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BLACKROCK INCOME TRUST INC
Form N-CSRS
May 05, 2010
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSRS

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05542

Name of Fund: BlackRock Income Trust, Inc. (BKT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Income Trust, Inc., 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 02/28/2010

Item 1 – Report to Stockholders

Semi-Annual Report

FEBRUARY 28, 2010 | (UNAUDITED)

BlackRock Core Bond Trust (BHK)
BlackRock Corporate High Yield Fund V, Inc. (HYV)
BlackRock Corporate High Yield Fund VI, Inc. (HYT)
BlackRock High Income Shares (HIS)
BlackRock High Yield Trust (BHY)
BlackRock Income Opportunity Trust, Inc. (BNA)
BlackRock Income Trust, Inc. (BKT)
BlackRock Strategic Bond Trust (BHD)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past year marked a pivotal turning point for global markets as the Great Recession that started in December 2007 began to recede and give way to recovery. The dramatic about-face could be attributed to a confluence of factors, most notably the extraordinary policy actions of global governments and central banks, a resurgence in corporate profits and growing signs of stability and healing in world economies.

After reaching a trough in early March 2009, stocks galloped higher as investors were lured back into the markets by depressed valuations, desire for higher yields and increasing confidence that all-out financial disaster had been averted. The result was a powerful upswing in global equities and other higher-risk assets through the end of 2009. More recently, the combination of mixed economic data, lingering deflation issues (especially in Europe) and proposed fees and levies on banks dampened investor conviction, resulting in a several-week bout of profit-taking. The selloff had a more pronounced negative effect on international and emerging market equities due primarily to concerns of higher interest rates in Asia and negative headlines out of Europe, particularly in Greece.

Generally speaking, investors' renewed affinity for risk was notable in the fixed income markets as well, where non-Treasury assets made a robust recovery. One of the major themes in 2009 was the reversal of the flight-to-quality trade. High yield, one of the most battered areas during the financial crisis, emerged as the strongest-performing fixed income sector in both the taxable and tax-exempt space. Despite weak fundamentals, the municipal market produced solid returns as technical conditions remained supportive of the asset class. Municipal bond mutual funds enjoyed strong inflows and tax-exempt issuance remained low thanks to the ever-increasing popularity of the Build America Bond program. Nevertheless, state and local fiscal woes and bankruptcy fears remain firmly in the spotlight, and bear close monitoring.

At the same time, yields on money market securities declined throughout the reporting period and remain near all-time lows, with the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an extended period. Investor assets in money market funds declined from the peak registered in early 2009, but remain above levels registered prior to the financial crisis that began in 2007.

Against this backdrop, the major market averages posted the following returns:

Total Returns as of February 28, 2010	6-month	12-month
US equities (S&P 500 Index)	9.32%	53.62%
Small cap US equities (Russell 2000 Index)	10.59	63.95
International equities (MSCI Europe, Australasia, Far East Index)	0.72	54.58
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.20
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	0.07	(1.54)
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	3.19	9.32
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	4.13	9.98
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	13.86	55.20

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

The market continues to show signs of improvement, but questions about the strength and sustainability of the recovery abound. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning *Shareholder*[®] magazine, as well as its quarterly companion newsletter, *Shareholder Perspectives*. As always, we thank you for

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entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of February 28, 2010

BlackRock Core Bond Trust

Investment Objective

BlackRock Core Bond Trust (BHK) (the Trust) seeks to provide high current income with the potential for capital appreciation.

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

Performance

For the six months ended February 28, 2010, the Trust returned 6.72% based on market price and 8.73% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 9.51% on a market price basis and 8.82% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust's longer duration relative to its peers detracted from performance as rates rose during the period. On the positive side, the Trust benefited from its overweight in high yield corporates, which outperformed investment-grade credit as risk assets rebounded sharply over the six months. An out-of-index allocation to securitized sectors, including commercial mortgage-backed securities, non-agency mortgage-backed securities (MBS), asset-backed securities and agency MBS, aided performance as well.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BHK
Initial Offering Date	November 27, 2001
Yield on Closing Market Price as of February 28, 2010 (\$12.17) ¹	6.11%
Current Monthly Distribution per Common Share ²	\$0.062
Current Annualized Distribution per Common Share ²	\$0.744
Leverage as of February 28, 2010 ³	31%

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 March 1, 2010. The Monthly Distribution per Share was increased to \$0.067. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

³ Represents reverse repurchase agreements and the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 12.17	\$ 11.98	1.59%	\$ 12.54	\$ 11.50
Net Asset Value	\$ 13.00	\$ 12.56	3.50%	\$ 13.12	\$ 12.48

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

Portfolio Composition

	2/28/10	8/31/09
Corporate Bonds	46%	42%
U.S. Government Sponsored Agency Securities	20	20
U.S. Treasury Obligations	13	12
Non-Agency Mortgage-Backed Securities	11	17
Asset-Backed Securities	5	4
Foreign Agency Obligations	2	2
Taxable Municipal Bonds	2	2
Preferred Securities	1	1

Credit Quality Allocations⁴

	2/28/10	8/31/09
AAA/Aaa ⁵	41%	43%
AA/Aa	10	9
A	14	17
BBB/Baa	10	12
BB/Ba	10	8
B	11	5
CCC/Caa	3	5
Not Rated	1	1

⁴ Using the higher of Standard & Poor's Corporation (S&P's) or Moody's Investors Service, Inc. (Moody's) ratings.

⁵ Includes US Government Sponsored Agency Securities, which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of February 28, 2010

BlackRock Corporate High Yield Fund V, Inc.

Investment Objective

BlackRock Corporate High Yield Fund V, Inc. (HYV) (the Trust) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or are unrated securities of comparable quality.

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

Performance

For the six months ended February 28, 2010, the Trust returned 21.19% based on market price and 21.73% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Trust's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Trust's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Trust maintained relatively low levels of leverage (at period end, 23% of the Trust's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit. The Trust also held a roughly 14% position in floating rate loan interests. On balance, the position hindered performance as the sector underperformed high yield during the period, but security selection was favorable.

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Trust Information

Symbol on NYSE	HYV
Initial Offering Date	November 30, 2001
Yield on Closing Market Price as of February 28, 2010 (\$10.74) ¹	9.78%
Current Monthly Distribution per Common Share ²	\$0.0875
Current Annualized Distribution per Common Share ²	\$1.0500
Leverage as of February 28, 2010 ³	23%

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 March 1, 2010. The Monthly Distribution per Share was decreased to \$0.0825. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution

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per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 10.74	\$ 9.32	15.24%	\$ 10.87	\$ 9.21
Net Asset Value	\$ 11.24	\$ 9.71	15.76%	\$ 11.36	\$ 9.69

The following 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

	2/28/10	8/31/09
Corporate Bonds	80%	81%
Floating Rate Loan Interests	14	17
Common Stocks	3	2
Other Interests	2	
Preferred Securities	1	

Credit Quality Allocations⁴

	2/28/10	8/31/09
AA/Aa		1%
BBB/Baa	3%	5
BB/Ba	29	31
B	47	37
CCC/Caa	12	20
CC/Ca		3
D	1	1
Not Rated	8	2

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of February 28, 2010

BlackRock Corporate High Yield Fund VI, Inc.

Investment Objective

BlackRock Corporate High Yield Fund VI, Inc. (HYT) (the Trust) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P's) or are unrated securities of comparable quality.

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

Performance

For the six months ended February 28, 2010, the Trust returned 18.45% based on market price and 20.12% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Trust's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Trust's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Trust maintained relatively low levels of leverage (at period end, 21% of the Trust's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit. The Trust also held a roughly 14% position in floating rate loan interests. On balance, the position hindered performance as the sector underperformed high yield during the period, but security selection was favorable.

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Trust Information

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Yield on Closing Market Price as of February 28, 2010 (\$10.67) ¹	9.84%
Current Monthly Distribution per Common Share ²	\$0.0875
Current Annualized Distribution per Common Share ²	\$1.0500
Leverage as of February 28, 2010 ³	21%

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 March 1, 2010. The Monthly Distribution per Share was decreased to \$0.0825. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution

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per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 10.67	\$ 9.47	12.67%	\$ 11.04	\$ 9.24
Net Asset Value	\$ 11.06	\$ 9.68	14.26%	\$ 11.19	\$ 9.66

The following 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

	2/28/10	8/31/09
Corporate Bonds	82%	82%
Floating Rate Loan Interests	14	16
Common Stocks	3	2
Other Interests	1	

Credit Quality Allocations⁴

	2/28/10	8/31/09
A		1%
BBB/Baa	3%	5
BB/Ba	30	27
B	48	41
CCC/Caa	12	25
Not Rated	7	1

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of February 28, 2010

BlackRock High Income Shares

Investment Objective

BlackRock High Income Shares (HIS) (the Trust) seeks to provide high current income and to a lesser extent capital appreciation, by investing in a diversified portfolio of below investment grade securities.

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

Performance

For the six months ended February 28, 2010, the Trust returned 20.10% based on market price and 20.93% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Trust's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Trust's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Trust maintained leverage in the high-teen range (at period end, 18% of the Trust's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit. The Trust also held a roughly 13% position in floating rate loan interests. On balance, the position hindered performance as the sector underperformed high yield during the period, but security selection was favorable.

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Trust Information

Symbol on NYSE	HIS
Initial Offering Date	August 10, 1988
Yield on Closing Market Price as of February 28, 2010 (\$1.93) ¹	8.21%
Current Monthly Distribution per Common Share ²	\$0.0132
Current Annualized Distribution per Common Share ²	\$0.1584
Leverage as of February 28, 2010 ³	18%

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 March 1, 2010. The Monthly Distribution per Share was increased to \$0.0142. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

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³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 1.93	\$ 1.68	14.88%	\$ 1.94	\$ 1.65
Net Asset Value	\$ 2.14	\$ 1.85	15.68%	\$ 2.15	\$ 1.85

The following 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

	2/28/10	8/31/09
Corporate Bonds	85%	85%
Floating Rate Loan Interests	13	13
Preferred Securities	1	1
Common Stocks	1	1

Credit Quality Allocations⁴

	2/28/10	8/31/09
BBB/Baa	3%	4%
BB/Ba	46	33
B	30	32
CCC/Caa	13	24
CC/Ca		2
D	1	1
Not Rated	7	4

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of February 28, 2010

BlackRock High Yield Trust

Investment Objective

BlackRock High Yield Trust (BHY) (the Trust) seeks to provide high current income and to a lesser extent capital appreciation, by investing in a diversified portfolio of below investment grade securities.

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

Performance

For the six months ended February 28, 2010, the Trust returned 11.31% based on market price and 18.78% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. During the period, we found particularly good value in the automotive segment, which represented the Trust's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Trust's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. On the other hand, the Trust maintained leverage in the mid- to high-teen range (at period end, 18% of the Trust's total managed assets), which detracted from performance versus the Lipper competitors, who maintained leverage closer to the 33% regulatory limit. The Trust also held a roughly 12% position in floating rate loan interests. On balance, the position hindered performance as the sector underperformed high yield during the period, but security selection was favorable. The Trust's cash position was about 6% at period end. Cash positions negatively affected the Trust during a period of high returns for the high yield market.

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Trust Information

Symbol on NYSE	BHY
Initial Offering Date	December 23, 1998
Yield on Closing Market Price as of February 28, 2010 (\$6.23) ¹	8.38%
Current Monthly Distribution per Common Share ²	\$0.0435
Current Annualized Distribution per Common Share ²	\$0.5220
Leverage as of February 28, 2010 ³	18%

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.

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³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 6.23	\$ 5.84	6.68%	\$ 6.35	\$ 5.58
Net Asset Value	\$ 6.58	\$ 5.78	13.84%	\$ 6.65	\$ 5.77

The following 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

	2/28/10	8/31/09
Corporate Bonds	85%	86%
Floating Rate Loan Interests	12	13
Other Interests	2	
Common Stocks	1	1

Credit Quality Allocations⁴

	2/28/10	8/31/09
BBB/Baa	2%	4%
BB/Ba	33	38
B	43	29
CCC/Caa	14	24
CC/Ca		1
D		1
Not Rated	8	3

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of February 28, 2010

BlackRock Income Opportunity Trust, Inc.

Investment Objective

BlackRock Income Opportunity Trust, Inc. (BNA) (the Trust) seeks to provide current income and capital appreciation in a portfolio of primarily U.S. dollar-denominated securities.

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

Performance

For the six months ended February 28, 2010, the Trust returned 4.61% based on market price and 6.52% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 9.51% on a market price basis and 8.82% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust's underweight in high yield corporates hindered performance during the period, as these securities outperformed investment-grade credit amid a sharp rebound in risk assets. The Trust's longer duration relative to its peers also detracted from results as rates rose. On the positive side, the Trust benefited from an out-of-index allocation to securitized sectors, including commercial mortgage-backed securities, non-agency MBS, asset-backed securities and agency MBS. In addition, the Trust benefited from its curve positioning as the curve steepened over the six months.

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

Trust Information

Symbol on NYSE	BNA
Initial Offering Date	December 20, 1991
Yield on Closing Market Price as of February 28, 2010 (\$9.60) ¹	6.38%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Leverage as of February 28, 2010 ³	28%

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 Represents reverse repurchase agreements and the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 9.60	\$ 9.65	(0.52)%	\$ 10.10	\$ 9.10
Net Asset Value	\$ 10.15	\$ 10.02	1.30%	\$ 10.36	\$ 9.79

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

Portfolio Composition

	2/28/10	8/31/09
Corporate Bonds	34%	36%
U.S. Government Sponsored Agency Securities	30	21
U.S. Treasury Obligations	15	14
Non-Agency Mortgage-Backed Securities	13	19
Asset-Backed Securities	4	4
Foreign Agency Obligations	2	2
Taxable Municipal Bonds	1	2
Preferred Securities	1	2

Credit Quality Allocations⁴

	2/28/10	8/31/09
AAA/Aaa ⁵	57%	43%
Aa/Aa	9	9
A	14	17
BBB/Baa	11	12
BB/Ba	3	8
B	5	5
CCC/Caa	1	5
Not Rated		1

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes US Government Sponsored Agency Securities, which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of February 28, 2010

BlackRock Income Trust, Inc.

Investment Objective

BlackRock Income Trust, Inc. (BKT) (the Trust) seeks to provide high monthly income while preserving capital by investing in a portfolio of mortgage-backed securities.

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

Performance

For the six months ended February 28, 2010, the Trust returned 2.26% based on market price and 5.42% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 14.10% on a market price basis and 9.15% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Trust's underweight in agency MBS, in favor of US Treasuries and agency debt, detracted from performance as spread sectors continued to rally during the second half of 2009. On the positive side, the Trust benefited from out-of-index allocations to non-agency MBS and commercial MBS, which outperformed agency MBS for the period as risk assets continued to rally due to continued government support and improving economic indicators. In addition, the Trust benefited from security selection focusing on current coupon MBS, which rallied due to the Federal Reserve's reduction in supply through the agency MBS purchase program. The Trust's cash position (45% at period end) serves primarily to back our forward positions held in mortgage TBA (To Be Announced) contracts and, therefore, did not have a material impact on performance.

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

Trust Information

Symbol on NYSE	BKT
Initial Offering Date	July 22, 1988
Yield on Closing Market Price as of February 28, 2010 (\$6.53) ¹	4.41%
Current Monthly Distribution per Common Share ²	\$0.024
Current Annualized Distribution per Common Share ²	\$0.288
Leverage as of February 28, 2010 ³	2%

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 Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see the Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 6.53	\$ 6.53	0.00%	\$ 6.64	\$ 6.23
Net Asset Value	\$ 7.34	\$ 7.12	3.09%	\$ 7.38	\$ 7.12

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

Portfolio Composition

	2/28/10	8/31/09
U.S. Government Sponsored Agency Securities	87%	83%
Non-Agency Mortgage-Backed Securities	6	9
U.S. Treasury Obligations	5	6
Asset-Backed Securities	2	2

Credit Quality Allocations⁴

	2/28/10	8/31/09
AAA/Aaa ⁵	100%	100%

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes US Government Sponsored Agency Securities, which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of February 28, 2010

BlackRock Strategic Bond Trust

Investment Objective

BlackRock Strategic Bond Trust (BHD) (the Trust) seeks total return through high current income and capital appreciation.

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

Performance

For the six months ended February 28, 2010, the Trust returned 11.96% based on market price and 12.44% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) posted an average return of 21.84% on a market price basis and 18.08% on a NAV basis. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. Positioning in the high yield portion of the portfolio was a plus during the period. We found particularly good value in the automotive segment, which represented the Trust's largest sector overweight. As a group, automotive holdings performed quite well and, thus, were key contributors to performance. In addition, investments in select special situations or distressed credits (including several in the automotive sector) enhanced results. On a credit basis, the Trust's underweight position in BB credits and overweight in the lower-quality ratings and nonrated credits were additive. A lower allocation to corporates, in favor of bank loans, was advantageous as well. On the other hand, the Trust's allocation to investment-grade credit detracted from relative performance during a period in which high yield outperformed. (Most of the funds in the Lipper category invest primarily in high yield.) The Trust's relatively low levels of leverage (at period end, 6% of the Trust's total managed assets) also detracted.

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

Trust Information

Symbol on NYSE	BHD
Initial Offering Date	February 26, 2002
Yield on Closing Market Price as of February 28, 2010 (\$12.33) ¹	6.76%
Current Monthly Distribution per Common Share ²	\$0.0695
Current Annualized Distribution per Common Share ²	\$0.8340
Leverage as of February 28, 2010 ³	6%

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 March 1, 2010. The Monthly Distribution per Share was increased to \$0.0745. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change

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in the future.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	2/28/10	8/31/09	Change	High	Low
Market Price	\$ 12.33	\$ 11.43	7.87%	\$ 12.40	\$ 10.91
Net Asset Value	\$ 13.13	\$ 12.12	8.33%	\$ 13.19	\$ 12.11

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

Portfolio Composition

	2/28/10	8/31/09
Corporate Bonds	86%	87%
Floating Rate Loan Interests	10	11
Other Interests	2	
Preferred Securities	1	1
Common Stocks	1	1

Credit Quality Allocations⁴

	2/28/10	8/31/09
AAA/Aaa		1%
AA/Aa	2%	1
A	12	18
BBB/Baa	12	16
BB/Ba	24	26
B	36	17
CCC/Caa	9	15
CC/Ca		3
D		1
Not Rated	5	2

⁴ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

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

The Trusts may utilize leverage through borrowings, including participation in the Term Asset-Backed Securities Loan Facility (TALF), or through entering into reverse repurchase agreements and dollar rolls. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Trusts had not used leverage.

To illustrate these concepts, assume a Trust's capitalization is \$100 million and it borrows an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strong positive slope. In this case, the Trust pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from the borrowings earn the income based on long-term interest rates. In this case, the borrowing costs and interest expense is significantly lower than the income earned on the Trust's long-term investments, and therefore each Trust's shareholders is the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Trust pays interest expense on the higher short-term interest rates whereas the Trust's total portfolio earns income based on lower long-term interest rates.

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

The use of leverage may enhance opportunities for increased income to the Trusts and shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes to each Trust's NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Trust's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Trust's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Trust to incur losses. The use of leverage may limit each Trust's ability to invest in certain types of securities or use certain types of hedging strategies. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders of each Trust and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, the Trusts are permitted to borrow through a credit facility up to 33 % of their total managed assets. As of February 28, 2010, the Trusts had outstanding leverage from borrowings and/or reverse repurchase agreements as a percentage of their total managed assets as follows:

	Percent of Leverage
BHK	31%

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HYV	23%
HYT	21%
HIS	18%
BHY	18%
BNA	28%
BKT	2%
BHD	6%

Derivative Financial Instruments

The Trusts may invest in various derivative instruments, including financial futures contracts, swaps, options and foreign currency exchange contracts, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, foreign currency exchange rate and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the other party to the transaction or illiquidity of the derivative instrument. Each Trust's ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio securities at inopportune times or distressed values, may limit the amount of appreciation a Trust can realize on an investment or may cause a Trust to hold a security that they might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments February 28, 2010 (Unaudited)

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

Asset-Backed Securities		Par (000)	Value
Chase Issuance Trust, Series 2009-A7, Class A7, 0.68%, 9/17/12 (a)	USD	3,305	\$ 3,310,126
Countrywide Asset-Backed Certificates, Series 2 006-13, Class 3AV2, 0.38%, 1/25/37 (a)		1,476	1,104,858
Ford Credit Auto Owner Trust, Series 2009-A: Class A3B, 2.73%, 5/15/13 (a)		5,780	5,913,074
Class A4, 6.07%, 5/15/14		2,110	2,322,397
Globaldrive BV, Series 2008-2, Class A, 4.00%, 10/20/16	EUR	749	1,032,016
Harley-Davidson Motorcycle Trust, Series 2005-2, Class A2, 4.07%, 2/15/12	USD	442	444,503
Home Equity Asset Trust, Series 2007-2, Class 2A1, 0.34%, 7/25/37 (a)		356	340,721
Maryland Insurance Backed Securities Trust, Series 2006-1A, 5.55%, 12/10/65		2,500	875,000
Nissan Auto Receivables Owner Trust, Series 2009-A, Class A2, 2.94%, 7/15/11		1,404	1,415,205
SLM Student Loan Trust, Series 2008-5 (a): Class A2, 1.35%, 10/25/16		3,200	3,254,635
Class A3, 1.55%, 1/25/18		810	836,236
Class A4, 1.95%, 7/25/23		2,180	2,305,881
Small Business Administration, Class 1: Series 2003-P10B, 5.14%, 8/10/13		469	495,741
Series 2004-P10B, 4.75%, 8/10/14		282	295,843
			23,946,236
Interest Only Asset-Backed Securities 0.4%			
Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (b)		5,500	431,410
Sterling Coofs Trust, Series 1, 2.36%, 4/15/29		8,212	846,813
			1,278,223
Total Asset-Backed Securities 7.2%			25,224,459

Common Stocks**Shares****Machinery 0.0%**

Accuride Corp. (c)	86,973	113,065
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Specialty Retail 0.0%

Lazydays RV Center, Inc. (c)	2,249	8,771
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Total Common Stocks 0.0% 121,836

Corporate Bonds		Par (000)	
Aerospace & Defense 1.2%			
Honeywell International, Inc., 5.70%, 3/15/37	USD	975	989,840
Northrop-Grumman Corp., 7.88%, 3/01/26		960	1,179,451
United Technologies Corp.:			
4.88%, 5/01/15 (d)		1,125	1,234,281
6.13%, 7/15/38		700	751,869
			4,155,441

Corporate Bonds		Par (000)	Value
Air Freight & Logistics 0.5%			
Park-Ohio Industries, Inc., 8.38%, 11/15/14	USD	120	\$ 97,200
United Parcel Service, Inc., 6.20%, 1/15/38 (e)		1,650	1,816,079
			1,913,279

Airlines 0.2%			
American Airlines Pass-Through Trust, Series 2001-02, 7.86%, 4/01/13		380	382,850
United Air Lines, Inc., 12.75%, 7/15/12		340	360,400
			743,250

Beverages 0.6%			
Anheuser-Busch InBev Worldwide, Inc., 8.20%, 1/15/39 (b)		1,475	1,939,979
PepsiCo., Inc., 4.50%, 1/15/20		250	254,021
			2,194,000

Building Products 0.4%			
Associated Materials LLC, 9.88%, 11/15/16		650	689,000
CPG International I, Inc., 10.50%, 7/01/13		200	196,000
Goodman Global Group, Inc., 12.86%, 12/15/14 (b)(f)		435	252,300
Masco Corp., 7.13%, 8/15/13		225	239,255
			1,376,555

Capital Markets 2.9%			
The Bank of New York Mellon Corp., 4.30%, 5/15/14 (d)		1,505	1,599,651
CDP Financial, Inc. (b): 3.00%, 11/25/14 (e)		1,935	1,922,875

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5.60%, 11/25/39		2,935	2,905,357
Credit Suisse, 5.50%, 5/01/14		575	628,148
Morgan Stanley:			
0.50%, 1/09/12 (a)		190	186,375
4.20%, 11/20/14		1,420	1,424,165
6.25%, 8/28/17 (d)		875	923,551
5.63%, 9/23/19		630	624,637
Series F, 5.55%, 4/27/17		140	142,304
			10,357,063

Chemicals 1.7%

American Pacific Corp., 9.00%, 2/01/15		250	246,875
Ames True Temper, Inc., 4.25%, 1/15/12 (a)		650	607,750
Georgia Gulf Corp., 9.00%, 1/15/17 (b)		330	342,375
Hexion Finance Escrow LLC, 8.88%, 2/01/18 (b)		1,450	1,355,750
Hexion U.S. Finance Corp., 9.75%, 11/15/14		435	411,075
Huntsman International LLC:			
6.88%, 11/15/13 (b)	EUR	435	552,339
7.88%, 11/15/14	USD	265	257,050
5.50%, 6/30/16 (b)		845	743,600
Innophos, Inc., 8.88%, 8/15/14		885	909,337
NOVA Chemicals Corp.:			
6.50%, 1/15/12		115	115,000
3.65%, 11/15/13 (a)		300	271,500
			5,812,651

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

AUD	Australian Dollar
CAD	Canadian Dollar
EUR	Euro
GBP	British Pound
GO	General Obligation Bonds
LIBOR	London Inter-Bank Offered Rate
RB	Revenue Bonds
TBD	To Be Determined
USD	US Dollar

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Commercial Banks 1.9%			
DEPFA ACS Bank, 5.13%, 3/16/37 (b)	USD	3,775	\$ 2,815,550
Eksporthfinans A/S:			
3.00%, 11/17/14		1,475	1,491,591
5.50%, 6/26/17		950	1,038,650
HSBC Bank USA NA, 5.88%, 11/01/34		775	756,694
HSBC Finance Corp., 6.50%, 5/02/36		300	309,105
Royal Bank of Scotland Group Plc, 2.63%, 5/11/12 (b)		295	301,757
			6,713,347
Commercial Services & Supplies 1.0%			
DI Finance, Series B, 9.50%, 2/15/13		598	602,485
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		955	1,021,850
Waste Services, Inc., 9.50%, 4/15/14		590	606,225
West Corp.:			
9.50%, 10/15/14		305	302,712
11.00%, 10/15/16		1,000	1,002,500
			3,535,772
Communications Equipment 0.5%			
Cisco Systems, Inc., 4.45%, 1/15/20		1,875	1,873,427
Computers & Peripherals 0.2%			
Seagate Technology International, 10.00%, 5/01/14 (b)		655	744,244
Consumer Finance 0.3%			
Ford Motor Credit Co. LLC:			
3.00%, 1/13/12 (a)		125	117,188
7.80%, 6/01/12		340	343,593
SLM Corp., Series A, 0.55%, 1/27/14 (a)		550	456,953
			917,734
Containers & Packaging 2.0%			
Ball Corp., 7.38%, 9/01/19		270	280,125
Berry Plastics Escrow LLC, 8.88%, 9/15/14 (b)		690	664,125
Crown Americas LLC, 7.75%, 11/15/15		150	154,875
Graphic Packaging International, Inc., 9.50%, 6/15/17		970	1,018,500
Impress Holdings BV, 3.38%, 9/15/13 (a)(b)		300	279,750
Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13		1,500	1,522,500

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Pregis Corp., 12.38%, 10/15/13		545	540,912
Smurfit Kappa Acquisitions (b):			
7.25%, 11/15/17	EUR	725	967,456
7.75%, 11/15/19		685	928,071
Solo Cup Co., 10.50%, 11/01/13	USD	770	806,575
			7,162,889

Diversified Financial Services 5.2%

FCE Bank Plc:			
7.88%, 2/15/11	GBP	550	844,935
7.13%, 1/16/12	EUR	650	877,288
GMAC, Inc., 8.30%, 2/12/15 (b)	USD	3,500	3,530,625
General Electric Capital Corp.:			
6.15%, 8/07/37 (e)		4,150	4,000,886
5.88%, 1/14/38		177	164,325
6.88%, 1/10/39		135	141,000
JPMorgan Chase & Co.:			
3.70%, 1/20/15 (e)		3,425	3,466,292
6.00%, 1/15/18		125	135,383
6.30%, 4/23/19 (d)		2,000	2,217,896
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		2,110	2,136,375
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	550	747,046
			18,262,051

Corporate Bonds		Par (000)		Value
Diversified Telecommunication Services 6.2%				
AT&T Inc.:				
6.45%, 6/15/34	USD	780	\$	798,280
6.30%, 1/15/38		600		611,066
6.55%, 2/15/39 (e)		3,375		3,565,826
BellSouth Telecommunications, Inc., 7.96%, 12/15/95 (g)		1,700		1,089,380
Comcast Cable Holdings LLC, 7.88%, 8/01/13		10		11,485
GCI, Inc., 8.63%, 11/15/19 (b)		1,700		1,727,625
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		120		128,400
Qwest Communications International, Inc.:				
7.50%, 2/15/14		60		60,600
Series B, 7.50%, 2/15/14		30		30,300
Qwest Corp.:				
8.88%, 3/15/12		120		130,050
8.38%, 5/01/16		180		197,100
Telecom Italia Capital SA:				
4.95%, 9/30/14		1,075		1,122,167
6.00%, 9/30/34		1,550		1,414,825
Telefonica Emisiones SAU, 7.05%, 6/20/36		1,975		2,195,402
Telefonica Europe BV, 7.75%, 9/15/10		725		751,539
Verizon Communications, Inc.:				
6.40%, 2/15/38 (e)		2,125		2,224,605
8.95%, 3/01/39		900		1,226,587
Verizon Global Funding Corp., 7.75%, 12/01/30		70		83,388
Verizon Maryland, Inc., Series B, 5.13%, 6/15/33		125		102,827
Verizon New Jersey, Inc.:				

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5.88%, 1/17/12	335	358,306
7.85%, 11/15/29	230	249,912
Verizon Virginia, Inc., Series A, 4.63%, 3/15/13 (d)(e)	3,150	3,328,170
Windstream Corp.:		
8.13%, 8/01/13	120	124,800
8.63%, 8/01/16	140	142,450
		21,675,090
Electric Utilities 4.9%		
Alabama Power Co., 6.00%, 3/01/39	1,275	1,342,035
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	315	330,942
6.00%, 1/15/38	825	867,611
EDP Finance BV, 6.00%, 2/02/18 (b)	998	1,046,371
E.ON International Finance BV, 6.65%, 4/30/38 (b)	1,525	1,743,275
Electricité de France SA, 6.95%, 1/26/39 (b)	1,400	1,619,911
Elwood Energy LLC, 8.16%, 7/05/26	101	96,692
Florida Power & Light Co., 4.95%, 6/01/35	950	867,000
Florida Power Corp.:		
6.35%, 9/15/37	1,325	1,447,821
6.40%, 6/15/38	875	963,067
Intergen NV, 9.00%, 6/30/17 (b)	580	591,600
PacifiCorp., 6.25%, 10/15/37	575	628,895
Public Service Co. of Colorado, 6.25%, 9/01/37	1,200	1,312,351
Southern California Edison Co.:		
5.63%, 2/01/36	625	633,089
Series 05-E, 5.35%, 7/15/35	125	121,942
Series 08-A, 5.95%, 2/01/38	1,075	1,138,770
The Toledo Edison Co., 6.15%, 5/15/37	350	353,201
Virginia Electric and Power Co., Series A, 6.00%, 5/15/37 (e)	2,000	2,087,916
		17,192,489

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Energy Equipment & Services 1.0%			
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)	USD	2,460	\$ 2,447,700
North American Energy Alliance LLC, 10.88%, 6/01/16 (b)		985	1,044,100
North American Energy Partners, Inc., 8.75%, 12/01/11		45	44,775
			3,536,575
Food & Staples Retailing 0.9%			
Wal-Mart Stores, Inc.:			
6.50%, 8/15/37 (e)		1,900	2,158,640
6.20%, 4/15/38		850	930,703
			3,089,343
Food Products 0.7%			
Kraft Foods, Inc., 7.00%, 8/11/37		1,455	1,607,506
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		800	866,000
			2,473,506
Health Care Equipment & Supplies 0.3%			
DJO Finance LLC, 10.88%, 11/15/14		860	920,200
Health Care Providers & Services 0.3%			
LifePoint Hospitals, Inc., 3.50%, 5/15/14 (h)		165	151,181
Tenet Healthcare Corp. (b):			
9.00%, 5/01/15		410	429,475
10.00%, 5/01/18		170	187,000
8.88%, 7/01/19		330	348,150
			1,115,806
Hotels, Restaurants & Leisure 0.2%			
Greektown Holdings, LLC, 10.75%, 12/01/13 (b)(c)(i)		250	15,000
McDonald's Corp., 5.70%, 2/01/39		825	843,872
			858,872
Household Durables 3.0%			
Beazer Homes USA, Inc.:			
12.00%, 10/15/17 (b)		1,050	1,170,750

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4.63%, 6/15/24 (h)	495	477,675
Belvoir Land LLC, Series A-1, 5.27%, 12/15/47 (b)	300	216,846
Centex Corp., 5.13%, 10/01/13	1,088	1,098,880
D.R. Horton, Inc., 6.13%, 1/15/14	1,040	1,040,000
Irwin Land LLC (b):		
Series A-1, 5.03%, 12/15/25	525	454,020
Series A-2, 5.40%, 12/15/47	1,500	1,107,720
K. Hovnanian Enterprises, Inc., 10.63%, 10/15/16	865	903,925
KB Home:		
6.38%, 8/15/11	95	96,663
9.10%, 9/15/17	350	363,125
Lennar Corp., Series B, 5.60%, 5/31/15	400	368,000
Ohana Military Communities LLC, Series 04I, 6.19%, 4/01/49 (b)	350	297,286
Pulte Homes, Inc., 5.20%, 2/15/15	310	289,850
Standard Pacific Corp.:		
6.25%, 4/01/14	160	144,000
7.00%, 8/15/15	225	202,500
10.75%, 9/15/16	2,100	2,189,250
Toll Brothers Finance Corp., 4.95%, 3/15/14	250	246,765
		10,667,255

Household Products 0.3%

Kimberly-Clark, Corp., 6.63%, 8/01/37	850	980,520
Libbey Glass, Inc., 10.00%, 2/15/15 (b)	185	191,475
		1,171,995

Corporate Bonds		Par (000)		Value
IT Services 0.4%				
First Data Corp.:				
9.88%, 9/24/15	USD	30	\$	25,950
11.25%, 3/31/16		720		590,400
iPayment, Inc., 9.75%, 5/15/14		240		209,400
iPayment Investors LP, 11.63%, 7/15/14 (b)(j)		763		610,446
				1,436,196

Independent Power Producers & Energy Traders 0.9%

AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29 (d)		1,015		1,100,006
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		2,040		2,065,500
NRG Energy, Inc.:				
7.25%, 2/01/14		50		50,375
7.38%, 2/01/16		10		9,863
TXU Corp., 5.55%, 11/15/14		195		142,308
				3,368,052

Industrial Conglomerates 0.8%

Sequa Corp. (b):				
11.75%, 12/01/15		690		676,200
13.50%, 12/01/15 (j)		1,940		1,945,243

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		2,621,443
Insurance 2.4%		
Chubb Corp., 6.00%, 5/11/37 (k)	1,100	1,140,567
Hartford Life Global Funding Trusts, 0.43%, 6/16/14 (a)	425	393,819
Metropolitan Life Global Funding I (b): 2.50%, 1/11/13	2,545	2,563,176
5.13%, 6/10/14	775	831,726
Monument Global Funding Ltd., 0.41%, 6/16/10 (a)(b)(d)	1,810	1,795,203
Prudential Financial, Inc.: 5.70%, 12/14/36	675	631,937
Series D, 5.90%, 3/17/36	500	480,727
Teachers Insurance & Annuity Association of America, 6.85%, 12/16/39 (b)	505	544,222
		8,381,377
Leisure Equipment & Products 0.4%		
Brunswick Corp., 11.25%, 11/01/16 (b)	1,145	1,273,813
Machinery 1.0%		
AGY Holding Corp., 11.00%, 11/15/14	310	248,000
Accuride Corp., 7.50%, 2/26/20 (h)(j)	4	7,613
Navistar International Corp.: 3.00%, 10/15/14 (h)	760	777,100
8.25%, 11/01/21	1,400	1,421,000
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (b)	890	772,075
Titan International, Inc., 5.63%, 1/15/17 (b)(h)	340	357,850
		3,583,638
Marine 1.2%		
Horizon Lines, Inc., 4.25%, 8/15/12 (h)	2,355	1,948,762
Nakilat, Inc., Series A, 6.07%, 12/31/33 (b)	1,050	956,413
Navios Maritime Holdings, Inc., 8.88%, 11/01/17 (b)	750	763,125
Trico Shipping AS, 11.88%, 11/01/14 (b)	490	474,688
		4,142,988

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Corporate Bonds		Par (000)	Value
Media 6.0%			
Affinion Group, Inc., 10.13%, 10/15/13	USD	695	\$ 701,950
Belo Corp., 6.75%, 5/30/13		190	188,100
CCH II LLC, 13.50%, 11/30/16		520	614,694
CMP Susquehanna Corp., 3.20%, 5/15/14 (b)		52	1,040
Clear Channel Worldwide Holdings, Inc., 9.25%, 12/15/17 (b)		1,415	1,451,790
Comcast Cable Communications Holdings, Inc., 9.46%, 11/15/22		600	802,681
Comcast Cable Holdings LLC, 7.13%, 2/15/28		200	215,556
Comcast Corp.:			
6.50%, 1/15/17		1,625	1,815,759
6.45%, 3/15/37		790	810,467
6.95%, 8/15/37		10	10,802
6.40%, 3/01/40		300	305,242
Cox Enterprises, Inc. (f):			
Loan Close 2, 12.00%, 8/15/18		900	900,000
Loan Close 3, 12.00%, 8/15/18		1,050	1,050,000
Shares Loan, 12.00%, 8/15/18		1,050	1,050,000
Network Communications, Inc., 10.75%, 12/01/13		155	71,300
News America Holdings, Inc.:			
7.70%, 10/30/25		825	915,137
8.45%, 8/01/34		625	764,227
News America, Inc., 7.63%, 11/30/28		985	1,114,095
Nielsen Finance LLC, 10.00%, 8/01/14		935	970,062
Rainbow National Services LLC (b):			
8.75%, 9/01/12		200	204,000
10.38%, 9/01/14		943	991,329
TCI Communications, Inc., 7.88%, 2/15/26		610	702,460
Time Warner Cable, Inc., 7.30%, 7/01/38		930	1,054,727
Time Warner Cos., Inc.:			
6.95%, 1/15/28		70	76,333
6.63%, 5/15/29		90	95,187
Time Warner, Inc.:			
7.63%, 4/15/31		205	238,849
7.70%, 5/01/32		85	100,124
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)		1,200	1,093,500
UPC Germany GmbH, 8.13%, 12/01/17 (b)		2,600	2,600,000
			20,909,411
Metals & Mining 2.6%			
Drummond Co., Inc.:			
9.00%, 10/15/14 (b)		1,115	1,115,000
7.38%, 2/15/16		375	349,688
Falconbridge Ltd.:			
6.00%, 10/15/15		825	890,310
6.20%, 6/15/35		1,250	1,177,079
GoldCorp., Inc., 2.00%, 8/01/14 (b)(h)		280	313,600
McJunkin Red Man Corp., 9.50%, 12/15/16 (b)		1,775	1,779,437

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Murray Energy Corp., 10.25%, 10/15/15 (b)		395	395,494
New World Resources NV, 7.38%, 5/15/15	EUR	300	363,562
Novelis, Inc., 11.50%, 2/15/15	USD	1,070	1,136,875
Steel Dynamics, Inc., 7.38%, 11/01/12		80	81,400
Teck Resources Ltd.:			
10.25%, 5/15/16		510	608,175
10.75%, 5/15/19		860	1,057,800

9,268,420

Multi-Utilities 0.5%

Energy East Corp., 6.75%, 7/15/36		1,500	1,652,152
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Oil, Gas & Consumable Fuels 10.3%

Arch Coal, Inc., 8.75%, 8/01/16 (b)		485	501,975
Atlas Energy Operating Co. LLC:			
12.13%, 8/01/17		1,655	1,861,875
10.75%, 2/01/18		105	113,663

Corporate Bonds

**Par
(000) Value**

Oil, Gas & Consumable Fuels (concluded)

BP Capital Markets Plc, 3.13%, 3/10/12	USD	1,270	\$ 1,318,999
Berry Petroleum Co., 8.25%, 11/01/16		140	140,350
Bill Barrett Corp., 9.88%, 7/15/16		395	418,206
Burlington Resources Finance Co., 7.40%, 12/01/31		875	1,029,721
Canadian Natural Resources, Ltd.:			
6.50%, 2/15/37		410	438,349
6.25%, 3/15/38		375	390,243
6.75%, 2/01/39		1,025	1,126,846
Cenovus Energy, Inc., 6.75%, 11/15/39 (b)		895	983,454
Conoco Funding Co., 7.25%, 10/15/31		125	146,643
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36		535	556,920
ConocoPhillips Holding Co., 6.95%, 4/15/29		650	752,125
Crosstex Energy LP, 8.88%, 2/15/18 (b)		1,390	1,410,850
Denbury Resources, Inc., 8.25%, 2/15/20		1,195	1,236,825
Devon Energy Corp., 7.95%, 4/15/32		625	787,531
EnCana Corp.:			
6.50%, 8/15/34		670	714,438
6.63%, 8/15/37		700	769,570
Encore Acquisition Co., 6.00%, 7/15/15		40	40,300
Enterprise Products Operating LLC:			
6.13%, 2/01/13		695	762,583
6.13%, 10/15/39		700	699,467
Forest Oil Corp., 7.25%, 6/15/19		20	19,600
MidAmerican Energy Co., 5.80%, 10/15/36		700	711,407
MidAmerican Energy Holdings Co.:			
5.95%, 5/15/37		800	805,302
6.50%, 9/15/37		1,900	2,046,032
Nexen, Inc., 6.40%, 5/15/37		750	757,657
Niskas Gas Storage US LLC, 8.88%, 3/15/18 (b)(l)		2,855	2,855,000
OPTI Canada, Inc., 9.00%, 12/15/12 (b)		1,460	1,485,550
Petrobras International Finance Co.:			
5.88%, 3/01/18		75	77,077
5.75%, 1/20/20		1,725	1,740,009
Roseton-Danskammer 2001, Series B, 7.67%, 11/08/16		2,740	2,644,100

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Sabine Pass LNG LP, 7.50%, 11/30/16	330	289,575
Shell International Finance BV, 6.38%, 12/15/38	1,700	1,897,605
Valero Energy Corp., 6.63%, 6/15/37	1,245	1,194,169
Whiting Petroleum Corp., 7.25%, 5/01/13	335	338,350
XTO Energy, Inc.:		
6.75%, 8/01/37	1,925	2,269,635
6.38%, 6/15/38	900	1,015,036
		<hr/>
		36,347,037

Paper & Forest Products 2.5%