Through Securities	214,297,970
<b>Federal Housing Administration Security 0.3%</b>		
1,028	FHA Hebre Home Hospital, 6.25%, 9/01/28	1,038,331
<b>Agency Multiple Class Mortgage Pass-Through Securities 4.0%</b>		
	Federal Home Loan Mortgage Corp.,	
1,200	Ser. 2562, Class PG, 5.00%, 1/15/18	1,185,166
2,170	Ser. 2775, Class OE, 4.50%, 4/15/19	2,056,897
2,959	Ser. 2806, Class VC, 6.00%, 12/15/19	3,008,150
1,306	Ser. 2825, Class VP, 5.50%, 6/15/15	1,322,326
1,300	Ser. 2883, Class DR, 5.00%, 11/15/19	1,257,396
1,600	Ser. 2968, Class EG, 6.00%, 10/15/34	1,622,310
	Federal National Mortgage Assoc.,	
2,691	Ser. 5, Class PK, 5.00%, 12/25/34	2,684,529
1,663 <sup>1</sup>	Ser. 118, Class FD, 5.273%, 12/25/33	1,651,013
	Total Agency Multiple Class Mortgage Pass-Through Securities	14,787,787

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**Asset-Backed Securities 6.7%**

2,300	Chase Issuance Trust, Ser. A17, Class A, 5.12%, 10/15/14	2,315,364
2,800	Chase Manhattan Auto Owner Trust, Ser. B, Class A4, 4.88%, 6/15/12	2,801,647
2,825	Citibank Credit Card Issuance Trust, Ser. A2, Class A2, 4.85%, 2/10/11	2,826,461
229 <sup>1</sup>	Countrywide Asset-Backed Certificates, Ser. 16, Class 4AV1, 4.973%, 1/25/35	228,876
2,406	DaimlerChrysler Auto Trust, Ser. A, Class A3, 5.00%, 5/08/10	2,406,171
2,850	Ford Credit Auto Owner Trust, Ser. A, Class A4, 5.08%, 12/15/10	2,860,611
2,300	Harley-Davidson Motorcycle Trust, Ser. 2, Class A2, 4.07%, 2/15/12	2,283,930
2,500	Maryland Trust, Ser. 1, Class A, 5.55%, 12/10/65	2,371,875

**Principal  
Amount  
(000)**

**Description**

**Value**

**Asset Backed Securities (cont d)**

\$ 2,825	MBNA Credit Card Master Note Trust, Ser. A1, Class A, 4.90%, 7/15/11	\$ 2,830,207
59 <sup>1</sup>	New Century Home Equity Loan Trust, Ser. C, Class A2A, 4.953%, 1/25/36	59,262
564 <sup>1</sup>	SLM Student Loan Trust, Ser. 5, Class A1, 5.084%, 1/25/18	564,436
471 <sup>1</sup>	Structured Asset Investment Loan Trust, Ser. 1, Class A1, 4.953%, 1/25/36	469,358
2,725	USAA Auto Owner Trust, Ser. 1 Class A4, 5.04%, 12/15/11	2,738,565
	<b>Total Asset-Backed Securities</b>	<b>24,756,763</b>

**Interest Only Asset-Backed Securities 0.2%**

12,656	Sterling Coofs Trust, Ser. 1, 2.365%, 4/15/29	561,620
10,125 <sup>3</sup>	Ser. 2, 2.081%, 3/30/30	272,114
	<b>Total Interest Only Asset-Backed Securities</b>	<b>833,734</b>

**Interest Only Mortgage-Backed Securities 1.0%**

2,104	Federal Home Loan Mortgage Corp., Ser. 2579, Class HI, 5.00%, 8/15/17	242,617
5,772	Ser. 2611, Class QI, 5.50%, 9/15/32	1,047,320
23,975 <sup>1</sup>	Federal National Mortgage Assoc., Ser. 90, Class JH, 1.828%, 11/25/34	1,341,116
4,030	Ser. 378, Class 5, 5.00%, 7/01/36	980,948
	<b>Total Interest Only Mortgage-Backed Securities</b>	<b>3,612,001</b>

**Commercial Mortgage-Backed Securities 6.4%**

2,180 <sup>1</sup>	Banc of America Commercial Mortgage, Inc., Ser. 1, Class A4, 4.871%, 11/10/42	2,163,105
2,720	Credit Suisse First Boston Mortgage Securities Corp., Ser. CP5, Class A2, 4.94%, 12/15/35	2,667,298
2,170 <sup>1</sup>	Credit Suisse Mortgage Capital Certificates, Ser. C2, Class A3, 5.542%, 1/15/49	2,147,296
1,463 <sup>1</sup>	General Motor Acceptance Corp. Commercial Mortgage Securities, Inc., Ser. C3, Class A2, 7.179%, 8/15/36	1,504,810
1,973	Goldman Sachs Mortgage Securities Corp. II, Ser. C1, Class A3, 6.135%, 10/18/30	1,977,721
1,435 <sup>1</sup>	Heller Financial Commercial Mortgage Asset Co., Ser. PH1, Class A2, 6.847%, 5/15/31	1,453,914

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	JPMorgan Chase Commercial Mortgage Securities Corp.,	
2,140	Ser. C1, Class A3, 5.857%, 10/12/35	2,185,265
2,180	Ser. CBX, Class A4, 4.529%, 1/12/37	2,131,593
1,652 <sup>1</sup>	JPMorgan Commercial Mortgage Finance Corp.,	
	Ser. C10, Class A2, 7.371%, 8/15/32	1,717,907
2,082 <sup>1</sup>	Morgan Stanley Capital Trust I,	
	Ser. HF2, Class A2, 6.48%, 11/15/30	2,089,181
3,489 <sup>1</sup>	Salomon Brothers Mortgage Securities VII,	
	Ser. C1, Class A2, 7.52%, 12/18/09	3,619,954
	Total Commercial Mortgage-Backed Securities	23,658,044

**Corporate Bonds 66.2%**

**Aerospace & Defense 1.1%**

150 <sup>3</sup>	Bombardier, Inc., 8.00%, 11/15/14 (Canada)	156,000
1,195	DI Finance/DynCorp Intl., Ser. B, 9.50%, 2/15/13	1,269,688
	DRS Technologies, Inc.,	
70	6.875%, 11/01/13	70,000
80	7.625%, 2/01/18	81,800
960	Northrop Grumman Corp., 7.875%, 3/01/26	1,147,117
15	Sequa Corp., 9.00%, 8/01/09	16,088
120	TransDigm, Inc., 7.75%, 7/15/14	122,100
1,125	United Technologies Corp., 4.875%, 5/01/15	1,088,382
	Total Aerospace & Defense	3,951,175

**Automotive 1.0%**

265	Accuride Corp., 8.50%, 2/01/15	249,100
	AutoNation, Inc.,	
150	7.00%, 4/15/14	145,125
150 <sup>1</sup>	7.243%, 4/15/13	146,625
600	Ford Capital BV, 9.50%, 6/01/10 (Netherlands)	604,500

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

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

Principal Amount (000)	Description	Value
<b>Automotive (cont d)</b>		
\$ 360	Lear Corp., Ser. B, 8.75%, 12/01/16	\$ 345,600
250	Metaldyne Corp., 10.00%, 11/01/13	232,500
2,100	Sonic Automotive, Inc., Ser. B, 8.625%, 8/15/13	2,121,000
	<b>Total Automotive</b>	<b>3,844,450</b>
<b>Basic Materials 3.3%</b>		
500	Abitibi-Consolidated, Inc., 6.00%, 6/20/13 (Canada)	367,500
995	AK Steel Corp., 7.75%, 6/15/12	1,014,900
250	American Pacific Corp., 9.00%, 2/01/15	256,250
80 <sup>1</sup>	Bowater, Inc., 8.694%, 3/15/10	73,200
30	Chemtura Corp., 6.875%, 6/01/16	28,650
200	CPG Intl. I, Inc., 10.50%, 7/01/13	200,000
60	Domtar, Inc., 7.125%, 8/15/15 (Canada)	59,400
	Freeport-McMoRan Copper & Gold, Inc., 8.375%, 4/01/17	1,116,900
1,020		
330 <sup>1</sup>	8.394%, 4/01/15	340,725
66	Huntsman LLC, 12.00%, 7/15/12	71,775
	Ineos Group Holdings Plc (United Kingdom)	
285	7.875%, 2/07/16 (EUR)	379,810
1,330 <sup>3</sup>	8.50%, 2/15/16	1,263,500
885	Innophos, Inc., 8.875%, 8/15/14	891,638
515 <sup>3</sup>	Key Plastics LLC/Key Plastics Finance Corp., 11.75%, 3/15/13	437,750
1,705	NewPage Corp., 10.00%, 5/01/12	1,803,037
	Noranda, Inc. (Canada)	
825	6.00%, 10/15/15	830,709
1,250	6.20%, 6/15/35	1,200,827
1,430	Teck Cominco Ltd., 6.125%, 10/01/35 (Canada)	1,354,563
430	Terra Capital, Inc., Ser. B, 7.00%, 2/01/17	430,000
	<b>Total Basic Materials</b>	<b>12,121,134</b>
<b>Building &amp; Development 0.2%</b>		
440	Goodman Global Holding Co., Inc., 7.875%, 12/15/12	459,800
140	Nortek, Inc., 8.50%, 9/01/14	123,900
85	North American Energy Partners, Inc., 8.75%, 12/01/11 (Canada)	85,850
	<b>Total Building &amp; Development</b>	<b>669,550</b>
<b>Commercial Services 0.1%</b>		
100	FTI Consulting, Inc., 7.75%, 10/01/16	104,500
200 <sup>3</sup>	Quebecor World, Inc., 9.75%, 1/15/15 (Canada)	195,000
	<b>Total Commercial Services</b>	<b>299,500</b>
<b>Consumer Products 2.5%</b>		
650 <sup>1</sup>	Ames True Temper, Inc., 9.243%, 1/15/12	624,000
30 <sup>1</sup>	Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 8.058%, 5/15/14	29,625

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775	CVS Caremark Corp., 6.25%, 6/01/27	770,626
695	Federated Retail Holdings, Inc., 5.90%, 12/01/16	663,511
	General Nutrition Centers, Inc.,	
500 <sup>1</sup>	10.009%, 3/15/14	481,250
400	10.75%, 3/15/15	389,000
850	Kimberly-Clark Corp., 6.625%, 8/01/37	935,813
1,515	Kraft Foods, Inc., 7.00%, 8/11/37	1,644,963
314	Lazy Days RV Center, Inc., 11.75%, 5/15/12	282,600
	Michaels Stores, Inc.,	
470	10.00%, 11/01/14	473,525
600 <sup>2</sup>	11.375%, 11/01/16	598,500
1,000	Pantry, Inc. (The), 7.75%, 2/15/14	975,000
175	Quiksilver, Inc., 6.875%, 4/15/15	163,188
250	Reynolds American, Inc., 7.625%, 6/01/16	270,479
775	Rite Aid Corp., 7.50%, 3/01/17	720,750
390	Sally Holdings LLC, 10.50%, 11/15/16	388,050
	Total Consumer Products	9,410,880

Principal Amount (000)	Description	Value
<b>Containers &amp; Packaging 0.8%</b>		
\$ 270	Berry Plastics Holding Corp., 8.875%, 9/15/14	\$ 276,750
180 <sup>1</sup>	9.569%, 9/15/14	180,450
150	Crown Americas LLC/Crown Americas Capital Corp., 7.75%, 11/15/15	154,500
75	Graham Packaging Co., Inc., 8.50%, 10/15/12	74,438
300 <sup>1,3</sup>	Impress Holdings BV, 8.368%, 9/15/13 (Netherlands)	298,426
1,500	Owens Brockway, 8.25%, 5/15/13	1,560,000
545	Pregis Corp., 12.375%, 10/15/13	594,050
	Total Containers & Packaging	3,138,614

<b>Ecological Services &amp; Equipment 0.2%</b>		
590	Waste Services, Inc., 9.50%, 4/15/14	590,000

<b>Energy 9.7%</b>		
425	Amerada Hess Corp., 7.125%, 3/15/33	469,065
2,350	Anadarko Petroleum Corp., 6.45%, 9/15/36	2,377,558
140	Berry Petroleum Co., 8.25%, 11/01/16	142,800
875	Burlington Resources Finance Co., 7.40%, 12/01/31 (Canada)	1,031,161
375	Canadian Natural Resources Ltd., 6.25%, 3/15/38 (Canada)	370,540
320	Chaparral Energy, Inc., 8.50%, 12/01/15	298,400
	Chesapeake Energy Corp.,	
150	6.375%, 6/15/15	145,500
20	6.875%, 11/15/20	19,550
500	Cleveland Electric Illuminating Co., 5.95%, 12/15/36	463,733
	Compagnie Generale de Geophysique-Veritas (France)	
55	7.50%, 5/15/15	56,100
90	7.75%, 5/15/17	92,700
235	Compton Petroleum Finance Corp., 7.625%, 12/01/13 (Canada)	225,013
125	Conoco Funding Co., 7.25%, 10/15/31 (Canada)	145,774
535	ConocoPhillips Funding Co., 5.95%, 10/15/36 (Canada)	548,451
650	ConocoPhillips Holding Co., 6.95%, 4/15/29	740,160
100	Devon Energy Corp., 7.95%, 4/15/32	122,312
725	DTE Energy Co., 6.35%, 6/01/16	750,656
115	Edison Mission Energy, 7.50%, 6/15/13	116,581
1,125 <sup>3</sup>	EDP Finance BV, 6.00%, 2/02/18 (Netherlands)	1,122,493
	El Paso Natural Gas Co.,	

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265	8.625%, 1/15/22	308,335
225	8.875%, 6/15/32	262,282
124	Elwood Energy LLC, 8.159%, 7/05/26	127,055
	EnCana Corp., (Canada)	
1,000	6.50%, 8/15/34	1,045,819
700	6.625%, 8/15/37	739,318
	Encore Acquisition Co.,	
40	6.00%, 7/15/15	36,200
60	7.25%, 12/01/17	57,450
1,500	Energy East Corp., 6.75%, 7/15/36	1,546,705
130	Exco Resources, Inc., 7.25%, 1/15/11	128,375
950	Florida Power & Light Co., 4.95%, 6/01/35	824,533
675	Florida Power Corp., 6.35%, 9/15/37	708,736
80	Grant Prideco, Inc., Ser. B, 6.125%, 8/15/15	80,400
210	KCS Energy, Inc., 7.125%, 4/01/12	206,850
700	Midamerican Energy Co., 5.80%, 10/15/36	680,105
	Midamerican Energy Holdings Co.,	
800	5.95%, 5/15/37	766,990
1,525 <sup>3</sup>	6.50%, 9/15/37	1,563,997
75	Midwest Generation LLC, Ser. B, 8.56%, 1/02/16	80,767
155	Mirant Americas Generation LLC, 8.30%, 5/01/11	156,744
1,050 <sup>3</sup>	Nakilat, Inc., 6.067%, 12/31/33 (Qatar)	995,715
550	Nexen, Inc., 6.40%, 5/15/37 (Canada)	547,239
	NRG Energy, Inc.,	
50	7.25%, 2/01/14	50,000
285	7.375%, 2/01/16	284,288

See Notes to Financial Statements.

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## Portfolio of Investments as of October 31, 2007

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

Principal Amount (000)	Description	Value
<b>Energy (cont d)</b>		
\$ 1,000	Ohio Edison Co., 6.875%, 7/15/36	\$ 1,047,284
425	ONEOK Partners LP, 6.65%, 10/01/36	432,782
450 <sup>3</sup>	OPTI, Inc., 8.25%, 12/15/14 (Canada)	451,125
130	Orion Power Holdings, Inc., 12.00%, 5/01/10	143,650
575	Pacificorp, 6.25%, 10/15/37	590,146
1,650	Pemex Project Funding Master Trust, 9.625%, 12/02/08	1,725,900
1,200	Public Service Co. of Colorado, 6.25%, 9/01/37	1,245,049
330	Sabine Pass LNG LP, 7.50%, 11/30/16	323,400
700	Scottish Power Plc, 5.375%, 3/15/15 (United Kingdom)	689,766
315 <sup>3</sup>	SemGroup LP, 8.75%, 11/15/15	302,400
625	Southern California Edison Co., 5.625%, 2/01/36	596,659
125	Ser. 05-E, 5.35%, 7/15/35	113,955
645	Suncor Energy, Inc., 6.50%, 6/15/38 (Canada)	675,171
320 <sup>3</sup>	Targa Resources, Inc., 8.50%, 11/01/13	323,200
550	Trans-Canada Pipelines Ltd., 5.85%, 3/15/36 (Canada)	527,368
950	Valero Energy Corp., 6.625%, 6/15/37	978,133
2,000	Virginia Electric & Power Co., Ser. A, 6.00%, 5/15/37	1,965,206
625 <sup>3</sup>	Weatherford Int l., Inc., 6.80%, 6/15/37	655,387
375	Whiting Petroleum Corp., 7.25%, 5/01/12-5/01/13	368,638
1,925	XTO Energy, Inc., 6.75%, 8/01/37	2,064,924
	<b>Total Energy</b>	<b>35,656,593</b>
<b>Entertainment &amp; Leisure 0.6%</b>		
185	AMC Entertainment, Inc., 11.00%, 2/01/16	200,263
1,000	Circus & Eldorado Joint Venture, 10.125%, 3/01/12	1,040,000
150	Gaylord Entertainment Co., 6.75%, 11/15/14	145,500
335 <sup>3</sup>	Greektown Holdings LLC, 10.75%, 12/01/13	333,325
375	Harrah s Operating Co., Inc., 5.75%, 10/01/17	276,562
260	Seneca Gaming Corp., Ser. B, 7.25%, 5/01/12	261,950
40	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 6.625%, 12/01/14	39,300
	<b>Total Entertainment &amp; Leisure</b>	<b>2,296,900</b>
<b>Financial Institutions 23.6%</b>		
320	American Real Estate Partners LP/American Real Estate Finance Corp., 7.125%, 2/15/13	312,000
3,165	8.125%, 6/01/11	3,188,737
2,575	Bank of America Corp., 6.00%, 9/01/17	2,625,030
1,975	Bank of America NA, Ser. BKNT, 6.10%, 6/15/17	2,021,363
325	Bank One Corp., 3.70%, 1/15/08	324,161
1,400	BankBoston NA, 6.375%, 3/25/08-4/15/08	1,406,364
1,270	Bear Stearns Cos., Inc. (The), Ser. MTN, 6.95%, 8/10/12	1,321,679
350 <sup>3</sup>	Belvoir Land LLC, Ser. A1, 5.27%, 12/15/47	310,765
1,075	Berkshire Hathaway Finance Corp., 4.75%, 5/15/12	1,059,247
181 <sup>1,3</sup>	BMS Holdings, Inc., 12.40%, 2/15/12	173,374
1,100	Chubb Corp., 6.00%, 5/11/37	1,070,352
600	CitiFinancial, 6.25%, 1/01/08	600,878

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	Citigroup, Inc.,	
3,950 <sup>4</sup>	3.625%, 2/09/09	3,891,149
4,790 <sup>4</sup>	4.125%, 2/22/10	4,709,978
1,020	4.25%, 7/29/09	1,007,887
1,005	5.875%, 2/22/33-5/29/37	955,122
525	6.875%, 2/15/98	534,624
3,775 <sup>3</sup>	Depfa ACS Bank, 5.125%, 3/16/37 (Ireland)	3,570,723
	Ford Motor Credit Co. LLC,	
340	7.80%, 6/01/12	319,456
200 <sup>1</sup>	7.993%, 1/13/12	185,155
525 <sup>3</sup>	Fort Irwin Land LLC, Ser. A-1, 5.03%, 12/15/25	495,254
6,855 <sup>2</sup>	General Electric Capital Corp., Ser. GMTN, 6.15%, 8/07/37	7,103,041

**Principal  
Amount  
(000)**

**Description**

**Value**

**Financial Institutions (cont d)**

	Goldman Sachs Group, Inc. (The),	
\$ 1,415	5.35%, 1/15/16	\$ 1,377,548
4,885	5.45%, 11/01/12	4,914,139
135	6.25%, 9/01/17	140,028
925 <sup>1</sup>	Hartford Life Global Funding Trusts, Ser. MTN, 5.864%, 9/15/09	924,002
825 <sup>3</sup>	HBOS Treasury Services Plc, 3.75%, 9/30/08 (United Kingdom)	812,767
775	HSBC Bank NA, 5.875%, 11/01/34	716,502
300	HSBC Holdings Plc, 6.50%, 5/02/36 (United Kingdom)	296,167
799 <sup>3</sup>	iPayment Investors LP, 11.625%, 7/15/14	822,779
240	iPayment, Inc., 9.75%, 5/15/14	230,400
1,500 <sup>3</sup>	Irwin Land LLC, 5.40%, 12/15/47	1,378,395
3,950	JPMorgan Chase Capital XXV, Ser. Y, 6.80%, 10/01/37	3,945,643
	Lehman Brothers Holdings, Inc.,	
1,875	6.50%, 7/19/17	1,888,348
525 <sup>1</sup>	Ser. MTN, 7.394%, 9/15/22	536,446
1,525	MetLife, Inc., 5.70%, 6/15/35	1,413,587
1,150 <sup>3</sup>	Metropolitan Global Funding I, 4.25%, 7/30/09	1,136,666
	Momentive Performance Materials, Inc.,	
40 <sup>3</sup>	9.75%, 12/01/14	39,000
405 <sup>3</sup>	11.50%, 12/01/16	390,825
1,810 <sup>1,3</sup>	Monumental Global Funding Ltd., Ser. MTN, 5.24%, 6/16/10 (Cayman Islands)	1,793,710
	Morgan Stanley,	
3,300 <sup>1</sup>	5.493%, 1/09/12	3,246,860
525	6.25%, 8/09/26	517,443
1,700	Ser. MTN, 6.25%, 8/28/17	1,740,576
1,375	Ser. MTN, 5.55%, 4/27/17	1,338,083
850 <sup>3</sup>	New York Life Global Funding, 3.875%, 1/15/09	843,505
350	Ohana Military Communities LLC, Ser. 04I, 6.193%, 4/01/49	357,088
	Prudential Financial, Inc.,	
500	5.90%, 3/17/36	471,162
675	Ser. MTN, 5.70%, 12/14/36	626,303
1,000 <sup>3</sup>	Prudential Funding LLC, 6.60%, 5/15/08	1,006,033
	Rainbow National Services LLC,	
200 <sup>3</sup>	8.75%, 9/01/12	208,000
943 <sup>3</sup>	10.375%, 9/01/14	1,037,300
550 <sup>1</sup>	SLM Corp., 5.384%, 1/27/14	486,399
2,170 <sup>5</sup>	Structured Asset Receivable Trust, 5.68%, 1/21/10	2,148,367
	SunTrust Bank,	
995	4.00%, 10/15/08	985,997
1,265	4.415%, 6/15/09	1,249,858
235 <sup>3</sup>	TIAA Global Markets, Inc., 3.875%, 1/22/08	234,326
975	Travelers Cos., Inc., Ser. MTN, 6.25%, 6/15/37	961,956
50 <sup>1</sup>	Universal City Florida Holding Co. I/II, 9.661%, 5/01/10	51,125
2,790 <sup>2</sup>	US Bank NA, 6.50%, 2/01/08	2,794,765
495 <sup>3</sup>	USAA Capital Corp., 4.00%, 12/10/07	494,478



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	Wells Fargo & Co.,	
1,031	3.12%, 8/15/08	1,013,318
355	4.20%, 1/15/10	349,594
1,665	4.625%, 8/09/10	1,648,918
435	4.875%, 1/12/11	432,628
540	Wells Fargo Bank NA, 5.95%, 8/26/36	532,155
605 <sup>3</sup>	Wimar Opco LLC/Wimar Opco Finance Corp., 9.625%, 12/15/14	453,750
1,775 <sup>3</sup>	Xstrata Finance Ltd., 5.80%, 11/15/16 (Canada)	1,760,351
	Total Financial Institutions	86,933,629

**Health Care 3.5%**

1,205 <sup>1,3</sup>	Amgen, Inc., 5.585%, 11/28/08	1,202,827
1,625	AstraZeneca Plc, 6.45%, 9/15/37 (United Kingdom)	1,712,300
340	Bristol-Myers Squibb Co., 5.875%, 11/15/36	333,724
2,275 <sup>2</sup>	Eli Lilly & Co., 5.55%, 3/15/37	2,172,348
1,125	Johnson & Johnson, 5.95%, 8/15/37	1,176,591
1,125	Schering-Plough Corp., 6.55%, 9/15/37	1,165,932

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

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

Principal Amount (000)	Description	Value
<b>Health Care (cont d)</b>		
\$ 1,020	Tenet Healthcare Corp., 6.50%, 6/01/12	\$ 864,450
995	Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36	979,429
870	UnitedHealth Group, Inc., 5.80%, 3/15/36	837,188
	WellPoint, Inc.,	
955	5.85%, 1/15/36	897,356
85	5.95%, 12/15/34	82,113
	Wyeth,	
925	5.95%, 4/01/37	914,805
675	6.00%, 2/15/36	668,576
	Total Health Care	13,007,639
<b>Industrials 1.4%</b>		
1,575	3M Co., Ser. MTN, 5.70%, 3/15/37	1,579,348
360 <sup>3</sup>	AGY Holding Corp., 11.00%, 11/15/14	354,600
140	Hexcel Corp., 6.75%, 2/01/15	137,550
975	Honeywell Intl., Inc., 5.70%, 3/15/37	947,863
120	Park-Ohio Industries, Inc., 8.375%, 11/15/14	111,900
	RBS Global, Inc./Rexnord Corp.,	
480	9.50%, 8/01/14	495,600
505	11.75%, 8/01/16	535,300
950 <sup>3</sup>	Sunstate Equipment Co. LLC, 10.50%, 4/01/13	912,000
	Total Industrials	5,074,161
<b>Media 6.2%</b>		
	Affinion Group, Inc.,	
515	10.125%, 10/15/13	536,887
180	11.50%, 10/15/15	187,650
100	American Media Operations, Inc., Ser. B, 10.25%, 5/01/09	95,750
	AOL Time Warner, Inc.,	
90	6.625%, 5/15/29	90,172
3,040	7.57%, 2/01/24	3,331,311
205	7.625%, 4/15/31	228,088
85	7.70%, 5/01/32	95,515
180 <sup>1</sup>	Cablevision Systems Corp., Ser. B, 9.644%, 4/01/09	184,950
110	CanWest MediaWorks, Inc., 8.00%, 9/15/12 (Canada)	107,250
430	Charter Communications Holdings I LLC/Charter Communications Holdings I Capital Corp.,	
	11.00%, 10/01/15	417,100
	Charter Communications Holdings II LLC/Charter Communications Holdings II Capital Corp.,	
1,545	10.25%, 9/15/10	1,575,900
130	Ser. B, 10.25%, 9/15/10	132,275
645	CMP Susquehanna Corp., 9.875%, 5/15/14	592,594
	Comcast Corp.,	
790	6.45%, 3/15/37	796,377
2,375	6.50%, 1/15/17-11/15/35	2,464,004
25	6.95%, 8/15/37	26,753
75	Dex Media West LLC/Dex Media Finance Co.,	
	Ser. B, 9.875%, 8/15/13	79,969
125	DirecTV Holdings LLC/DirecTV Financing Co.,	
	8.375%, 3/15/13	130,625

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	EchoStar DBS Corp.,	
175	5.75%, 10/01/08	174,563
290	7.00%, 10/01/13	301,962
75	7.125%, 2/01/16	78,375
620	Idearc, Inc., 8.00%, 11/15/16	621,550
600 <sup>1,3</sup>	ION Media Networks, Inc., 8.493%, 1/15/12	601,500
485	Network Communications, Inc., 10.75%, 12/01/13	488,031
	News America Holdings, Inc.,	
985	7.625%, 11/30/28	1,092,925
825	7.70%, 10/30/25	917,857
625	8.45%, 8/01/34	755,622
560	Nexstar Finance, Inc., 7.00%, 1/15/14	537,600
	Nielsen Finance LLC/Nielsen Finance Co.,	
300 <sup>6</sup>	9.115%, 8/01/16	216,750
965	10.00%, 8/01/14	1,015,662
865	RH Donnelley Corp., Ser. A-3, 8.875%, 1/15/16	865,000

Principal Amount (000)	Description	Value
<b>Media (cont d)</b>		
\$ 70	Sirius Satellite Radio, Inc., 9.625%, 8/01/13	\$ 69,563
	TCI Communications, Inc.,	
200	7.125%, 2/15/28	212,777
620	7.875%, 8/01/13-2/15/26	705,603
70	Time Warner Cos., Inc., 6.95%, 1/15/28	72,559
1,000 <sup>3</sup>	TL Acquisitions, Inc., 10.50%, 1/15/15	995,000
350 <sup>3</sup>	Univision Communications, Inc., 9.75%, 3/15/15	343,000
645	Vertis, Inc., 9.75%, 4/01/09	645,000
1,205	Young Broadcasting, Inc., 10.00%, 3/01/11	1,132,700
	<b>Total Media</b>	<b>22,916,769</b>
<b>Real Estate 0.9%</b>		
	AvalonBay Communities, Inc.,	
350	6.625%, 9/15/11	364,056
775	8.25%, 7/15/08	792,236
	Rouse Co.,	
895	3.625%, 3/15/09	853,281
1,650	5.375%, 11/26/13	1,495,190
	<b>Total Real Estate</b>	<b>3,504,763</b>
<b>Technology 1.9%</b>		
	Amkor Technology, Inc.,	
80	7.75%, 5/15/13	77,400
145	9.25%, 6/01/16	148,263
250	Celestica, Inc., 7.625%, 7/01/13 (Canada)	240,000
	Freescale Semiconductor, Inc.,	
655	9.125%, 12/15/14	592,775
140 <sup>1</sup>	9.569%, 12/15/14	128,625
3,125 <sup>2</sup>	Intl. Business Machines Corp., 5.70%, 9/14/17	3,171,831
440	NXP BV/NXP Funding LLC, 9.50%, 10/15/15 (Netherlands)	415,800
630	Sanmina-SCI Corp., 8.125%, 3/01/16	552,825
	SunGard Data Systems, Inc.,	
105	9.125%, 8/15/13	107,100
610	10.25%, 8/15/15	635,925
945	Superior Essex Communications LLC/Essex Group, Inc.,	
	9.00%, 4/15/12	933,187
	<b>Total Technology</b>	<b>7,003,731</b>
<b>Telecommunications 8.7%</b>		
2,875 <sup>2</sup>	AT&T, Inc., 6.50%, 9/01/37	3,032,607

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1,700 <sup>6</sup>	BellSouth Telecommunications, 6.402%, 12/15/95	902,807
210	Cincinnati Bell, Inc., 7.25%, 7/15/13	210,525
225	Cricket Communications, Inc., 9.375%, 11/01/14	223,313
3,000 <sup>2</sup>	Deutsche Telekom Intl. Finance BV, 5.75%, 3/23/16 (Netherlands)	3,007,887
	Digicel Group Ltd., (Bermuda)	
240 <sup>3</sup>	8.875%, 1/15/15	224,112
560 <sup>3</sup>	9.125%, 1/15/15	523,340
190 <sup>1</sup>	Hawaiian Telcom Communications, Inc., Ser. B, 10.318%, 5/01/13	192,375
475	Intelsat Corp., 9.00%, 6/15/16	485,687
	Intelsat Ltd. (Bermuda)	
95 <sup>1</sup>	8.886%, 1/15/15	96,425
500	9.25%, 6/15/16	518,750
200	11.25%, 6/15/16	215,000
870 <sup>1</sup>	11.409%, 6/15/13	906,975
295	Intelsat Subsidiary Holding Co. Ltd., 8.625%, 1/15/15 (Bermuda)	299,425
120 <sup>3</sup>	MetroPCS Wireless, Inc., 9.25%, 11/01/14	119,100
770 <sup>3</sup>	Nordic Telephone Co. Holdings A.p.S., 8.875%, 5/01/16 (Denmark)	814,275
1,120 <sup>1,3</sup>	Nortel Networks Ltd., 9.493%, 7/15/11 (Canada)	1,106,000
155	PanAmSat Corp., 9.00%, 8/15/14	158,100
	Qwest Corp.,	
200	7.875%, 9/01/11	211,000
470 <sup>1</sup>	8.944%, 6/15/13	501,137
780	SBC Communications, Inc., 6.45%, 6/15/34	810,601
1,715	Sprint Capital Corp., 6.875%, 11/15/28	1,642,877

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

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

Principal Amount (000)	Description	Value
<b>Telecommunications (cont d)</b>		
\$ 1,075	Telecom Italia Capital S.A. (Luxembourg)	\$ 1,028,927
1,550	4.95%, 9/30/14	1,484,579
1,975	6.00%, 9/30/34	2,169,348
725	Telefonica Emisiones SAU, 7.045%, 6/20/36 (Spain)	776,297
70	Telefonica Europe BV, 7.75%, 9/15/10 (Netherlands)	82,465
125	Verizon Global Funding Corp., 7.75%, 12/01/30	104,256
	Verizon Maryland, Inc., 5.125%, 6/15/33	
	Verizon New Jersey, Inc.,	
230	7.85%, 11/15/29	261,440
335	Ser. A, 5.875%, 1/17/12	342,618
3,150 <sup>2</sup>	Verizon Virginia, Inc., 4.625%, 3/15/13	3,024,873
	Vodafone Group Plc, (United Kingdom)	
1,465 <sup>1</sup>	5.288%, 12/28/07	1,465,296
2,504	7.75%, 2/15/10	2,648,073
1,100	West Corp., 11.00%, 10/15/16	1,152,250
350 <sup>3</sup>	Wind Acquisition Finance S.A.,	
	10.75%, 12/01/15 (Luxembourg)	389,375
	Windstream Corp.,	
500	8.125%, 8/01/13	528,750
230	8.625%, 8/01/16	246,100
	<b>Total Telecommunications</b>	<b>31,906,965</b>
<b>Transportation 0.5%</b>		
115	American Airlines, Inc., Ser. 99-1, 7.324%, 4/15/11	113,563
110	Britannia Bulk Plc, 11.00%, 12/01/11 (United Kingdom)	115,500
350	Canadian National Railway Co., 6.25%, 8/01/34 (Canada)	352,778
405	CHC Helicopter Corp., 7.375%, 5/01/14 (Canada)	391,837
500	Navios Maritime Holdings, Inc.,	
	9.50%, 12/15/14 (Marshall Islands)	528,750
360 <sup>3</sup>	St. Acquisition Corp., 12.50%, 5/15/17	229,500
	<b>Total Transportation</b>	<b>1,731,928</b>
	<b>Total Corporate Bonds</b>	<b>244,058,381</b>
<b>U.S. Government and Agency Securities 5.8%</b>		
1,670	Aid to Israel, 5.50%, 4/26/24-9/18/33	1,753,313
1,050	Resolution Funding Corp., Zero Coupon,	
	7/15/18-10/15/18	623,776
1,655	Tennessee Valley Authority, Ser. C, 5.88%, 4/01/36	1,829,397
330	U.S. Treasury Bonds, 4.75%, 2/15/37	329,820
5,832 <sup>2</sup>	U.S. Treasury Inflation Protected Bond, 2.375%, 1/15/27	5,982,762
10,450 <sup>2</sup>	U.S. Treasury Notes, 4.75%, 8/15/17	10,680,242
	<b>Total U.S. Government and Agency Securities</b>	<b>21,199,310</b>
<b>Foreign Government Bond 0.4%</b>		
1,100	France, 3.75%, 4/25/17	1,522,816
<b>Non-Agency Multiple Class Mortgage Pass-Through Securities 5.5%</b>		
1,600		1,504,462

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	Countrywide Alternative Loan Trust, Ser. 64CB, Class 1A15, 5.50%, 12/25/35	
2,755 <sup>1</sup>	CW Capital Cobalt Ltd., Ser. C3, Class A4, 5.82%, 5/15/46	2,830,870
	First Union National Bank Commercial Mortgage, Ser. C3, Class A3, 6.423%, 8/15/33	3,151,030
2,265	Ser. C4, Class A2, 6.223%, 12/12/33	2,340,547
2,350	General Motor Acceptance Corp. Commercial Mortgage Securities, Inc., Ser. C4, Class A2, 4.93%, 7/10/39	2,308,750
960	JPMorgan Chase Commercial Mortgage Securities Corp., Ser. LDP9, Class A3, 5.336%, 5/15/47	936,591
2,275 <sup>1</sup>	LB-UBS Commercial Mortgage Trust, Ser. C6, Class A4, 5.858%, 7/15/40	2,304,488
925 <sup>1,7</sup>	Merrill Lynch Mortgage Trust, Ser. C1, Class AM, 5.83%, 6/12/50	933,463
995 <sup>1</sup>	Morgan Stanley Capital I, Ser. T27, Class A4, 5.651%, 6/11/42	999,692
2,305	Structured Asset Securities Corp., Ser. AL1, Class A2, 3.45%, 2/25/32	1,977,073
995 <sup>1</sup>	Wachovia Bank Commercial Mortgage Trust, Ser. C33, Class A4, 5.903%, 2/15/51	1,017,710
	Total Non-Agency Multiple Class Mortgage Pass-Through Securities	20,304,676

Principal Amount (000)	Description	Value
<b>Taxable Municipal Bond 0.3%</b>		
\$ 1,000	Illinois St. Pension, 5.10%, 6/01/33	\$ 948,570
<b>Trust Preferred Stocks 3.3%</b>		
1,950 <sup>1</sup>	Allstate Corp., 6.50%, 5/15/57	1,890,800
545	BAC Capital Trust XI, 6.625%, 5/23/36	553,198
850 <sup>1,3,8</sup>	Barclays Bank Plc, 7.434% (United Kingdom)	901,035
915 <sup>1,3,8</sup>	Credit Agricole S.A., 6.637% (France)	869,590
1,550 <sup>1,8</sup>	Credit Suisse Ltd., 5.86% (Guernsey)	1,443,920
675 <sup>1</sup>	Lincoln National Corp., 6.05%, 4/20/67	646,921
790	Peco Energy Capital Trust IV, 5.75%, 6/15/33	672,418
605 <sup>1</sup>	Progressive Corp., 6.70%, 6/15/37	593,676
2,200 <sup>1,8</sup>	Royal Bank of Scotland Group Plc, Ser. MTN, 7.64% (United Kingdom)	2,280,326
1,000 <sup>1,3,8</sup>	Societe Generale, 5.922% (France)	951,690
675 <sup>1</sup>	Travelers Cos., Inc., 6.25%, 3/15/67	655,470
675 <sup>1,3</sup>	ZFS Finance Trust I, 6.50%, 5/09/37	649,622
	Total Trust Preferred Stocks	12,108,666

Shares

<b>Common Stocks 0.0%</b>		
1,895 <sup>9,10</sup>	Critical Care Systems Intl., Inc.	11,826
<b>Preferred Stocks 0.4%</b>		
55,000	Deutsche Bank Contingent Capital Trust II, 6.55%	1,317,250
45,000 <sup>10</sup>	Superior Essex Holding Corp., Ser. A, 9.50%	27,900

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Total Preferred Stocks 1,345,150

**Total Long-Term Investments**  
(cost \$586,479,015) 584,484,025

Principal Amount (000)	Description	Value
<b>BORROWED BOND AGREEMENTS 21.8%</b>		
\$ 50,927 <sup>12</sup>	Lehman Brothers Inc., 4.47%, 11/08/07	\$ 50,927,000
29,563 <sup>12</sup>	4.45%, 11/08/07	29,563,000
<b>Total Borrowed Bond Agreements</b> (cost \$80,490,000)		80,490,000

Notional Amount (000)	Description	Value
<b>OUTSTANDING OPTIONS PURCHASED 1.0%</b>		
3,880	EUR Put Option, strike price \$1.40, expires 1/10/08	16,186
Interest Rate Swaps,		
6,600	Trust pays 3-month LIBOR, Trust receives 5.39%, expires 3/19/12	267,762
4,900	Trust pays 3-month LIBOR, Trust receives 5.52%, expires 9/21/36	289,016
7,600	Trust pays 3-month LIBOR, Trust receives 5.79%, expires 8/16/10	392,551
7,675	Trust pays 3-month LIBOR, Trust receives 6.025%, expires 6/08/12	471,859
7,675	Trust pays 3-month LIBOR, Trust receives 6.025%, expires 6/08/12	242,300
6,600	Trust pays 5.39%, Trust receives 3-month LIBOR, expires 3/19/12	322,872
11,200	Trust pays 5.47%, Trust receives 3-month LIBOR, expires 5/08/12	480,480
11,200	Trust pays 5.47%, Trust receives 3-month LIBOR, expires 5/08/12	523,600

See Notes to Financial Statements.

Portfolio of Investments as of October 31, 2007

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

Notional Amount (000)	Description	Value
<b>OUTSTANDING OPTIONS PURCHASED (cont d)</b>		
4,900	Trust pays 5.52%, Trust receives 3-month LIBOR, expires 9/21/36	\$ 332,459
7,600	Trust pays 5.79%, Trust receives 3-month LIBOR, expires 8/16/10	204,273
	<b>Total Outstanding Options Purchased (cost \$3,247,804)</b>	3,543,358
	<b>Total Investments before borrowed bonds, TBA sale commitments, and outstanding options written (cost \$670,216,819<sup>11</sup>)</b>	668,517,383

Principal Amount (000)		
<b>BORROWED BONDS (21.8)%</b>		
\$ (50,800)	U.S. Treasury Notes, 4.00%, 8/31/09	(50,835,712)
(29,600)	4.125%, 8/31/12	(29,569,927)
	<b>Total Borrowed Bonds (proceeds \$80,372,938)</b>	(80,405,639)
<b>TBA SALE COMMITMENTS (1.3)%</b>		
(4,400)	Federal National Mortgage Assoc., 6.00%, 11/13/37	(4,431,627)
(200)	Government National Mortgage Assoc., 5.50%, 11/20/37	(198,750)
	<b>Total TBA Sale Commitments (proceeds \$4,627,832)</b>	(4,630,377)

Notional Amount (000)		
<b>OUTSTANDING OPTIONS WRITTEN (0.4)%</b>		
(5,300)	Interest Rate Swaps, Trust pays 3-month LIBOR, Trust receives 5.135%, expires 4/21/08	(90,551)



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(6,600)	Trust pays 3-month LIBOR, Trust receives 5.148%, expires 3/19/08	(107,646)
(4,500)	Trust pays 3-month LIBOR, Trust receives 5.485%, expires 10/28/19	(132,205)
(11,500)	Trust pays 3-month LIBOR, Trust receives 5.67%, expires 1/04/10	(292,905)
(6,600)	Trust pays 5.115%, Trust receives 3-month LIBOR, expires 3/19/08	(107,316)
(5,300)	Trust pays 5.135%, Trust receives 3-month LIBOR, expires 4/21/08	(90,551)
(4,500)	Trust pays 5.485%, Trust receives 3-month LIBOR, expires 10/28/19	(176,797)
(11,500)	Trust pays 5.67%, Trust receives 3-month LIBOR, expires 1/04/10	(556,370)
<b>Total Outstanding Options Written (premium received \$2,261,545)</b>		<b>(1,554,341)</b>

<b>Total Investments net of borrowed bonds, TBA sale commitments and outstanding options written</b>	<b>158.0%</b>	<b>581,927,026</b>
<b>Liabilities in excess of other assets</b>	<b>(58.0)%</b>	<b>(213,591,799)</b>

**Net Assets 100%** **\$ 368,335,227**

- 1 Variable rate security. Rate shown is interest rate as of October 31, 2007.
- 2 Entire or partial principal amount pledged as collateral for reverse repurchase agreements. See Note 4 in the Notes to Financial Statements for details of open reverse repurchase agreements.
- 3 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2007, the Trust held 9.9% of its net assets, with a current market value of \$36,518,999, in securities restricted as to resale.
- 4 Security, or a portion thereof, pledged as collateral with a value of \$4,615,550 on 134 long Eurodollar futures contracts expiring December 2007 to March 2008, 198 long U.S. Treasury Note futures contracts expiring December 2007, 1,153 long U.S. Treasury Bond futures contracts expiring December 2007, 163 short Eurodollar futures contracts expiring December 2007, 3,130 short U.S. Treasury Note futures contracts expiring December 2007 and 224 short U.S. Treasury Note futures contracts expiring December 2007. The notional value of such contracts on October 31, 2007 was \$243,902,499, with an unrealized loss of \$519,568.
- 5 Illiquid security. As of October 31, 2007, the Trust held 0.6% of its net assets, with a current market value of \$2,148,367, in these securities.
- 6 Represents a step up bond; the interest rate shown reflects the effective yield at the time of purchase.
- 7 Represents an investment in an affiliate.
- 8 The security is a perpetual bond and has no stated maturity date.
- 9 Non-income producing security.
- 10 Security is fair valued.
- 11 Cost for federal income tax purposes is \$671,388,702. The net unrealized depreciation on a tax basis is \$2,871,319, consisting of \$6,742,797 gross unrealized appreciation and \$9,614,116 gross unrealized depreciation.
- 12 See Note 1 in the Notes to Financial Statements for details of borrowed bond agreements.

For Trust compliance purposes, the Trust's sector and industry classifications refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classifications for reporting ease. See Notes to Financial Statements.



## Portfolio of Investments as of October 31, 2007

BlackRock High Yield Trust (BHY)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>LONG-TERM INVESTMENTS 116.2%</b>		
<b>Corporate Bonds 110.2%</b>		
<b>Aerospace &amp; Defense 3.0%</b>		
\$ 330	AAR Corp., 6.875%, 12/15/07	\$ 330,000
3501	Ser. A2, 8.39%, 5/15/11	353,500
1002	Bombardier, Inc., 8.00%, 11/15/14 (Canada)	104,000
410	DI Finance/DynCorp Intl., Ser. B, 9.50%, 2/15/13	435,625
40	DRS Technologies, Inc., 6.875%, 11/01/13	40,000
100	7.625%, 2/01/18	102,250
20	L-3 Communications Corp., 5.875%, 1/15/15	19,500
40	Sequa Corp., 9.00%, 8/01/09	42,900
100	TransDigm, Inc., 7.75%, 7/15/14	101,750
	<b>Total Aerospace &amp; Defense</b>	<b>1,529,525</b>
<b>Automotive 5.0%</b>		
85	Accuride Corp., 8.50%, 2/01/15	79,900
1852	Allison Transmission, 11.25%, 11/01/15	182,456
60	Asbury Automotive Group, Inc., 7.625%, 3/15/17	56,100
90	AutoNation, Inc., 7.00%, 4/15/14	87,075
803	7.243%, 4/15/13	78,200
520	Ford Capital BV, 9.50%, 6/01/10 (Netherlands)	523,900
125	Ford Motor Co., 8.90%, 1/15/32	110,313
40	Goodyear Tire & Rubber Co. (The), 7.857%, 8/15/11	41,400
156	8.625%, 12/01/11	166,140
195	Lear Corp., Ser. B, 8.75%, 12/01/16	187,200
255	Metaldyne Corp., 10.00%, 11/01/13	237,150
180	Penske Auto Group, Inc., 7.75%, 12/15/16	175,050
250	Rent-A-Center, Inc., 7.50%, 5/01/10	238,750
350	Stanadyne Corp., 10.00%, 8/15/14	355,250
	<b>Total Automotive</b>	<b>2,518,884</b>
<b>Basic Materials 11.1%</b>		
185	AK Steel Corp., 7.75%, 6/15/12	188,700
165	Abitibi-Consolidated, Inc., (Canada) 6.00%, 6/20/13	121,275
35	8.85%, 8/01/30	25,900
205	Alpha Natural Resources LLC/Alpha Natural Resources Capital Corp., 10.00%, 6/01/12	218,325
140	American Pacific Corp., 9.00%, 2/01/15	143,500
115	Bowater Finance Corp., 7.95%, 11/15/11 (Canada)	98,613
1303	Bowater, Inc., 8.694%, 3/15/10	118,950
150	CPG Intl. I, Inc., 10.50%, 7/01/13	150,000
175	Cascades, Inc., 7.25%, 2/15/13 (Canada)	169,750
120	Catalyst Paper Corp., 7.375%, 3/01/14 (Canada)	87,900
50	Chemtura Corp., 6.875%, 6/01/16	47,750
40	Domtar, Inc., 7.125%, 8/15/15 (Canada)	39,600
66	Equistar Chemicals LP/Equistar Funding Corp., 10.125%, 9/01/08	68,145

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57	10.625%, 5/01/11	59,565
	FMG Finance Ltd. (Australia)	
852	10.00%, 9/01/13	93,925
1202	10.625%, 9/01/16	142,200
	Freeport-McMoRan Copper & Gold, Inc.,	
550	8.375%, 4/01/17	602,250
1803	8.394%, 4/01/15	185,850
	Huntsman LLC,	
95	11.50%, 7/15/12	103,312
365	11.625%, 10/15/10	386,900
2052	Ineos Group Holdings Plc, 8.50%, 2/15/16 (United Kingdom)	194,750
545	Innophos, Inc., 8.875%, 8/15/14	549,087

Principal Amount (000)	Description	Value
<b>Basic Materials (cont d)</b>		
\$ 702	Key Plastics LLC/Key Plastics Finance Corp., 11.75%, 3/15/13	\$ 59,500
260	Lyondell Chemical Co., 10.50%, 6/01/13	280,150
2652	MacDermid, Inc., 9.50%, 4/15/17	253,075
	NewPage Corp.,	
450	10.00%, 5/01/12	475,875
210	12.00%, 5/01/13	226,800
1053	NOVA Chemicals Corp., 8.484%, 11/15/13 (Canada)	103,163
125	Russel Metals, Inc., 6.375%, 3/01/14 (Canada)	118,750
	Ryerson, Inc.,	
1002	12.00%, 11/01/15	102,750
602,3	12.574%, 11/01/14	61,200
802	Steel Dynamics, Inc., 7.375%, 11/01/12	80,000
85	Terra Capital, Inc., Ser. B, 7.00%, 2/01/17	85,000
	<b>Total Basic Materials</b>	<b>5,642,510</b>
<b>Building &amp; Development 1.9%</b>		
403	Ainsworth Lumber Co. Ltd., 8.981%, 10/01/10 (Canada)	30,250
	Goodman Global Holding Co., Inc.,	
160	7.875%, 12/15/12	167,200
323	8.36%, 6/15/12	32,160
250	K. Hovnanian Enterprises, Inc., 6.25%, 1/15/15	192,500
100	Masonite Intl. Corp., 11.00%, 4/06/15 (Canada)	84,500
110	Nortek, Inc., 8.50%, 9/01/14	97,350
335	North American Energy Partners, Inc., 8.75%, 12/01/11 (Canada)	338,350
	<b>Total Building &amp; Development</b>	<b>942,310</b>
<b>Commercial Services 0.7%</b>		
100	FTI Consulting, Inc., 7.75%, 10/01/16	104,500
1452	Quebecor World, Inc., 9.75%, 1/15/15 (Canada)	141,375
1002	U.S. Investigations Services, Inc., 10.50%, 11/01/15	95,250
	<b>Total Commercial Services</b>	<b>341,125</b>
<b>Consumer Products 6.9%</b>		
2653	Ames True Temper, Inc., 9.243%, 1/15/12	254,400
203	Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 8.058%, 5/15/14	19,750
702	Bausch & Lomb, Inc., 9.875%, 11/01/15	72,100
502	Beverages & More, Inc., 9.25%, 3/01/12	51,500
130	Buffets, Inc., 12.50%, 11/01/14	84,175
	General Nutrition Centers, Inc.,	

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2803	10.009%, 3/15/14	269,500
250	10.75%, 3/15/15	243,125
150	Jarden Corp., 7.50%, 5/01/17	142,500
475	Lazy Days RV Center, Inc., 11.75%, 5/15/12	427,500
	Michaels Stores, Inc.,	
260	10.00%, 11/01/14	261,950
330	11.375%, 11/01/16	329,175
20	Neiman-Marcus Group, Inc., 9.00%, 10/15/15	21,100
265	Pantry, Inc. (The), 7.75%, 2/15/14	258,375
100	Quiksilver, Inc., 6.875%, 4/15/15	93,250
120	Reynolds American, Inc., 7.625%, 6/01/16	129,830
	Rite Aid Corp.,	
400	7.50%, 3/01/17	372,000
802	9.375%, 12/15/15	73,800
	Sally Holdings LLC,	
35	9.25%, 11/15/14	35,175
270	10.50%, 11/15/16	268,650
110	Yankee Acquisition Corp., Ser. B, 9.75%, 2/15/17	101,750
Total Consumer Products		3,509,605

### Containers & Packaging 3.3%

	Berry Plastics Holding Corp.,	
340	8.875%, 9/15/14	348,500
1003	9.569%, 9/15/14	100,250
85	Crown Americas LLC/Crown Americas Capital Corp., 7.75%, 11/15/15	87,550

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

BlackRock High Yield Trust (BHY) (continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Containers &amp; Packaging (cont d)</b>		
\$ 110	Graham Packaging Co., Inc., 8.50%, 10/15/12	\$ 109,175
30	Graphic Packaging Intl. Corp., 9.50%, 8/15/13	31,500
2702,3	Impress Holdings BV, 8.368%, 9/15/13 (Netherlands)	268,584
310	Pregis Corp., 12.375%, 10/15/13	337,900
375	Smurfit-Stone Container Enterprises, Inc., 8.00%, 3/15/17	372,656
	<b>Total Containers &amp; Packaging</b>	<b>1,656,115</b>
<b>Ecological Services &amp; Equipment 0.8%</b>		
270	Aleris Intl., Inc., 9.00%, 12/15/14	243,675
185	Waste Services, Inc., 9.50%, 4/15/14	185,000
	<b>Total Ecological Services &amp; Equipment</b>	<b>428,675</b>
<b>Energy 15.9%</b>		
130	AES Red Oak LLC, Ser. A, 8.54%, 11/30/19	139,162
80	Berry Petroleum Co., 8.25%, 11/01/16	81,600
100	Chaparral Energy, Inc., 8.50%, 12/01/15	93,250
90	Chesapeake Energy Corp., 6.375%, 6/15/15	87,300
250	6.625%, 1/15/16	245,000
20	6.875%, 11/15/20	19,550
50	Compagnie Generale de Geophysique-Veritas (France) 7.50%, 5/15/15	51,000
80	7.75%, 5/15/17	82,400
115	Compton Petroleum Finance Corp., 7.625%, 12/01/13 (Canada)	110,113
70	Copano Energy LLC, 8.125%, 3/01/16	71,925
4072,3	Corral Finans AB, 6.855%, 4/15/10 (Sweden)	384,865
30	Denbury Resources, Inc., 7.50%, 12/15/15	30,450
260 <sup>1</sup>	East Cameron Gas Co., 11.25%, 7/09/19 (Cayman Islands)	249,600
480	Elwood Energy LLC, 8.159%, 7/05/26	492,337
40	Encore Acquisition Co., 6.00%, 7/15/15	36,200
30	7.25%, 12/01/17	28,725
475 <sup>2</sup>	Energy Future Holdings, 11.25%, 11/01/17	480,937
370	Exco Resources, Inc., 7.25%, 1/15/11	365,375
190 <sup>2</sup>	Forest Oil Corp., 7.25%, 6/15/19	190,000
65	Frontier Oil Corp., 6.625%, 10/01/11	64,675
50	Grant Prideco, Inc., Ser. B, 6.125%, 8/15/15	50,250
97	Homer City Funding LLC, 8.734%, 10/01/26	107,670
5	Hornbeck Offshore Services, Inc., 6.125%, 12/01/14	4,763
440	KCS Energy, Inc., 7.125%, 4/01/12	433,400
96	Midwest Generation LLC, Ser. B, 8.56%, 1/02/16	103,203
350	Mirant Americas Generation LLC, 8.30%, 5/01/11	353,937
30	Newfield Exploration Co., 6.625%, 9/01/14	29,475
130	NRG Energy, Inc., 7.25%, 2/01/14	130,000
385	7.375%, 2/01/16	384,037
440 <sup>2</sup>	OPTI, Inc., 8.25%, 12/15/14 (Canada)	441,100
345	Orion Power Holdings, Inc., 12.00%, 5/01/10	381,225

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185	Range Resources Corp., 7.375%, 7/15/13	188,237
130	Sabine Pass LNG LP, 7.50%, 11/30/16	127,400
210 <sub>2</sub>	SemGroup LP, 8.75%, 11/15/15	201,600
40	Sithe Independence Funding, Ser. A, 9.00%, 12/30/13	42,349
200 <sub>2</sub>	Targa Resources, Inc., 8.50%, 11/01/13	202,000
160	Tennessee Gas Pipeline Co., 8.375%, 6/15/32	186,512
450 <sub>2</sub>	Texas Competitive Electric Holdings Co. LLC, 10.25%, 11/01/15	452,250
400	Transcontinental Gas Pipe Line Corp., Ser. B, 8.875%, 7/15/12	449,000
495	Whiting Petroleum Corp., 7.25%, 5/01/12-5/01/13	486,963
	<b>Total Energy</b>	<b>8,059,835</b>

Principal Amount (000)	Description	Value
<b>Entertainment &amp; Leisure 4.8%</b>		
\$ 150	AMC Entertainment, Inc., 11.00%, 2/01/16	\$ 162,375
125 <sub>2</sub>	French Lick Resorts & Casino LLC/French Lick Resorts & Casino Corp., 10.75%, 4/15/14	99,375
	Gaylord Entertainment Co., 6.75%, 11/15/14	271,600
280	8.00%, 11/15/13	40,700
320 <sub>2</sub>	Great Canadian Gaming Corp., 7.25%, 2/15/15 (Canada)	318,400
185 <sub>2</sub>	Greektown Holdings LLC, 10.75%, 12/01/13	184,075
210	Harrah's Operating Co., Inc., 5.75%, 10/01/17	154,875
60	MGM Mirage, 6.75%, 9/01/12	59,100
200 <sub>2</sub>	Pinnacle Entertainment, Inc., 7.50%, 6/15/15	193,000
115	Riddell Bell Holdings, Inc., 8.375%, 10/01/12	110,400
140	Seneca Gaming Corp., Ser. B, 7.25%, 5/01/12	141,050
140 <sub>2</sub>	Shingle Springs Tribal Gaming Authority, 9.375%, 6/15/15	140,700
50	Station Casinos, Inc., 6.625%, 3/15/18	39,625
60 <sub>3</sub>	Travelport LLC, 10.246%, 9/01/14	60,300
435	Virgin River Casino, 9.00%, 1/15/12	411,075
70	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 6.625%, 12/01/14	68,775
	<b>Total Entertainment &amp; Leisure</b>	<b>2,455,425</b>

<b>Financial Institutions 10.6%</b>		
500	AES Red Oak LLC, Ser. B, 9.20%, 11/30/29	568,750
300 <sub>2</sub>	Alliant Holdings I, Inc., 11.00%, 5/01/15	288,750
	American Real Estate Partners LP/American Real Estate Finance Corp., 7.125%, 2/15/13	180,375
300	8.125%, 6/01/12	302,250
1122,3	BMS Holdings, Inc., 12.40%, 2/15/12	107,084
500 <sub>2</sub>	Dow Jones CDX HY, Ser. 6-T1, 8.625%, 6/29/11	528,050
	Ford Motor Credit Co. LLC, 7.80%, 6/01/12	469,787
110 <sub>3</sub>	7.993%, 1/13/12	101,835
40	General Motors Acceptance Corp. LLC, 8.00%, 11/01/31	36,973
	Hexion U.S. Finance Corp./Hexion Nova Scotia Finance ULC, 9.75%, 11/15/14	82,312
100 <sub>3</sub>	10.058%, 11/15/14	103,500
442 <sub>2</sub>	iPayment Investors LP, 11.625%, 7/15/14	455,155
120	iPayment, Inc., 9.75%, 5/15/14	115,200
	LVB Acquisition Merger Sub, Inc., 10.00%, 10/15/17	77,063
75 <sub>2</sub>	10.375%, 10/15/17	75,938
100 <sub>2</sub>	11.625%, 10/15/17	101,875
	Momentive Performance Materials, Inc., 9.75%, 12/01/14	170,625

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402	10.125%, 12/01/14	38,600
2852	11.50%, 12/01/16	275,025
702	NSG Holdings LLC/NSG Holdings, Inc., 7.75%, 12/15/25	69,300
2202,3	PNA Intermediate Holding Corp., 12.36%, 2/15/13	216,150
	Rainbow National Services LLC,	
3102	8.75%, 9/01/12	322,400
3182	10.375%, 9/01/14	349,800
1002,3	USI Holdings Corp., 9.433%, 11/15/14	93,000
303	Universal City Florida Holding Co. I/II, 9.661%, 5/01/10	30,675
3002	Wimar Opco LLC/Wimar Opco Finance Corp., 9.625%, 12/15/14	225,000
	<b>Total Financial Institutions</b>	<b>5,385,472</b>

**Health Care 3.7%**

165	Accellent, Inc., 10.50%, 12/01/13	155,512
1803	Angiotech Pharmaceuticals, Inc., 9.371%, 12/01/13 (Canada)	178,200
1402	Community Health Systems, Inc., 8.875%, 7/15/15	141,750
100	Cooper Cos., Inc. (The), 7.125%, 2/15/15	99,000
135	Norcross Safety Products LLC/Norcross Capital Corp., 9.875%, 8/15/11	140,063
1502	PTS Acquisition Corp., 9.50%, 4/15/15	144,750

See Notes to Financial Statements.



## Portfolio of Investments as of October 31, 2007

BlackRock High Yield Trust (BHY) (continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Health Care (cont d)</b>		
\$ 615	Tenet Healthcare Corp., 6.50%, 6/01/12	\$ 521,212
50	9.875%, 7/01/14	45,500
230	United Surgical Partners Intl., Inc., 8.875%, 5/01/17	234,600
502	Universal Hospital Services, Inc., 8.50%, 6/01/15	50,875
502,3	8.759%, 6/01/15	50,125
1152	Viant Holdings, Inc., 10.125%, 7/15/17	108,100
	Total Health Care	1,869,687
<b>Industrials 3.9%</b>		
2002	AGY Holding Corp., 11.00%, 11/15/14	197,000
302	Blaze Recycling & Metals LLC/Blaze Finance Corp., 10.875%, 7/15/12	30,000
60	Harland Clarke Holdings Corp., 9.50%, 5/15/15	54,600
503	10.308%, 5/15/15	45,000
80	Hexcel Corp., 6.75%, 2/01/15	78,600
200	Leucadia National Corp., 8.125%, 9/15/15	201,750
85	Park-Ohio Industries, Inc., 8.375%, 11/15/14	79,263
85	RBS Global, Inc./Rexnord Corp., 8.875%, 9/01/16	86,062
340	9.50%, 8/01/14	351,050
280	11.75%, 8/01/16	296,800
5102	Sunstate Equipment Co. LLC, 10.50%, 4/01/13	489,600
55	Terex Corp., 7.375%, 1/15/14	55,275
	Total Industrials	1,965,000
<b>Media 12.1%</b>		
215	Affinion Group, Inc., 10.125%, 10/15/13	224,137
175	11.50%, 10/15/15	182,437
35	American Media Operations, Inc., Ser. B, 10.25%, 5/01/09	33,513
802	Bonten Media Acquisition Co., 9.00%, 6/01/15	73,500
290	CMP Susquehanna Corp., 9.875%, 5/15/14	266,437
45	CSC Holdings, Inc., Ser. B, 7.625%, 4/01/11	44,888
1753	Cablevision Systems Corp., Ser. B, 9.644%, 4/01/09	179,812
60	CanWest MediaWorks, Inc., 8.00%, 9/15/12 (Canada)	58,500
270	Charter Communications Holdings I LLC/Charter Communications Holdings I Capital Corp., 11.00%, 10/01/15	261,575
810	Charter Communications Holdings II LLC/Charter Communications Holdings II Capital Corp., 10.25%, 9/15/10	826,200
75	Ser. B, 10.25%, 9/15/10	76,313
50	Dex Media West LLC/Dex Media Finance Co., Ser. B, 9.875%, 8/15/13	53,313
125	DirecTV Holdings LLC/DirecTV Financing Co., 8.375%, 3/15/13	130,625
200	EchoStar DBS Corp., 7.00%, 10/01/13	208,250

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260	7.125%, 2/01/16	271,700
1252,3	ION Media Networks, Inc., 8.493%, 1/15/12	125,313
320	Idearc, Inc., 8.00%, 11/15/16	320,800
290	Network Communications, Inc., 10.75%, 12/01/13	291,812
325	Nexstar Finance, Inc., 7.00%, 1/15/14	312,000
	Nielsen Finance LLC/Nielsen Finance Co.,	
1704	9.115%, 8/01/16	122,825
445	10.00%, 8/01/14	468,362
352	Quebecor Media, Inc., 7.75%, 3/15/16 (Canada)	33,775
	RH Donnelley Corp.,	
1002	8.875%, 10/15/17	100,000
275	Ser. A-3, 8.875%, 1/15/16	275,000
5902	TL Acquisitions, Inc., 10.50%, 1/15/15	587,050
1802	Univision Communications, Inc., 9.75%, 3/15/15	176,400
280	Vertis, Inc., 9.75%, 4/01/09	280,000
175	Young Broadcasting, Inc., 10.00%, 3/01/11	164,500
	<b>Total Media</b>	<b>6,149,037</b>

Principal Amount (000)	Description	Value
<b>Real Estate 1.4%</b>		
\$ 2402	Realogy Corp., 10.50%, 4/15/14	\$ 199,500
3802	11.00%, 4/15/14	309,700
2652	12.375%, 4/15/15	193,450
	<b>Total Real Estate</b>	<b>702,650</b>

<b>Technology 6.3%</b>		
40	Amkor Technology, Inc., 7.75%, 5/15/13	38,700
235	9.25%, 6/01/16	240,288
60	Belden, Inc., 7.00%, 3/15/17	60,900
350	Celestica, Inc., 7.625%, 7/01/13 (Canada)	336,000
180	Coleman Cable, Inc., 9.875%, 10/01/12	177,300
4302	First Data Corp., 9.875%, 9/24/15	411,725
530	Freescall Semiconductor, Inc., 9.125%, 12/15/14	479,650
	NXP BV/NXP Funding LLC (Netherlands)	
1253	7.993%, 10/15/13	118,438
150	9.50%, 10/15/15	141,750
190	Sanmina-SCI Corp., 8.125%, 3/01/16	166,725
1902,3	Spansion, Inc., 8.746%, 6/01/13	180,025
	SunGard Data Systems, Inc.,	
85	9.125%, 8/15/13	86,700
465	10.25%, 8/15/15	484,762
305	Superior Essex Communications LLC/Essex Group, Inc., 9.00%, 4/15/12	301,187
	<b>Total Technology</b>	<b>3,224,150</b>

<b>Telecommunications 16.6%</b>		
2,0005	Asia Global Crossing Ltd., 13.375%, 10/15/10 (Bermuda)	180,000
	Centennial Communications Corp.,	
455	8.125%, 2/01/14	464,100
2203	10.981%, 1/01/13	226,600
405	Cincinnati Bell, Inc., 7.25%, 7/15/13	406,012
	Cricket Communications, Inc.,	
115	9.375%, 11/01/14	114,138
2302	9.375%, 11/01/14	228,275
	Digicel Group Ltd. (Bermuda)	
1302	8.875%, 1/15/15	121,394

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3942	9.125%, 1/15/15	368,276
260	Dobson Cellular Systems, Inc., 8.375%, 11/01/11	275,600
1003	Hawaiian Telcom Communications, Inc., Ser. B, 10.318%, 5/01/13	101,250
903	iPCS, Inc., 7.036%, 5/01/13	87,750
320	Intelsat Corp., 9.00%, 6/15/16	327,200
40	Intelsat Intermediate Holding Co. Ltd., 9.25%, 2/01/15 (Bermuda)	32,900
	Intelsat Ltd. (Bermuda)	
2953	8.886%, 1/15/15	299,425
150	9.25%, 6/15/16	155,625
70	11.25%, 6/15/16	75,250
3203	11.409%, 6/15/13	333,600
245	Intelsat Subsidiary Holding Co. Ltd., 8.625%, 1/15/15 (Bermuda)	248,675
5652	MetroPCS Wireless, Inc., 9.25%, 11/01/14	560,763
4452	Nordic Telephone Co. Holdings A.p.S., 8.875%, 5/01/16 (Denmark)	470,587
2452,3	Nortel Networks Ltd., 9.493%, 7/15/11 (Canada)	241,938
	PanAmSat Corp.,	
210	6.875%, 1/15/28	177,450
270	9.00%, 8/15/14	275,400
3942,3	ProtoStar I Ltd., 12.50%, 10/15/12 (Bermuda)	413,758
	Qwest Corp.,	
600	7.875%, 9/01/11	633,000
2303	8.944%, 6/15/13	245,237
	West Corp.,	
125	9.50%, 10/15/14	128,438
475	11.00%, 10/15/16	497,562

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

BlackRock High Yield Trust (BHY) (concluded)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Telecommunications (cont d)</b>		
\$ 375 <sup>2</sup>	Wind Acquisition Finance S.A., 10.75%, 12/01/15 (Luxembourg)	\$ 417,187
200	Windstream Corp., 8.125%, 8/01/13	211,500
120	8.625%, 8/01/16	128,400
	Total Telecommunications	8,447,290
<b>Transportation 2.2%</b>		
95	American Airlines, Inc., Ser. 99-1, 7.324%, 4/15/11	93,813
60	Britannia Bulk Plc, 11.00%, 12/01/11 (United Kingdom)	63,000
170	CHC Helicopter Corp., 7.375%, 5/01/14 (Canada)	164,475
320	Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (Marshall Islands)	338,400
350	Overseas Shipholding Group, Inc., 7.50%, 2/15/24	342,125
200 <sup>2</sup>	St. Acquisition Corp., 12.50%, 5/15/17	127,500
	Total Transportation	1,129,313
	Total Corporate Bonds	55,956,608
<b>Bank Loans 5.2%</b>		
325	Affinion Group, Inc., LIBOR + 6.25%, 3/01/12	315,792
50	Rexnord Holdings, Inc., LIBOR + 6.25%, 3/02/13	46,814
50	Riverdeep Interactive Learning USA, Inc., LIBOR + 7.20%, 12/19/14	49,337
252	Rotech Healthcare, LIBOR + 6.00%, 9/26/11	244,105
430	ServiceMaster Co. (The), LIBOR + 4.50%, 6/19/08	397,212
85	Spectrum Brands, Inc., LIBOR + 4.00% , 4/15/13	83,741
750	Texas Competitive Electric Holdings Co. LLC, LIBOR + 3.50%, 10/10/14	749,785
394	Travelport Holdco, LIBOR + 7.00%, 3/22/12	379,314
400	Verso Paper Finance Holdings LLC, LIBOR + 6.25%, 2/01/13	389,000
	Total Bank Loans	2,655,100
<b>Shares</b>		
<b>Common Stocks 0.8%</b>		
4,737 <sup>1,6</sup>	Critical Care Systems Intl., Inc.	29,606
14,992 <sup>1,6</sup>	Mattress Discounters Corp.	
68,358 <sup>6</sup>	Neon Communications Group, Inc.	352,044
	Total Common Stocks	381,650

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**Preferred Stock 0.0%**

40,000 <sup>1</sup>	Superior Essex Holding Corp., Ser. A, 9.50%	24,800
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**Units  
(000)**

**Warrants 0.0%**

54 <sup>1,2,7</sup>	Neon Communications, Inc., expires 12/02/12	1
1,2,6,7	PF. Net Communications, Inc., expires 5/15/10, strike price \$0.01, 36.87243 shares for 1 warrant	

Total Warrants	1
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<b>Total Long-Term Investments (cost \$62,270,501)</b>	<b>59,018,159</b>
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**Principal  
Amount  
(000)**

**Description**

**Value**

**SHORT-TERM INVESTMENT 1.2%**

**U.S. Government and Agency Discount Notes 1.2%**

\$ 600 <sup>8</sup>	Federal Home Loan Bank Disc. Notes, 4.401%, 11/01/07 (cost \$600,000)	\$ 600,000
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<b>Total Investments 117.4% (cost \$62,870,509)</b>	<b>59,618,159</b>
<b>Liabilities in excess of other assets (17.4)%</b>	<b>(8,835,903)</b>

<b>Net Assets 100%</b>	<b>\$ 50,782,256</b>
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1 Security is fair valued.

2 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2007, the Trust held 30.1% of its net assets, with a current market value of \$15,307,398, in securities restricted as to resale.

3 Variable rate security. Rate shown is interest rate as of October 31, 2007.

4 Represents a step up bond; the interest rate shown reflects the effective yield at the time of purchase.

5 Issuer is in default and/or bankruptcy.

6 Non-income producing security.

7 Illiquid security. As of October 31, 2007, the Trust held less than 0.1% of its net assets, with a current market value of \$1, in these securities.

8 Rate shown is the yield to maturity as of the date of purchase.

9 Cost for federal income tax purposes is \$62,884,976. The net unrealized depreciation on a tax basis is \$3,266,817, consisting of \$1,051,387 gross unrealized appreciation and \$4,318,204 gross unrealized depreciation.

For Trust compliance purposes, the Trust's sector and industry classifications refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classifications for reporting ease.

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

## BlackRock Income Opportunity Trust (BNA)

(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>LONG-TERM INVESTMENTS 167.7%</b>		
<b>Mortgage Pass-Through Securities 60.2%</b>		
\$ 5,047 <sup>1</sup>	Citigroup Mortgage Loan Trust, Inc., Ser. 4, Class A, 5.345%, 8/25/35	\$ 4,923,530
651 <sup>1</sup>	Federal Home Loan Mortgage Corp., 4.207%, 1/01/35	661,712
1,455 <sup>1,2</sup>	5.067%, 1/01/35	1,436,926
4,000	TBA, 5.50%, 12/12/37	3,935,000
498	Federal National Mortgage Assoc., 5.00%, 1/01/37-4/01/37	477,395
13,179 <sup>2</sup>	5.00%, 7/01/35	12,661,887
13,497	5.50%, 12/01/13-5/18/35	13,465,940
335 <sup>3</sup>	5.50%, 12/01/32	331,440
6,848 <sup>2,3</sup>	5.50%, 1/01/33	6,769,130
14,910 <sup>2</sup>	5.50%, 7/01/16-6/01/36	14,806,796
747	6.00%, 3/01/16-1/01/37	760,348
897 <sup>2</sup>	6.00%, 6/01/37	903,619
89	7.00%, 2/01/24-8/01/36	92,148
115,700	TBA, 5.50%, 12/01/99	114,000,598
30,300	TBA, 6.00%, 11/13/37-12/12/37	30,491,251
17,400	TBA, 6.50%, 12/12/37	17,786,071
97	Government National Mortgage Assoc., 8.00%, 4/15/24-6/15/25	103,077
5,168 <sup>1</sup>	GSR Mortgage Loan Trust, Ser. AR4, Class 6A1, 5.25%, 7/25/35	5,025,408
	<b>Total Mortgage Pass-Through Securities</b>	<b>228,632,276</b>
<b>Federal Housing Administration Securities 1.0%</b>		
190	General Motors Acceptance Corp. Projects, Ser. 37, 7.43%, 5/01/22	191,819
77	Ser. 44, 7.43%, 8/01/22	77,296
50 <sup>4</sup>	Merrill Projects, Ser. 29, 7.43%, 10/01/20	50,662
49 <sup>4</sup>	Ser. 42, 7.43%, 9/01/22	49,745
1,715	Reilly Project, Ser. B-11, 7.40%, 4/01/21	1,732,569
1,710	Westmore Project, 7.25%, 4/01/21	1,726,757
	<b>Total Federal Housing Administration Securities</b>	<b>3,828,848</b>
<b>Agency Multiple Class Mortgage Pass-Through Securities 6.5%</b>		
1	Federal Home Loan Mortgage Corp., Ser. 192, Class U, 1,009.033%, 2/15/22	4
	Ser. 1057, Class J, 1,008.001%, 3/15/21	740
3,156	Ser. 2806, Class VC, 6.00%, 12/15/19	3,208,113
6,000	Ser. 2874, Class BC, 5.00%, 10/15/19	5,832,895
1,390	Ser. 2883, Class DR, 5.00%, 11/15/19	1,344,446
1,725	Ser. 2968, Class EG, 6.00%, 10/15/34	1,749,053
7,182	Ser. 3174, Class PZ, 5.00%, 1/15/36	6,420,018
2,858	Federal National Mortgage Assoc., Ser. 5, Class PK, 5.00%, 12/25/34	2,850,583
	Ser. 33, Class PV, 1,078.42%, 10/25/21	9,533
1,571 <sup>1</sup>	Ser. 118, Class FD, 5.273%, 12/25/33	1,559,544
1,525		1,554,302

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Government National Mortgage Assoc., Ser. 65,  
Class VA, 6.00%, 6/20/15

Total Agency Multiple Class Mortgage  
Pass-Through Securities 24,529,231

**Non-Agency Multiple Class Mortgage Pass-Through Securities 7.5%**

1,700	Countrywide Alternative Loan Trust, Ser. 64CB, Class 1A15, 5.50%, 12/25/35	1,598,490
3,025 <sup>1</sup>	CW Capital Cobalt Ltd., Ser. C3, Class A4, 5.82%, 5/15/46	3,108,306
2,369	Donaldson, Lufkin & Jenrette Commercial Mortgage Corp., Class A 1B, 7.18%, 11/10/33	2,478,743
2,630	First Union-Lehman Brothers-Bank of America, Ser. C2, Class D, 6.778%, 11/18/35	2,786,483

Principal Amount (000)	Description	Value
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**Non-Agency Multiple Class Mortgage Pass-Through Securities (cont d)**

\$ 2,310	GE Capital Commercial Mortgage Corp., Ser. 1A, Class A3, 6.269%, 12/10/35	\$ 2,394,614
2,580	General Motor Acceptance Corp. Commercial Mortgage Securities, Inc., Ser. C4, Class A2, 4.93%, 7/10/39	2,534,713
1,065	JPMorgan Chase Commercial Mortgage Securities Corp., Ser. LDP9, Class A3, 5.336%, 5/15/47	1,039,030
2,500 <sup>1</sup>	LB-UBS Commercial Mortgage Trust, Ser. C6, Class A4, 5.858%, 7/20/40	2,532,404
1,105 <sup>1</sup>	Morgan Stanley Capital I, Ser. T27, Class A4, 5.651%, 6/11/42	1,110,211
7,077	Residential Funding Securities Corp., Ser. RM2, Class A15, 8.50%, 5/25/33	7,557,206
2 <sup>1,5,6</sup>	Summit Mortgage Trust, Ser. 1, Class B1, 6.611%, 12/28/12	2,055
1,105 <sup>1</sup>	Wachovia Bank Commercial Mortgage Trust, Ser. C33, Class A4, 5.903%, 2/15/51	1,130,221
300 <sup>1</sup>	Wells Fargo Mortgage Backed Securities Trust, Ser. AR4, Class 2A4, 5.774%, 4/25/36	292,254
	Total Non-Agency Multiple Class Mortgage Pass-Through Securities	28,564,730

**Inverse Floating Rate Mortgage Securities 0.4%**

7 <sup>1</sup>	Federal Home Loan Mortgage Corp., Ser. 1043, Class H, 21.938%, 2/15/21	6,728
1	Ser. 1148, Class E, 592.552%, 10/15/21	254
401 <sup>1</sup>	Ser. 1611, Class JC, 10.00%, 8/15/23	415,923
1	Federal National Mortgage Assoc., Ser. 7, Class S, 594.704%, 3/25/21	3,020
1	Ser. 10, Class S, 575.455%, 5/25/21	9,122
1	Ser. 12, Class S, 608.135%, 5/25/21	7,929
1	Ser. 17, Class S, 580.114%, 6/25/21	4,623
970 <sup>1</sup>	Ser. 23, Class PS, 9.565%, 4/25/23	997,875
1	Ser. 46, Class S, 1,402.625%, 5/25/21	3,397
1	Ser. 49, Class S, 527.80%, 12/25/21	1,620
54 <sup>1</sup>	Ser. 87, Class S, 13.764%, 8/25/21	66,182

Total Inverse Floating Rate Mortgage Securities 1,516,673

**Asset-Backed Securities 11.6%**

1,171 <sup>1</sup>	Ameriquest Mortgage Securities, Inc., Ser. R11, Class A1, 5.175%, 11/25/34	1,130,435
3,025		3,023,858



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	Capital Auto Receivables Asset Trust, Ser. 1, Class A3, 5.03%, 10/15/09	
	Chase Issuance Trust, Ser. A17, Class A, 5.12%, 10/15/14	2,617,368
2,600		
2,650 <sup>1</sup>	Ser. A3, 5.081%, 7/15/11	2,642,849
3,100	Chase Manhattan Auto Owner Trust, Ser. B, Class A4, 4.88%, 6/15/12	3,101,824
3,125	Citibank Credit Card Issuance Trust, Ser. A2, Class A2, 4.85%, 2/10/11	3,126,616
251 <sup>1</sup>	Countrywide Asset-Backed Certificates, Ser. 16, Class 4AV1, 4.973%, 1/25/35	250,395
2,683	DaimlerChrysler Auto Trust, Ser. A, Class A3, 5.00%, 5/08/10	2,682,987
2,575 <sup>1</sup>	Discover Card Master Trust I, Ser. 1, Class A, 5.101%, 9/16/10	2,573,534
2,829	Ford Credit Auto Owner Trust, Ser. A, Class A3, 5.07%, 11/15/09	2,828,664
2,550	Harley-Davidson Motorcycle Trust, Ser. 2, Class A2, 4.07%, 2/15/12	2,532,184
2,500	Maryland Trust, Ser. 1, Class A, 5.55%, 12/10/65	2,371,875
	MBNA Credit Card Master Note Trust, Ser. A1, Class A, 4.90%, 7/15/11	3,080,667
3,075		
4,050 <sup>1</sup>	Ser. A4, 5.081%, 9/15/11	4,039,664
	Morgan Stanley ABS Capital I, Ser. HE5, Class A2A, 4.943%, 8/25/36	1,470,690
1,483 <sup>1</sup>		
1,094 <sup>1</sup>	Ser. NC4, Class A2A, 4.903%, 6/25/36	1,088,057

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

BlackRock Income Opportunity Trust (BNA)  
(continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Asset-Backed Securities (cont d)</b>		
\$ 65 <sup>1</sup>	New Century Home Equity Loan Trust, Ser. C, Class A2A, 4.953%, 1/25/36	\$ 64,997
520 <sup>1</sup>	Structured Asset Investment Loan Trust, Ser. 1, Class A1, 4.953%, 1/25/36	518,334
2,517	USAA Auto Owner Trust, Ser. 1, Class A3, 5.01%, 9/15/10	2,517,258
2,275	Wachovia Auto Owner Trust, Ser. A, Class A4, 5.38%, 3/20/13	2,300,691
	Total Asset-Backed Securities	43,962,947
<b>Interest Only Asset-Backed Securities 0.2%</b>		
241.5 <sup>5</sup>	Morgan Stanley Capital Trust I, Ser. HF1, Class X, 2.25%, 6/15/17	1
12,656	Sterling Coofs Trust, Ser. 1, 2.365%, 4/15/29	561,620
10,991 <sup>5</sup>	Ser. 2, 2.081%, 3/30/30	295,381
	Total Interest Only Asset-Backed Securities	857,002
<b>Interest Only Mortgage-Backed Securities 1.0%</b>		
	Federal Home Loan Mortgage Corp., Ser. 176, Class M, 1,010.00%, 7/15/21	32
6	Ser. 200, Class R, 93,522.906%, 12/15/22	139
1	Ser. 1054, Class I, 435.32%, 3/15/21	84
	Ser. 1056, Class KD, 1,084.50%, 3/15/21	557
	Ser. 1179, Class O, 1,009.389%, 11/15/21	38
150	Ser. 1254, Class Z, 8.50%, 4/15/22	7
214	Ser. 1831, Class PG, 6.50%, 3/15/11	14,123
5,772	Ser. 2611, Class QI, 5.50%, 9/15/32	1,047,320
	Federal National Mortgage Assoc., Ser. 5, Class H, 9.00%, 1/25/22	17,839
78	Ser. 7, Class 2, 8.50%, 4/01/17	994
5	Ser. 38, Class N, 1,008.50%, 4/25/21	204
2	Ser. 46, Class H, 1,042.50%, 12/25/09	15,158
337 <sup>1</sup>	Ser. 50, Class SI, 1.20%, 4/25/23	10,500
10	Ser. 89, Class 2, 8.00%, 6/01/18	1,821
23,975 <sup>1</sup>	Ser. 90, Class JH, 1.828%, 11/25/34	1,341,116
3	Ser. 94, Class 2, 9.50%, 8/01/21	768
	Ser. 99, Class L, 930.00%, 8/25/21	2,800
	Ser. 123, Class M, 1,009.50%, 10/25/20	530
12 <sup>1</sup>	Ser. 136, Class S, 15.214%, 11/25/20	15,118
	Ser. 139, Class PT, 648.35%, 10/25/21	3,532
4,383	Ser. 378, Class 19, 5.00%, 6/01/35	1,146,190
3,941 <sup>1,5</sup>	Goldman Sachs Mortgage Securities Corp., Ser. 5, 0.97%, 2/19/25	77,590
1,176 <sup>1</sup>	Salomon Brothers Mortgage Securities VII, Ser. 1, 0.492%, 3/25/22	116
	Total Interest Only Mortgage-Backed Securities	3,696,576
<b>Principal Only Mortgage-Backed Securities 0.1%</b>		

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827	Federal Home Loan Mortgage Corp., Ser. 1739, Class B, 7.50%, 2/15/24	76,238
	Federal National Mortgage Assoc., Ser. 51, Class E, 8.00%, 2/25/23	57,780
117	Ser. 70, Class A, 7.00%, 5/25/23	9,646
227	Ser. 167, Class D, 8.50%, 10/25/17	20,996
207	Ser. 203, Class 1, 8.00%, 2/01/23	16,792
147	Ser. 228, Class 1, 7.00%, 5/01/23	11,294
	<b>Total Principal Only Mortgage-Backed Securities</b>	<b>192,746</b>

**Commercial Mortgage-Backed Securities 5.0%**

2,320	Bear Stearns Commercial Mortgage Services, Ser. PWR7, Class A2, 4.945%, 2/11/41	2,287,635
2,970	Credit Suisse First Boston Mortgage Securities Corp., Ser. CP5, Class A2, 4.94%, 12/15/35	2,912,454
2,400 <sup>1</sup>	Credit Suisse Mortgage Capital Certificates, Ser. C2, Class A3, 5.542%, 1/15/49	2,374,889

**Principal Amount (000)**

**Description**

**Value**

**Commercial Mortgage-Backed Securities (cont d)**

\$ 2,067	First Union National Bank Commercial Mortgage Trust, Ser. C2, Class A2, 7.202%, 10/15/32	\$ 2,165,673
2,475	General Motors Acceptance Corp. Commercial Mortgage Securities, Inc., Ser. C3, Class A4, 4.547%, 12/10/41	2,412,505
	JPMorgan Chase Commercial Mortgage Securities Corp., Ser. C1, Class A3, 5.857%, 10/12/35	2,032,092
1,990	Ser. CBX, Class A4, 4.529%, 1/12/37	2,327,152
2,380	Lehman Brothers-UBS Commercial Mortgage Trust, Ser. C4, Class A3, 4.972%, 6/15/29	2,538,263
2,530 <sup>1</sup>		
	<b>Total Commercial Mortgage-Backed Securities</b>	<b>19,050,663</b>

**Collateralized Mortgage Obligation Residual Securities 0.0%**

	Collateralized Mortgage Obligation Trust, Ser. 40, Class R, 580.50%, 4/01/18	156
6	Ser. 42, Class R, 6,000.00%, 10/01/14	1,602
	Federal Home Loan Mortgage Corp., Ser. 19, Class R, 9,427.22%, 3/15/20	1,373
6	Ser. 75, Class R, 9.50%, 1/15/21	2
6	Ser. 75, Class RS, 12.479%, 1/15/21	2
6	Ser. 173, Class R, 9.00%, 11/15/21	10
6	Ser. 173, Class RS, 9.029%, 11/15/21	11
6 <sup>6,8</sup>	Painewebber CMO Trust, Ser. 88 M, Class 6, 13.80%, 9/01/18	
	<b>Total Collateralized Mortgage Obligation Residual Securities</b>	<b>3,156</b>

**Corporate Bonds 64.0%**

**Aerospace & Defense 0.8%**

170 <sup>5</sup>	Bombardier, Inc., 8.00%, 11/15/14 (Canada)	176,800
1,363	DI Finance/DynCorp Intl., Ser. B, 9.50%, 2/15/13	1,448,187
	DRS Technologies, Inc., 6.875%, 11/01/13	80,000
80	7.625%, 2/01/18	81,800
15	Sequa Corp., 9.00%, 8/01/09	16,088
140	TransDigm, Inc., 7.75%, 7/15/14	142,450
1,250 <sup>2</sup>	United Technologies Corp., 4.875%, 5/01/15	1,209,314
	<b>Total Aerospace &amp; Defense</b>	<b>3,154,639</b>

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**Automotive 0.3%**

305	Accuride Corp., 8.50%, 2/01/15	286,700
	AutoNation, Inc.,	
170	7.00%, 4/15/14	164,475
160 <sup>1</sup>	7.243%, 4/15/13	156,400
410	Lear Corp., Ser. B, 8.75%, 12/01/16	393,600
295	Metaldyne Corp., 10.00%, 11/01/13	274,350
	<b>Total Automotive</b>	<b>1,275,525</b>

**Basic Materials 3.2%**

485	Abitibi-Consolidated, Inc., 6.00%, 6/20/13 (Canada)	356,475
1,115	AK Steel Corp., 7.75%, 6/15/12	1,137,300
280	American Pacific Corp., 9.00%, 2/01/15	287,000
90 <sup>1</sup>	Bowater, Inc., 8.694%, 3/15/10	82,350
30	Chemtura Corp., 6.875%, 6/01/16	28,650
230	CPG Intl. I, Inc., 10.50%, 7/01/13	230,000
80	Domtar, Inc., 7.125%, 8/15/15 (Canada)	79,200
171	Equistar Chemicals LP/Equistar Funding Corp.,	
	10.625%, 5/01/11	178,695
	Freeport-McMoRan Copper & Gold, Inc.,	
1,275	8.375%, 4/01/17	1,396,125
360 <sup>1</sup>	8.394%, 4/01/15	371,700
	Huntsman LLC,	
72	12.00%, 7/15/12	78,300
230	11.625%, 10/15/10	243,800
1,500 <sup>5</sup>	Ineos Group Holdings Plc, 8.50%, 2/15/16	
	(United Kingdom)	1,425,000
975	Innophos, Inc., 8.875%, 8/15/14	982,312
565 <sup>5</sup>	Key Plastics LLC/Key Plastics Finance Corp.,	
	11.75%, 3/15/13	480,250

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

BlackRock Income Opportunity Trust (BNA) (continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Basic Materials (cont d)</b>		
\$ 130	Lyondell Chemical Co., 10.50%, 6/01/13	\$ 140,075
575	NewPage Corp., 10.00%, 5/01/12	608,063
	Noranda, Inc., (Canada)	
600	6.00%, 10/15/15	604,152
1,550	6.20%, 6/15/35	1,489,026
1,570	Teck Cominco Ltd., 6.125%, 10/01/35 (Canada)	1,487,178
360	Terra Capital, Inc., Ser. B, 7.00%, 2/01/17	360,000
	<b>Total Basic Materials</b>	<b>12,045,651</b>
<b>Building &amp; Development 0.2%</b>		
495	Goodman Global Holding Co., Inc., 7.875%, 12/15/12	517,275
160	Nortek, Inc., 8.50%, 9/01/14	141,600
85	North American Energy Partners, Inc., 8.75%, 12/01/11 (Canada)	85,850
	<b>Total Building &amp; Development</b>	<b>744,725</b>
<b>Commercial Services 0.1%</b>		
125	FTI Consulting, Inc., 7.75%, 10/01/16	130,625
225 <sup>5</sup>	Quebecor World, Inc., 9.75%, 1/15/15 (Canada)	219,375
	<b>Total Commercial Services</b>	<b>350,000</b>
<b>Consumer Products 2.4%</b>		
720 <sup>1</sup>	Ames True Temper, Inc., 9.243%, 1/15/12	691,200
30 <sup>1</sup>	Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 8.058%, 5/15/14	29,625
850	CVS Caremark Corp., 6.25%, 6/01/27	845,203
840	Federated Retail Holdings, Inc., 5.90%, 12/01/16	801,941
	General Nutrition Centers, Inc.,	
500 <sup>1</sup>	10.009%, 3/15/14	481,250
450	10.75%, 3/15/15	437,625
975	Kimberly-Clark Corp., 6.625%, 8/01/37	1,073,433
1,670 <sup>2</sup>	Kraft Foods, Inc., 7.00%, 8/11/37	1,813,260
362	Lazy Days RV Center, Inc., 11.75%, 5/15/12	325,800
	Michaels Stores, Inc.,	
530	10.00%, 11/01/14	533,975
670 <sup>2</sup>	11.375%, 11/01/16	668,325
250	Quiksilver, Inc., 6.875%, 4/15/15	233,125
250	Reynolds American, Inc., 7.625%, 6/01/16	270,479
860	Rite Aid Corp., 7.50%, 3/01/17	799,800
190	Sally Holdings LLC, 10.50%, 11/15/16	189,050
	<b>Total Consumer Products</b>	<b>9,194,091</b>
<b>Containers &amp; Packaging 0.8%</b>		
	Berry Plastics Holding Corp.,	
290	8.875%, 9/15/14	297,250
190 <sup>1</sup>	9.569%, 9/15/14	190,475
150	Crown Americas LLC/Crown Americas Capital Corp., 7.75%, 11/15/15	154,500

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330 <sup>1,5</sup>	Impress Holdings BV, 8.368%, 9/15/13 (Netherlands)	328,269
1,626	Owens-Brockway Glass Container, Inc., 8.875%, 2/15/09	1,638,195
535	Pregis Corp., 12.375%, 10/15/13	583,150
Total Containers & Packaging		3,191,839

**Ecological Services & Equipment 0.8%**

2,250	Casella Waste Systems, Inc., 9.75%, 2/01/13	2,295,000
600	Waste Services, Inc., 9.50%, 4/15/14	600,000
Total Ecological Services & Equipment		2,895,000

**Energy 9.7%**

2,625	Anadarko Petroleum Corp., 6.45%, 9/15/36	2,655,783
160	Berry Petroleum Co., 8.25%, 11/01/16	163,200
950	Burlington Resources Finance Co., 7.40%, 12/01/31 (Canada)	1,119,546
500	Canadian Natural Resources Ltd., 6.25%, 3/15/38 (Canada)	494,053
380	Chaparral Energy, Inc., 8.50%, 12/01/15	354,350

**Principal  
Amount  
(000)**

**Description**

**Value**

**Energy (cont d)**

\$ 175	Chesapeake Energy Corp., 6.375%, 6/15/15	\$ 169,750
20	6.875%, 11/15/20	19,550
1,300	Cleveland Electric Illuminating Co., 5.95%, 12/15/36	1,205,706
550	CMS Energy Corp., 6.55%, 7/17/17	533,873
60	Compagnie Generale de Geophysique-Veritas (France) 7.50%, 5/15/15	61,200
100	7.75%, 5/15/17	103,000
225	Compton Petroleum Finance Corp., 7.625%, 12/01/13 (Canada)	215,438
150	Conoco Funding Co., 7.25%, 10/15/31 (Canada)	174,928
1,970 <sup>1,2</sup>	ConocoPhillips Australia Funding Co., 5.343%, 4/09/09	1,964,845
150	ConocoPhillips Funding Co., 5.95%, 10/15/36 (Canada)	153,771
700	ConocoPhillips Holding Co., 6.95%, 4/15/29	797,096
125	Devon Energy Corp., 7.95%, 4/15/32	152,890
450	DTE Energy Co., 6.35%, 6/01/16	465,924
130	Edison Mission Energy, 7.50%, 6/15/13	131,788
1,250 <sup>5</sup>	EDP Finance BV, 6.00%, 2/02/18 (Netherlands)	1,247,215
150	El Paso Natural Gas Co., 8.875%, 6/15/32	174,855
182	Elwood Energy LLC, 8.159%, 7/05/26	186,611
425	EnCana Corp. (Canada) 6.50%, 8/15/34	444,473
775	6.625%, 8/15/37	818,530
50	Encore Acquisition Co., 6.00%, 7/15/15	45,250
60	7.25%, 12/01/17	57,450
1,675	Energy East Corp., 6.75%, 7/15/36	1,727,154
435	Exco Resources, Inc., 7.25%, 1/15/11	429,562
480	FirstEnergy Corp., Ser. B, 6.45%, 11/15/11	495,357
575	Florida Power & Light Co., 4.95%, 6/01/35	499,059
675	Florida Power Corp., 6.35%, 9/15/37	708,736
90	Grant Prideco, Inc., Ser. B, 6.125%, 8/15/15	90,450
255	KCS Energy, Inc., 7.125%, 4/01/12	251,175
800	Midamerican Energy Co., 5.80%, 10/15/36	777,262
950	Midamerican Energy Holdings Co., 5.95%, 5/15/37	910,800
1,725 <sup>5</sup>	6.50%, 9/15/37	1,769,112
83	Midwest Generation LLC, Ser. B, 8.56%, 1/02/16	89,741
175	Mirant Americas Generation LLC, 8.30%, 5/01/11	176,969
1,100 <sup>5</sup>	Nakilat, Inc., 6.067%, 12/31/33 (Qatar)	1,043,130

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600	Nexen, Inc., 6.40%, 5/15/37 (Canada)	596,988
	NRG Energy, Inc.,	
50	7.25%, 2/01/14	50,000
285	7.375%, 2/01/16	284,288
350	Ohio Edison Co., 6.875%, 7/15/36	366,549
500	ONEOK Partners LP, 6.65%, 10/01/36	509,155
490 <sup>5</sup>	OPTI, Inc., 8.25%, 12/15/14 (Canada)	491,225
140	Orion Power Holdings, Inc., 12.00%, 5/01/10	154,700
650	Pacificorp, 6.25%, 10/15/37	667,122
1,350	Public Service Co. of Colorado, 6.25%, 9/01/37	1,400,680
350	Sabine Pass LNG LP, 7.50%, 11/30/16	343,000
175	Scottish Power Plc, 5.375%, 3/15/15 (United Kingdom)	172,442
350 <sup>5</sup>	SemGroup LP, 8.75%, 11/15/15	336,000
	Southern California Edison Co.,	
675	5.625%, 2/01/36	644,392
150	Ser. 05-E, 5.35%, 7/15/35	136,746
400	Suncor Energy, Inc., 6.50%, 6/15/38 (Canada)	418,711
360 <sup>5</sup>	Targa Resources, Inc., 8.50%, 11/01/13	363,600
600	Trans-Canada Pipelines Ltd., 5.85%, 3/15/36 (Canada)	575,310
1,050	Valero Energy Corp., 6.625%, 6/15/37	1,081,095
2,200	Virginia Electric & Power Co., Ser. A, 6.00%, 5/15/37	2,161,727
625 <sup>5</sup>	Weatherford Int l., Inc., 6.80%, 6/15/37	655,387
415	Whiting Petroleum Corp., 7.25%, 5/01/12-5/01/13	407,938
2,125	XTO Energy, Inc., 6.75%, 8/01/37	2,279,462
	Total Energy	36,976,099

See Notes to Financial Statements.

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Portfolio of Investments as of October 31, 2007

**BlackRock Income Opportunity Trust (BNA) (continued)**  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Entertainment &amp; Leisure 0.9%</b>		
\$ 185	AMC Entertainment, Inc., 11.00%, 2/01/16	\$ 200,262
250	Gaylord Entertainment Co., 6.75%, 11/15/14	242,500
325 <sup>5</sup>	Greektown Holdings LLC, 10.75%, 12/01/13	323,375
185	Harrah s Operating Co., Inc., 5.75%, 10/01/17	136,437
2,000	Park Place Entertainment Corp., 8.875%, 9/15/08	2,027,500
290	Seneca Gaming Corp., Ser. B, 7.25%, 5/01/12	292,175
25	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., 6.625%, 12/01/14	24,563
	<b>Total Entertainment &amp; Leisure</b>	<b>3,246,812</b>
<b>Financial Institutions 20.9%</b>		
350	American Real Estate Partners LP/American Real Estate Finance Corp., 7.125%, 2/15/13	341,250
2,850 <sup>2</sup>	Bank of America Corp., 6.00%, 9/01/17	2,905,373
2,450 <sup>2</sup>	7.80%, 2/15/10	2,597,750
1,975 <sup>2</sup>	Bank of America NA, Ser. BKNT, 6.10%, 6/15/17	2,021,363
1,400	Bear Stearns Cos., Inc. (The), Ser. MTN, 6.95%, 8/10/12	1,456,969
2,525 <sup>2</sup>	Berkshire Hathaway Finance Corp., 3.375%, 10/15/08	2,491,311
2021,5	BMS Holdings, Inc., 12.40%, 2/15/12	193,771
1,415	Chubb Corp., 6.00%, 5/11/37	1,376,861
5,230 <sup>2,3</sup>	Citigroup, Inc., 4.125%, 2/22/10	5,142,628
1,155	5.875%, 2/22/33-5/29/37	1,097,862
1,200 <sup>2</sup>	6.125%, 8/25/36	1,170,559
550	6.875%, 2/15/98	560,083
700 <sup>3</sup>	Credit Suisse First Boston, Inc., 6.125%, 11/15/11	723,814
1,000	7.125%, 7/15/32	1,127,028
4,150 <sup>5</sup>	Depfa ACS Bank, 5.125%, 3/16/37 (Ireland)	3,925,431
380	Ford Motor Credit Co. LLC, 7.80%, 6/01/12	357,038
220 <sup>1</sup>	7.993%, 1/13/12	203,671
780 <sup>5</sup>	Fort Irwin Land LLC, Ser. A, Class II, 5.30%, 12/15/35	736,086
575 <sup>5</sup>	Ser. A-1, 5.03%, 12/15/25	542,420
3,000 <sup>2</sup>	General Electric Capital Corp., 6.75%, 3/15/32	3,347,964
7,610 <sup>2</sup>	Ser. GMTN, 6.15%, 8/01/37	7,885,360
5,390	Goldman Sachs Group, Inc. (The), 5.45%, 11/01/12	5,422,151
1,020	6.25%, 9/01/17	1,057,991
1,000	6.60%, 1/15/12	1,047,663
1,020 <sup>1</sup>	Hartford Life Global Funding Trusts, Ser. MTN, 5.864%, 9/15/09	1,018,899
1,275	HSBC Holdings Plc, 6.50%, 5/02/36 (United Kingdom)	1,258,708
878 <sup>5</sup>	iPayment Investors LP, 11.625%, 7/15/14	904,475
270	iPayment, Inc., 9.75%, 5/15/14	259,200
4,375 <sup>2</sup>	JPMorgan Chase Capital XXV, Ser. Y, 6.80%, 10/01/37	4,370,174
1,050	Lehman Brothers Holdings, Inc., 6.50%, 7/19/17	1,057,475
1,500	Ser. MTN, 6.00%, 7/19/12	1,520,782
575 <sup>1</sup>	Ser. MTN, 7.394%, 9/15/22	587,536



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100	Ser. MTNG, 4.80%, 3/13/14	94,845
1,200	MetLife, Inc., 5.70%, 6/15/35	1,112,330
	Momentive Performance Materials, Inc.,	
505	9.75%, 12/01/14	48,750
4405	11.50%, 12/01/16	424,600
1,9901,5	Monumental Global Funding Ltd., Ser. MTN, 5.24%, 6/16/10 (Cayman Islands)	1,972,090

Principal Amount (000)	Description	Value
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**Financial Institutions (cont d)**

\$	3,6201,2	Morgan Stanley, 5.493%, 1/09/12	\$	3,561,707
	2,1002	6.25%, 8/09/26		2,069,773
	1,2002	Ser. MTN, 6.25%, 8/28/17		1,228,642
	950	Prudential Financial, Inc., Ser. MTN, 5.70%, 12/14/36		881,463
		Rainbow National Services LLC,		
	2255	8.75%, 9/01/12		234,000
	1,0705	10.375%, 9/01/14		1,177,000
	6001	SLM Corp., 5.384%, 1/27/14		530,617
	1,050	Travelers Cos., Inc., Ser. MTN, 6.25%, 6/15/37		1,035,953
	501	Universal City Florida Holding Co. I/II, 9.661%, 5/01/10		51,125
	1,000	Wells Fargo & Co., 4.625%, 8/09/10		990,341
		Wells Fargo Bank NA,		
	610	5.95%, 8/26/36		601,139
	2,0002	7.55%, 6/21/10		2,124,152
	6505	Wimar Opco LLC/Wimar Opco Finance Corp., 9.625%, 12/15/14		487,500
	1,8755	Xstrata Finance Ltd., 5.80%, 11/15/16 (Canada)		1,859,526
		Total Financial Institutions		79,195,199

**Health Care 3.9%**

	1,3251,2,5	Amgen, Inc., 5.585%, 11/28/08		1,322,611
	1,8252	AstraZeneca Plc, 6.45%, 9/15/37 (United Kingdom)		1,923,044
	1,135	Bristol-Myers Squibb Co., 5.875%, 11/15/36		1,114,049
	2,4952	Eli Lilly & Co., 5.55%, 3/15/37		2,382,421
	1,2002	Johnson & Johnson, 5.95%, 8/15/37		1,255,031
	1,250	Schering-Plough Corp., 6.55%, 9/15/37		1,295,480
	1,640	Tenet Healthcare Corp., 6.50%, 6/01/12		1,389,900
	1,175	Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36		1,156,612
		WellPoint, Inc.,		
	595	5.85%, 1/15/36		559,086
	475	6.375%, 6/15/37		482,920
	1,7752	Wyeth, 5.95%, 4/01/37		1,755,436
		Total Health Care		14,636,590

**Industrials 1.4%**

	1,700	3M Co., Ser. MTN, 5.70%, 3/15/37		1,704,694
	4005	AGY Holding Corp., 11.00%, 11/15/14		394,000
	150	Hexcel Corp., 6.75%, 2/01/15		147,375
	915	Honeywell Intl., Inc., 5.70%, 3/15/37		889,533
	165	Park-Ohio Industries, Inc., 8.375%, 11/15/14		153,862
		RBS Global, Inc./Rexnord Corp.,		
	540	9.50%, 8/01/14		557,550
	555	11.75%, 8/01/16		588,300
	1,0505	Sunstate Equipment Co. LLC, 10.50%, 4/01/13		1,008,000
		Total Industrials		5,443,314

**Media 7.4%**

Affinion Group, Inc.,

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540	10.125%, 10/15/13	562,950
200	11.50%, 10/15/15	208,500
125	American Media Operations, Inc., Ser. B, 10.25%, 5/01/09	119,688
	AOL Time Warner, Inc.,	
1,635	7.57%, 2/01/24	1,791,676
3,000	9.125%, 1/15/13	3,448,833
1,415	AT&T Broadband Corp., 8.375%, 3/15/13	1,596,700
1611	Cablevision Systems Corp., Ser. B, 9.644%, 4/01/09	165,427
120	CanWest MediaWorks, Inc., 8.00%, 9/15/12 (Canada)	117,000
485	Charter Communications Holdings I LLC/Charter Communications Holdings I Capital Corp., 11.00%, 10/01/15	470,450
	Charter Communications Holdings II LLC/Charter Communications Holdings II Capital Corp.,	
1,320	10.25%, 9/15/10	1,346,400
180	Ser. B, 10.25%, 9/15/10	183,150

See Notes to Financial Statements.

ANNUAL REPORT

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## Portfolio of Investments as of October 31, 2007

BlackRock Income Opportunity Trust (BNA) (continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Media (cont d)</b>		
\$ 690	CMP Susquehanna Corp., 9.875%, 5/15/14	\$ 633,937
1,000	Comcast Cable Communications, Inc., 6.75%, 1/30/11	1,042,435
1,805	Comcast Corp., 6.95%, 8/15/37	1,931,570
85	Dex Media West LLC/Dex Media Finance Co., Ser. B, 9.875%, 8/15/13	90,631
140	DirecTV Holdings LLC/DirecTV Financing Co., 8.375%, 3/15/13	146,300
	EchoStar DBS Corp.,	
180	5.75%, 10/01/08	179,550
320	7.00%, 10/01/13	333,200
75	7.125%, 2/01/16	78,375
665	Idearc, Inc., 8.00%, 11/15/16	666,662
5001,5	ION Media Networks, Inc., 8.493%, 1/15/12	501,250
535	Network Communications, Inc., 10.75%, 12/01/13	538,344
	News America Holdings, Inc.,	
145	8.15%, 10/17/36	172,776
2,475	8.45%, 8/01/34	2,992,265
660	Nexstar Finance, Inc., 7.00%, 1/15/14	633,600
	Nielsen Finance LLC/Nielsen Finance Co.,	
3307	9.115%, 8/01/16	238,425
1,100	10.00%, 8/01/14	1,157,750
950	RH Donnelley Corp., Ser. A-3, 8.875%, 1/15/16	950,000
70	Sirius Satellite Radio, Inc., 9.625%, 8/01/13	69,563
1,495	TCI Communications, Inc., 8.75%, 8/01/15	1,753,387
8005	Time Warner Cable, Inc., 6.55%, 5/01/37	806,473
1,1005	TL Acquisitions, Inc., 10.50%, 1/15/15	1,094,500
3255	Univision Communications, Inc., 9.75%, 3/15/15	318,500
570	Vertis, Inc., 9.75%, 4/01/09	570,000
1,294	Young Broadcasting, Inc., 10.00%, 3/01/11	1,216,360
	<b>Total Media</b>	<b>28,126,627</b>
<b>Real Estate 0.9%</b>		
1,000	AvalonBay Communities, Inc., 6.625%, 9/15/11	1,040,161
	Rouse Co.,	
725	3.625%, 3/15/09	691,205
1,715	5.375%, 11/26/13	1,554,092
	<b>Total Real Estate</b>	<b>3,285,458</b>
<b>Technology 2.1%</b>		
	Amkor Technology, Inc.,	
90	7.75%, 5/15/13	87,075
135	9.25%, 6/01/16	138,038
555	Celestica, Inc., 7.625%, 7/01/13 (Canada)	532,800
	Freescale Semiconductor, Inc.,	
715	9.125%, 12/15/14	647,075
1601	9.569%, 12/15/14	147,000
3,4502	Intl. Business Machines Corp., 5.70%, 9/14/17	3,501,702
480	NXP BV/NXP Funding LLC, 9.50%, 10/15/15 (Netherlands)	453,600
660	Sanmina-SCI Corp., 8.125%, 3/01/16	579,150
	SunGard Data Systems, Inc.,	
95	9.125%, 8/15/13	96,900
675	10.25%, 8/15/15	703,687

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950	Superior Essex Communications LLC/Essex Group, Inc., 9.00%, 4/15/12	938,125
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Total Technology	7,825,152
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**Telecommunications 7.5%**

4,0752	AT&T, Inc., 6.50%, 9/01/37	4,298,391
1,7009	BellSouth Telecommunications, 6.402%, 12/15/95	902,807
470	Cincinnati Bell, Inc., 7.25%, 7/15/13	471,175
255	Cricket Communications, Inc., 9.375%, 11/01/14	253,088
325	Deutsche Telekom Intl. Finance BV, 5.75%, 3/23/16 (Netherlands)	325,854
2705	Digicel Group Ltd., 8.875%, 1/15/15 (Bermuda)	252,126

Principal Amount (000)	Description	Value
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**Telecommunications (cont d)**

\$	1701	Hawaiian Telcom Communications, Inc., Ser. B, 10.318%, 5/01/13	\$	172,125
	515	Intelsat Corp., 9.00%, 6/15/16 Intelsat Ltd. (Bermuda)		526,588
	1201	8.886%, 1/15/15		121,800
	450	9.25%, 6/15/16		466,875
	210	11.25%, 6/15/16		225,750
	9201	11.409%, 6/15/13		959,100
	300	Intelsat Subsidiary Holding Co. Ltd., 8.625%, 1/15/15 (Bermuda)		304,500
	1205	MetroPCS Wireless, Inc., 9.25%, 11/01/14		119,100
	9355	Nordic Telephone Co. Holdings A.p.S., 8.875%, 5/01/16 (Denmark)		988,763
	1,4351,5	Nortel Networks Ltd., 9.493%, 7/15/11 (Canada)		1,417,062
	160	PanAmSat Corp., 9.00%, 8/15/14 Qwest Corp.,		163,200
	55	7.875%, 9/01/11		58,025
	3751	8.944%, 6/15/13 Sprint Capital Corp.,		399,844
	1,205	6.875%, 11/15/28		1,154,325
	1,250	8.75%, 3/15/32		1,425,325
	4,375	Telecom Italia Capital S.A., 4.95%, 9/30/14 (Luxembourg)		4,187,492
	1,000	Telefonica Emisiones SAU, 7.045%, 6/20/36 (Spain)		1,098,404
	575	Verizon Global Funding Corp., 7.75%, 6/15/32 Verizon Maryland, Inc.,		677,879
	540	5.125%, 6/15/33		450,386
	1,355	Ser. A, 6.125%, 3/01/12		1,396,925
	750	Verizon Virginia, Inc., 4.625%, 3/15/13 Vodafone Group Plc (United Kingdom)		720,208
	1,6151,2	5.288%, 12/28/07		1,615,326
	1,000	7.75%, 2/15/10		1,057,537
	1,210	West Corp., 11.00%, 10/15/16		1,267,475
	3605	Wind Acquisition Finance S.A., 10.75%, 12/01/15 (Luxembourg)		400,500
	410	Windstream Corp., 8.125%, 8/01/13		433,575
	250	8.625%, 8/01/16		267,500
	Total Telecommunications			28,579,030

**Transportation 0.7%**

120	American Airlines, Inc., Ser. 99-1, 7.324%, 4/15/11	118,500
120	Britannia Bulk Plc, 11.00%, 12/01/11 (United Kingdom)	126,000
1,000	Canadian National Railway Co., 6.375%, 10/15/11 (Canada)	1,044,565
450	CHC Helicopter Corp., 7.375%, 5/01/14 (Canada)	435,375
600		634,500

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	Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (Marshall Islands)	
4555	St. Acquisition Corp., 12.50%, 5/15/17	290,062
Total Transportation		2,649,002
Total Corporate Bonds		242,814,753
<b>U.S. Government and Agency Securities 5.7%</b>		
	Overseas Private Investment Corp.,	
357	4.09%, 5/29/12	338,675
1,0001	4.30%, 5/29/12	1,000,255
752	4.64%, 5/29/12	761,852
425	4.68%, 5/29/12	404,472
3,221	4.87%, 5/29/12	3,295,838
3841	5.40%, 5/29/12	413,963
6,055	Resolution Funding Corp., Ser. B, Zero Coupon, 4/15/30	2,018,561
788	Small Business Administration, Ser. 20K-1, 6.95%, 11/01/16	812,396
1,800	Tennessee Valley Authority, Ser. C, 5.88%, 4/01/36	1,989,677
510	U.S. Treasury Bonds, 4.75%, 2/15/37	509,721
846	U.S. Treasury Inflation Protected Bond, 2.375%, 1/15/27	867,527
9,1152	U.S. Treasury Notes, 4.75%, 8/15/17	9,315,813
Total U.S. Government and Agency Securities		21,728,750

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

BlackRock Income Opportunity Trust (BNA) (continued)  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>Trust Preferred Stocks 3.5%</b>		
\$ 2,150 <sup>1,2</sup>	Allstate Corp., 6.50%, 5/15/57	\$ 2,084,728
600	Bank of America, 5.30%, 3/15/17	579,691
950 <sup>1,5,10</sup>	Barclays Bank Plc, 7.434% (United Kingdom)	1,007,039
1,000 <sup>1,5,10</sup>	Credit Agricole S.A., 6.637% (France)	950,372
750 <sup>1</sup>	Lincoln National Corp., 6.05%, 4/20/67	718,801
665 <sup>1</sup>	Progressive Corp., 6.70%, 6/15/37	652,553
2,600 <sup>1,10</sup>	Royal Bank of Scotland Group Plc, Ser. MTN, 7.64% (United Kingdom)	2,694,931
1,125 <sup>1,2,5,10</sup>	Societe Generale, 5.922% (France)	1,070,652
750 <sup>1</sup>	Travelers Cos., Inc., 6.25%, 3/15/67	728,300
2,000 <sup>1,2,10</sup>	UBS Preferred Funding Trust I, 8.622%	2,170,314
575 <sup>1,5</sup>	ZFS Finance Trust I, 6.50%, 5/09/37	553,382
	<b>Total Trust Preferred Stocks</b>	<b>13,210,763</b>
<b>Taxable Municipal Bond 0.6%</b>		
2,525	Illinois St. Pension, 5.10%, 6/01/33	2,395,139

## Shares

<b>Common Stocks 0.0%</b>		
1,895 <sup>6,11</sup>	Critical Care Systems Intl., Inc.	11,844
<b>Preferred Stock 0.4%</b>		
60,000	Deutsche Bank Contingent Capital Trust II, 6.55%	1,437,000
	<b>Total Long-Term Investments (cost \$639,074,109)</b>	<b>636,433,097</b>

## Principal Amount (000)

<b>SHORT-TERM INVESTMENT 0.1%</b>		
<b>U.S. Government and Agency Discount Notes 0.1%</b>		
\$ 300 <sup>12</sup>	Federal Home Loan Bank Disc. Notes, 4.401%, 11/01/07 (cost \$300,000)	300,000
<b>BORROWED BOND AGREEMENTS 22.5%</b>		
	Lehman Brothers Inc.,	
50,927 <sup>14</sup>	4.47%, 11/08/07	50,927,000
34,457 <sup>14</sup>	4.45%, 11/08/07	34,456,875

**Total Borrowed Bond Agreements**  
(cost \$85,383,875)

85,383,875

<b>Notional Amount (000)</b>		
<b>OUTSTANDING OPTIONS PURCHASED 1.0%</b>		
4,285	EUR Put Option, strike price \$1.40, expires 1/10/08	17,876
	Interest Rate Swaps,	
8,400	Trust pays 5.79%, Trust receives 3-month LIBOR, expires 8/16/10	225,776
8,400	Trust pays 3-month LIBOR, Trust receives 5.79%, expires 8/16/10	433,872
5,500	Trust pays 5.52%, Trust receives 3-month LIBOR, expires 9/21/36	373,168
5,500	Trust pays 3-month LIBOR, Trust receives 5.52%, expires 9/21/36	324,406
12,300	Trust pays 5.47%, Trust receives 3-month LIBOR, expires 5/08/12	575,025
12,300	Trust pays 5.47%, Trust receives 3-month LIBOR, expires 5/08/12	527,670
8,425	Trust pays 3-month LIBOR, Trust receives 6.025%, expires 6/08/12	517,969

<b>Notional Amount (000)</b>	<b>Description</b>	<b>Value</b>
<b>OUTSTANDING OPTIONS PURCHASED (cont d)</b>		
8,425	Trust pays 3-month LIBOR, Trust receives 6.025%, expires 6/08/12	\$ 265,977
7,300	Trust pays 5.39%, Trust receives 3-month LIBOR, expires 3/19/12	357,114
7,300	Trust pays 3-month LIBOR, Trust receives 5.39%, expires 3/19/12	296,161
	<b>Total Outstanding Options Purchased (cost \$3,589,612)</b>	<b>3,915,014</b>
	<b>Total Investments before borrowed bonds, TBA sale commitments, and outstanding options written (cost \$728,347,596<sup>13</sup>)</b>	<b>726,031,986</b>

<b>Principal Amount (000)</b>		
<b>BORROWED BONDS (22.5)%</b>		
\$ (50,800)	U.S. Treasury Notes, 4.00%, 8/31/09	(50,835,712)
(34,500)	4.125%, 8/31/12	(34,464,948)
		<b>(85,300,660)</b>

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<b>Total Borrowed Bonds</b>		
<b>(proceeds \$85,264,516)</b>		
<b>TBA SALE COMMITMENTS (3.5)%</b>		
	Federal National Mortgage Assoc.,	
(400)	5.00%, 12/12/37	(383,625)
(8,600)	5.50%, 11/19/22	(8,613,433)
(4,200)	6.00%, 11/13/37-12/12/37	(4,228,314)
<b>Total TBA Sale Commitments</b>		
<b>(proceeds \$13,086,862)</b>		(13,225,372)
<b>INVESTMENTS SOLD SHORT (22.5)%</b>		
	U.S. Treasury Notes,	
(50,800)	4.00%, 8/31/09	(50,835,712)
(34,500)	4.125%, 8/31/12	(34,464,948)
<b>Total Investments Sold Short</b>		
<b>(proceeds \$85,264,516)</b>		(85,300,660)

**Notional  
Amount  
(000)**

<b>OUTSTANDING OPTIONS WRITTEN (0.5)%</b>		
	Interest Rate Swaps,	
(5,700)	Trust pays 5.135%, Trust receives 3-month LIBOR, expires 4/21/08	(97,385)
(5,700)	Trust pays 3-month LIBOR, Trust receives 5.135%, expires 4/21/08	(97,385)
(12,400)	Trust pays 3-month LIBOR, Trust receives 5.67%, expires 1/04/10	(315,828)
(12,400)	Trust pays 5.67%, Trust receives 3-month LIBOR, expires 1/04/10	(599,912)
(5,300)	Trust pays 5.485%, Trust receives 3-month LIBOR, expires 10/28/19	(208,227)
(5,300)	Trust pays 3-month LIBOR, Trust receives 5.485%, expires 10/28/19	(155,709)
(7,300)	Trust pays 3-month LIBOR, Trust receives 5.148%, expires 3/19/08	(119,063)
(7,300)	Trust pays 5.115%, Trust receives 3-month LIBOR, expires 3/19/08	(118,698)
<b>Total Outstanding Options Written</b>		
<b>(premium received \$2,478,560)</b>		(1,712,207)

<b>Total Investments net of borrowed bonds, TBA sale commitments and outstanding options written 164.8%</b>	<b>\$ 625,793,747</b>
<b>Liabilities in excess of other assets (64.8)%</b>	<b>(246,188,870)</b>
<b>Net Assets 100%</b>	<b>\$ 379,604,877</b>

See Notes to Financial Statements.





Portfolio of Investments as of October 31, 2007

**BlackRock Income Opportunity Trust (BNA) (concluded)**  
(Percentages shown are based on Net Assets)

- 1 Variable rate security. Rate shown is interest rate as of October 31, 2007.
- 2 Entire or partial principal amount pledged as collateral for reverse repurchase agreements. See Note 4 in the Notes to Financial Statements for details of open reverse repurchase agreements.
- 3 Security, or a portion thereof, pledged as collateral with a value of \$2,950,914 on 147 long Eurodollar futures contracts expiring December 2007 to March 2008, 337 long U.S. Treasury Note futures contracts expiring December 2007, 1,339 long U.S. Treasury Bond futures contracts expiring December 2007, 180 short Eurodollar futures contracts expiring December 2007 and 3,750 short U.S. Treasury Note futures contracts expiring December 2007. The notional value of such contracts on October 31, 2007 was \$246,676,023, with an unrealized loss of \$650,550.
- 4 Represents an investment in an affiliate.
- 5 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2007, the Trust held 9.0% of its net assets, with a current market value of \$34,233,806, in securities restricted as to resale.
- 6 Security is fair valued.
- 7 Rate shown is effective yield of the underlying collateral as of October 31, 2007.
- 8 Illiquid security. As of October 31, 2007, the Trust held less than 0.1% of its net assets, with a current market value of \$0, in this security.
- 9 Represents a step up bond; the interest rate shown reflects the effective yield at the time of purchase.
- 10 The security is a perpetual bond and has no stated maturity date.
- 11 Non-income producing security.
- 12 Rate shown is the yield to maturity as of the date of purchase.
- 13 Cost for federal income tax purposes is \$729,365,583. The net unrealized depreciation on a tax basis is \$3,333,597, consisting of \$7,722,546 gross unrealized appreciation and \$11,056,143 gross unrealized depreciation.
- 14 See Note 1 in the Notes to Financial Statements for details of borrowed bond agreements. For Trust compliance purposes, the Trust's sector and industry classifications refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classifications for reporting ease.

See Notes to Financial Statements.

## Portfolio of Investments as of October 31, 2007

**BlackRock Income Trust Inc. (BKT)**  
(Percentages shown are based on Net Assets)

Principal Amount (000)	Description	Value
<b>LONG-TERM INVESTMENTS 104.8%</b>		
<b>Mortgage Pass-Through Securities 31.2%</b>		
	Federal Home Loan Mortgage Corp.,	
\$ 7751	4.019%, 1/01/35	\$ 773,674
8021	4.934%, 10/01/34	806,789
92	5.50%, 12/01/21	92,516
6092	5.50%, 1/01/22	609,749
8,423,3	5.50%, 3/01/22	8,436,410
27 <sub>1</sub>	6.01%, 11/01/17	27,570
14	8.00%, 11/01/15	13,954
	8.50%, 3/01/08	15
1242	9.00%, 9/01/20	132,699
100	TBA, 6.50%, 12/12/37	102,406
	Federal National Mortgage Assoc.,	
31,248	5.00%, 6/01/33-3/01/37	30,045,633
7322	5.00%, 1/01/37	702,248
44,873	5.50%, 6/01/21-6/01/37	44,632,581
3,125	5.97%, 8/01/16	3,184,788
22,939	6.00%, 10/01/36-7/01/37	23,108,362
12,645	6.50%, 7/01/36-9/01/37	12,943,071
	7.50%, 2/01/22	241
32	8.00%, 5/01/08-5/01/22	32,874
3	9.50%, 1/01/19-9/01/19	4,163
100	TBA, 5.50%, 11/13/37	98,531
1,700	TBA, 6.00%, 11/13/37	1,712,220
2,200	TBA, 6.50%, 11/13/37	2,251,564
	Government National Mortgage Assoc.,	
37	7.00%, 10/15/17	38,792
412	7.50%, 8/15/21-12/15/23	434,645
210	8.00%, 10/15/22-2/15/29	223,884
15	9.00%, 6/15/18-9/15/21	17,385
	Total Mortgage Pass-Through Securities	130,426,764
<b>Federal Housing Administration Securities 1.8%</b>		
	General Motors Acceptance Corp. Projects,	
2884	Ser. 51, 7.43%, 2/01/23	290,577
358	Ser. 56, 7.43%, 11/01/22	361,639
505	Merrill Projects, Ser. 54, 7.43%, 5/15/23	50,019
758	Reilly Project, Ser. 41, 8.28%, 3/01/20	765,282
	USGI Projects,	
88	Ser. 87, 7.43%, 12/01/22	88,790
329	Ser. 99, 7.43%, 10/01/23	332,589
5,431	Ser. 6094, 7.43%, 6/01/21	5,485,577
	Total Federal Housing Administration Securities	7,374,473
<b>Agency Multiple Class Mortgage Pass-Through Securities 26.3%</b>		
	Federal Home Loan Mortgage Corp.,	
4,0761	Ser. 11, Class A9, 2.282%, 1/25/28	3,595,985
187	Ser. 19, Class F, 8.50%, 3/15/20	194,531
746	Ser. 40, Class K, 6.50%, 8/17/24	768,950
1	Ser. 192, Class U, 1,009.033%, 2/15/22	7

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	Ser. 1057, Class J, 1,008.001%, 3/15/21	1,589
1,647	Ser. 1598, Class J, 6.50%, 10/15/08	1,643,738
341	Ser. 1961, Class H, 6.50%, 5/15/12	345,289
9,504	Ser. 2218, Class Z, 8.50%, 3/15/30	10,279,474
13,018	Ser. 2461, Class Z, 6.50%, 6/15/32	13,445,486
10,200	Ser. 2542, Class UC, 6.00%, 12/15/22	10,599,985
2,475	Ser. 2562, Class PG, 5.00%, 1/15/18	2,444,405
928	Ser. 2564, Class NC, 5.00%, 2/15/33	795,889
2,050	Ser. 2750, Class TC, 5.25%, 2/15/34	2,015,608
11,458	Ser. 2758, Class KV, 5.50%, 5/15/23	11,448,878
1,573	Ser. 2765, Class UA, 4.00%, 3/15/11	1,529,913
3,212	Ser. 2806, Class VC, 6.00%, 12/15/19	3,265,494
2,402	Ser. 2927, Class BZ, 5.50%, 2/15/35	2,245,710
3,946	Ser. 3061, Class BD, 7.50%, 11/15/35	4,063,969

Principal Amount (000)	Description	Value
<b>Agency Multiple Class Mortgage Pass-Through Securities (cont d)</b>		
	Federal National Mortgage Assoc.,	
\$ 1,2211	Ser. 2, Class KP, Zero Coupon, 2/25/35	\$ 1,153,297
4,006	Ser. 28, Class PB, 6.00%, 8/25/28	4,028,409
2,150	Ser. 29, Class HC, 7.50%, 7/25/30	2,288,156
2,381	Ser. 31, Class ZG, 7.50%, 5/25/34	2,841,336
7,147	Ser. 32, Class VT, 6.00%, 9/25/15	7,258,242
1	Ser. 33, Class PV, 1,078.42%, 10/25/21	20,464
501	Ser. 38, Class F, 8.325%, 4/25/21	51,981
1,663	Ser. 38, Class Z, 5.00%, 5/25/36	1,655,826
2,630	Ser. 68, Class PC, 5.50%, 7/25/35	2,657,932
12,264	Ser. 135, Class PB, 6.00%, 1/25/34	12,319,211
	Government National Mortgage Assoc.,	
1,041	Ser. 5, Class Z, 7.00%, 5/16/26	1,089,576
1,749	Ser. 33, Class PB, 6.50%, 7/20/31	1,793,424
4,030	Ser. 89, Class PE, 6.00%, 10/20/34	4,118,536
	<b>Total Agency Multiple Class Mortgage Pass-Through Securities</b>	<b>109,961,290</b>

<b>Non-Agency Multiple Class Mortgage Pass-Through Securities 9.5%</b>		
5,932	CWALT, Inc., Ser. 28CB, Class 1A5, 5.50%, 8/25/35	5,926,543
	JPMorgan Mortgage Trust,	
1,8681	Ser. A7, Class 2A2, 5.83%, 1/25/37	1,865,043
6,457	Ser. S1, Class 2A1, 8.00%, 1/25/35	6,827,600
1,561	MASTR Alternative Loan Trust, Ser. 7, Class 4A3, 8.00%, 11/25/18	1,634,533
7,488	MASTR Asset Securitization Trust, Ser. 12, Class 3A5, 5.25%, 10/25/14	7,358,441
5,6971	Residential Asset Securitization Trust, Ser. A8, Class A2, 5.223%, 10/25/18	5,630,061
9,908	Residential Funding Securities Corp., Ser. RM2, Class AI5, 8.50%, 5/25/33	10,580,089
141,676.611%	Summit Mortgage Trust, Ser. 1, Class B1, 12/28/12	14,138
	<b>Total Non-Agency Multiple Class Mortgage Pass-Through Securities</b>	<b>39,836,448</b>

<b>Inverse Floating Rate Mortgage Securities 4.3%</b>		
	Federal Home Loan Mortgage Corp.,	
141	Ser. 1043, Class H, 21.938%, 2/15/21	14,443
1	Ser. 1148, Class E, 592.552%, 10/15/21	545
321	Ser. 1160, Class F, 18.381%, 10/15/21	31,693
961.2	Ser. 1616, Class SB, 8.50%, 11/15/08	96,046
1921	Ser. 1688, Class S, 9.566%, 12/15/13	192,669
4,3591	Ser. 2769, Class SQ, Zero Coupon, 2/15/34	2,718,727

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2,1011	Ser. 2840, Class SK, 1.499%, 8/15/34	1,600,748
2,3731	Ser. 3167, Class SX, 6.953%, 6/15/36	2,277,238
	Federal National Mortgage Assoc.,	
1	Ser. 7, Class S, 594.704%, 3/25/21	6,484
11	Ser. 10, Class S, 575.455%, 5/25/21	19,584
11	Ser. 12, Class S, 608.135%, 5/25/21	17,025
11	Ser. 17, Class S, 580.114%, 6/25/21	9,925
511	Ser. 38, Class SA, 10.186%, 4/25/21	53,332
1	Ser. 46, Class S, 1,402.625%, 5/25/21	7,283
1	Ser. 49, Class S, 527.80%, 12/25/21	3,478
1141	Ser. 72, Class S, 8.75%, 5/25/08	114,584
5,8281	Ser. 73, Class DS, 4.882%, 8/25/35	5,625,111
1191		