

BEARDSLEE DENNIS  
Form 4  
January 04, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BEARDSLEE DENNIS

2. Issuer Name and Ticker or Trading Symbol  
CITIZENS & NORTHERN CORP  
[CZNC]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
155 CHESTNUT STREET  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/03/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

TROY, PA 16947  
  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock	01/03/2006		A <sup>(1)</sup>	45 D \$ 25.86	48 <sup>(2)</sup>	D	
Common Stock	01/03/2006		J <sup>(3)</sup>	45 A \$ 25.86	4,971	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BEARDSLEE DENNIS 155 CHESTNUT STREET TROY, PA 16947		X		

## Signatures

Kathleen M. Osgood for Dennis F. Beardslee under Power of Attorney dated 9/20/01 01/04/2006

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Release of Restricted Stock granted under Independent Directors Stock Incentive Plan
- (2) Total Restricted Stock Holdings
- (3) Restricted Stock reissued to personal holdings

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. D VALIGN=BOTTOM>

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1.54

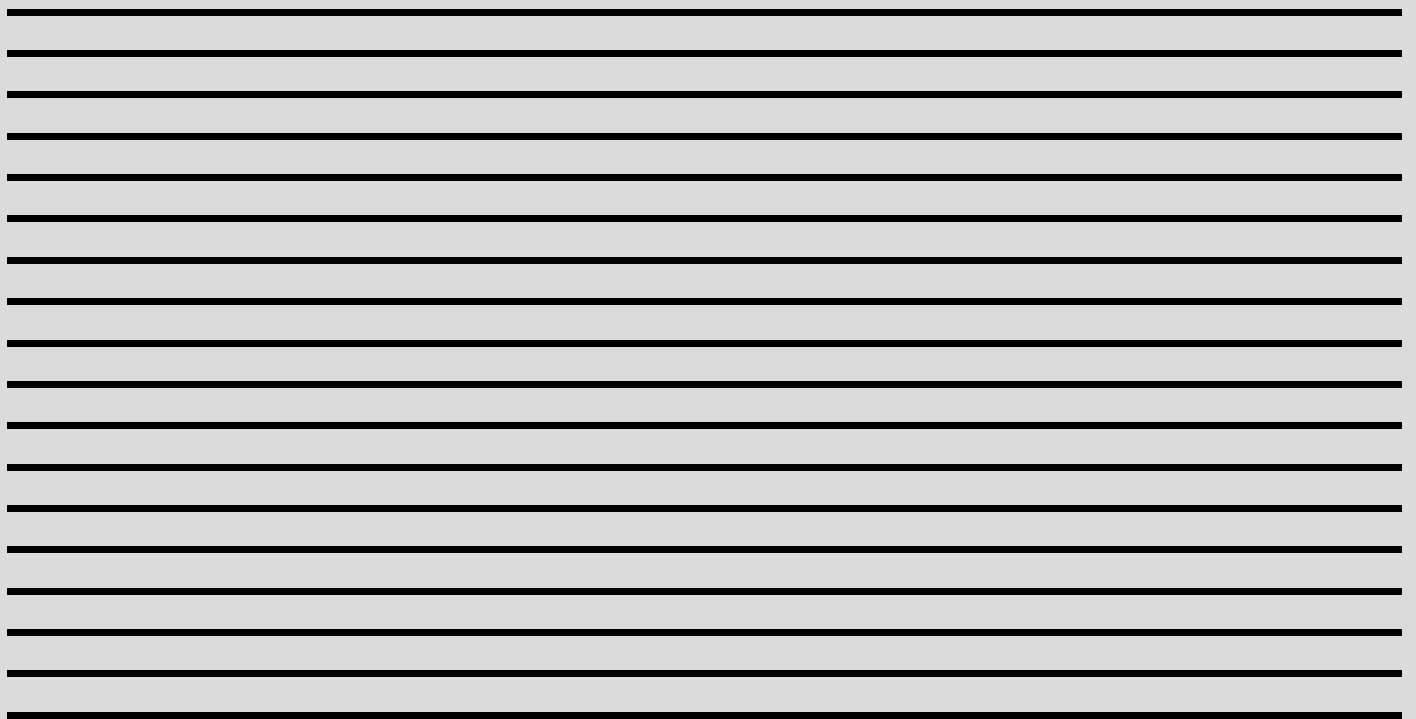
%

1.43

%

1.47

%



Total expenses after fees waived and before fees paid indirectly<sup>4</sup>

1.60

%<sup>5</sup>

1.35







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Total expenses after fees waived and paid indirectly and excluding interest expense and fees<sup>4,6</sup>

1.32  
%<sup>5</sup>

1.15  
%

1.25  
%

1.09  
%

0.96  
%

0.98  
%

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Net investment income<sup>4</sup>

7.34

%<sup>5</sup>

6.92

%

7.98

%

7.52

%

7.22

%

7.28

%

Dividends to Preferred Shareholders

	0.16
% <sup>5</sup>	
	0.15
%	
	1.01
%	
	1.99
%	
	2.01
%	

%



Net investment income to Common Shareholders

7.18

%<sup>5</sup>

6.77

%

6.97

%

5.53

Explanation of Responses:

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**Supplemental Data**

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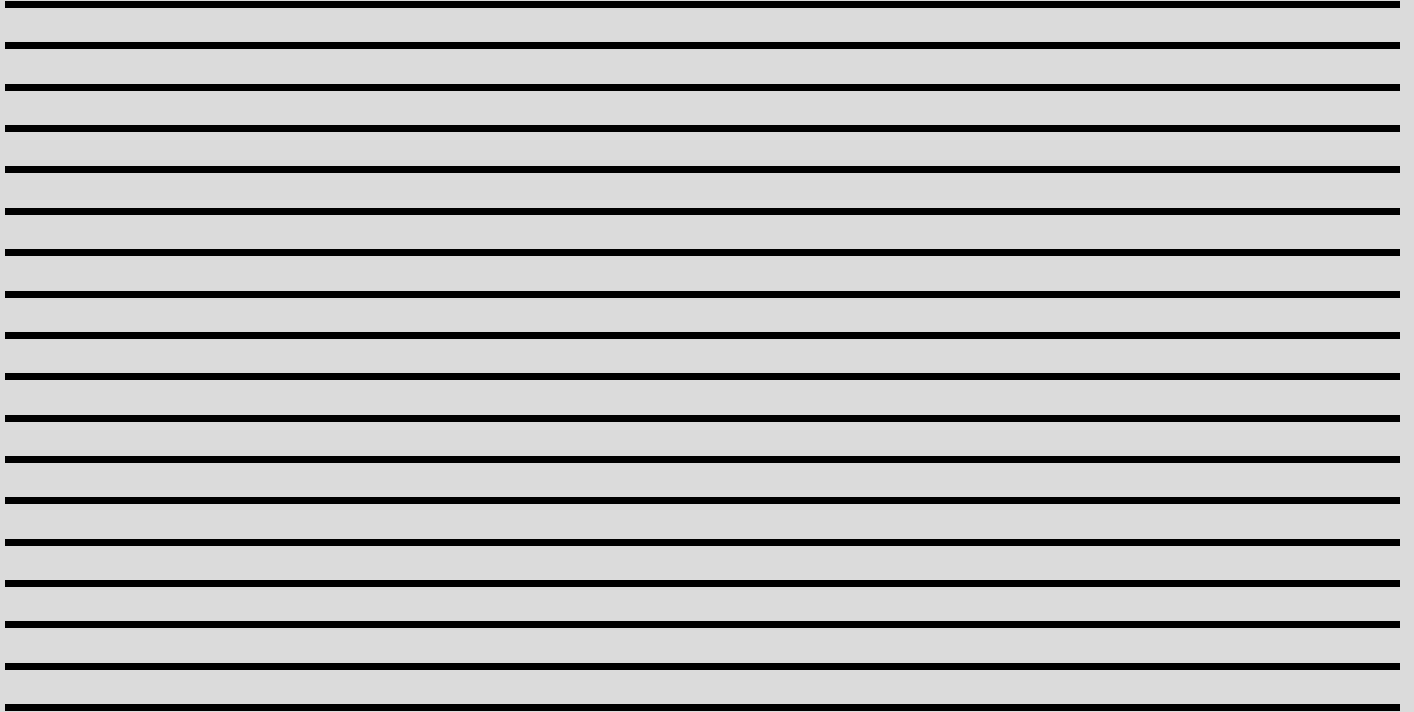
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Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)

\$	17,850
\$	17,850
\$	17,850
\$	26,175
\$	29,775
\$	



Portfolio turnover

11  
%

47  
%

71  
%

30  
%

Explanation of Responses: 18

%

%



Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period (000)

\$

88,452

\$

97,421

\$

Explanation of Responses:



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- <sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.
- <sup>5</sup> Annualized.
- <sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT

FEBRUARY 28, 2011

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## Financial Highlights

## BlackRock Municipal Income Trust II (BLE)

	Six Months Ended February 28, 2011 (Unaudited)	Year Ended August 31,				
		2010	2009	2008	2007	2006
<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$ 14.63	\$ 12.78	\$ 13.60	\$ 15.08	\$ 15.82	\$ 15.75
Net investment income	0.54 <sub>1</sub>	1.08 <sub>1</sub>	1.09 <sub>1</sub>	1.17 <sub>1</sub>	1.17	1.18
Net realized and unrealized gain (loss)	(1.54)	1.77	(0.95)	(1.50)	(0.66)	0.18
Dividends to Preferred Shareholders from net investment income	(0.01)	(0.03)	(0.12)	(0.30)	(0.32)	(0.28)
Net increase (decrease) from investment operations	(1.01)	2.82	0.02	(0.63)	0.19	1.08
Dividends to Common Shareholders from net investment income	(0.50)	(0.97)	(0.84)	(0.85)	(0.93)	(1.01)
Net asset value, end of period	\$ 13.12	\$ 14.63	\$ 12.78	\$ 13.60	\$ 15.08	\$ 15.82
Market price, end of period	\$ 13.02	\$ 15.22	\$ 13.45	\$ 13.27	\$ 15.05	\$ 17.22
<b>Total Investment Return<sup>2</sup></b>						
Based on net asset value	(6.98)% <sup>3</sup>	22.83%	1.54%	(4.15)%	1.02%	7.04%
Based on market price	(11.27)% <sup>3</sup>	21.42%	9.52%	(6.29)%	(7.38)%	16.66%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses <sup>4</sup>	1.17% <sup>5</sup>	1.16%	1.36%	1.24%	1.12%	1.18%
Total expenses after fees waived and before fees paid indirectly <sup>4</sup>	1.09% <sup>5</sup>	1.08%	1.19%	1.07%	0.90%	0.94%
Total expenses after fees waived and paid indirectly <sup>4</sup>	1.09% <sup>5</sup>	1.08%	1.19%	1.07%	0.89%	0.94%

Explanation of Responses:

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Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>4,6</sup>	1.00% <sup>5</sup>	0.99%	1.05%	1.00%	0.89%	0.94%
Net investment income <sup>4</sup>	7.91% <sup>5</sup>	7.89%	9.69%	8.09%	7.43%	7.66%
Dividends to Preferred Shareholders	0.20% <sup>5</sup>	0.20%	1.07%	2.04%	2.01%	1.78%
Net investment income to Common Shareholders	7.71% <sup>5</sup>	7.69%	8.62%	6.05%	5.42%	5.88%

**Supplemental Data**

Net assets applicable to Common Shareholders, end of period (000)	\$ 305,605	\$ 340,269	\$ 296,070	\$ 314,889	\$ 347,563	\$ 362,608
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 151,300	\$ 151,300	\$ 151,300	\$ 166,050	\$ 205,550	\$ 205,550
Portfolio turnover	10%	29%	19%	21%	12%	68%
Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period	\$ 75,498	\$ 81,226	\$ 73,923	\$ 72,419	\$ 67,279	\$ 69,110

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock MuniHoldings Investment Quality Fund (MFL)

	Six Months Ended February 28, 2011 (Unaudited)	Year Ended August 31,				
		2010	2009	2008	2007	2006
<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$ 14.69	\$ 13.57	\$ 13.50	\$ 14.09	\$ 14.75	\$ 15.32
Net investment income <sup>1</sup>	0.48	0.96	0.94	1.01	1.07	1.04
Net realized and unrealized gain (loss)	(1.74)	1.04	(0.03)	(0.61)	(0.66)	(0.47)
Dividends to Preferred Shareholders from net investment income	(0.02)	(0.03)	(0.13)	(0.32)	(0.35)	(0.30)
Net increase (decrease) from investment operations	(1.28)	1.97	0.78	0.08	0.06	0.27
Dividends to Common Shareholders from net investment income	(0.45)	(0.85)	(0.71)	(0.67)	(0.72)	(0.84)
Net asset value, end of period	\$ 12.96	\$ 14.69	\$ 13.57	\$ 13.50	\$ 14.09	\$ 14.75
Market price, end of period	\$ 12.68	\$ 14.65	\$ 12.63	\$ 11.61	\$ 12.86	\$ 14.37
<b>Total Investment Return<sup>2</sup></b>						
Based on net asset value	(8.76)% <sup>3</sup>	15.22%	7.36%	1.16%	0.59%	2.10%
Based on market price	(10.49)% <sup>3</sup>	23.46%	16.19%	(4.68)%	(5.76)%	(3.24)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses <sup>4</sup>	1.24% <sup>5</sup>	1.17%	1.32%	1.54%	1.54%	1.46%
Total expenses after fees waived and before fees paid indirectly <sup>4</sup>	1.16% <sup>5</sup>	1.09%	1.20%	1.42%	1.46%	1.38%
Total expenses after fees waived and paid indirectly <sup>4</sup>	1.16% <sup>5</sup>	1.09%	1.20%	1.42%	1.46%	1.38%

Explanation of Responses:



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Total expenses after fees waived and excluding interest expense and fees <sup>4,6</sup>	1.04% <sup>5</sup>	1.01%	1.07%	1.13%	1.12%	1.12%
Net investment income <sup>4</sup>	7.16% <sup>5</sup>	6.85%	7.48%	7.23%	7.30%	7.08%
Dividends to Preferred Shareholders	0.22% <sup>5</sup>	0.21%	1.05%	2.31%	2.40%	2.00%
Net investment income to Common Shareholders	6.94% <sup>5</sup>	6.64%	6.43%	4.92%	4.90%	5.08%

**Supplemental Data**

Net assets applicable to Common Shareholders, end of period (000)	\$ 488,799	\$ 553,367	\$ 511,013	\$ 508,698	\$ 530,903	\$ 555,494
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 274,650	\$ 274,650	\$ 274,650	\$ 296,125	\$ 363,250	\$ 363,250
Portfolio turnover	13%	38%	40%	25%	22%	43%
Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period	\$ 69,494	\$ 75,371	\$ 71,516	\$ 67,958	\$ 61,555	\$ 63,240

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Financial Highlights

BlackRock MuniVest Fund, Inc. (MVF)

	Six Months Ended February 28, 2011 (Unaudited)	Year Ended August 31,				
		2010	2009	2008	2007	2006
<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$ 10.01	\$ 8.98	\$ 8.91	\$ 9.39	\$ 9.93	\$ 10.23
Net investment income <sup>1</sup>	0.37	0.73	0.70	0.67	0.73	0.70
Net realized and unrealized gain (loss)	(1.14)	0.97	(0.03)	(0.45)	(0.55)	(0.23)
Dividends and distributions to Preferred Shareholders from:						
Net investment income	(0.01)	(0.02)	(0.06)	(0.18)	(0.20)	(0.17)
Net realized gain	<sup>2</sup>					
Net increase (decrease) from investment operations	(0.78)	1.68	0.61	0.04	(0.02)	0.30
Dividends and distributions to Common Shareholders from:						
Net investment income	(0.35)	(0.65)	(0.54)	(0.52)	(0.52)	(0.60)
Net realized gain	<sup>2</sup>					
Total dividends and distributions to Common Shareholders	(0.35)	(0.65)	(0.54)	(0.52)	(0.52)	(0.60)
Net asset value, end of period	\$ 8.88	\$ 10.01	\$ 8.98	\$ 8.91	\$ 9.39	\$ 9.93
Market price, end of period	\$ 9.04	\$ 10.38	\$ 8.91	\$ 8.33	\$ 9.35	\$ 9.66
<b>Total Investment Return<sup>3</sup></b>						
Based on net asset value	(7.91)% <sup>4</sup>	19.31%	8.18%	0.51%	(0.30)%	3.27%
Based on market price	(9.59)% <sup>4</sup>	24.69%	14.81%	(5.63)%	2.05%	1.26%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses <sup>5</sup>	1.30% <sup>6</sup>	1.22%	1.53%	1.58%	1.66%	1.60%

Explanation of Responses:

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Total expenses after fees waived and before fees paid indirectly <sup>5</sup>	1.29% <sup>6</sup>	1.22%	1.50%	1.58%	1.66%	1.60%
Total expenses after fees waived and paid indirectly and excluding interest expense and fees <sup>5,7</sup>	1.04% <sup>6</sup>	1.03%	1.14%	1.10%	1.02%	1.04%
Net investment income <sup>5</sup>	7.96% <sup>6</sup>	7.71%	8.74%	7.34%	7.33%	7.11%
Dividends to Preferred Shareholders	0.19% <sup>6</sup>	0.19%	0.78%	1.94%	1.98%	1.72%
Net investment income to Common Shareholders	7.77% <sup>6</sup>	7.52%	7.96%	5.40%	5.35%	5.39%

**Supplemental Data**

Net assets applicable to Common Shareholders, end of period (000)	\$ 557,857	\$ 625,195	\$ 555,889	\$ 551,027	\$ 579,079	\$ 609,612
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 243,825	\$ 243,825	\$ 243,825	\$ 275,700	\$ 334,000	\$ 334,000
Portfolio turnover	8%	25%	31%	41%	39%	56%
Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period (000)	\$ 82,201	\$ 89,106	\$ 81,999	\$ 74,993	\$ 68,380	\$ 70,654

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

## Notes to Financial Statements (Unaudited)

**1. Organization and Significant Accounting Policies:**

BlackRock Municipal Income Quality Trust ( BYM ), BlackRock Municipal Income Investment Quality Trust ( BAF ), BlackRock Municipal Bond Trust ( BBK ), BlackRock Municipal Bond Investment Trust ( BIE ) (BBK and BIE collectively the Bond Trusts ) and BlackRock Municipal Income Trust II ( BLE ) are organized as Delaware statutory trusts. BlackRock MuniHoldings Investment Quality Fund ( MFL ) and BlackRock MuniVest Fund, Inc. ( MVF ) are organized as a Massachusetts business trust and as a Maryland corporation, respectively. BYM, BAF, BBK, BIE, BLE, MFL and MVF are referred to herein collectively as the Trusts and individually as a Trust. BYM, BBK and BLE are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as diversified, closed-end management investment companies. BAF, BIE, MFL and MVF are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Trusts financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Each Trust s Board of Directors/Trustees are collectively referred to throughout this report as the Board of Trustees or the Board. The Trusts determine and make available for publication the net asset values of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Trusts:

**Valuation:** US GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Investments in open-end investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

**Forward Commitments and When-Issued Delayed Delivery Securities:** The Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments, if any.

**Municipal Bonds Transferred to TOBs:** The Trusts leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Trust has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ( TOB Residuals ), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Trust include the right of a Trust (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Trust. The TOB may also be terminated without the consent of a Trust upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During

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the six months ended February 28, 2011, no TOBs that the Trusts participated in were terminated without the consent of the Trusts.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Trust, which typically invests the cash in additional municipal bonds. Each Trust's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing, therefore the municipal bonds deposited into a TOB are presented in the Trusts' Schedules of Investments and the proceeds from the issuance of the short-term floating rate certificates are shown as trust certificates in the Statements of Assets and Liabilities.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Trusts on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense and fees in the Statements of Operations. The short-term floating rate certificates have interest rates that generally

## Notes to Financial Statements (continued)

reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At February 28, 2011, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for trust certificates and the range of interest rates on the liability for trust certificates were as follows:

	Underlying Municipal Bonds Transferred to TOBs	Liability for Trust Certificates	Range of Interest Rates	
BYM	\$ 147,543,940	\$ 80,914,512	0.26%	0.36%
BAF	\$ 45,011,635	\$ 25,866,266	0.26%	0.36%
BBK	\$ 14,055,519	\$ 7,399,148	0.22%	0.56%
BIE	\$ 29,691,735	\$ 16,275,832	0.26%	0.33%
BLE	\$ 67,593,413	\$ 39,252,437	0.22%	0.43%
MFL	\$ 127,851,542	\$ 68,400,059	0.26%	0.41%
MVF	\$ 314,197,248	\$ 173,450,947	0.22%	0.40%

For the six months ended February 28, 2011, the Trusts' average trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

	Average Trust Certificates Outstanding	Daily Weighted Average Interest Rate
BYM	\$ 80,914,512	0.78%
BAF	\$ 26,915,437	0.74%
BBK	\$ 7,399,148	0.76%
BIE	\$ 16,275,832	0.83%
BLE	\$ 39,252,437	0.77%
MFL	\$ 70,025,603	0.85%
MVF	\$ 179,790,502	0.82%

Should short-term interest rates rise, the Trusts' investments in TOBs may adversely affect the Trusts' net investment income and distributions to shareholders. Also, fluctuations in the market values of municipal bonds deposited into the TOB may adversely affect the Trusts' net asset values per share.

**Zero-Coupon Bonds:** The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Trusts either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts), the Trusts will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 6.

**Income Taxes:** It is each Trust's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust's US federal tax return remains open for each of the four years ended August 31, 2010. The statutes of limitations on each Trust's state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan:** Under the deferred compensation plan approved by each Trust's Board, non-interested Trustees ( Independent Trustees ) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in Common Shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has approximately the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Each Trust may, however, elect to invest in Common Shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees in order to match its deferred compensation obligations. Investments to cover each Trust's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan, if any, are included in income affiliated in the Statements of Operations.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. The Trusts have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

## Notes to Financial Statements (continued)

**2. Derivative Financial Instruments:**

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and to economically hedge, or protect, their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

**Financial Futures Contracts:** The Trusts purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between a Trust and the counter-party to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on settlement date. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Trusts as unrealized appreciation or depreciation. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

**Derivative Instruments Categorized by Risk Exposure:****Fair Values of Derivative Instruments as of February 28, 2011**

		<b>Liability Derivatives</b>						
		<b>BYM</b>	<b>BAF</b>	<b>BBK</b>	<b>BIE</b>	<b>BLE</b>	<b>MFL</b>	<b>MVF</b>
<b>Statements of Assets and Liabilities Location</b>		<b>Value</b>						
Interest rate contracts	Net unrealized appreciation/depreciation*	\$ 103,964	\$ 25,058	\$ 95,119	\$ 18,127	\$ 121,558	\$ 193,533	\$ 159,945

\* Includes cumulative appreciation/depreciation of financial futures contracts as reported in the Schedules of Investments. Only current day's margin variation is reported within the Statements of Assets and Liabilities.

**The Effect of Derivative Instruments in the Statements of Operations  
Six Months Ended February 28, 2011**

		<b>Net Change in Unrealized Appreciation/Depreciation on</b>						
		<b>BYM</b>	<b>BAF</b>	<b>BBK</b>	<b>BIE</b>	<b>BLE</b>	<b>MFL</b>	<b>MVF</b>
Interest rate contracts:								
Financial futures contracts		\$ (103,964)	\$ (25,058)	\$ (95,119)	\$ (18,127)	\$ (121,558)	\$ (193,533)	\$ (159,945)



For the six months ended February 28, 2011, the average quarterly balances of outstanding derivative financial instruments were as follows:

	BYM	BAF	BBK	BIE	BLE	MFL	MVF
Financial futures contracts:							
Average number of contracts sold	98	24	40	17	114	182	150
Average notional value of contracts sold	\$ 11,555,088	\$ 2,785,073	\$ 4,706,019	\$ 2,014,733	\$ 13,510,565	\$ 21,510,241	\$ 17,777,059

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ), Bank of America Corporation ( BAC ) and Barclays Bank PLC ( Barclays ) are the largest stockholders of BlackRock, Inc. ( BlackRock ). Due to the ownership structure, PNC is an affiliate of the Trusts for 1940 Act purposes, but BAC and Barclays are not.

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Trusts investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Trust s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee at the following annual rates of each Trust s average weekly net assets except MFL and MVF, which are based on average daily net assets as follows:

BYM	0.55%
BAF	0.55%
BBK	0.65%
BIE	0.65%
BLE	0.55%
MFL	0.55%
MVF	0.50%

## Notes to Financial Statements (continued)

Average weekly net assets and average daily net assets are the average weekly or the average daily value of each Trust's total assets minus the sum of its accrued liabilities.

The Manager voluntarily agreed to waive a portion of the investment advisory fee with respect to BYM and BAF, as a percentage of average weekly net assets, at an annual rate of 0.05% through October 2010. With respect to the Bond Trusts, the waiver, as a percentage of average weekly net assets is 0.10% through April 2011 and 0.05% through April 2012. With respect to BLE, the waiver, as a percentage of average weekly assets, is 0.05% through July 2012. With respect to MFL, the Manager voluntarily agreed to waive its investment advisory fees on the proceeds of Preferred Shares and TOBs that exceed 35% of net assets applicable to Common Shareholders. For the six months ended February 28, 2011, the Manager waived the following amounts, which are included in fees waived by advisor in the Statements of Operations:

BYM	\$	48,091
BAF	\$	16,941
BBK	\$	99,292
BIE	\$	34,604
BLE	\$	126,438
MFL	\$	204,079

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds, however the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid through each Trust's investment in other affiliated investment companies, if any. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months ended February 28, 2011, the amounts waived were as follows:

BYM	\$	3,826
BAF	\$	717
BBK	\$	17,910
BIE	\$	6,161
BLE	\$	1,423
MFL	\$	5,756
MVF	\$	3,482

The Manager entered into sub-advisory agreements with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager, with respect to BYM, BAF, the Bond Trusts and BLE, and BlackRock Investment Management, LLC ( BIM ), an affiliate of the Manager, with respect to MFL and MVF. The Manager pays BFM and BIM, for services they provide, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

For the period September 1, 2010 through December 31, 2010, each Trust reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

BYM	\$	1,735
BAF	\$	634
BBK	\$	784
BIE	\$	276
BLE	\$	1,694
MFL	\$	2,759

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MVF	\$ 3,220
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Effective January 1, 2011, the Trusts no longer reimburse the Manager for accounting services.

Certain officers and/or trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for compensation paid to the Trusts Chief Compliance Officer.

#### 4. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended February 28, 2011, were as follows:

	Purchases	Sales
BYM	\$ 62,158,800	\$ 56,705,637
BAF	\$ 26,267,503	\$ 34,358,552
BBK	\$ 35,870,412	\$ 33,916,728
BIE	\$ 9,248,545	\$ 10,612,512
BLE	\$ 52,969,946	\$ 51,053,331
MFL	\$ 124,514,969	\$ 108,424,312
MVF	\$ 77,364,013	\$ 91,257,130

#### 5. Concentration, Market and Credit Risk:

Each Trust invests a substantial amount of its assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets,

**Notes to Financial Statements (continued)**

which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Trusts' Statements of Assets and Liabilities, less any collateral held by the Trusts.

As of February 28, 2011, BYM invested a significant portion of its assets in securities in the Transportation, Utilities and County/City/Special District/School District sectors. BAF invested a significant portion of its assets in securities in the County/City/Special District/School District and Utilities sectors. BBK, BIE, BLE and MVF each invested a significant portion of its assets in securities in the Health sector and MFL invested a significant portion of its assets in securities in the Utilities and Transportation sectors. Changes in economic conditions affecting the County/City/Special District/School District, Health, Transportation and Utilities sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

**6. Capital Share Transactions:**

Each Trust except for MFL and MVF is authorized to an unlimited number of shares including Preferred Shares, par value \$0.001 per share, all of which were initially classified as Common Shares. Each Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

MFL is authorized to issue an unlimited number of shares including 1 million Preferred Shares, par value \$0.10 per share.

MVF is authorized to issue 160 million shares, 150 million of which were initially classified as Common Shares, par value \$0.10 per share and 10 million of which were classified as Preferred Shares, par value \$0.10 per share.

**Common Shares**

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

	Six Months Ended February 28, 2011	Year Ended August 31, 2010
BYM	32,748	49,706
BAF	3,544	4,686
BBK	26,347	54,302
BIE	1,042	639
BLE	31,281	90,383
MFL	26,817	9,752
MVF	333,487	526,507

**Preferred Shares**

The Preferred Shares are redeemable at the option of each Trust, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The Preferred Shares are also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Trust, as set forth in each Trust's Articles Supplementary/Statement of Preferences/Certificate of Designation (the "Governing Instrument") are not satisfied.

From time to time in the future, each Trust may effect repurchases of its Preferred Shares at prices below their liquidation preference as agreed upon by the Trust and seller. Each Trust also may redeem its Preferred Shares from time to time as provided in the applicable Governing Instrument. Each Trust intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage.

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requirements or for such other reasons as the Board may determine.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Trustees for each Trust. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Trust's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

The Trusts had the following series of Preferred Shares outstanding, effective yields and reset frequency as of February 28, 2011:

	Series	Preferred Shares	Effective Yield	Reset Frequency Days
BYM	M-7	1,830	0.43%	7
	R-7	1,830	0.40%	7
	F-7	1,830	0.40%	7
BAF	M-7	1,691	0.43%	7
BBK	T-7	1,598	0.43%	7
	R-7	1,598	0.40%	7
BIE	W-7	714	0.41%	7
BLE	M-7	1,513	0.43%	7
	T-7	1,513	0.43%	7
	W-7	1,513	0.41%	7
	R-7	1,513	0.40%	7
MFL	A	1,584	0.43%	7
	B	2,642	0.40%	7
	C	2,601	0.43%	7
	D	1,633	0.41%	7
	E	2,526	0.40%	7
MVF	A	1,460	0.23%	28
	B	1,460	0.25%	28
	C	1,460	0.25%	28
	D	1,460	0.25%	28
	E	2,190	0.25%	7
	F	1,723	1.49%	7

## Notes to Financial Statements (continued)

Dividends on seven-day and 28-day Preferred Shares are cumulative at a rate which is reset every seven or 28 days, respectively, based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, each Trust is required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of Preferred Shares (except MVF) is the higher of 110% of the AA commercial paper rate or 110% of 90% of the Kenny S&P 30-Day High Grade Index rate divided by 1.00 minus the marginal tax rate. The maximum applicable rate on the Preferred Shares for MVF for Series A, B, C, D and E is 110% of the interest equivalent of the 60-day commercial paper rate and for Series F is the higher of 110% plus or times (i) the Telerate/BBA LIBOR or (ii) 90% of the Kenny S&P 30-Day High Grade Index rate divided by 1.00 minus the marginal tax rate. The low, high and average dividend rates on the Preferred Shares for each Trust for the six months ended February 28, 2011 were as follows:

	Series	Low	High	Average
BYM	M-7	0.37%	0.50%	0.42%
	R-7	0.37%	0.50%	0.42%
	F-7	0.37%	0.50%	0.42%
BAF	M-7	0.37%	0.50%	0.42%
BBK	T-7	0.37%	0.50%	0.42%
	R-7	0.37%	0.50%	0.42%
BIE	W-7	0.37%	0.50%	0.42%
BLE	M-7	0.37%	0.50%	0.42%
	T-7	0.37%	0.50%	0.42%
	W-7	0.37%	0.50%	0.42%
	R-7	0.37%	0.50%	0.42%
MFL	A	0.37%	0.50%	0.42%
	B	0.37%	0.50%	0.42%
	C	0.37%	0.50%	0.42%
	D	0.37%	0.50%	0.42%
	E	0.37%	0.50%	0.42%
MVF	A	0.22%	0.28%	0.25%
	B	0.24%	0.28%	0.25%
	C	0.23%	0.31%	0.26%
	D	0.23%	0.29%	0.25%
	E	0.23%	0.28%	0.25%
	F	1.43%	1.56%	1.48%

Since February 13, 2008, the Preferred Shares of the Trusts failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.22% to 1.56% for the six months ended February 28, 2011. A failed auction is not an event of default for the Trusts but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Trust's auction rate preferred shares than buyers. A successful auction for the Trusts' Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, Preferred Shareholders may not have the ability to sell the Preferred Shares at their liquidation preference.

The Trusts may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

The Trusts pay commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions.

Preferred Shares issued and outstanding remained constant during the six months ended February 28, 2011 and the year ended August 31, 2010.

**7. Capital Loss Carryforwards:**

As of August 31, 2010, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

Expires August 31,	BYM	BAF	BBK	BIE	BLE	MFL	MVF
2012					\$ 5,097,889	\$ 1,836,991	
2013		\$ 178,996				7,986,138	
2015	\$ 1,544,099			\$ 30,026			
2016	3,217,765	250,838	\$ 772,344		1,648,836		
2017	6,430,212		2,225,455		3,397,830	6,481,433	\$ 7,618,622
2018	2,209,430	1,516,661		1,329,063	4,366,226	11,734,707	
<b>Total</b>	<b>\$ 13,401,506</b>	<b>\$ 1,946,495</b>	<b>\$ 2,997,799</b>	<b>\$ 1,359,089</b>	<b>\$ 14,510,781</b>	<b>\$ 28,039,269</b>	<b>\$ 7,618,622</b>

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Trusts after August 31, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

## Notes to Financial Statements (concluded)

**8. Subsequent Events:**

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Trust paid a net investment income dividend on April 1, 2011 to Common Shareholders of record on March 15, 2011 as follows:

	<b>Common Dividend Per Share</b>
BYM	\$ 0.0770
BAF	\$ 0.0745
BBK	\$ 0.0885
BIE	\$ 0.0810
BLE	\$ 0.8350
MFL	\$ 0.0765
MVF	\$ 0.0590

The dividends declared on Preferred Shares for the period March 1, 2011 to March 31, 2011 were as follows:

	<b>Series</b>	<b>Dividends Declared</b>
BYM	M-7	\$ 15,136
	R-7	\$ 15,141
	F-7	\$ 15,141
BAF	M-7	\$ 13,987
BBK	T-7	\$ 13,217
	R-7	\$ 13,221
BIE	W-7	\$ 5,914
BLE	M-7	\$ 12,956
	T-7	\$ 12,073
	W-7	\$ 12,533
	R-7	\$ 12,518
MFL	A	\$ 13,102
	B	\$ 21,857
	C	\$ 21,514
	D	\$ 13,525
	E	\$ 20,899
MVF	A	\$ 6,886
	B	\$ 7,246
	C	\$ 7,845



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D	\$ 7,704
E	\$ 10,846
F	\$ 53,164

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## Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee  
Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Trustee  
Richard S. Davis, President<sup>1</sup> and Trustee  
Frank J. Fabozzi, Trustee and Member of the Audit Committee  
Kathleen F. Feldstein, Trustee  
James T. Flynn, Trustee and Member of the Audit Committee  
Henry Gabbay, Trustee  
Jerrold B. Harris, Trustee  
R. Glenn Hubbard, Trustee  
W. Carl Kester, Trustee and Member of the Audit Committee  
John M. Perlowski, President<sup>2</sup> and Chief Executive Officer  
Brendan Kyne, Vice President  
Anne F. Ackerley, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer  
Ira Shapiro, Secretary

<sup>1</sup> President for MFL.

<sup>2</sup> President for all Trusts except MFL.

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisors**

BlackRock Investment Management, LLC<sup>3</sup>  
Plainsboro, NJ 08536

BlackRock Financial Management, Inc.<sup>4</sup>  
New York, NY 10055

### **Custodians**

The Bank of New York Mellon<sup>3</sup>  
New York, NY 10286

State Street Bank and Trust Company<sup>4</sup>  
Boston, MA 02111

### **Transfer Agents**

#### **Common Shares:**

BNY Mellon Shareowner Services<sup>3</sup>  
Jersey City, NJ 07310

Computershare Trust Company, N.A.<sup>4</sup>  
Providence, RI 02940

### **Auction Agent**

#### **Preferred Shares:**

Explanation of Responses:

The Bank of New York Mellon  
New York, NY 10286

**Accounting Agent**

State Street Bank and Trust Company  
Princeton, NJ 08540

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Princeton, NJ 08540

**Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

**Address of the Trusts**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>3</sup> For MFL and MVF.

<sup>4</sup> For BYM, BAF, BBK, BIE and BLE.

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Effective February 11, 2011, John M. Perlowski became President (except for MFL) and Chief Executive Officer of the Trusts.

Effective November 10, 2010, Ira Shapiro became Secretary of the Trusts.

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Additional Information

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Proxy Results

The Annual Meeting of Shareholders was held on September 2, 2010 for shareholders of record on July 6, 2010, to elect trustee/director nominees for each Trust/Fund. Due to a lack of quorum of Preferred Shares, action on the proposal regarding the Preferred Shares nominees election for MFL and MVF was subsequently adjourned to October 5, 2010; and action on the proposal regarding Preferred Shares nominees election for MFL was additionally adjourned to November 2, 2010. There were no broker non-votes with regard to any of the Trusts/Funds.

Approved the Class III Trustees as follows:

	Richard E. Cavanagh			Kathleen F. Feldstein			Henry Gabbay		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain
BYM	22,753,383	440,001	0	22,608,872	584,512	0	22,728,667	464,717	0
BAF	7,681,253	102,632	0	7,668,953	114,932	0	7,681,253	102,632	0
BBK	9,312,298	333,968	0	9,274,549	371,717	0	9,292,784	353,482	0
BIE	2,872,562	67,434	0	2,872,793	67,203	0	2,872,562	67,434	0
BLE	19,640,429	652,517	0	19,626,543	666,403	0	19,647,436	645,510	0

	Jerrold B. Harris		
	Votes For	Votes Withheld	Abstain
BYM	22,691,012	502,372	0
BAF	7,681,210	102,675	0
BBK	9,332,764	313,502	0
BIE	2,872,562	67,434	0
BLE	19,644,062	648,884	0

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Richard S. Davis, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

Approved the Directors as follows:

	Richard E. Cavanagh			Richard S. Davis			Frank J. Fabozzi		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain

Explanation of Responses:

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MFL <sup>1</sup>	31,560,448	674,782	0	31,534,312	700,918	0	2,809	3	0
MVF	53,974,547	2,802,813	0	53,965,422	2,811,938	0	2,861	304	728

	Kathleen F. Feldstein			James T. Flynn			Henry Gabbay		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain
MFL	31,508,571	726,659	0	31,533,324	701,906	0	31,540,378	694,852	0
MVF	54,054,546	2,722,814	0	53,978,687	2,798,673	0	53,954,342	2,823,018	0

	Jerrold B. Harris			R. Glenn Hubbard			W. Carl Kester		
	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain	Votes For	Votes Withheld	Abstain
MFL <sup>1</sup>	31,521,029	714,201	0	31,463,801	771,429	0	2,809	3	0
MVF	53,955,639	2,821,721	0	53,947,919	2,829,441	0	2,861	304	728

	Karen P. Robards		
	Votes For	Votes Withheld	Abstain
MFL	31,526,790	708,440	0
MVF	54,149,279	2,628,081	0

<sup>1</sup> Due to the lack of a quorum of Preferred Shares, MFL was unable to act on the election of the two directors reserved for election solely by the Preferred Shareholders for the Fund. Accordingly, Frank J. Fabozzi and W. Carl Kester will remain in office and continue to serve as directors for the Fund.

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Additional Information (continued)

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**Dividend Policy**

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The Trusts' dividend policy is to distribute all or a portion of their net investment income to their shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Trusts may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

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**General Information**

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On July 29, 2010, the Manager announced that a derivative complaint had been filed by shareholders of BYM, BAF and BIE on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the trustees, officers and portfolio managers of BYM, BAF and BIE as defendants. The complaint alleges, among other things, that the parties named in the complaint breached fiduciary duties owed to BYM, BAF and BIE and their Common Shareholders by redeeming auction-market preferred shares, auction rate preferred securities, auction preferred shares and auction rate securities (collectively, "AMPS") at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by BYM, BAF and BIE as a result of the prior redemptions and injunctive relief preventing BYM, BAF and BIE from redeeming AMPS at their liquidation preference in the future. The Manager, BlackRock, Inc. and the other parties named in the complaint believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

On August 11, 2010, the Manager announced that a derivative complaint had been filed by shareholders of MFL on August 3, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the directors, officers and portfolio managers of MFL as defendants. The complaint alleges, among other things, that the parties named in the complaint breached fiduciary duties owed to MFL and its Common Shareholders by redeeming AMPS at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by MFL as a result of the prior redemptions and injunctive relief preventing MFL from redeeming AMPS at their liquidation preference in the future. The Manager, BlackRock, Inc. and the other parties named in the complaint believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

On September 27, 2010, the Manager announced that the directors of MVF had received a demand letter sent on behalf of certain of MVF's Common Shareholders. The demand letter alleged that the Manager and MVF's officers and Board breached fiduciary duties owed to MVF and its Common Shareholders by redeeming at par certain of MVF's Preferred Shares, and demanded that the Board take action to remedy those alleged breaches. In response to the demand letter, the Board established a Demand Review Committee (the "Committee") of the independent members of the Board to investigate the claims made in the demand letter with the assistance of independent counsel. Based upon its investigation, the Committee recommended that the Board reject the demand specified in the demand letter. After reviewing the findings of the Committee, the Board unanimously adopted the Committee's recommendation and unanimously voted to reject the demand.

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

Other than the revisions discussed in the Board Approvals on page 65, there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charter or by-laws that would delay or prevent a change of controls of the Trusts that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolio.

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Quarterly performance, semi-annual and annual reports and other information regarding the Trusts may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website into this report.

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Additional Information (continued)

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**General Information (concluded)**

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**Electronic Delivery**

Electronic copies of most financial reports are available on the Trusts' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

**Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:**

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

**Householding**

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call (800) 441-7762.

**Availability of Quarterly Schedule of Investments**

Each Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Trust's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

**Availability of Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

**Availability of Proxy Voting Record**

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

**Availability of Trust Updates**

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts.





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Additional Information (continued)

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**Board Approvals**

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On September 1, 2010, the Board of BYM, BAF and MFL (the Insured Funds ) approved changes to certain investment policies of the Insured Funds.

Historically, under normal market conditions, each Insured Fund has been required to invest at least 80% of its assets in municipal bonds either (i) insured under an insurance policy purchased by the Insured Fund or (ii) insured under an insurance policy obtained by the issuer of the municipal bond or any other party. In September 2008, the Insured Funds adopted an amended investment policy of purchasing only municipal bonds insured by insurance providers with claims-paying abilities rated investment grade at the time of investment (the Insurance Investment Policy ).

Following the onset of the credit and liquidity crises, the claims-paying ability rating of most of the municipal bond insurance providers has been lowered by the rating agencies. These downgrades have called into question the long-term viability of the municipal bond insurance market, which has the potential to severely limit the ability of the Manager to manage the Insured Funds under the Insurance Investment Policy.

As a result, on September 1, 2010, the Manager recommended, and the Boards of the Insured Funds approved, the removal of the Insurance Investment Policy. As a result of this investment policy change, the Insured Funds will not be required to dispose of assets currently held within the Insured Funds. The Insured Funds will maintain, and have no current intention to amend, their investment policy of, under normal market conditions, generally investing in municipal obligations rated investment grade at the time of investment.

As each Insured Fund increases the amount of its assets that are invested in municipal obligations that are not insured, each Insured Fund s shareholders will be exposed to the risk of the failure of such securities issuers to pay interest and repay principal and will not have the benefit of protection provided under municipal bond insurance policies. As a result, shareholders will be more dependent on the analytical ability of the Manager to evaluate the credit quality of issuers of municipal obligations in which each Insured Fund invests. The Boards of the Insured Funds believe that the amended investment policy is in the best interests of each Insured Fund and its shareholders because it believes that the potential benefits from increased flexibility outweigh the potential increase in risk from the lack of insurance policies provided by weakened insurance providers. Of course, the new investment policy cannot assure that each Insured Fund will achieve its investment objective.

As disclosed in each Insured Fund s prospectus, each Insured Fund is required to provide shareholders 60 days notice of a change to the Insurance Investment Policy. Accordingly, a notice describing the changes discussed above was mailed to shareholders of record as of September 1, 2010. The new investment policy took effect on November 9, 2010. The Manager has been gradually repositioning each Insured Fund s portfolio over time, and during such period, each Insured Fund may continue to hold a substantial portion of its assets in insured municipal bonds. At this time, the repositioning of each Insured Fund s portfolio is still taking place, and the Insured Funds will continue to be subject to risks associated with investing a substantial portion of their assets in insured municipal bonds until the repositioning is complete. No action is required by shareholders of the Insured Funds in connection with this change.

In connection with this change in non-fundamental policy, each of the Insured Funds underwent a name change to reflect its new portfolio characteristics.

Each Insured Fund continues to trade on the New York Stock Exchange under its current ticker symbol.

The approved changes did not alter any Insured Fund s investment objective.

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Additional Information (concluded)

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**BlackRock Privacy Principles**

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BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients ) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed auctions, may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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- Item 2 Code of Ethics Not Applicable to this semi-annual report
- Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report
- Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report
- Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report
- Item 6 Investments  
(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.  
(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.
- Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report
- Item 8 Portfolio Managers of Closed-End Management Investment Companies  
(a) Not Applicable to this semi-annual report  
(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable
- Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.
- Item 11 Controls and Procedures  
(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.  
(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.
- Item 12 Exhibits attached hereto  
(a)(1) Code of Ethics Not Applicable to this semi-annual report  
(a)(2) Certifications Attached hereto  
(a)(3) Not Applicable  
(b) Certifications Attached hereto
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniVest Fund, Inc.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 4, 2011

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

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 4, 2011

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock MuniVest Fund, Inc.

Date: May 4, 2011

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