BLACKROCK INCOME TRUST INC
Form N-CSR
January 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-05542

The BlackRock Income Trust Inc.

(Exact name of registrant as specified in charter)

100 Bellevue Parkway, Wilmington, DE 19809

(Address of principal executive offices) (Zip code)

Robert S. Kapito, President
The BlackRock Income Trust Inc.
40 East 52nd Street, New York, NY 10022

(Name and address of agent for service)

Registrant's telephone number, including area code: (302) 797-2449

Date of fiscal year end: 10/31

Date of reporting period: 10/31/03

ITEM 1. REPORTS TO STOCKHOLDERS.

The Trust's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 is as follows:

FIXED INCOME LIQUIDITY EQUITIES ALTERNATIVES BLACKROCK SOLUTIONS

BlackRock
Closed-End Funds
Annual Report

OCTOBER 31, 2003

BlackRock Broad Investment Grade 2009 Term Trust (BCT)

BlackRock Core Bond Trust (BHK)

BlackRock High Yield Trust (BHY)

BlackRock Income Opportunity Trust (BNA)

BlackRock Income Trust (BKT)

BlackRock Limited Duration Income Trust (BLW)

BlackRock Strategic Bond Trust (BHD)

[BlackRock Logo]

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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PRIVACY PRINCIPLES OF THE TRUSTS

The Trusts are committed to maintaining the privacy of shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Trusts collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Trusts do not receive any non-public personal information relating to their shareholders, although certain non-public personal information

of shareholders may become available to the Trusts. The Trusts do not disclose any non-public personal information about their shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Trusts restrict access to non-public personal information about their shareholders to BlackRock employees with a legitimate business need for the information. The Trusts maintain physical, electronic and procedural safeguards designed to protect the non-public personal information of their shareholders.

LETTER TO SHAREHOLDERS

October 31, 2003

Dear Shareholder:

We are pleased to report that during the period, the Trusts provided monthly income, as well as the opportunity to invest in various portfolios of fixed income securities. This report contains the Trusts' audited financial statements and a listing of the portfolios' holdings.

The portfolio management team continuously monitors the fixed income markets and adjusts the portfolios in order to gain exposure to various issuers and security types. This strategy enables the Trusts to move among different sectors, credits and coupons to capitalize on changing market conditions.

The following table shows the Trusts' yields, closing market prices per share and net asset values ("NAV") per share as of October 31, 2003.

TRUST	YIELD	MARKET PRICE	NAV
BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)	5.68%	$15.85	$16.02
BlackRock Core Bond Trust (BHK)	7.74	13.57	14.75
BlackRock High Yield Trust (BHY)	9.85	10.25	6.96
BlackRock Income Opportunity Trust (BNA)	7.67	10.95	11.93
BlackRock Income Trust Inc. (BKT)	7.94	7.71	7.21
BlackRock Limited Duration Income Trust (BLW)	7.98	18.80	19.74
BlackRock Strategic Bond Trust (BHD)	10.22	15.27	15.07

Yield is based on market price.

BlackRock, Inc. ("BlackRock"), a world leader in asset management, has a proven commitment to fixed income. As of September 30, 2003, BlackRock managed approximately $200 billion in bonds, including 16 open-end and 47 closed-end bond funds. BlackRock is recognized for its emphasis on risk management and proprietary analytics and for its reputation managing money for the world's

largest institutional investors. BlackRock Advisors, Inc., which manages the Trusts, is a wholly owned subsidiary of BlackRock, Inc.

On behalf of BlackRock, we thank you for your continued trust and assure you that we remain committed to excellence in managing your assets.

Sincerely,

/s/ Laurence D. Fink

Laurence D. Fink
Chief Executive Officer
BlackRock Advisors, Inc.

/s/ Ralph L. Schlosstein

Ralph L. Schlosstein
President
BlackRock Advisors, Inc.

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK BROAD INVESTMENT GRADE 2009 TERM TRUST (BCT)

TRUST INFORMATION

Symbol on American Stock Exchange:	BCT
Initial Offering Date:	June 17, 1993
Closing Market Price as of 10/31/03:	$15.85
Net Asset Value as of 10/31/03:	$16.02
Yield on Closing Market Price as of 10/31/03 ($15.85):(1)	5.68%
Current Monthly Distribution per Share:(2)	$ 0.075
Current Annualized Distribution per Share:(2)	$ 0.900

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

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$15.85	$16.18	(2.04)%	$16.95	$15.68
NAV	$16.02	$17.33	(7.56)%	$17.38	$15.77

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

SECTOR BREAKDOWN

COMPOSITION	OCTOBER 31, 2003	OCTOBER 31, 2002
U.S. Government and Agency Securities	56%	36%
Interest Only Mortgage-Backed Securities	12	8
Agency Multiple Class Mortgage Pass-Throughs	8	18
Corporate Bonds	8	10
Inverse Floating Rate Mortgages	8	18
Taxable Municipal Bonds	5	5
Mortgage Pass-Throughs	1	2
Commercial Mortgage-Backed Securities	1	1
Other	1	2

CORPORATE CREDIT BREAKDOWN(3)

CREDIT RATING	OCTOBER 31, 2003	OCTOBER 31, 2002
AAA/Aaa	--%	8%
AA/Aa	35	19
A	43	42
BBB/Baa	21	30
BB/Ba	--	1
CCC/Caa	1	--

(3) Using the higher of Standard & Poor's ("S&P"), Moody's Investors Service ("Moody's") or Fitch Ratings ("Fitch") rating. Corporate bonds represented approximately 11.0% and 13.3% of net assets on October 31, 2003 and October 31, 2002, respectively.

OCTOBER 31, 2003

BLACKROCK CORE BOND TRUST (BHK)

TRUST INFORMATION

Symbol on New York Stock Exchange:	BHK
Initial Offering Date:	November 27, 2001
Closing Market Price as of 10/31/03:	$13.57
Net Asset Value as of 10/31/03:	$14.75
Yield on Closing Market Price as of 10/31/03 ($13.57):(1)	7.74%
Current Monthly Distribution per Share:(2)	$ 0.0875
Current Annualized Distribution per Share:(2)	$ 1.0500

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

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$13.57	$13.82	(1.81)%	$15.41	$13.41
NAV	$14.75	$14.33	2.93%	$15.99	$14.08

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

SECTOR BREAKDOWN

COMPOSITION	OCTOBER 31, 2003	OCTOBER 31, 2002
Corporate Bonds	46%	44%
Mortgage Pass-Throughs	26	28
U.S. Government and Agency Securities	16	17
Foreign Government Bonds	7	3
Taxable Municipal Bonds	2	--
Commercial Mortgage-Backed Securities	2	6
Interest Only Mortgage-Backed Securities	1	2

CORPORATE CREDIT BREAKDOWN(3)		
CREDIT RATING	OCTOBER 31, 2003	OCTOBER 31, 2002
AAA/Aaa	3%	14%
AA/Aa	11	6
A	25	20
BBB/Baa	21	18
BB/Ba	12	10
B	23	29
CCC/Caa	5	1
Not Rated	--	2

(3) Using the higher of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 61.6% and 62.1% of net assets on October 31, 2003 and October 31, 2002, respectively.

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK HIGH YIELD TRUST (BHY)

TRUST INFORMATION	
Symbol on New York Stock Exchange:	BHY
Initial Offering Date:	December 23, 1998
Closing Market Price as of 10/31/03:	$10.25
Net Asset Value as of 10/31/03:	$ 6.96
Yield on Closing Market Price as of 10/31/03 ($10.25):(1)	9.85%
Current Monthly Distribution per Share:(2)	$ 0.084167
Current Annualized Distribution per Share:(2)	$ 1.010004

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

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$10.25	$8.68	18.09%	$11.20	$7.91
NAV	$ 6.96	$6.13	13.54%	$ 6.96	$6.02

The following chart shows the Trust's corporate credit quality allocations of the Trust's long-term investments:

CORPORATE CREDIT BREAKDOWN(3)		
CREDIT RATING	OCTOBER 31, 2003	OCTOBER 31, 2002
BBB/Baa	3%	4%
BB/Ba	12	18
B	52	62
CCC/Caa	25	10
CC/Ca	5	3
Not Rated	3	3

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(3) Using the higher of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 135.4% and 144.5% of net assets on October 31, 2003 and October 31, 2002, respectively.

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK INCOME OPPORTUNITY TRUST (BNA)

TRUST INFORMATION	
Symbol on New York Stock Exchange:	BNA

Initial Offering Date:	December 20, 1991
Closing Market Price as of 10/31/03:	$10.95
Net Asset Value as of 10/31/03:	$11.93
Yield on Closing Market Price as of 10/31/03 ($10.95):(1)	7.67%
Current Monthly Distribution per Share:(2)	$ 0.07
Current Annualized Distribution per Share:(2)	$ 0.84

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

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$10.95	$10.50	4.29%	$11.79	$10.30
NAV	$11.93	$11.83	0.85%	$12.86	$11.21

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

SECTOR BREAKDOWN		
COMPOSITION	OCTOBER 31, 2003	OCTOBER 31, 2002
Corporate Bonds	59%	30%
Mortgage Pass-Throughs	29	55
U.S. Government and Agency Securities	7	7
Federal Housing Administration	2	4
Interest Only Mortgage-Backed Securities	2	1
Inverse Floating Rate Mortgages	1	1
Principal Only Mortgage-Backed Securities	--	2

CORPORATE CREDIT BREAKDOWN(3)		
CREDIT RATING	OCTOBER 31, 2003	OCTOBER 31, 2002
AAA/Aaa	6%	14%
AA/Aa	12	8

A	22	21
BBB/Baa	19	13
BB/Ba	17	24
B	22	20
CCC/Caa	2	--

(3) Using the higher of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 71.2% and 40.9% of net assets on October 31, 2003 and October 31, 2002, respectively.

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK INCOME TRUST (BKT)

TRUST INFORMATION

Symbol on New York Stock Exchange:	BKT
Initial Offering Date:	July 22, 1988
Closing Market Price as of 10/31/03:	$7.71
Net Asset Value as of 10/31/03:	$7.21
Yield on Closing Market Price as of 10/31/03 ($7.71):(1)	7.94%
Current Monthly Distribution per Share:(2)	$0.051042
Current Annualized Distribution per Share:(2)	$0.612504

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

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$7.71	$8.07	(4.46)%	$8.25	$6.80
NAV	$7.21	$8.13	(11.32)%	$8.09	$7.02

The following chart shows the Trust's asset composition of the Trust's corporate investments:

SECTOR BREAKDOWN

COMPOSITION	OCTOBER 31, 2003	OCTOBER 31, 2002
Mortgage Pass-Throughs	32%	48%
U.S. Government and Agency Securities	30	16
Interest Only Mortgage-Backed Securities	15	8
Principal Only Mortgage-Backed Securities	11	8
Inverse Floating Rate Mortgages	4	9
Federal Housing Administration	3	5
Agency Multiple Class Mortgage Pass-Throughs	3	2
Commercial Mortgage-Backed Securities	2	2
Non-Agency Multiple Class Mortgage Pass-Throughs	--	1
Adjustable Rate Mortgage Securities	--	1

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK LIMITED DURATION INCOME TRUST (BLW)

TRUST INFORMATION

Symbol on New York Stock Exchange:	BLW
Initial Offering Date:	July 30, 2003
Closing Market Price as of 10/31/03:	$18.80
Net Asset Value as of 10/31/03:	$19.74
Yield on Closing Market Price as of 10/31/03 ($18.80):(1)	7.98%
Current Monthly Distribution per Share:(2)	$ 0.125

Current Annualized Distribution per Share:(2)	$ 1.500

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

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

The table below summarizes the Trust's market price and NAV:

	10/31/03	HIGH	LOW
Market Price	$18.80	$20.01	$18.76
NAV	$19.74	$19.76	$18.72

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

SECTOR BREAKDOWN

COMPOSITION	OCTOBER 31, 2003
Corporate Bonds	47%
Mortgage Pass-Throughs	24
Bank Loans	20
U.S. Government and Agency Securities	8
Foreign Government Bonds	1

CORPORATE CREDIT BREAKDOWN(3)

CREDIT RATING	OCTOBER 31, 2003
A	6%
BBB/Baa	8
BB/Ba	26
B	60

(3) Using the higher of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 64.6% of net assets on October 31, 2003.

TRUST SUMMARIES
OCTOBER 31, 2003

BLACKROCK STRATEGIC BOND TRUST (BHD)

TRUST INFORMATION

Symbol on New York Stock Exchange:	BHD
Initial Offering Date:	February 26, 2002
Closing Market Price as of 10/31/03:	$15.27
Net Asset Value as of 10/31/03:	$15.07
Yield on Closing Market Price as of 10/31/03 ($15.27):(1)	10.22%
Current Monthly Distribution per Share:(2)	$ 0.13
Current Annualized Distribution per Share:(2)	$ 1.56

(1) Yield on closing market price is calculated by dividing the annualized distribution per share as of October 31, 2003 by the closing market price.

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

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

	10/31/03	10/31/02	CHANGE	HIGH	LOW
Market Price	$15.27	$12.35	23.64%	$15.52	$12.41
NAV	$15.07	$12.63	19.32%	$15.07	$12.91

The following chart shows the Trust's corporate credit quality allocations of the Trust's long-term investments:

CORPORATE CREDIT BREAKDOWN(3)

CREDIT RATING	OCTOBER 31, 2003	OCTOBER 31, 2002
AAA/Aaa	1%	1%
AA/Aa	5	6
A	9	10
BBB/Baa	10	12

BB/Ba	23	29
B	47	41
CCC/Caa	4	--
Not Rated	1	1

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(3) Using the higher of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 134.4% and 143.4% of net assets on October 31, 2003 and October 31, 2002, respectively.

CONSOLIDATED PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK BROAD INVESTMENT GRADE 2009 TERM TRUST (BCT)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--135.6%
		MORTGAGE PASS-THROUGHS--1.8%
		Federal National Mortgage Assoc.,
	$ 758	5.50%, 1/01/17 - 2/01/17
	47	6.50%, 7/01/29
		Total Mortgage Pass-Throughs
		AGENCY MULTIPLE CLASS MORTGAGE PASS-THROUGHS--11.2%
		Federal Home Loan Mortgage Corp.,
	2,168	Ser. 1510, Class G, 5/15/13
	400	Ser. 1534, Class IG, 2/15/10
	2	Ser. 1601, Class SD, 10/15/08
		Federal National Mortgage Assoc.,
	619	Ser. 10, Class V, 7/25/13
	232	Ser. 13, Class SJ, 2/25/09
	118	Ser. 43, Class E, 4/25/22
	1,000	Ser. 49, Class H, 4/25/13
	14	Ser. 87, Class J, 4/25/22
	450	Ser. 214, Class SK, 12/25/08
		Total Agency Multiple Class Mortgage Pass-Throughs
		INVERSE FLOATING RATE MORTGAGES--10.6%
AAA	462	Citicorp Mortgage Securities, Inc., Ser. 14, Class A-4, 11/25/23

Aaa	532	Countrywide Funding Corp., Ser. 2, Class A-12S, 2/25/09 .....
		Federal Home Loan Mortgage Corp.,
	336	Ser. 1425, Class SB, 12/15/07 .....
	132	Ser. 1506, Class S, 5/15/08 .....
	106	Ser. 1515, Class S, 5/15/08 .....
	117	Ser. 1618, Class SA, 11/15/08 .....
	304	Ser. 1621, Class SH, 11/15/22 .....
	34	Ser. 1626, Class SA, 12/15/08 .....
	171	Ser. 1661, Class SB, 1/15/09 .....
	413	Ser. 1688, Class S, 12/15/13 .....
		Federal National Mortgage Assoc.,
	166	Ser. 32, Class SA, 5/25/32 .....
	35	Ser. 48, Class SC, 6/25/33 .....
	474	Ser. 187, Class SB, 10/25/07 .....
	261	Ser. 190, Class S, 11/25/07 .....
	274	Ser. 191, Class SD, 10/25/08 .....
	59	Ser. 202, Class VB, 11/25/23 .....
	324	Ser. 214, Class SH, 12/25/08 .....
		Residential Funding Mortgage Securities I, Inc.,
AAA	169	Ser. S23, Class A-12, 6/25/08 .....
AAA	175	Ser. S23, Class A-16, 6/25/08 .....
		Total Inverse Floating Rate Mortgages .....
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--16.3%
		Federal Home Loan Mortgage Corp.,
	252	Ser. 65, Class I, 8/15/20 .....
	82	Ser. 141, Class H, 5/15/21 .....
	253	Ser. 1114, Class J, 7/15/06 .....
	225	Ser. 1285, Class M, 5/15/07 .....
	2,000	Ser. 1598, Class J, 10/15/08 .....
	1,096	Ser. 1645, Class IB, 9/15/08 .....
	210	Ser. 2063, Class PU, 10/15/26 .....
	70	Ser. 2306, Class PM, 5/15/26 .....
	1,299	Ser. 2462, Class NI, 8/15/21 .....
	1,578	Ser. 2513, Class BI, 12/15/15 .....
	3,100	Ser. 2542, Class IY, 5/15/16 .....
	2,688	Ser. 2543, Class IJ, 10/15/12 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--(CONT'D)
		Federal Home Loan Mortgage Corp. (cont'd)
	$ 3,670	Ser. 2543, Class IM, 9/15/12 .....
	5,419	Ser. 2572, Class IT, 5/15/19 .....
	3,981	Ser. 2633, Class PI, 3/15/12 .....
	4,577	Ser. 2672, Class TP, 9/15/16 .....
		Federal National Mortgage Assoc.,

	607	Ser. 8, Class HA, 1/25/08 .....
	582	Ser. 20, Class SL, 9/25/08 .....
	134	Ser. 39, Class PE, 1/25/23 .....
	321	Ser. 42, Class SO, 3/25/23 .....
	1,701	Ser. 49, Class L, 4/25/13 .....
	1,540	Ser. 51, Class K, 4/25/07 .....
	12,992	Ser. 70, Class ID, 4/25/22 .....
	173	Ser. 72, Class H, 7/25/06 .....
	1,710	Ser. 80, Class PI, 9/25/23 .....
	2,000	Ser. 82, Class IR, 9/25/12 .....
	1,047	Ser. 90, Class M, 1/25/28 .....
	10	Ser. 174, Class S, 9/25/22 .....
	418	Ser. 194, Class PV, 6/25/08 .....
	1,731	Ser. 208, Class S, 2/25/23 .....
	348	Ser. 223, Class PT, 10/25/23 .....
	7	Ser. G-21, Class L, 7/25/21 .....
	75	PNC Mortgage Securities Corp., Ser. 8, Class 4-X, 10/25/28 .....
	6,672	Structured Asset Securities Corp., Ser. ALS1, Class 3AX, 5/25/14 .....
	28,355	Vendee Mortgage Trust, Ser. 1, Class 1IO, 10/15/31 .....
		Total Interest Only Mortgage-Backed Securities .....
		PRINCIPAL ONLY MORTGAGE-BACKED SECURITIES--0.1%
Aaa	55	Salomon Brothers Mortgage Securities Inc. VI, Ser. 3, Class A, 10/23/1
		COMMERCIAL MORTGAGE-BACKED SECURITIES--1.7%
AAA	750(2)	New York City Mortgage Loan Trust, Multifamily, Ser. 1996, Class A2, 6
		ASSET-BACKED SECURITIES--0.1%
NR	239(2,4,5)	Global Rated Eligible Asset Trust, Ser. A, Class 1, 7.33%, 3/15/06 .
		Structured Mortgage Asset Residential Trust,
NR	577(4,5)	Ser. 2, 8.24%, 3/15/06 .....
NR	640(4,5)	Ser. 3, 8.724%, 4/15/06 .....
		Total Asset-Backed Securities .....
		U.S. GOVERNMENT AND AGENCY SECURITIES--75.5%
	236	Small Business Investment Companies, Ser. P10A-1, Class 1, 6.12%, 2/01
	27,000(3)	U.S. Treasury Bond, zero coupon, 11/15/09 .....
		U.S. Treasury Notes,
	3,200(3)	3.50%, 11/15/06 .....
	7,225(3)	4.375%, 8/15/12 .....
	500	5.00%, 8/15/11 .....
	1,700	5.75%, 11/15/05 .....
	550	6.00%, 8/15/09 .....
	385	6.625%, 5/15/07 .....
		Total U.S. Government and Agency Securities .....
		CORPORATE BONDS--11.0%
		CHEMICAL--2.5%
A-	1,000	Dow Capital BV, 9.20%, 6/01/10 .....
		CONSUMER PRODUCTS--1.1%
BBB+	500	General Mills, 8.75%, 9/15/04 .....
		ENERGY--1.1%
BBB+	500(2)	Israel Electric Corp., Ltd., 7.25%, 12/15/06 (Israel) .....
		FINANCE & BANKING--4.8%
A+	500(2)	Metropolitan Life Insurance Co., 6.30%, 11/01/03 .....
Aa3	1,000(3)	Morgan Stanley Group, Inc., 10.00%, 6/15/08 .....

AA+	500	UBS PaineWebber Group, Inc., 8.875%, 3/15/05 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		CORPORATE BONDS--(CONT'D)
		TELECOMMUNICATION--1.2%
A	$ 500	Alltel Corp., 7.50%, 3/01/06 .....
		TRANSPORTATION--0.2%
CCC	100	American Airlines, Inc., 10.44%, 3/04/07 .....
		Total Corporate Bonds .....
		TAXABLE MUNICIPAL BONDS--7.3%
AAA	500	Fresno California Pension Oblig., 7.80%, 6/01/14 .....
AAA	500	Kern County California Pension Oblig., 6.98%, 8/15/09 .....
		Los Angeles County California Pension Oblig.,
AAA	1,000	Ser. A, 8.62%, 6/30/06 .....
AAA	500	Ser. D, 6.97%, 6/30/08 .....
AAA	500	Orleans Parish Louisiana School Board, Ser. A, 6.60%, 2/01/08 .....
		Total Taxable Municipal Bonds .....
		TOTAL LONG-TERM INVESTMENTS--(cost $63,224,280) .....
		SHORT-TERM INVESTMENT--2.9%
		U.S. GOVERNMENT AGENCY SECURITY--2.9%
	1,400(6)	Student Loan Marketing, 0.94%, 11/03/03 (cost $1,399,927) .....
		TOTAL INVESTMENTS--138.5% (cost $64,624,207) .....
		LIABILITIES IN EXCESS OF OTHER ASSETS--(38.5)% .....
		NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 4.0% of its net assets, with a current market value of $1,875,276, in securities restricted as to resale.

(3) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(4) Security is fair valued.

(5) Illiquid securities representing 0.06% of net assets.

(6) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK CORE BOND TRUST (BHK)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--135.3%
		MORTGAGE PASS-THROUGHS--35.8%
	$ 3,225	Federal Home Loan Bank System, 4.50%, 9/16/13
		Federal Home Loan Mortgage Corp.,
	1,875	3.50%, 4/01/08
	7,500	3.875%, 11/10/08
	7,488	5.50%, 9/01/33
	1,885	5.75%, 4/15/08
	1,045	6.00%, 6/15/11
	3,175(2)	6.625%, 9/15/09
	1,340	6.875%, 9/15/10
	972	7.00%, 3/15/10 - 9/01/31
	1,500	5.00%, TBA
	4,000	5.50%, TBA
	44,000	6.00%, TBA
		Federal National Mortgage Assoc.,
	2,225	1.75%, 6/16/06
	3,000	2.75%, 8/11/06
	1,500	3.75%, 9/15/08
	1,280	4.75%, 2/21/13
	8,270	5.50%, - 6/01/33
	1,740	5.75%, 2/15/08
	11,600(2)	6.00%, 5/15/08 - 5/15/11
	6,745	6.625%, 10/15/07 - 11/15/10

	1,615	7.00%, 1/01/31 - 7/01/32 .....
	2,380(2)	7.125%, 3/15/07 - 6/15/10 .....
	3,410(2)	7.25%, 1/15/10 .....
	1,600	5.00%, TBA .....
	1,000	5.50%, TBA .....
	5,900	6.00%, TBA .....
	684	Government National Mortgage Assoc., 5.50%, 5/15/33 - 9/15/33 .....
	27,248	Residential Accredit Loans, Inc., Ser. QS10, Class A16, 6.43%, 10/25/0
	2,550	Small Business Admin., Ser. P10B, Class 1, 5.136%, 8/10/13 .....
		Total Mortgage Pass-Throughs .....
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--1.5%
	5,317	Federal Home Loan Mortgage Corp., Ser. 2579, Class HI, 8/15/17 .....
		Federal National Mortgage Assoc.,
	9,700	Ser. 16, Class IW, 11/25/12 .....
	24,146	Ser. 92, Class IC, 4/25/13 .....
	1,009	Residential Funding Mortgage Securities I, Inc., Ser. S6, Class A7, 4/
		Total Interest Only Mortgage-Backed Securities .....
		COMMERCIAL MORTGAGE-BACKED SECURITIES--2.5%
AAA	1,437	Banc of America Funding Corp., Class A1, 6.00%, 5/20/33 .....
AAA	1,677	Heller Financial Commercial Mortgage Asset Co., Ser. PH1, Class A2, 6.
AAA	1,470	Morgan Stanley Capital I, Inc., Ser. HF2, Class A2, 6.48%, 11/15/30 ..
AAA	431	Residential Funding Mortgage Securities I, Inc., Ser. S6, Class A7, 6.
AAA	3,500	Salomon Brothers Mortgage Securities VII, Ser. C1, Class A2, 7.52%, 12
AAA	414	Washington Mutual Mortgage Securitization Corp., Ser. 12, Class A, 6.5
		Total Commercial Mortgage-Backed Securities .....
		U.S. GOVERNMENT AND AGENCY SECURITIES--21.8%
	1,050	Resolution Funding Corp., Zero coupon, 7/15/18 - 10/15/18 .....
		U.S. Treasury Bonds,
	9,955	Zero coupon, 8/15/22 - 2/15/23 .....
	15,615(2)	5.375%, 2/15/31 .....
	560	6.00%, 2/15/26 .....
	4,745(2)	6.75%, 8/15/26 .....
	3,350	7.625%, 11/15/22 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		U.S. GOVERNMENT AND AGENCY SECURITIES--(CONT'D)
		U.S. Treasury Bonds,
	$11,325(2)	8.125%, 8/15/19 .....
	1,360	9.25%, 2/15/16 .....
	5,310(2)	10.375%, 11/15/12 .....
	2,230(2)	12.00%, 8/15/13 .....

		U.S. Treasury Notes,
	13,765(2)	1.625%, 1/31/05 - 10/31/05 .....
	1,265	2.375%, 8/15/06 .....
	1,515(2)	4.00%, 11/15/12 .....
	10,540	4.25%, 8/15/13 .....
	2,000(2)	5.00%, 8/15/11 .....
		Total U.S. Government and Agency Securities .....
		CORPORATE BONDS--61.6%
		AERO & DEFENSE--2.0%
B-	3,000	BE Aerospace, Inc., Ser. B, 8.00%, 3/01/08 .....
A	270	General Dynamics Corp., 4.50%, 8/15/10 .....
		Lockheed Martin Corp.,
BBB	1,485	7.20%, 5/01/36 .....
BBB	475	8.50%, 12/01/29 .....
		Northrop Grumman Corp.,
BBB	380	7.125%, 2/15/11 .....
BBB	960	7.875%, 3/01/26 .....
BBB-	1,000(2)	Raytheon Co., 6.55%, 3/15/10 .....
		AUTOMOTIVE--3.2%
A3	2,000	Chrysler Corporation, 7.45%, 3/01/27 .....
B	2,000	CSK Auto, Inc., 12.00%, 6/15/06 .....
		DaimlerChrysler NA Holding Corp.,
A3	975	4.05%, 6/04/08 .....
A3	940	4.75%, 1/15/08 .....
B3	1,500	Delco Remy Intl., Inc., 11.00%, 5/01/09 .....
Baa1	850	General Motors Corp., 8.375%, 7/15/33 .....
B+	3,000(3)	Sonic Automotive Inc., 8.625%, 8/15/13 .....
B+	1,000(3)	TRW Automotive, Inc., 9.375%, 2/15/13 .....
		BUILDING & DEVELOPMENT--1.5%
B-	2,000	Ainsworth Lumber Co. Ltd., 12.50%, 7/15/07, (Canada) .....
BB	3,000	Hovnanian Enterprises, Inc., 10.50%, 10/01/07 .....
		CHEMICAL--2.6%
CCC+	3,000	Avecia Group PLC, 11.00%, 7/01/09, (United Kingdom) .....
		Dow Chemical Co.,
A-	1,650	5.97%, 1/15/09 .....
A-	175	6.125%, 2/01/11 .....
A-	1,460	7.375%, 11/01/29 .....
BB-	4,000	Lyondell Chemical Co., Ser. B, 9.875%, 5/01/07 .....
		CONGLOMERATES--0.4%
		Tyco Intl. Group SA, (Luxembourg),
BBB-	930	5.80%, 8/01/06 .....
BBB-	684	6.375%, 2/15/06 .....
		CONSUMER PRODUCTS--4.6%
BB+	3,000	American Greetings Corp., 11.75%, 7/15/08 .....
A	1,025	Avery Dennison Corp., 4.875%, 1/15/13 .....

BBB	220(3)	Cadbury Schweppes US Finance, 5.125%, 10/01/13 .....
B+	1,950	Elizabeth Arden, Inc., Ser. B, 11.75%, 2/01/11 .....
BBB+	510	General Mills, Inc., 6.00%, 2/15/12 .....
BBB	690	Kellogg Co., Ser. B, 6.60%, 4/01/11 .....
		Kraft Foods, Inc.,
A3	400	5.25%, 6/01/07 .....
A3	4,250	5.625%, 11/01/11 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		CONSUMER PRODUCTS--(CONT'D)
		Kroger Co.,
BBB	$ 650	6.80%, 4/01/11 .....
BBB	550	Ser. B, 7.70%, 6/01/29 .....
B-	1,000	Pantry, Inc., The, 10.25%, 10/15/07 .....
AA	3,035	Wal Mart Stores Inc., 3.375%, 10/01/08 .....
		CONTAINERS & GLASS--0.7%
B	1,000	Crown European Holdings SA, 10.875%, 3/01/13, (United Kingdom) .....
BB	1,500	Owens-Brockway Glass Container, 8.75%, 11/15/12 .....
		ECOLOGICAL SERVICES & EQUIPMENT--1.4%
B+	5,000	Allied Waste NA, Inc., Ser. B, 10.00%, 8/01/09 .....
		ELECTRONICS--0.9%
CCC-	2,500	Knowles Electronics Holdings, Inc., 13.125%, 10/15/09 .....
B	1,000	Stoneridge, Inc., 11.50%, 5/01/12 .....
		ENERGY--7.6%
BBB	350	Amerada Hess Corp., 7.30%, 8/15/31 .....
BBB+	765(2)	Anadarko Petroleum Corp., 5.375%, 3/01/07 .....
CCC+	1,000	Calpine Canada Energy Finance ULC, 8.50%, 5/01/08, (Canada) .....
BBB	270(3)	Centerpoint Energy Houston, Ser. K, 6.95%, 3/15/33 .....
BB-	1,250	Chesapeake Energy Corp., 9.00%, 8/15/12 .....
BB	1,000	Compagnie Generale De Geophysique SA, 10.625%, 11/15/07, (France) .....
A-	665	Conoco Funding Co., 6.35%, 10/15/11 .....
A-	1,085	ConocoPhillips, 5.90%, 10/15/32 .....
A-	1,795	ConocoPhillips Holding Co., 6.95%, 4/15/29 .....
BBB	550	Devon Energy, Corp., 7.95%, 4/15/32 .....
BBB	140	Devon Financing Corp. ULC, 7.875%, 9/30/31 .....
BBB+	1,225	Dominion Resources, Inc., Ser. E, 6.75%, 12/15/32 .....

B	3,000	Dresser, Inc., 9.375%, 4/15/11
		DTE Energy Co.,
BBB	250	6.00%, 6/01/04
BBB	660	6.45%, 6/01/06
B-	2,500(3)	Dynegy Holdings Inc., 10.125%, 7/15/13
		El Paso Natural Gas Co.,
B+	850	7.625%, 8/01/10
B+	265	8.375%, 6/15/32
B+	2,250(3)	El Paso Production Holding Co., 7.75%, 6/01/13
BBB+	305	Exelon Corp., 6.75%, 5/01/11
Baa2	530	FirstEnergy Corp., Ser. C, 7.375%, 11/15/31
BBB+	220	Kinder Morgan Energy Partners LP, 7.30%, 8/15/33
BBB	930	Kinder Morgan, Inc., 7.25%, 3/01/28
BB-	2,000	Leviathan Gas Pipeline Partners LP, Ser. B, 10.375%, 6/01/09
BBB+	360	Occidental Petroleum Corp., 7.20%, 4/01/28
		Oncor Electric Delivery Co.,
Baa1	435(3)	6.375%, 1/15/15
Baa1	350(3)	7.25%, 1/15/33
Baa1	1,650	Petroleos Mexicanos, 9.375%, 12/02/08, (Mexico)
BBB+	195	Texas Eastern Transmission LP, 7.00%, 7/15/32
BBB	955	Valero Energy Corp., 7.50%, 4/15/32
A3	725	Virginia Electric & Power Co., Ser. A, 5.75%, 3/31/06
		FINANCE & BANKING--17.9%
Aa1	1,000(2,3)	American General Instl. Capital A, 7.57%, 12/01/45
		Bank of America Corp.,
Aa2	1,000	3.875%, 1/15/08
Aa3	1,350	7.40%, 1/15/11
Aa2	325	Bank One NA, 3.70%, 1/15/08
A1	1,980	Bear Stearns Cos., Inc., 2.875%, 7/02/08
AAA	200(3)	Camp Pendleton & Quantico Housing LLC, Military Housing Rev., Ser. A1,

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		FINANCE & BANKING--(CONT'D)
		Citigroup, Inc.,
Aa2	$ 2,675	5.875%, 2/22/33
Aa1	185	6.875%, 6/01/25
Aa2	2,465	7.25%, 10/01/10
Aa3	585	Credit Suisse First Boston USA, Inc., 6.125%, 11/15/11
BB	1,000(3)	Crum & Forster Holdings Corp., 10.375%, 6/15/13
		Ford Motor Credit Co.,
A3	650	5.625%, 10/01/08
A3	1,320	7.375%, 10/28/09
A3	505	7.875%, 6/15/10
Baa2	280	Fund American Cos, Inc., 5.875%, 5/15/13

		General Electric Capital Corp.,
AAA	1,050	3.50%, 8/15/07
AAA	2,720	Ser. A, 5.875%, 2/15/12
AAA	2,775	Ser. A, 6.00%, 6/15/12
AAA	1,080	Ser. A, 6.125%, 2/22/11
		General Motors Acceptance Corp.,
A3	2,139	6.875%, 9/15/11
A3	150	8.00%, 11/01/31
		Goldman Sachs Group, Inc.,
Aa3	2,050	5.25%, 10/15/13
Aa3	750	6.125%, 2/15/33
Aa3	940	6.60%, 1/15/12
Aa3	190	6.875%, 1/15/11
Aa3	135	7.35%, 10/01/09
		Household Finance Corp.,
A1	160	4.75%, 7/15/13
A1	1,760	6.375%, 8/01/10 - 11/27/12
A1	2,325	6.75%, 5/15/11
A1	475	7.625%, 5/17/32
A1	825	HSBC Holdings PLC, 5.25%, 12/12/12
Aa3	1,750(3)	ING Bank NV, 5.125%, 5/01/15, (Netherlands)
		JP Morgan Chase & Co.,
A+	540	3.625%, 5/01/08
A	1,155	6.75%, 2/01/11
		Lehman Brothers Holdings, Inc.,
A1	165	6.25%, 5/15/06
A1	175	7.00%, 2/01/08
AA	650(3)	Massachusetts Mutual Life Insurance Co., 5.625%, 5/15/33
A	390	Metlife, Inc., 6.50%, 12/15/32
		Morgan Stanley,
Aa3	375	5.80%, 4/01/07
Aa3	285	6.75%, 4/15/11
A-	20,300(3)	Morgan Stanley Tracers, 5.894%, 3/01/03
A	415(3)	Pacific Life Corp., 6.60%, 9/15/33
AA	775(3)	Principal Life Global, 5.25%, 1/15/13
A-	635	Prudential Financial Inc., 5.75%, 7/15/33
A+	1,000(3)	Prudential Funding LLC, 6.60%, 5/15/08
		Sears Roebuck Acceptance Corp.,
Baa1	725	6.75%, 8/15/11
Baa1	1,305	7.00%, 2/01/11 - 6/01/32
		SLM Corp.,
A	1,150	1.381%, 7/25/07
A	90	5.625%, 4/10/07
Aa3	375	U.S. Bancorp, Ser. N, 3.95%, 8/23/07
		FOREST PRODUCTS--1.5%
B+	3,425	Caraustar Industries, Inc., 9.875%, 4/01/11
		Weyerhaeuser Co.,
BBB	1,245	6.875%, 12/15/33
BBB	1,060	6.95%, 10/01/27

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		HEALTH CARE--1.0%
D	$ 2,000(4)	HealthSouth Corp., 7.625%, 6/01/12
B	2,000	United Surgical Partners Int'l., Inc., 10.00%, 12/15/11
		HOTELS & CASINO--1.2%
B+	1,000	Circus & Eldorado Joint Venture, 10.125%, 3/01/12
Ba3	2,574	HMH Properties, Inc., Ser. A, 7.875%, 8/01/05
B	1,000	Resorts Intl. Hotel & Casino, Inc., 11.50%, 3/15/09
		INDUSTRIAL EQUIPMENT--1.3%
B	3,000	Terex Corp., 9.25%, 7/15/11
B+	2,000(2)	United Rentals, Inc., Ser. B, 9.25%, 1/15/09
		LEISURE--0.8%
BB+	3,000	Royal Caribbean Cruises Ltd., 8.125%, 7/28/04, (Liberia)
		MEDIA--6.5%
B1	4,000	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09, (Canada)
BBB+	80	AOL Time Warner, Inc., 6.125%, 4/15/06
Ca	4,000	Charter Communications Holdings LLC, 10.75%, 10/01/09
BBB	1,050	Comcast Cable Communications, Inc., 6.875%, 6/15/09
BBB	3,550	Comcast Corp., 5.50%, 3/15/11
Baa1	355(3)	COX Enterprises, Inc., 4.375%, 5/01/08
BB-	4,000	EchoStar DBS Corp., 10.375%, 10/01/07
BBB-	700	News America Inc., 7.625%, 11/30/28
BBB	1,975	TCI Communications Inc., 7.875%, 2/15/26
BBB	10	Tele-Communications-TCI Group, 7.875%, 8/01/13
		Time Warner, Inc.,
BBB+	90	6.625%, 5/15/29
BBB+	260	6.875%, 6/15/18
BBB+	4,380	7.57%, 2/01/24
		REAL ESTATE--1.1%
		AvalonBay Communities, Inc.,
BBB+	350	6.625%, 9/15/11
BBB+	775	8.25%, 7/15/08
BBB+	315	EOP Operating LP, 7.50%, 4/19/29
		ERP Operating LP,
BBB+	1,950	5.20%, 4/01/13
BBB+	825	6.95%, 3/02/11
		TELECOMMUNICATION--3.9%

A+	170	Ameritech Capital Funding Corp., 6.45%, 1/15/18 .....
A-	1,015	British Telecommunications PLC, 8.875%, 12/15/30, (United Kingdom) ...
		Deutsche Telekom Intl. Finance BV, (Netherlands)
BBB+	1,060	8.50%, 6/15/10 .....
BBB+	1,585	8.75%, 12/15/03 .....
Aa3	1,750	New England Telephone & Telegraph Co., 7.875%, 11/15/29 .....
Aa3	230	New Jersey Bell Telephone Co., 7.85%, 11/15/29 .....
		Nextel Communications, Inc.,
B+	2,000	9.375%, 11/15/09 .....
B+	3,000	9.50%, 2/01/11 .....
BBB+	375(3)	Telecom Italia Cap, 5.25%, 11/15/13, (Italy) .....
A+	325	Verizon Global Funding Corp., 7.75%, 12/01/30 - 6/15/32 .....
Aa3	1,750	Verizon New Jersey, Inc., Ser. A, 5.875%, 1/17/12 .....
A	350	Vodafone Group PLC, 6.25%, 11/30/32, (United Kingdom) .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		TRANSPORTATION--1.5%
Aa3	$ 1,485	Burlington Northern Santa Fe Railway, Ser. 1, 8.251%, 1/15/21 .....
BBB+	1,410(2)	Canadian National Railway Co., 6.90%, 7/15/28, (Canada) .....
BBB	1,450	Canadian Pacific Railway Ltd., 6.25%, 10/15/11, (Canada) .....
A-	634	Continental Airlines, Inc., Ser. A, 6.545%, 2/02/19 .....
Baa1	375	Norfolk Southern Corp., 7.05%, 5/01/37 .....
		Total Corporate Bonds .....
		TAXABLE MUNICIPAL BONDS--2.8%
		California Dept. of Wtr. Res. Pwr. Sply.,
A3	5,000	3.585%, 5/01/04 .....
A3	650	3.975%, 5/01/05 .....
AA	4,275	Illinois State, Taxable Pension, 5.10%, 6/01/33 .....
AA-	1,400	Oregon State, Taxable Pension, 5.892%, 6/01/27 .....
		Total Taxable Municipal Bonds .....
		FOREIGN GOVERNMENT BONDS--9.3%
Aaa	5,850	Canada Government, 5.25%, 6/01/13 .....
AAA	4,260	France Government, 3.50%, 1/12/08 .....
AAA	9,860	Germany Federal Republic, 3.00%, 4/11/08 .....
		Kingdom of Sweden,
AAA	21,325	5.00%, 1/28/09 .....
AAA	17,515	8.00%, 8/15/07 .....
		Quebec Province Canada,

A+	550	7.38%, 4/09/26 .....
A+	2,475	7.50%, 7/15/23 .....
		United Mexican States,
Baa2	350	4.625%, 10/08/08 .....
Baa2	4,000	6.625%, 3/03/15 .....
Baa2	2,770	8.00%, 9/24/22 .....
		Total Foreign Government Bonds .....
		TOTAL LONG-TERM INVESTMENTS--(cost $527,426,624) .....
		SHORT-TERM INVESTMENTS--1.2%
		U.S. GOVERNMENT AND AGENCY SECURITIES--1.2%
	1,100(5)	Student Loan Marketing, 0.94%, 11/03/03 .....
		U.S. Treasury Bonds
	2,284(5)	0.55%, 11/03/03 .....
	1,344(5)	0.85%, 11/17/03 .....
		TOTAL SHORT-TERM INVESTMENTS (cost $4,728,130) .....
		TOTAL INVESTMENTS BEFORE INVESTMENTS SOLD SHORT AND OUTSTANDING OPTION (COST $532,154,754) .....
		INVESTMENTS SOLD SHORT--(0.4)%
	(1,500)	Federal Home Loan Mortgage Corp., 5.00%, TBA (proceeds $1,458,281) ...

NOTIONAL AMOUNT (000)	
	OUTSTANDING OPTIONS WRITTEN--(0.5)%
$ 2,750	Federal Home Loan Mortgage Corp., 5.00%, expires 2/01/04 .....
52,700	Interest Rate Swap, 3.60% over 3 month LIBOR, expires 11/01/04 .....
39,000	Interest Rate Swap, 5.75% over 3 month LIBOR, expires 9/23/05 .....
11,000	Interest Rate Swap, 6.00% over 3 month LIBOR, expires 10/25/04 .....
158	U.S. Treasury Notes Futures .....
	Total Outstanding Options Written (premium received $2,069,401) .....
	TOTAL INVESTMENTS, NET OF INVESTMENTS SOLD SHORT AND OUTSTANDING OPTIO
	LIABILITIES IN EXCESS OF OTHER ASSETS--(35.6)% .....
	NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(3) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 10.1% of its net assets, with a current market value of $40,186,968, in securities restricted as to resale.

(4) Issuer is technically in default and/or bankruptcy.

(5) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK HIGH YIELD TRUST (BHY)

RATING(1)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--135.8%
		CORPORATE BONDS--135.4%
		AERO & DEFENSE--3.3%
B-	$1,000	BE Aerospace, Inc., 9.50%, 11/01/08
NR	1,500(2)	Condor Systems Inc., Ser. B, 11.875%, 5/01/09
		AUTOMOTIVE--4.6%
B	1,000	CSK Auto, Inc., 12.00%, 6/15/06
B3	1,000	Delco Remy Intl., Inc., 11.00%, 5/01/09
		BASIC MATERIAL--0.6%
NR	2,000(2)	Golden Northwest Aluminum Inc., 12.00%, 12/15/06
NR	376(2)	Republic Engineered Products LLC, 10.00%, 8/16/09
NR	2,000(2)	Republic Technologies International LLC, 13.75%, 7/15/09
		BUILDING & DEVELOPMENT--7.8%
B-	1,500	Ainsworth Lumber Co. Ltd., 12.50%, 7/15/07, (Canada)
Ba1	1,000	D.R. Horton, Inc., 10.50%, 4/01/05
CCC	1,000	MMI Prods Inc., Ser. B, 11.25%, 4/15/07
		CHEMICAL--9.8%
CCC+	250	Avecia Group PLC, 11.00%, 7/01/09, (United Kingdom)
Ba2	1,000	Hercules Inc., 11.125%, 11/15/07
B	1,000(3)	Huntsman LLC, 11.625%, 10/15/10
B	1,000	Lyondell Chemical Co., 10.875%, 5/01/09

NR	1,750(2)	Mississippi Chemical Corp., 7.25%, 11/15/17 .....
CCC-	1,000	Solutia, Inc., 11.25%, 7/15/09 .....
		CONGLOMERATES--2.5%
B-	1,000	Penhall Intl., Inc., 12.00%, 8/01/06 .....
NR	250	Precision Partners Inc., 12.00%, 2/01/07 .....
		CONSUMER PRODUCTS--16.7%
BB+	1,000	American Greetings Corp., 11.75%, 7/15/08 .....
B+	650	Elizabeth Arden, Inc., Ser. B, 11.75%, 2/01/11 .....
B	250	Levi Strauss & Co., 11.625%, 1/15/08 .....
B3	441	National Vision Inc., 12.00%, 3/30/09 .....
NR	1,200(2)	Nebco Evans Holding Co., 12.375%, 7/15/07 .....
B-	1,100	Pantry, Inc., The, 10.25%, 10/15/07 .....
		Revlon Consumer Products Corp.,
CCC-	2,000	8.625%, 2/01/08 .....
CCC+	1,000	12.00%, 12/01/05 .....
B-	1,000	Sbarro, Inc., 11.00%, 9/15/09 .....
B-	1,000	St. John Knits Intl., Inc., 12.50%, 7/01/09 .....
		CONTAINERS & GLASS--4.8%
B	1,000(3)	Radnor Holdings Inc., 11.00%, 3/15/10 .....
CCC+	1,500	U.S. Can Co., Ser. B, 12.375%, 10/01/10 .....
		ECOLOGICAL SERVICES & EQUIPMENT--2.4%
B+	1,000	Allied Waste NA, Inc., Ser. B, 10.00%, 8/01/09 .....
		ELECTRONICS--10.1%
B3	1,000	Communications & Power Industry Inc., 12.00%, 8/01/05 .....
CCC-	2,500	Knowles Electronics Holdings, Inc., 13.125%, 10/15/09 .....
B	825	On Semiconductor Corp., 12.00%, 3/15/10 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		ENERGY--9.4%
B-	$ 1,000	AES Corp., 8.375%, 8/15/07 .....
		Calpine Corp.,

B	500(3)	8.75%, 7/15/13
CCC+	1,000	10.50%, 5/15/06
CCC	1,000	Mission Energy Holding Co., 13.50%, 7/15/08
B2	1,000	Orion Power Holdings, Inc., 12.00%, 5/01/10
		FINANCE & BANKING--16.3%
NR	500(2,3)	Ameriserve Finance Capital Corp., 12.00%, 9/15/06
BBB+	1,788	Asat Finance LLC, 12.50%, 11/01/06
Ba2	1,000(3)	Capital Guardian High Yield, CBO, Ltd., Ser. 1A, 11.45%, 5/24/13
BB	1,200(3)	Crum & Forster Holdings Corp., 10.375%, 6/15/13
BB	1,000	Fairfax Financial Holdings Ltd., 6.875%, 4/15/08
Ba3	2,500(3)	First Dominion Funding II, Ser. 1A, 11.614%, 4/25/14
CCC+	1,000	Madison River Capital Corp., 13.25%, 3/01/10
Caa	2,204(3)	Zais Investment Grade Ltd., Class C, Pay-in-kind, 9.95%, 9/23/14
		FOREST PRODUCTS--1.5%
B	1,000	FiberMark Inc., 10.75%, 4/15/11
		HEALTH CARE--2.4%
B-	1,000	MedQuest Inc., Ser. B, 11.875%, 8/15/12
		HOME FURNISHING--5.4%
CCC+	1,760	O'Sullivan Industries Inc., 13.375%, 10/15/09
B-	1,000	Salton, Inc., 12.25%, 4/15/08
		INDUSTRIAL EQUIPMENT--6.2%
B-	1,000	Concentra Operating Corp., Ser. B, 13.00%, 8/15/09
		MSX Intl., Inc.,
B	500(3)	11.00%, 10/15/07
B-	500	11.375%, 1/15/08
Caa3	2,000(2)	National Equipment Services Inc., Ser. D, 10.00%, 11/30/04
		LEISURE--1.7%
B3	1,000	Trump Atlantic City Assoc., 11.25%, 5/01/06
		MEDIA--14.8%
B1	2,000	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09, (Canada)
		Charter Communications Holdings LLC,
Ca	1,000	10.75%, 10/01/09
Ca	1,000	11.125%, 1/15/11
B-	1,000	WRC Media Inc., 12.75%, 11/15/09
CCC+	980	XM Satellite Radio Inc., 14.00%, 3/15/10
CC	647	Ziff Davis Media Inc., Ser. B, Pay-in-kind, 12.00%, 8/12/09
		TELECOMMUNICATION--5.3%
NR	2,000(2)	Asia Global Crossing Ltd., 13.375%, 10/15/10, (United Kingdom)
B+	1,000	Nextel Communications Inc., 12.00%, 11/01/08
NR	600(2,3)	PF. Net Communications, Inc., 13.75%, 5/15/10
B3	1,000	Time Warner Telecom LLC, 9.75%, 7/15/08

		TRANSPORTATION--9.8%
		Amtran Inc.,
Ca	2,000(4)	9.625%, 12/15/05 .....
Ca	1,000(4)	10.50%, 8/01/04 .....
B	1,000	Sea Containers Ltd., Ser. B, 10.75%, 10/15/06 .....
B+	1,000	TFM SA de CV, 12.50%, 6/15/12, (Mexico) .....
		Total Corporate Bonds .....

See Notes to Financial Statements.

SHARES	DESCRIPTION
	COMMON STOCK--0.4%
8,000	Mattress Discounters Corp. .....
54,000	Neon Communications Inc. .....
1,000	Precision Partners Inc. .....
	Total Common Stock .....
	PREFERRED SECURITIES--0.0%
1,098(2)	Adelphia Business Solutions, Inc., Ser. B, 12.875% .....

UNITS	
	WARRANTS--0.0%
1,000(3)	Mattress Discounters Corp., Expires 7/15/07 .....
53,622	Neon Communications Inc., Expires 12/02/12 .....
600(3,4)	PF. Net Communications, Inc., Expires 5/15/10 .....
2,000(3)	Republic Technologies International LLC, Expires 7/15/09 .....
	Total Warrants .....
	TOTAL LONG-TERM INVESTMENTS--135.8% (cost $74,360,140) .....

PRINCIPAL AMOUNT (000)	
	SHORT-TERM INVESTMENT--2.5%
	U.S. GOVERNMENT AGENCY SECURITIES--2.5%
$ 1,100(5)	Student Loan Marketing, 0.94%, 11/03/03 (cost $1,099,943) .....

TOTAL INVESTMENTS--138.3% (cost $75,460,083) .....

LIABILITIES IN EXCESS OF OTHER ASSETS--(38.3)% .....

NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Issuer is technically in default and/or bankruptcy.

(3) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 13.7% of its net assets, with a current market value of $6,087,244, in securities restricted as to resale.

(4) Illiquid securities representing 5.1% of net assets.

(5) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK INCOME OPPORTUNITY TRUST (BNA)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--120.6%
		MORTGAGE PASS-THROUGHS--34.4%
	$24,438(2)	Federal Home Loan Mortgage Corp., 6.50%, 1/01/26 - 11/01/32 .....
		Federal National Mortgage Assoc.,
	59,065(2)	5.50%, 1/01/29 - 2/01/33 .....
	14,518(2)	6.00%, 3/01/27 - 11/01/32 .....
	663	7.00%, 2/01/24 - 1/01/29 .....
	23,315	5.50%, 12/01/13 - 9/01/17, TBA .....
	15,677	6.00%, 12/01/09 - 11/01/17, TBA .....
	250	Government National Mortgage Assoc., 8.00%, 4/15/24 - 11/15/25 .....
		Total Mortgage Pass-Throughs .....

		FEDERAL HOUSING ADMINISTRATION--2.0%
		GMAC Projects,
	900	Ser. 37, 7.43%, 5/01/22
	622	Ser. 44, 7.43%, 8/01/22
		Merrill Projects,
	201	Ser. 29, 7.43%, 10/01/20
	1,867	Ser. 42, 7.43%, 9/01/22
	1,988	Reilly Project, Series B-11, 7.40%, 4/01/21
	2,018	Westmore Project 8240, 7.25%, 4/01/21
		Total Federal Housing Administration
		NON-AGENCY MULTIPLE CLASS MORTGAGE PASS-THROUGHS--0.0%
AAA	139(3)	Summit Mortgage Trust, Ser. 1, Class B1, 6.079%, 12/28/12
		ADJUSTABLE RATE MORTGAGE SECURITIES--0.0%
	94	Federal National Mortgage Assoc., Ser. 256, Class F, 2.625%, 11/25/23
		INVERSE FLOATING RATE MORTGAGES--0.8%
		Federal Home Loan Mortgage Corp.,
	7	Ser. 1601, Class SE, 10/15/08
	1,000	Ser. 1611, Class JC, 8/15/23
		Federal National Mortgage Assoc.,
	1,808	Ser. 23, Class PS, 4/25/23
	33	Ser. 46, Class S, 5/25/21
	30	Ser. 49, Class S, 12/25/21
	153	Ser. 87, Class S, 8/25/21
	63	Ser. 145, Class S, 10/25/06
		Total Inverse Floating Rate Mortgages
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--1.8%
		Federal Home Loan Mortgage Corp.,
	30	Ser. 19, Class R, 3/15/20
	0	Ser. 75, Class R, 1/15/21
	0	Ser. 173 Class R, 11/15/21
	8	Ser. 176 Class M, 7/15/21
	1	Ser. 192 Class U, 2/15/22
	49	Ser. 200 Class R, 12/15/22
	22	Ser. 1043 Class H, 2/15/21
	4	Ser. 1054 Class I, 3/15/21
	27	Ser. 1056 Class K, 3/15/21
	30	Ser. 1057 Class J, 3/15/21
	94	Ser. 1148 Class E, 10/15/21
	25	Ser. 1178 Class O, 11/15/21
	27	Ser. 1221 Class H, 3/15/07
	882	Ser. 1223, Class H, 3/15/22
	606	Ser. 1254, Class Z, 4/15/22
	2,862	Ser. 1809, Class SC, 12/15/23
	1,245	Ser. 1831, Class PG, 3/15/11
	323	Ser. 2080, Class PL, 1/15/27

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--(CONT'D)
		Federal National Mortgage Assoc.,
	$ 237	Ser. 5, Class H, 1/25/22
	19	Ser. 7, Class 2, 4/1/17
	1,100	Ser. 7, Class PH, 4/25/11
	51	Ser. 7, Class S, 3/25/21
	158	Ser. 10, Class S, 5/25/21
	122	Ser. 12, Class S, 5/25/21
	10,300	Ser. 16, Class IW, 11/25/12
	74	Ser. 17, Class S, 6/25/21
	2	Ser. 20, Class H, 3/25/06
	107	Ser. 33, Class PV, 10/25/21
	11	Ser. 38, Class N, 4/25/21
	1,196	Ser. 50, Class SI, 4/25/23
	9	Ser. 54, Class H, 5/25/05
	5,974	Ser. 70, Class IN, 5/25/15
	17	Ser. 84, Class H, 8/25/06
	33	Ser. 89, Class 2, 6/1/18
	25,750	Ser. 92, Class IC, 4/25/13
	10	Ser. 94, Class 2, 8/1/21
	43	Ser. 99, Class L, 8/25/21
	6	Ser. 123, Class M, 10/25/20
	58	Ser. 136, Class S, 11/25/20
	67	Ser. 139, Class PT, 10/25/21
	47	Ser. 141, Class SA, 8/25/07
	1,212	Ser. G46, Class H, 12/25/09
	12,117(3)	Goldman Sachs Mortgage Securities Corp., Ser. 5, 2/19/25
	438	Government National Assoc., Ser. 3, Class E, 6/16/25
	7,402(3)	Hanover Grantor Trust, Ser. A, Class 1, 8/1/27
	3,403(3)	Morgan Stanley Capital 1, Inc., Ser. HF1, Class X, 6/15/17
	7,359	Prudential Home Mortgage Securities Co., Ser. 05, Class A9, 2/25/24
		Residential Asset Securization Trust,
	10,137	Ser. A3, Class X, 5/25/29
	6,345	Ser. A5, Class A2, 9/25/30
	12,957	Salomon Brothers Mortgage Securities VII Inc., Ser. 1, Class IO, 3/25/
	26,388	Vendee Mortgage Trust, Ser. 1, Class IO, 2/15/27
		Total Interest Only Mortgage-Backed Securities
		PRINCIPAL ONLY MORTGAGE-BACKED SECURITIES--0.6%
		Federal Home Loan Mortgage Corp.,
	357(2)	Ser. 1739, Class B, 2/15/24
	79	Ser. 1857, Class PB, 12/15/08
		Federal National Mortgage Assoc.,
	35	Ser. 167, Class D, 10/25/17
	76	Ser. 203, Class 1, 2/1/23
	57	Ser. 228, Class 1, 5/1/23
	234	Ser. 26, Class L, 3/25/23
	212	Ser. 279, Class 1, 7/1/26
	74	Ser. 51, Class E, 2/25/23
	44	Ser. 70, Class A, 5/25/23
	6,055	Resolution Funding Corp., Ser. B, 4/15/30
		Total Principal Only Mortgage-Backed Securities

	U.S. GOVERNMENT AND AGENCY SECURITIES--9.0%
18,736	Overseas Private Investment Corp., 4.09%-7.35%, 5/29/12 .....
2,201	Small Business Administration, Ser. 20K-1, 6.95%, 11/01/16 .....
	U.S. Treasury Notes,
9,300(2)	2.00%, 5/15/06 .....
2,100(2)	4.00%, 11/15/12 .....
2,715(2)	4.25%, 8/15/13 .....
700	4.875%, 2/15/12 .....
	Total U.S. Government and Agency Securities .....
	COLLATERALIZED MORTGAGE OBLIGATION RESIDUALS--0.0%
5	Collateralized Mortgage Obligation Trust 40, Class R, 4/01/18 .....
76	Collateralized Mortgage Obligation Trust 42, Class R, 10/01/14 .....
	Morgan Stanley Mortgage Trust,
83	Ser. 38, Class 2, 11/20/21 .....
92	Ser. 39, Class 2, 12/20/21 .....
	Total Collateralized Mortgage Obligation Residuals .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		CORPORATE BONDS--71.2%
		AERO & DEFENSE--1.7%
B-	$ 1,235	BE Aerospace, Inc., 9.50%, 11/01/08 .....
BB-	1,500	L-3 Communications Corp., 7.625%, 6/15/12 .....
BBB	1,250	Lockheed Martin Corp., 8.50%, 12/01/29 .....
BBB	1,000	Northrop Grumman Corp., 7.125%, 2/15/11 .....
BBB-	1,200	Raytheon Co., 6.15%, 11/01/08 .....
		AUTOMOTIVE--1.9%
BB+	1,500	Autonation, Inc., 9.00%, 8/01/08 .....
BB+	2,000	Briggs & Stratton Corp., 8.875%, 3/15/11 .....
B+	3,715	Dura Operating Corp., Ser. B, 8.625%, 4/15/12 .....
		BASIC MATERIAL--1.3%
B+	3,000	AK Steel Corp., 7.875%, 2/15/09 .....
A2	2,000	Alcoa, Inc., 7.375%, 8/01/10 .....
B	1,000	Oregon Steel Mills, Inc., 10.00%, 7/15/09 .....
		BUILDING & DEVELOPMENT--0.9%

B-	1,000	Ainsworth Lumber Co. Ltd., 12.50%, 7/15/07, (Canada) .....
Ba1	2,500	D.R. Horton, Inc., 10.50%, 4/01/05 .....
		CHEMICAL--1.9%
CCC+	500	Avecia Group PLC, 11.00%, 7/01/09, (United Kingdom) .....
		Dow Chemical Co.,
A-	750	5.75%, 12/15/08 .....
A-	1,400	6.00%, 10/01/12 .....
BB-	3,000	Lyondell Chemical Co., 11.125%, 7/15/12 .....
B	1,750	Noveon, Inc., Ser. B, 11.00%, 2/28/11 .....
		CONGLOMERATES--1.2%
AAA	3,650	General Electric Co., 5.00%, 2/01/13 .....
A	1,300	Honeywell, Inc., 6.125%, 11/01/11 .....
		CONSUMER PRODUCTS--9.1%
A	2,000	Avery Dennison Corp., 4.875%, 1/15/13 .....
B-	2,000	Buffets Inc., 11.25%, 7/15/10 .....
		General Mills, Inc.,
BBB+	550	5.125%, 2/15/07 .....
BBB+	1,700	6.00%, 2/15/12 .....
		Kellogg Co.,
BBB	700	Ser. B, 6.00%, 4/01/06 .....
BBB	2,000	Ser. B, 6.60%, 4/01/11 .....
A-	3,000	Kohls Corp., 6.30%, 3/01/11 .....
A3	2,000	Kraft Foods, Inc., 5.625%, 11/01/11 .....
BBB	1,000	Kroger Co., 5.50%, 2/01/13 .....
B	2,000	Levi Strauss & Co., 12.25%, 12/15/12 .....
AA-	3,000	Procter & Gamble Co., 6.875%, 9/15/09 .....
B	2,000	Roundys, Inc., Ser. B, 8.875%, 6/15/12 .....
BBB	2,495	Safeway, Inc., 6.50%, 3/01/11 .....
A+	2,000	Unilever Capital Corp., 7.125%, 11/01/10 .....
BB-	2,000	United Rentals N.A. Inc., 10.75%, 4/15/08 .....
AA	3,000	Wal-Mart Stores, Inc., 6.875%, 8/10/09 .....
BB+	3,000	Yum! Brands, Inc., 8.875%, 4/15/11 .....
		CONTAINERS & GLASS--1.9%
B+	1,500	Crown European Holdings SA, 9.50%, 3/01/11, (United Kingdom) .....
BB	2,250	Owens-Brockway Glass Container, Inc., 8.875%, 2/15/09 .....
B+	2,275	Plastipak Holdings, Inc., 10.75%, 9/01/11 .....
B	1,240	Stone Container Corp., 9.25%, 2/01/08 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		ECOLOGICAL SERVICES & EQUIPMENT--1.4%
B+	$ 3,000	Allied Waste NA, Inc., Ser. B, 10.00%, 8/01/09
B	2,250	Casella Waste Systems Inc., 9.75%, 2/01/13
		ELECTRONICS--0.5%
B-	1,750	Chippac Int. Ltd., Ser. B, 12.75%, 8/01/09
		ENERGY--8.3%
BBB	2,000	Amerada Hess Corp., 6.65%, 8/15/11
BBB+	600	Anadarko Petroleum Corp., 5.375%, 3/01/07
BB-	2,500	Chesapeake Energy Corp., 9.00%, 8/15/12
A-	3,000	Conoco Funding Co., 6.35%, 10/15/11
BBB+	2,000	Dominion Resources, Inc., 5.70%, 9/17/12
B	2,500	Dresser, Inc., 9.375%, 4/15/11
BBB	1,500	DTE Energy Co., 7.05%, 6/01/11
B-	2,000(2)	Dynegy Holdings Inc., 10.125%, 7/15/13
B	400	El Paso Corporation, 7.875%, 6/15/12
B+	1,000	El Paso Natural Gas Co., 7.625%, 8/01/10
B+	1,500(2)	El Paso Production Holding Co., 7.75%, 6/01/13
BBB+	640	Exelon Corp., 6.75%, 5/01/11
Baa2	1,500	FirstEnergy Corp., Ser. C, 7.375%, 11/15/31
BBB+	1,250	Kinder Morgan Energy Partners LP, 7.30%, 8/15/33
BBB	1,000	Kinder Morgan, Inc., 6.50%, 9/01/12
BB-	2,500	Leviathan Gas Pipeline Partners LP, Ser. B, 10.375%, 6/01/09
BBB+	1,800	Occidental Petroleum Corp., 6.75%, 1/15/12
		Progress Energy, Inc.,
Baa2	1,800	6.75%, 3/01/06
Baa2	2,000	7.10%, 3/01/11
		FINANCE & BANKING--15.8%
Aa3	2,450	Bank of America Corp., 7.80%, 2/15/10
Aa3	1,400(2)	Bank One Corp., 6.50%, 2/01/06
Aa3	2,000(3)	Barclays Bank PLC, 6.86%, 9/29/49, (United Kingdom)
A1	500	Bear Stearns Co., Inc., 6.50%, 5/01/06
Aa2	6,000	Citigroup, Inc., 5.625%, 8/27/12
		Credit Suisse First Boston USA, Inc.,
Aa3	700(2)	6.125%, 11/15/11
Aa3	1,000	7.125%, 7/15/32
BB	1,000(3)	Crum & Forster Holdings Corp., 10.375%, 6/15/13
AAA	4,0002	Federal Home Loan Mortgage Corp., 6.875%, 9/15/10
AAA	4,000	Federal National Mortgage Assoc., 4.375%, 9/15/12
A3	3,000(2)	Ford Motor Credit Co., 6.875%, 2/01/06
AAA	3,000	General Electric Capital Corp., Ser. A, 6.75%, 3/15/32
		General Motors Acceptance Corp.,
A3	700	6.75%, 1/15/06
A3	4,000	6.875%, 8/28/12
Aa3	1,000	Goldman Sachs Group, Inc., 6.60%, 1/15/12
A1	3,650	Household Finance Corp., 6.375%, 10/15/11 - 11/27/12
		JP Morgan Chase & Co.,
A+	2,100	5.25%, 5/30/07
A	1,000	6.75%, 2/01/11

AAA	3,000	KFW Intl. Finance, Inc., 5.25%, 6/28/06
Ba1	1,000	Labranche & Co., Inc., 12.00%, 3/02/07
		Lehman Brothers Holdings, Inc.,
A1	850	6.25%, 5/15/06
A1	1,500	6.625%, 1/18/12
A	2,000	Metlife, Inc., 5.375%, 12/15/12
		Morgan Stanley,
Aa3	600	5.80%, 4/01/07
Aa3	1,600	6.75%, 4/15/11
A+	2,000	Northern Trust Co., 6.30%, 3/07/11
Baa1	2,000	Sears Roebuck Acceptance Corp., 6.75%, 8/15/11
AA-	2,000	UBS Preferred Funding Trust I, 8.622%, 10/29/49
Aa1	2,000	Wells Fargo Bank, 7.55%, 6/21/10

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		FOREST PRODUCTS--1.8%
B+	$2,000	Caraustar Industries, Inc., 9.875%, 4/01/11
BB	2,500	Tembec Industries, Inc., 8.50%, 2/01/11, (Canada)
		Weyerhaeuser Co.,
BBB	1,550	5.95%, 11/01/08
BBB	1,000	6.75%, 3/15/12
		HEALTH CARE--1.3%
AA-	1,000	Bristol Myers Squibb Co., 5.75%, 10/01/11
D	3,000(4)	HealthSouth Corp., 7.00%, 6/15/08
BB+	1,500	Omnicare, Inc., Ser. B, 8.125%, 3/15/11
		HOTELS & CASINO--4.5%
B+	2,100	Argosy Gaming Co., 10.75%, 6/01/09
B+	2,000	Boyd Gaming Corp., 8.75%, 4/15/12
B	2,000	Extended Stay America, Inc., 9.875%, 6/15/11
B	1,700	Hammons John Q. Hotels LP, Ser. B, 8.875%, 5/15/12
B	1,500	Herbst Gaming, Inc., Ser. B, 10.75%, 9/01/08
Ba3	1,500	HMH Properties, Inc., Ser. B, 7.875%, 8/01/08
Ba2	1,000	MGM Mirage, Inc., 9.75%, 6/01/07
Ba2	2,000	Park Place Entertainment Corp., 8.875%, 9/15/08
BB+	3,000	Starwood Hotels & Resorts World, 7.875%, 5/01/12

		INDUSTRIAL EQUIPMENT--0.9%
B-	1,200	Concentra Operating Corp., Ser. B, 13.00%, 8/15/09 .....
B	2,010	Manitowoc, Inc., 10.50%, 8/01/12 .....
		MEDIA--5.3%
B1	2,000	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09, (Canada) ...
		AOL Time Warner, Inc.,
BBB+	2,000	7.70%, 5/01/32 .....
BBB+	3,000	9.125%, 1/15/13 .....
Ca	3,000	Charter Communications Holdings LLC, 10.75%, 10/01/09 .....
		Comcast Cable Communications, Inc.,
BBB	1,000	6.75%, 1/30/11 .....
BBB	1,800	8.875%, 5/01/17 .....
BB-	3,000	EchoStar DBS Corp., 10.375%, 10/01/07 .....
B	1,000	Quebecor Media, Inc., 11.125%, 7/15/11, (Canada) .....
B-	3,000	WRC Media Inc., 12.75%, 11/15/09 .....
		OTHER--4.8%
A3	17,508(3)	Targeted Return Index Securities Trust, Inc, Ser. 10-2002, 6.851%, 1/1
		REAL ESTATE--0.5%
BBB+	1,000	AvalonBay Communities, Inc., 6.625%, 9/15/11 .....
BBB+	800	EOP Operating LP, 7.00%, 7/15/11 .....
		TECHNOLOGY--0.5%
BB+	2,000	Seagate Technology Holdings, 8.00%, 5/15/09 .....
		TELECOMMUNICATION--3.7%
BBB+	2,000	Deutsche Telekom Intl. Finance BV, 8.50%, 6/15/10, (Netherlands) .....
B3	1,340	Dobson Communications Corp., 10.875%, 7/01/10 .....
B+	1,000	Nextel Communications, Inc., 9.95%, 2/15/08 .....
Ba3	3,000	PanAmSat Corp., 8.50%, 2/01/12 .....
		SBC Communications, Inc.,
A+	450	5.875%, 8/15/12 .....
A+	1,000	6.25%, 3/15/11 .....
A+	1,000	Verizon Global Funding Corp., 7.75%, 6/15/32 .....
Aa3	3,000	Verizon Pennsylvania, Inc., Ser. A, 5.65%, 11/15/11 .....
A	1,000	Vodafone Group PLC, 7.75%, 2/15/10, (United Kingdom) .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION

		TRANSPORTATION--2.0%
BBB+	$ 1,000	Burlington Northern Santa Fe Corp., 5.90%, 7/01/12 .....
BBB+	1,000	Canadian National Railway Co., 6.375%, 10/15/11, (Canada) .....
BBB	1,475	Canadian Pacific Railway Ltd., 6.25%, 10/15/11, (Canada) .....
B	2,000	Railamerica Transportation Corp., 12.875%, 8/15/10 .....
BBB	2,000	Union Pacific Corp., 6.125%, 1/15/12 .....
		Total Corporate Bonds .....
		FOREIGN GOVERNMENT BONDS--0.8%
Baa2	3,000	United Mexican States, 8.00%, 9/24/22 .....
		TOTAL LONG-TERM INVESTMENTS (cost $479,724,642) .....
		SHORT-TERM INVESTMENTS--15.4%
		U.S. GOVERNMENT AND AGENCY SECURITIES--15.4%
	8,800(5)	Student Loan Marketing, 0.94%, 11/03/03 .....
	21,632(5)	U.S. Treasury Bonds, 0.85%, 11/03/03 .....
	32,794(5)	U.S. Treasury Notes, 0.85%, 11/03/03 .....
		TOTAL SHORT-TERM INVESTMENTS (cost $63,224,790) .....
		TOTAL INVESTMENTS BEFORE INVESTMENTS SOLD SHORT AND OUTSTANDING OPTION (COST $542,949,432) .....
		INVESTMENTS SOLD SHORT--(13.1%)
	(20,700)	U.S. Treasury Bonds, 5.375%, 2/15/31 .....
	(33,000)	U.S. Treasury Notes, 2.625%, 5/15/08 .....
		TOTAL INVESTMENTS SOLD SHORT (proceeds $53,049,018) .....

	NOTIONAL AMOUNT (000)	
		OUTSTANDING OPTIONS WRITTEN--(0.6)%
	$56,300	Interest Rate Swap, 3.60% over 3 month LIBOR, expires 11/01/04 .....
	55,000	Interest Rate Swap, 5.75% over 3 month LIBOR, expires 9/23/05 .....
	11,900	Interest Rate Swap, 6.00% over 3 month LIBOR, expires 10/25/04 .....
	140	U.S. Treasury Notes Futures .....
		Total Outstanding Options Written (premium received $2,432,578) .....
		TOTAL INVESTMENTS, NET OF INVESTMENTS SOLD SHORT AND OUTSTANDING OPTIO LIABILITIES IN EXCESS OF OTHER ASSETS--(22.3)% .....
		NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(3) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 6.6% of its net assets, with a current market value of $27,069,681, in securities restricted as to resale.

(4) Issuer is technically in default.

(5) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK INCOME TRUST (BKT)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--117.0%
		MORTGAGE PASS-THROUGHS--37.1%
		Federal Home Loan Mortgage Corp.,
	$23,746	5.50%, 10/01/16 - 5/01/17
	136	6.50%, 5/01/29 - 5/01/30
	43	7.50%, 2/01/23
	204	8.00%, 11/01/15
	411	9.00%, 9/01/20
	173	8.50%, 10/01/06 - 3/01/08, TBA
		Federal National Mortgage Assoc.,
	19,391	5.00%, 6/01/33
	59,3852	5.50%, 11/01/16 - 9/01/17
	19,781	6.00%, 11/01/31 - 10/01/32
	11,876	6.50%, 2/01/26 - 5/01/31
	18,433	7.00%, 6/01/26 - 2/01/32
	5,292	7.50%, 11/01/14 - 9/01/23
	917	8.00%, 5/01/08 - 5/01/22
	14	9.50%, 1/01/19 - 6/01/20
	1,688	5.50%, 12/01/13 - 6/01/17, TBA
		Government National Mortgage Assoc.,
	193	7.00%, 10/15/17
	1,437	7.50%, 8/15/21 - 12/15/23
	1,027	8.00%, 10/15/22 - 2/15/29
	79	9.00%, 6/15/18 - 9/15/21
		Total Mortgage Pass-Throughs

		FEDERAL HOUSING ADMINISTRATION--3.4%
		GMAC Projects,
	754	Ser. 46, 7.43%, 1/01/22 .....
	665	Ser. 51, 7.43%, 2/01/23 .....
	1,920	Ser. 56, 7.43%, 11/01/22 .....
	100	Merrill Project, Ser. 54, 7.43%, 5/15/23 .....
	904	Reilly Project, Ser. 41, 8.28%, 3/01/20 .....
		USGI Projects,
	346	Ser. 87, 7.43%, 12/01/22 .....
	1,385	Ser. 99, 7.43%, 10/01/23 .....
	2,450	Ser. 6302, 7.43%, 12/01/21 .....
	6,224	Yorkville, Ser. 6094, 7.43%, 6/01/21 .....
		Total Federal Housing Administration .....
		AGENCY MULTIPLE CLASS MORTGAGE PASS-THROUGHS--3.7%
		Federal Home Loan Mortgage Corp.,
	592	Ser. 19, Class F, 3/15/20 .....
	8,578	Ser. T-11, Class A-9, 1/25/28 .....
		Federal National Mortgage Assoc.,
	739	Ser. 12, Class G, 2/25/20 .....
	770	Ser. 43, Class E, 4/25/22 .....
		Government National Mortgage Assoc.,
	3,356	Ser. 5, Class Z, 5/16/26 .....
	2,500	Ser. 33, Class PB, 7/20/31 .....
	4,516	Ser. 58, Class IT, 7/20/33 .....
		Total Agency Multiple Class Mortgage Pass-Throughs .....
		NON-AGENCY MULTIPLE CLASS MORTGAGE PASS-THROUGHS--0.1%
AAA	200	Prudential Home Mortgage Securities Co., Ser. 35, Class A12, 6.75%, 9/
AAA	418(3)	Summit Mortgage Trust, Ser. 1, Class B1, 6.079%, 12/28/12 .....
		Total Non-Agency Multiple Class Mortgage Pass-Throughs .....
		ADJUSTABLE RATE MORTGAGE SECURITIES--0.1%
		Federal National Mortgage Assoc.,
	314	Ser. 38, Class F, 4/25/21 .....
	211	Ser. 256, Class F, 11/25/23 .....
		Total Adjustable Rate Mortgage Securities .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		INVERSE FLOATING RATE MORTGAGES--4.6%
AAA	$ 156	Banc of America Mortgage Securities Inc., Ser. 2, Class 1A, 4/25/33 ..

		Federal Home Loan Mortgage Corp.,
	105	Ser. 1160, Class F, 10/15/21 .....
	7	Ser. 1601, Class SE, 10/15/08 .....
	1,225(2)	Ser. 1616, Class SB, 11/15/08 .....
	3,721	Ser. 1688, Class S, 12/15/13 .....
		Federal National Mortgage Assoc.,
	2,213	Ser. 32, Class SA, 5/25/32 .....
	319	Ser. 38, Class SA, 4/25/21 .....
	75	Ser. 46, Class S, 5/25/21 .....
	311	Ser. 48, Class SC, 6/25/33 .....
	65	Ser. 49, Class S, 12/25/21 .....
	335	Ser. 87, Class S, 8/25/21 .....
	1,049	Ser. 93, Class S, 5/25/08 .....
	128	Ser. 145, Class S, 10/25/06 .....
	782	Ser. 170, Class SC, 9/25/08 .....
	3,474	Ser. 196, Class SC, 10/25/08 .....
	1,187	Ser. 214, Class S, 12/25/08 .....
	972	Ser. 214, Class SH, 12/25/08 .....
	2,562	Ser. 247, Class SN, 12/25/23 .....
Aaa	952	Kidder Peabody Acceptance Corp., Ser. 1, Class A6, 8/25/23 .....
AAA	238	Residential Funding Mortgage Securities Inc., Ser. S36, Class A13, 10/
		Total Inverse Floating Rate Mortgages
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--17.2%
		American Housing Trust,
	443	Ser. III, Class 4, 3/25/19 .....
	97	Ser. VII, Class 2, 11/25/20 .....
	103,939	Commercial Mortgage Acceptance Corp., Ser. ML1, 12/15/30 .....
	34,311(3)	CS First Boston Mortgage Securities Corp., Ser. C1, Class AX, 6/20/29
		Federal Home Loan Mortgage Corp.,
	56	Ser. 19, Class R, 3/15/20 .....
	64	Ser. 75, Class R, 1/15/21 .....
	0	Ser. 173 Class R, 11/15/21 .....
	17	Ser. 176 Class M, 7/15/21 .....
	2	Ser. 192 Class U, 2/15/22 .....
	109	Ser. 200 Class R, 12/15/22 .....
	6,294	Ser. 204, 5/01/29 .....
	48	Ser. 1043 Class H, 2/15/21 .....
	5	Ser. 1054 Class I, 3/15/21 .....
	59	Ser. 1056 Class K, 3/15/21 .....
	65	Ser. 1057 Class J, 3/15/21 .....
	203	Ser. 1148 Class E, 10/15/21 .....
	54	Ser. 1178 Class O, 11/15/21 .....
	57	Ser. 1221 Class H, 3/15/07 .....
	3,000	Ser. 1598 Class J, 10/15/08 .....
	1,843	Ser. 1706, Class IA, 10/15/23 .....
	520	Ser. 1720, Class PK, 1/15/24 .....
	7,584	Ser. 1809, Class SC, 12/15/23 .....
	13,682	Ser. 1914, Class PC, 12/15/11 .....
	1,889	Ser. 1961 Class H, 5/15/12 .....
	19,208	Ser. 2002, Class HJ, 10/15/08 .....
	41	Ser. 2037, Class IB, 12/15/26 .....
	766	Ser. 2050, Class PI, 12/15/11 .....
	541	Ser. 2063, Class PI, 4/15/12 .....
	896	Ser. 2080, Class PL, 1/15/27 .....
	1,409	Ser. 2099, Class JB, 9/15/22 .....
	65	Ser. 2138, Class PI, 3/15/11 .....
	6,773	Ser. 2218 Class Z, 3/15/30 .....
	3,625	Ser. 2296, Class SA, 3/15/16 .....
	2,225	Ser. 2345 Class PQ, 8/15/16 .....
	2,975	Ser. 2444, Class ST, 9/15/29 .....

2,488	Ser. 2513, Class BI, 12/15/15 .....
3,524	Ser. 2542, Class MX, 5/15/22 .....
4,613	Ser. 2543, Class IM, 9/15/12 .....
7,701	Ser. 2545, Class NI, 3/15/22 .....
11,974	Ser. 2561, Class EW, 9/15/16 .....
592	Ser. 2613, Class ZT, 3/15/33 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		INTEREST ONLY MORTGAGE-BACKED SECURITIES--(CONT'D)
		Federal Home Loan Mortgage Corp., (cont'd)
	$29,000	Ser. 2633, Class PI, 3/15/12 .....
	11,963	Ser. 2658, Class PI, 6/15/13 .....
	31,948	Ser. G-60, Class HS, 4/25/24 .....
		Federal National Mortgage Assoc.,
	2,606	Ser. 2, Class ID, 3/25/23 .....
	610	Ser. 5, Class H, 1/25/22 .....
	36	Ser. 7, Class 2, 4/01/17 .....
	110	Ser. 7, Class S, 3/25/21 .....
	339	Ser. 10, Class S, 5/25/21 .....
	262	Ser. 12, Class S, 5/25/21 .....
	28,816	Ser. 16, Class PI, 11/25/12 .....
	158	Ser. 17, Class S, 6/25/21 .....
	4	Ser. 20, Class H, 3/25/06 .....
	40,162	Ser. 23, Class ES, 10/25/22 .....
	230	Ser. 33, Class PV, 10/25/21 .....
	7,981	Ser. 33, Class SG, 3/25/09 .....
	8,631	Ser. 37, Class SE, 10/25/22 .....
	44,896	Ser. 38, Class MI, 9/25/20 .....
	24	Ser. 38, Class N, 4/25/21 .....
	15,708	Ser. 39, Class IA, 10/25/22 .....
	39,896	Ser. 41, Class SP, 7/25/15 .....
	2,393	Ser. 50, Class SI, 4/25/23 .....
	7,372	Ser. 51, Class IE, 4/25/26 .....
	20	Ser. 54, Class H, 5/25/05 .....
	3,132	Ser. 62, Class IC, 7/25/15 .....
	4,972	Ser. 62, Class IL, 3/25/24 .....
	9,495	Ser. 66, Class Ci, 7/25/33 .....
	10,119	Ser. 68, Class SC, 1/25/24 .....
	7,989	Ser. 82, Class IR, 9/25/12 .....
	36	Ser. 84, Class H, 8/25/06 .....
	72	Ser. 89, Class 2, 6/01/18 .....
	35,584	Ser. 90, Class M, 1/25/28 .....
	18	Ser. 94, Class 2, 8/01/21 .....
	93	Ser. 99, Class L, 8/25/21 .....
	13	Ser. 123, Class M, 10/25/20 .....
	125	Ser. 136, Class S, 11/25/20 .....

144	Ser. 139, Class PT, 10/25/21
90	Ser. 141, Class SA, 8/25/07
6,769	Ser. 199, Class SB, 10/25/23
3,306	Ser. 301, Class 2, 4/01/29
6,046	Ser. 302, Class 2, 6/01/29
4,297	Ser. 339, Class 8, 7/01/33
9,236	Ser. 602, Class BI, 10/25/22
196	Ser. G-50, Class G, 12/25/21
163	Ser. G92-12, Class C, 2/25/22
1,922	Ser. G92-60, Class SB, 10/25/22
2,063	Ser. W4, 12/25/28
226	First Boston Mortgage Securities Corp., Ser. C, Class I, 4/25/17
35,942	GMAC Commercial Mortgage Securities, Inc., Ser. C1, Class X, 7/15/27
24,961(3)	Goldman Sachs Mortgage Securities Corp., Ser. 5, 2/19/25
14,091(3)	Hanover Grantor Trust, Ser. A, Class 1, 8/01/27
236	Kidder Peabody Acceptance Corp., Ser. B, Class A2, 4/22/18
6,936	Merrill Lynch Mortgage Investors, Inc., Ser. C2, 6/15/21
11,312(3)	Morgan Stanley Capital 1, Inc., Ser. HF1, Class X, 6/15/17
13,668	Prudential Home Mortgage Securities Co., Ser 5, Class A9, 2/25/24
51	Prudential Securities Inc., Ser. 15, Class 1G, 5/20/21
4,017	Residential Accredit Loans, Inc., Ser. QS7, Class A1, 4/25/33
27,242	Small Business Administration, Ser. 1, 4/01/15
231,356	Vendee Mortgage Trust, Ser. 2, Class 1, 5/15/29
	Total Interest Only Mortgage-Backed Securities

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		PRINCIPAL ONLY MORTGAGE-BACKED SECURITIES--12.5%
Aaa	$ 273	Chase Mortgage Finance Corp., Ser. A, Class AP, 1/25/10
Aaa	196	Collateralized Mortgage Obligation Trust, Ser. 29, Class A, 5/23/17
		Countrywide Home Loans Inc.,
AAA	9,501	Ser. 26, 8/25/33
AAA	1,774	Ser. J4, 6/25/33
AAA	2,536	Ser. J5, 7/25/33
AAA	1,638	Ser. J8, 9/25/23
		Drexel Burnham Lambert, Inc.,
AAA	78	Ser. K, Class 1, 9/23/17
AAA	840	Ser. V, Class 1, 9/1/18
		Federal Home Loan Mortgage Corp.,
	538	Ser. 1418, Class M, 11/15/22
	1,670	Ser. 1571, Class G, 8/15/23
	6,274	Ser. 1691, Class B, 3/15/24
	801	Ser. 1739, Class B, 2/15/24
	11	Ser. 1750, Class PC, 3/15/24
	322	Ser. 1857, Class PB, 12/15/08

	708	Ser. T-8, Class A-10, 11/15/28 .....
		Federal National Mortgage Assoc.,
	128	Ser. 7, Class J, 2/25/21 .....
	3,439	Ser. 13, Class PR, 3/25/32 .....
	638	Ser. 26, Class L, 3/25/23 .....
	158	Ser. 51, Class E, 2/25/23 .....
	95	Ser. 70, Class A, 5/25/23 .....
	75	Ser. 167, Class D, 10/25/17 .....
	163	Ser. 203, Class 1, 2/01/23 .....
	123	Ser. 228, Class 1, 5/01/23 .....
	923	Ser. 273, Class 1, 7/01/26 .....
	547	Ser. 279, Class 1, 7/01/26 .....
	15,330	Ser. 328, Class 1, 11/01/32 .....
	11,435	Ser. 329, Class 1, 12/01/32 .....
	4,437	Ser. 333, Class 1, 3/01/33 .....
	1,066	Ser. G93-2, Class KB, 1/25/23 .....
	1,002	Ser. W4, 2/25/29 .....
AAA	183	First Union Residential Securitization Trust, Ser. A, Class 1APO, 3/25
AAA	59	Structured Mortgage Asset Residential Trust, Ser. 3C, Class CX, 4/25/2
	13,000	Resolution Funding Corp., Ser. B, 4/15/30 .....
		Total Principal Only Mortgage-Backed Securities .....
		COMMERCIAL MORTGAGE-BACKED SECURITIES--2.9%
AAA	10,250(3)	New York City Mortgage Loan Trust, Ser. 1996, Class A2, 6.75%, 6/25/11
AAA	1,915	Banc of America Funding Corp., Class A1, 6.00%, 5/20/33 .....
		Total Commercial Mortgage-Backed Securities .....
		U.S. GOVERNMENT AGENCY SECURITIES--8.3%
	17,033	Overseas Private Investment Corp., 4.09%-7.35%, 5/29/12 .....
		Small Business Administration,
	1,513	Ser. 20C-1, 7.15%, 3/01/17 .....
	2,532	Ser. 20E-1, 7.60%, 5/01/16 .....
	3,176	Ser. 20F-1, 7.55%, 6/01/16 .....
	1,942	Ser. 20G-1, 7.70%, 7/01/16 .....
	2,431	Ser. 20H-1, 7.25%, 8/01/16 .....
	4,168	Ser. 20K-1, 6.95%, 11/01/16 .....
	2,072	Small Business Investment Companies, Ser. P10A, Class 1, 6.12%, 2/01/0
		Total U.S. Government and Agency Securities .....
		COLLATERALIZED MORTGAGE OBLIGATION RESIDUALS--0.1%
		Collateralized Mortgage Obligation Trust,
	10	Ser. 40, Class R, 4/01/18 .....
	157	Ser. 42, Class R, 10/01/14 .....
	45(5)	FBC Mortgage Securities Trust 16, CMO, Ser. A-1, 7/01/17 .....
		Morgan Stanley Mortgage Trust,
	177	Ser. 38, Class 2, 11/20/21 .....
	197	Ser. 39, Class 2, 12/20/21 .....
		Total Collateralized Mortgage Obligation Residuals .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		U.S. GOVERNMENT SECURITIES--27.0%
	$155,700	U.S. Treasury Bonds, Zero Coupon, 11/15/24
	8,325	U.S. Treasury Bonds, 8.00%, 11/15/21
		U.S. Treasury Notes,
	61,250	3.25%, 8/15/08
	3,000	3.875%, 2/15/13
		Total U.S. Government Securities
		TOTAL LONG-TERM INVESTMENTS (cost $404,080,649)
		SHORT-TERM INVESTMENTS--38.1%
		U.S. GOVERNMENT AND AGENCY SECURITIES--38.1%
	1,200(4)	Student Loan Marketing, 0.94%, 11/03/03
	41,069(4)	U.S. Treasury Bonds, 0.85%, 11/03/03
		U.S. Treasury Notes,
	35,219(4)	0.55%, 11/03/03
	3,834(4)	0.80%, 11/04/03
	93,098(4)	0.85%, 11/03/03 - 11/05/03
		TOTAL SHORT-TERM INVESTMENTS (cost $174,419,687)
		TOTAL INVESTMENTS BEFORE INVESTMENTS SOLD SHORT AND OUTSTANDING OPTION $717,432,138)
		INVESTMENTS SOLD SHORT--(29.8)%
	(39,300)	U.S. Treasury Bonds, 5.375%, 2/15/31
		U.S. Treasury Notes,
	(30,000)	1.50%, 7/31/05
	(25,280)	2.625%, 5/15/08
	(38,900)	3.625%, 5/15/13
	(3,750)	4.375%, 8/15/12
		TOTAL INVESTMENTS SOLD SHORT (proceeds $134,559,335)
	NOTIONAL AMOUNT (000)	
		OUTSTANDING OPTIONS WRITTEN--(0.7)%
	$60,500	Interest Rate Swap, 3.60% over 3 month LIBOR, expires 11/01/04
	77,000	Interest Rate Swap, 5.75% over 3 month LIBOR, expires 9/23/05
	12,800	Interest Rate Swap, 6.00% over 3 month LIBOR, expires 10/25/04
	185	U.S. Treasury Notes Futures
		Total Outstanding Options Written (premium received $3,054,224)
		TOTAL INVESTMENTS, NET OF INVESTMENTS SOLD SHORT AND OUTSTANDING OPTIO
		LIABILITIES IN EXCESS OF OTHER ASSETS--(24.6)%

NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(3) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 3.2% of its net assets, with a current market value of $14,539,634, in securities restricted as to resale.

(4) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

(5) Illiquid securities representing 0.07% of net assets.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK LIMITED DURATION INCOME TRUST (BLW)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--138.9%
		CORPORATE BONDS--63.2%
		AERO & DEFENSE--1.1%
BB-	$ 5,000	Sequa Corp., Ser. B, 8.875%, 4/01/08 .....
B	2,500(2)	Titan Corp., 8.00%, 5/15/11 .....
		AUTOMOTIVE--6.1%
B2	5,000(2)	Advanced Accessory Systems LLC, 10.75%, 6/15/11 .....
B2	2,750	Collins & Aikman Products Co., 10.75%, 12/31/11 .....
A3	7,500	DaimlerChrysler NA Holding Corp., 4.05%, 6/04/08 .....
		Dura Operating Corp.,
B+	3,000	Ser. B, 8.625%, 4/15/12 .....
B	1,000	Ser. D, 9.00%, 5/01/09 .....
B-	5,000(2)	EaglePicher Inc., 9.75%, 9/01/13 .....

B+	5,000(2)	Group 1 Automotive Inc., 8.25%, 8/15/13 .....
B+	5,000(2)	Sonic Automotive Inc., 8.625%, 8/15/13 .....
B+	5,200(2)	TRW Automotive, Inc., 9.375%, 2/15/13 .....
B	3,000	Williams Scotsman Inc., 9.875%, 6/01/07 .....
		BASIC MATERIAL--1.5%
BB+	5,000(2)	Ipsco Inc, 8.75%, 6/01/13 .....
BB-	5,000	U.S. Steel Corp., 10.75%, 8/01/08 .....
		BUILDING & DEVELOPMENT--0.4%
B	250	Collins & Aikman Floorcovering, Ser. B, 9.75%, 2/15/10 .....
Ba1	3,000	D R Horton Inc., 5.875%, 7/01/13 .....
		CHEMICAL--3.1%
A-	5,590	Dow Chemical Co., 5.97%, 1/15/09 .....
B	2,500(2)	Huntsman Advanced Materials LLC, 11.00%, 7/15/10 .....
B	3,000(2)	Huntsman Intl LLC, 11.625%, 10/15/10 .....
BB-	5,000	Lyondell Chemical Co., 11.125%, 7/15/12 .....
B-	5,000(2)	Rockwood Specialties Group Inc., 10.625%, 5/15/11 .....
		CONGLOMERATES--0.4%
B	3,000	Trimas Corp., 9.875%, 6/15/12 .....
		CONSUMER PRODUCTS--1.8%
B2	2,000	Chattem Inc., 8.875%, 4/01/08 .....
BB+	5,000	JC Penney Co. Inc., 8.00%, 3/01/10 .....
B+	5,000	Rite Aid Corp., 8.125%, 5/01/10 .....
		CONTAINERS & GLASS--1.3%
B-	5,000(2)	Graphic Packaging Intl., Inc., 9.50%, 8/15/13 .....
B+	4,000(2)	Silgan Holdings Inc., 6.75%, 11/15/13 .....
		ECOLOGICAL SERVICES & EQUIPMENT--2.3%
B+	7,000	Allied Waste NA, Inc., Ser. B, 10.00%, 8/01/09 .....
B	2,000	Casella Waste Systems Inc., 9.75%, 2/01/13 .....
B	6,250	National Waterworks Inc., Ser. B, 10.50%, 12/01/12 .....
		ELECTRONICS--1.7%
B1	5,243(2)	Amkor Technology Inc., 7.75%, 5/15/13 .....
B-	2,500	Chippac Int. Ltd., Ser. B, 12.75%, 8/01/09 .....
Ba2	3,972(2)	Flextronics Intl. Ltd., 6.50%, 5/15/13, (Singapore) .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		ENERGY--9.3%
B+	$ 5,500(2)	AES Corp., The, 8.75%, 5/15/13
BB-	5,290(2)	Chesapeake Energy Corp., 7.50%, 9/15/13
BB	2,000	Compagnie Generale De Geophysique SA, 10.625%, 11/15/07, (France)
B	5,000	Dresser, Inc., 9.375%, 4/15/11
B-	6,000	Dynegy Holdings Inc., 10.125%, 7/15/13
B+	4,000	El Paso Production Holding Co., 7.75%, 6/01/13
B+	5,000(2)	Gazprom, 9.625%, 3/01/13, (Russia)
B2	2,950	Hanover Equipment Test, Ser. B, 8.75%, 9/01/03
B	5,000(2)	Hilcorp Energy I L P, 10.50%, 9/01/10
B+	2,000	Massey Energy Corp., 6.95%, 3/01/07
BB-	5,000	Midwest Generation LLC, Ser. A, 8.30%, 7/02/09
B	5,000	Swift Energy Co., 9.375%, 5/01/12
Ba3	5,000	Westport Resources Corp. New, 8.25%, 11/01/11
		Williams Cos Inc.,
B+	1,000	8.125%, 3/15/12
B+	5,000	8.625%, 6/01/10
		FINANCE & BANKING--8.9%
BB	3,000(2)	Crum & Forster Holdings Corp., 10.375%, 6/15/13
A3	7,500(3)	Ford Motor Credit Co., 7.375%, 2/01/11
B	3,000(2)	Gemstone Investor Ltd., 7.71%, 10/31/04
A3	7,500	General Motors Acceptance Corp., 6.875%, 8/28/12
		HYDI 100,
B2	10,000(2)	6.40%, 6/20/08
B3	9,815(2)	9.00%, 6/20/08
Baa3	5,000(2)	Kazkommerts Intl BV, 10.125%, 5/08/07, (Netherlands)
Ba1	2,840	Labranche & Co., Inc., 12.00%, 3/02/07
B1	4,500(2)	Sheridan Group Inc., 10.25%, 8/15/11
B+	5,000(2)	Southern Star Central Corp., 8.50%, 8/01/10
BB-	4,215	Western Financial Bank, 9.625%, 5/15/12
		FOREST PRODUCTS--2.5%
B+	4,000	Caraustar Industries, Inc., 9.875%, 4/01/11
BB+	5,685	Georgia Pacific Corp., 8.875%, 2/01/10
BBB	7,500	Weyerhaeuser Co., 5.25%, 12/15/09
		HEALTH CARE--4.3%
B	4,000	Alaris Med Systems Inc., 7.25%, 7/01/11
BB	5,000	Amerisourcebergen Corp., 8.125%, 9/01/08
BB-	1,000(2)	Bio Rad Laboratories Inc., 7.50%, 8/15/13
B-	5,000	Concentra Operating Corp., 9.50%, 8/15/10
B-	3,500	Iasis Healthcare Corp., 8.50%, 10/15/09

B-	3,000	Insight Health Services Corp., Ser. B, 9.875%, 11/01/11 .....
B-	3,000(2)	Norcross Safety Products LLC, 9.875%, 8/15/11 .....
B	4,500	United Surgical Partners Int'l., Inc., 10.00%, 12/15/11 .....
		HOTELS & CASINOS--3.2%
B	3,500	Ameristar Casinos Inc., 10.75%, 2/15/09 .....
B+	4,125	Boyd Gaming Corp., 7.75%, 12/15/12 .....
B	2,000	Hammons John Q. Hotels LP, Ser. B, 8.875%, 5/15/12 .....
B	1,000	Herbst Gaming, Inc., Ser. B, 10.75%, 9/01/08 .....
Ba3	5,000	HMH Properties, Inc., Ser. B, 7.875%, 8/01/08 .....
Ba2	5,425	MGM Mirage, Inc., 9.75%, 6/01/07 .....
		INDUSTRIALS--4.2%
B-	4,000	Fasten Tech Inc., 11.50%, 5/01/11 .....
B	5,025	Hexcel Corp., 9.875%, 10/01/08 .....
BB-	5,000	Mail-Well I Corp., 9.625%, 3/15/12 .....
B-	5,885(2)	Transdigm Inc., 8.375%, 7/15/11 .....
BBB-	7,500	Tyco Intl Group SA, 6.125%, 11/01/08, (Luxembourg) .....
B	1,000	Von Hoffman Corp., 10.25%, 3/15/09 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LEISURE--0.5%
BB+	$ 3,500	Royal Caribbean Cruises Ltd., 8.00%, 5/15/10, (Liberia) .....
		MEDIA--5.4%
B1	2,500	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09, (Canada) ...
B-	3,500(2)	CBD Media Inc., 8.625%, 6/01/11 .....
BBB	7,500	Comcast Cable Communications I, 6.20%, 11/15/08 .....
BB-	6,000	CSC Holdings Inc., 7.875%, 12/15/07 .....
B	2,000	Dex Media East LLC, Ser. B, 12.125%, 11/15/12 .....
BB-	2,000(2)	Echostar Dbs Corp., 5.75%, 10/01/08 .....
B	5,000	Houghton Mifflin Company, 9.875%, 2/01/13 .....
B-	3,250	Nextmedia Operating, Inc., 10.75%, 7/01/11 .....
B-	4,650	Salem Communications Holding Corp., 7.75%, 12/15/10 .....
B-	275	WRC Media Inc., 12.75%, 11/15/09 .....
		TECHNOLOGY--0.8%
B+	1,600(2)	Cooperative Computing Inc., 10.50%, 6/15/11 .....

BB+	3,500	Unisys Corp., 6.875%, 3/15/10 .....
		TELECOMMUNICATION--3.6%
B2	6,000(2)	ACC Escrow Corp., 10.00%, 8/01/11 .....
BBB+	7,500(3)	Deutsche Telekom Intl. BV, 3.875%, 7/22/08, (Netherlands) .....
B+	5,000	Nextel Communications Inc., 7.375%, 8/01/15 .....
Ba3	6,000(2)	Qwest Corp., 8.875%, 3/15/12 .....
		TRANSPORTATION--0.8%
BB+	1,650	Overseas Shipholding Group Inc., 8.75%, 12/01/13 .....
B	3,720	RailAmerica Transportation Corp., 12.875%, 8/15/10 .....
		Total Corporate Bonds .....
		BANK LOANS--28.5%
		AUTOMOTIVE--1.4%
	2,988	EaglePicher Inc., Term Loan B, LIBOR + 3.50%, 8/07/09 .....
	1,494	Metaldyne Co. LLC, Term Loan, LIBOR + 4.25%, 12/31/09 .....
	4,000	TRW Automotive, Inc., Term Loan C1, LIBOR + 3.00%, 2/28/11 .....
	1,902	Williams Scotsman, Inc., Term Loan, LIBOR + 3.00%, 12/31/08 .....
		BASIC MATERIALS--0.3%
	1,948	International Steel, Term Loan B, LIBOR + 4.00%, 5/07/07 .....
		BUILDING & DEVELOPMENT--0.3%
	1,895	Associated Materials, Inc., Term Loan, LIBOR + 1.75%, 8/20/10 .....
		BUSINESS EQUIPMENT & SERVICES--0.2%
	1,500	Buhrmann U.S., Inc., Term Loan B, LIBOR + 4.00%, 11/01/07 .....
		CHEMICAL--1.6%
		Huntsman Intl LLC,
	1,250	Term Loan B, LIBOR + 4.00%, 6/30/08 .....
	1,250	Term Loan C, LIBOR + 4.25%, 6/30/07 .....
	998	INEOS Group Holdings Plc, Term Loan C, LIBOR + 3.50%, 6/30/09 .....
	3,000	Nalco Chemical Co., Term Loan, LIBOR + 2.50%, 11/01/10 .....
	1,000	USI Holdings Corp., Term Loan B, LIBOR + 3.00%, 7/30/08 .....
	4,415	Veritas DGC, Inc., Term Loan B, LIBOR + 5.00%, 2/14/07 .....
		CONGLOMERATES--1.3%
		Colfax Corp.,
	3,925	Term Loan B, LIBOR + 3.75%, 6/30/09 .....
	1,250	Term Loan C, LIBOR + 6.25%, 6/30/10 .....
	2,500	Quintiles Transnational Corp., Term Loan, LIBOR + 4.25%, 9/25/09 .....
	2,000	Trimas Corp., Term Loan, LIBOR + 3.25%, 12/31/09 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		CONSUMER PRODUCTS--3.0%
	$ 864	Dean Foods Co., Term Loan B, LIBOR + 2.00%, 8/15/08 .....
	1,746	Dole Food Co., Inc., Term Loan B, LIBOR + 2.75%, 8/30/08 .....
	2,000	Jarden Corp., Term Loan B, LIBOR + 2.75%, 4/30/08 .....
	3,000	Jostens, Inc., Term Loan B, LIBOR + 2.50%, 7/08/10 .....
	2,000	Meow Mix Co., Term Loan, LIBOR + 3.50%, 8/30/09 .....
	2,500	Olympus, Term Loan B, PRIME + 2.00%, 9/30/10 .....
	2,963	Oriental Trading Co., Inc., Term Loan B, LIBOR + 2.75%, 6/30/09 .....
	2,000	Pantry, Inc., The, Term Loan, LIBOR + 4.25%, 3/31/07 .....
	1,500	Scotts Co., The, Term Loan, LIBOR + 2.00%, 10/30/10 .....
	3,242	Tempur Pedic, Term Loan B, LIBOR + 3.50%, 8/13/09 .....
		CONTAINERS & GLASS--2.6%
	6,000	Crown Cork & Seal Co., Inc., Term Loan B1, LIBOR + 3.00%, 9/30/08 ....
	4,000	Graphic Packaging Intl., Inc., Term Loan B, LIBOR + 2.75%, 6/30/10 ...
	8,500	Owens Brockway Glass Container, Inc., Term Loan A, LIBOR + 3.25%, 6/30
		ECOLOGICAL SERVICES & EQUIPMENT--0.6%
	4,000	Allied Waste NA, Inc., Term Loan C, LIBOR + 3.00%, 1/15/10 .....
		ELECTRONICS--0.5%
	3,390	Knowles Electronics, Inc., Term Loan B2, LIBOR + 5.00%, 6/29/07 .....
		ENERGY--1.6%
	1,500	AES Corp., The, Term Loan, LIBOR + 4.00%, 4/30/08 .....
	1,995	Calpine Corp., LIBOR + 5.75%, 7/15/07 .....
	7,000	Centerpoint Energy, Inc., Term Loan, LIBOR + 3.50%, 10/30/06 .....
	1,496	Massey Energy Corp., Term Loan B, LIBOR, 6/30/08 .....
		FINANCE & BANKING--0.8%
		Nextel Finance Co.,
	2,743	Term Loan B, LIBOR + 3.375%, 6/30/08 .....
	2,743	Term Loan C, LIBOR + 3.625%, 12/31/08 .....
		FOREST PRODUCTS--1.1%
		Jefferson Smurfit Group,
	4,000	Term Loan B3, LIBOR + 2.75%, 12/31/08 .....
	4,000	Term Loan C3, LIBOR + 3.25%, 10/31/11 .....

	FUNERAL SERVICES--0.3%
2,394	Alderwoods Group, Inc., Term Loan B, LIBOR + 3.25%, 9/30/08 .....
	HEALTH CARE--3.4%
3,990	Community Health Systems, Inc., Term Loan B, LIBOR + 2.50%, 6/16/11 ..
2,993	Concentra Operating Corp., Term Loan, LIBOR + 3.75%, 8/13/09 .....
3,000	Connecticare, Term Loan, LIBOR + 3.75%, 10/31/09 .....
2,992	Davita, Inc., Term Loan B, LIBOR + 2.50%, 6/23/09 .....
1,356	Fisher Scientific Intl., Inc., Term Loan B1, LIBOR + 2.25%, 2/28/10 ..
2,993	Kinetic Concepts, Inc., Term Loan B, LIBOR + 2.75%, 8/05/10 .....
5,000	Medco Health, Term Loan, LIBOR + 2.25%, 6/30/10 .....
2,000	Per-Se Technologies, Term Loan B, LIBOR + 4.25%, 8/30/08 .....
	HOTELS & CASINOS--0.6%
962	Greektown Casino, LLC, Term Loan B, LIBOR + 3.75%, 9/01/04 .....
3,000	Marina District Finance Co., Inc., Term Loan A, LIBOR + 3.00%, 12/01/0
	MEDIA--6.2%
2,000	Charter, Term Loan B, LIBOR + 2.75%, 9/30/07 .....
2,494	Charter Communications Operating LLC, Incremental Term Loan, LIBOR + 2
	Cinram,
6,000	Term Loan B, LIBOR + 3.75%, 10/30/09 .....
1,500	Term Loan C, LIBOR + 5.75%, 4/30/10 .....
3,000	Dex Media East, LLC, Term Loan A, LIBOR + 2.50%, 11/08/08 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		MEDIA--(CONT'D)
		Dex Media West, LLC,
	$ 4,868	Term Loan A, LIBOR + 2.75%, 9/01/09 .....
	1,655	Term Loan B, LIBOR + 2.75%, 9/10/09 .....
	4,500	DirecTV Holdings, LLC, Term Loan B1, LIBOR + 2.75%, 2/13/10 .....
	4,500	Echostar Dbs Corp., Term Loan, LIBOR + 3.75%, 1/01/04 .....
	5,000	Insight Midwest Holdings LLC, Incremental Term Loan, LIBOR + 2.75%, 1/
	3,964	Loews Cineplex Entertainment Corp., LIBOR + 3.50%, 2/29/08 .....
	4,000	MCC Iowa LLC, Term Loan B, LIBOR + 2,50%, 9/30/10 .....
	1,566	Readers Digest Assoc., Inc., Term Loan B, LIBOR + 3.00%, 5/20/08 .....
		TELECOMMUNICATIONS--2.7%
	4,500	Crown Castle Operating Co., Term Loan B, LIBOR + 3.50%, 4/30/10 .....

	1,556	Panamsat Corp., Term Loan B1, LIBOR + 2.50%, 10/29/10 .....
	3,685	Pinnacle Towers, Inc., Term Loan, LIBOR + 4.50%, 10/31/05 .....
	5,000	Qwest Corp., Term Loan A, LIBOR + 4.75%, 6/30/07 .....
	3,125	Western Wireless Corp., Term Loan B, LIBOR + 3.25%, 3/31/08 - 9/30/08
	1,500	Worldspan, L.P., Term Loan, LIBOR + 3.75%, 6/30/07 .....
		Total Bank Loans .....
		MORTGAGE PASS-THROUGHS--33.3%
		Federal National Mortgage Assoc.,
	8,439	4.542%, TBA .....
	130,000	5.00%, TBA .....
	99,467	5.50%, TBA .....
		Total Mortgage Pass-Throughs .....
		U.S. GOVERNMENT SECURITIES--10.7% U.S. Treasury Notes,
	60,000(3)	1.625%, 10/31/05 .....
	18,200(3)	4.00%, 11/15/12 .....
		Total U.S. Government Securities .....
		FOREIGN GOVERNMENT BONDS--3.2%
BB	5,000	Columbia Republic, 9.75%, 4/23/09 .....
B+	5,000	Federal Republic of Brazil, 2.188%, 10/15/03 .....
BB-	5,000	Peru Republic, 9.125%, 2/21/12 .....
B2	2,143	Republic of Venezuela, 2.313%, 12/18/03 .....
B+	5,000	Turkey Republic, 11.375%, 11/27/06 .....
		Total Foreign Government Bonds .....
		TOTAL LONG-TERM INVESTMENTS (cost $984,552,252) .....
		SHORT-TERM INVESTMENTS--8.1%
		MORTGAGE PASS-THROUGHS--7.5%
	54,570(4)	Federal National Mortgage Assoc., 1.07%, 11/13/03 .....
		U.S. GOVERNMENT AND AGENCY SECURITIES--0.6%
	800(4)	Student Loan Marketing, 0.94%, 11/03/03 .....
	3,337(4)	U.S. Treasury Notes, 0.50%, 11/14/03 .....
		Total U.S. Government and Agency Securities .....
		TOTAL SHORT-TERM INVESTMENTS (cost $58,707,068) .....
		TOTAL INVESTMENTS (cost $1,043,259,320) .....
		LIABILITIES IN EXCESS OF OTHER ASSETS--(47.0)% .....
		NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 24.2% of its net assets, with a current market value of

$175,588,478, in securities restricted as to resale.

(3) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(4) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2003

BLACKROCK STRATEGIC BOND TRUST (BHD)

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		LONG-TERM INVESTMENTS--137.3%
		CORPORATE BONDS--134.4%
		AERO & DEFENSE--4.6%
B-	$2,000(2)	BE Aerospace, Inc., 9.50%, 11/01/08
BBB	1,000	Lockheed Martin Corp., 8.20%, 12/01/09
BBB-	650(2)	Raytheon Co., 6.55%, 3/15/10
A	1,000(2)	United Technologies Corp., 6.35%, 3/01/11
		AUTOMOTIVE--12.9%
BB+	2,000(2)	Autonation, Inc., 9.00%, 8/01/08
B2	2,000(2)	Collins & Aikman Products Co., 10.75%, 12/31/11
A3	1,000(2)	Daimler Chrysler NA Corp., 7.30%, 1/15/12
BB	2,000	Dana Corp., 10.125%, 3/15/10
B3	1,000	Delco Remy Intl., Inc., 11.00%, 5/01/09
B	2,000	Dura Operating Corp., Ser. D, 9.00%, 5/01/09
B+	2,000(3)	Sonic Automotive Inc., 8.625%, 8/15/13
B+	1,000(3)	TRW Automotive, Inc., 9.375%, 2/15/13
B	2,000(2)	United Auto Group Inc., 9.625%, 3/15/12
		BASIC MATERIAL--2.1%
BB-	2,000(2)	Century Aluminum Co., 11.75%, 4/15/08
		BUILDING & DEVELOPMENT--5.1%
BB	1,000	Beazer Homes USA, Inc., 8.625%, 5/15/11
B-	2,000	Great Lakes Dredge & Dock Corp., 11.25%, 8/15/08
Ba1	2,000	Schuler Homes, Inc., 9.375%, 7/15/09

		CHEMICAL--5.0%
BB-	2,000	Lyondell Chemical Co., Ser. B, 9.875%, 5/01/07 .....
B	1,796	Noveon, Inc., Ser. B, 11.00%, 2/28/11 .....
B-	1,250	Resolution Performance Products, Inc., 13.50%, 11/15/10 .....
		CONGLOMERATES--4.7%
A	325	Honeywell Intl., Inc., 7.50%, 3/01/10 .....
B	1,500	MDP Acquisitions Plc, 9.625%, 10/01/12, (Ireland) .....
B-	2,000	Penhall Intl., Inc., 12.00%, 8/01/06 .....
BBB-	1,132(2)	Tyco Intl. Group SA, 6.375%, 2/15/06, (Luxembourg) .....
		CONSUMER PRODUCTS--6.2%
BBB+	1,000(2)	General Mills, Inc., 5.125%, 2/15/07 .....
BBB	575(2)	Kellogg Co., Ser. B, 6.00%, 4/01/06 .....
B	1,000	Levi Strauss & Co., 12.25%, 12/15/12 .....
B-	500	Pantry, Inc., The, 10.25%, 10/15/07 .....
B-	2,000(2)	Sbarro, Inc., 11.00%, 9/15/09 .....
		CONTAINERS & GLASS--2.9%
B	1,000	Crown European Holdings SA, 10.875%, 3/01/13, (United Kingdom) .....
B+	1,800	Plastipak Holdings, Inc., 10.75%, 9/01/11 .....
		ECOLOGICAL SERVICES & EQUIPMENT--3.6%
B+	2,000	Allied Waste NA, Inc., Ser. B, 10.00%, 8/01/09 .....
B	1,500	Casella Waste Systems Inc., 9.75%, 2/01/13 .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		ENERGY--21.0%
BBB+	$ 1,000(2)	Anadarko Petroleum Corp., 5.375%, 3/01/07 .....
CCC+	2,000	Calpine Corp., 10.50%, 5/15/06 .....
BB	2,000(2)	Compagnie Generale De Geophysique SA, 10.625%, 11/15/07, (France) ....
A-	1,000(2)	ConocoPhillips Holding Co., 6.95%, 4/15/29 .....
B	2,000(2)	Dresser, Inc., 9.375%, 4/15/11 .....

BBB	250(2)	DTE Energy Co., 7.05%, 6/01/11 .....
B-	1,500(3)	Dynegy Holdings Inc., 10.125%, 7/15/13 .....
		El Paso Corp.,
B	165	7.75%, 1/15/32 .....
B	85	7.80%, 8/01/31 .....
BB-	1,000	El Paso Natural Gas Co., Ser. B, 8.50%, 6/01/11 .....
B+	1,750(3)	El Paso Production Holding Co., 7.75%, 6/01/13 .....
BBB+	105	Exelon Corp., 6.75%, 5/01/11 .....
Baa2	325(2)	FirstEnergy Corp., Ser. C, 7.375%, 11/15/31 .....
B+	2,000	Hanover Equipment Test, Ser. A, 8.50%, 9/01/08 .....
BB-	1,000	Leviathan Gas Pipeline Partners LP, Ser. B, 10.375%, 6/01/09 .....
BBB+	250	Occidental Petroleum Corp., 6.75%, 1/15/12 .....
Baa2	1,000(2)	Progress Energy, Inc., 6.75%, 3/01/06 .....
B	2,000	Swift Energy Co., 10.25%, 8/01/09 .....
BB-	2,000	Western Gas Resources, Inc., 10.00%, 6/15/09 .....
		FINANCE & BANKING--16.4%
A+	500(2)	Allstate Corp., 7.875%, 5/01/05 .....
Aa3	1,000(2)	Bank One Corp., 6.50%, 2/01/06 .....
Aa3	650(2,3)	Barclays Bank PLC, 8.55%, 9/29/49, (United Kingdom) .....
A1	325(2)	Bear Stearns Co., Inc., 6.50%, 5/01/06 .....
B1	2,000	Bluewater Finance Ltd., 10.25%, 2/15/12, (United Kingdom) .....
Aa1	3,000(2)	Citigroup, Inc., 5.75%, 5/10/06 .....
BB	500(3)	Crum & Forster Holdings Corp., 10.375%, 6/15/13 .....
		Ford Motor Credit Co.,
A3	750(2)	5.80%, 1/12/09 .....
A3	2,000(2)	6.875%, 2/01/06 .....
		General Motors Acceptance Corp.,
A3	250(2)	6.75%, 1/15/06 .....
A3	900(2)	6.875%, 9/15/11 .....
A3	300(2)	8.00%, 11/01/31 .....
AAA	850(2)	KFW Intl. Finance, Inc., 5.25%, 6/28/06 .....
Ba1	1,000	Labranche & Co., Inc., 12.00%, 3/02/07 .....
A1	1,000(2)	Lehman Brothers Holdings, Inc., 6.25%, 5/15/06 .....
A	325(2)	Metlife, Inc., 6.125%, 12/01/11 .....
Baa1	1,000	Sears Roebuck Acceptance Corp., 6.75%, 8/15/11 .....
		FOREST PRODUCTS--3.0%
B+	2,000	Caraustar Industries, Inc., 9.875%, 4/01/11 .....
BBB	1,000	Weyerhaeuser Co., 6.125%, 3/15/07 .....
		HEALTH CARE--7.3%
D	2,000(4)	HealthSouth Corp., 6.875%, 6/15/05 .....
B-	2,000	Insight Health Services Corp., Ser. B, 9.875%, 11/01/11 .....
B+	2,000	Matria Healthcare, Inc., Ser. B, 11.00%, 5/01/08 .....
B	1,500	United Surgical Partners Int'l., Inc., 10.00%, 12/15/11 .....
		HOTELS & CASINO--3.0%
Ba2	2,000	Park Place Entertainment Corp., 7.875%, 3/15/10 .....
B	1,000	Resorts Intl. Hotel & Casino, Inc., 11.50%, 3/15/09 .....
		INDUSTRIAL EQUIPMENT--4.1%

BB-	2,000	Mail-Well I Corp., 9.625%, 3/15/12 .....
B+	2,000(2)	United Rentals, Inc., Ser. B, 9.25%, 1/15/09 .....
		LEISURE--1.6%
BB+	1,500	Royal Caribbean Cruises Ltd., 8.75%, 2/02/11, (Liberia) .....

See Notes to Financial Statements.

RATING(1) (UNAUDITED)	PRINCIPAL AMOUNT (000)	DESCRIPTION
		MEDIA--13.5%
NR	$ 2,000(2,4)	Adelphia Communications Corp., Ser. B, 10.50%, 7/15/04 .....
B1	1,500(2)	Alliance Atlantis Communications, Inc., 13.00%, 12/15/09, (Canada) ...
BBB+	1,000(2)	AOL Time Warner, Inc., 7.70%, 5/01/32 .....
Ca	2,000	Charter Communications Holdings LLC, 11.125%, 1/15/11 .....
BBB	1,000	Comcast Cable Communications, Inc., 6.875%, 6/15/09 .....
BB-	2,000	EchoStar DBS Corp., 10.375%, 10/01/07 .....
B-	2,000	Nextmedia Operating, Inc., 10.75%, 7/01/11 .....
A-	1,000(2)	Viacom, Inc., 6.625%, 5/15/11 .....
B-	1,500	WRC Media Inc., 12.75%, 11/15/09 .....
		REAL ESTATE--2.6%
BBB+	500(2)	ERP Operating LP, 6.95%, 3/02/11 .....
		Felcore Lodging LP,
B1	1,000	9.00%, 6/01/11 .....
B1	1,000	10.00%, 9/15/08 .....
		TECHNOLOGY--2.1%
BB+	2,000	Unisys Corp., 8.125%, 6/01/06 .....
		TELECOMMUNICATION--9.6%
B2	1,750(3)	ACC Escrow Corp., 10.00%, 8/01/11 .....
BBB	900(2)	AT&T Corp., 7.25%, 11/15/06 .....
B3	1,000	Crown Castle Int'l. Corp., 10.75%, 8/01/11 .....
Ba3	2,000	PanAmSat Corp., 8.50%, 2/01/12 .....
CCC+	450	Qwest Capital Funding, Inc., 5.875%, 8/03/04 .....
Aa3	2,000(2)	Verizon New England, Inc., 6.50%, 9/15/11 .....
A	1,000(2)	Vodafone Group PLC, 7.75%, 2/15/10, (United Kingdom) .....
		Worldcom, Inc.,
D	400(3,5)	7.375%, 1/15/06 .....
D	200(5)	8.00%, 5/15/06 .....

		TRANSPORTATION--3.1%
BBB+	500(2)	Canadian National Railway Co., 6.90%, 7/15/28, (Canada) .....
Baa1	400	Norfolk Southern Corp., 7.05%, 5/01/37 .....
B	2,000	Railamerica Transportation Corp., 12.875%, 8/15/10 .....
		Total Corporate Bonds .....
		U.S. GOVERNMENT SECURITIES--0.9%
	1,000	U.S. Treasury Notes, 4.25%, 8/15/13 .....
		FOREIGN GOVERNMENT BONDS--1.1%
Baa2	1,000	United Mexican States, 8.125%, 12/30/19 .....
		SUPRANATIONAL--0.9%
AAA	850(2)	European Investment Bank, 4.875%, 9/06/06 .....
		TOTAL LONG-TERM INVESTMENTS--137.3% (cost $139,987,252) .....
		SHORT-TERM INVESTMENTS--0.7%
		U.S. GOVERNMENT AGENCY SECURITIES--0.7%
	800(4)	Student Loan Marketing, 0.94%, 11/03/03, (cost $799,958) .....
		TOTAL INVESTMENTS--138.0% (cost $140,787,210) .....
		LIABILITIES IN EXCESS OF OTHER ASSETS--(38.0)% .....
		NET ASSETS--100% .....

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(1) Using the higher of S&P's, Moody's or Fitch's rating.

(2) Entire or partial principal amount pledged as collateral for reverse repurchase agreements or financial futures contracts.

(3) Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2003, the Trust held 9.4% of its net assets, with a current market value of $9,941,314, in securities restricted as to resale.

(4) For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

(5) Issuer is technically in default.

See Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES

OCTOBER 31, 2003

	BROAD INVESTMENT GRADE 2009 TERM TRUST(1) (BCT)	CORE BOND TRUST (BHK)
ASSETS		
Investments at value(2)	$ 65,645,702	$ 544,064,718
Cash	88,952	--
Foreign currency at value	--	246
Receivable for investments sold	1,144,618	45,179,866
Variation margin receivable	56,563	--
Receivable for open forward foreign currency contacts	--	67,187
Interest receivable	778,406	8,152,134
Unrealized appreciation on interest rate swaps	--	--
Other assets	14,358	49,777
	67,728,599	597,513,928
LIABILITIES		
Reverse repurchase agreement	19,952,625	91,668,469
Payable to custodian	--	460,397
Payable for investments purchased	--	102,452,396
Variation margin payable	--	66,844
Loan payable	--	--
Investments sold short at value(3)	--	1,459,680
Outstanding options written at value(4)	--	2,153,452
Interest payable	13,421	180,841
Unrealized depreciation on interest rate swaps	--	188,307
Interest rate floors at value(3)	--	--
Payable for closed forward foreign currency contacts, net	--	64,413
Investment advisory fee payable	22,397	211,451
Administration fee payable	6,108	--
Deferred Directors/Trustees fees	11,180	26,212
Other accrued expenses	341,596	41,756
	20,347,327	198,974,218
NET ASSETS	$ 47,381,272	$ 398,539,710
Composition of Net Assets:		
Par value	$ 29,571	$ 27,019
Paid-in capital in excess of par	39,184,069	386,195,639
Cost of shares held in treasury(5)	--	--
Undistributed net investment income	8,349,474	--
Accumulated net realized gain (loss)	(1,501,431)	350,131
Net unrealized appreciation (depreciation)	1,319,589	11,966,921
Net assets, October 31, 2003	$ 47,381,272	$ 398,539,710
Net Asset Value Per Common Share(6)	$16.02	$14.75
(1)Consolidated Statement of Assets and Liabilities		
(2)Investments at cost	$ 64,624,207	$ 532,154,754
(3)Proceeds received	--	1,458,281

(4) Premium received	--	2,069,401
(5) Shares held in treasury	--	--
(6) Common shares outstanding	2,957,093	27,018,774

See Notes to Financial Statements.

HIGH YIELD TRUST (BHY)	INCOME OPPORTUNITY TRUST (BNA)	INCOME TRUST (BKT)	LIMITED DURATION INCOME TRUST (BLW)	STRATEGIC BOND TRUST (BHD)
$ 61,457,946	$ 558,812,045	$ 709,412,822	$1,065,134,708	$ 146,360,035
107,680	--	1,080,121	222,505	84,692
--	--	--	--	--
403,691	2,736,337	6,542,352	11,634,999	2,159,542
--	388,797	159,375	--	--
--	--	--	--	--
1,860,522	7,882,677	5,088,448	13,895,130	3,534,350
--	2,654,095	931,496	--	--
57,487	108,428	127,287	41,048	12,005
63,887,326	572,582,379	723,341,901	1,090,928,390	152,150,624
--	103,378,025	121,766,813	118,993,475	45,871,594
--	406,757	--	--	--
--	--	1,253,807	246,555,554	--
--	--	--	--	--
19,250,000	--	--	--	--
--	53,740,347	136,348,651	--	--
--	2,582,630	3,253,119	--	--
26,742	995,054	1,953,179	29,155	24,619
--	--	--	--	--
--	--	827,945	--	--
--	--	--	--	--
38,029	209,153	252,993	475,379	71,223
1,531	68,348	102,077	--	--
16,828	84,172	101,517	1,500	5,138
116,142	137,129	171,778	125,923	133,079
19,449,272	161,601,615	266,031,879	366,180,986	46,105,653
$ 44,438,054	$ 410,980,764	$ 457,310,022	$ 724,747,404	$ 106,044,971

$ 6,382	$ 344,497	$ 633,632	$ 36,706	$ 7,034
93,565,135	406,532,068	553,795,068	699,580,295	100,247,645
--	(17,377,850)	--	--	--
--	5,785,104	10,115,860	2,864,550	1,711,227
(35,131,326)	(2,798,701)	(98,385,297)	390,465	(1,493,760)
(14,002,137)	18,495,646	(8,849,241)	21,875,388	5,572,825
$ 44,438,054	$ 410,980,764	$ 457,310,022	$ 724,747,404	$ 106,044,971
$6.96	$11.93	$7.21	$19.74	$15.07
$ 75,460,083	$ 542,949,432	$ 717,432,138	$1,043,259,320	$ 140,787,210
--	53,049,018	134,559,335	--	--
--	2,432,578	3,054,224	--	--
--	1,757,400	--	--	--
6,381,648	34,449,693	63,389,691	36,706,021	7,035,621

STATEMENTS OF OPERATIONS
FOR THE PERIOD(1) ENDED OCTOBER 31, 2003

	BROAD INVESTMENT GRADE 2009 TERM TRUST(2) (BCT)	BON (
NET INVESTMENT INCOME		
Interest Income	$ 4,972,268	$ 26
EXPENSES		
Investment advisory	274,354	2
Administration	74,824	
Transfer agent	12,204	
Custodian	66,960	
Reports to shareholders	46,680	
Directors/Trustees	14,355	
Registration	2,369	
Independent accountants	49,011	
Legal	22,931	
Insurance	3,489	
Organization	--	
Miscellaneous	19,010	
Total expenses excluding interest expense and excise tax	586,187	3
Interest Expense	235,225	
Excise Tax	390,244	

Total expenses	1,211,656	4
Less fees waived by Advisor	--	
Less fees paid directly	--	
Net expenses	1,211,656	4
Net investment income	3,760,612	22
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) on:		
Investments	(2,442,600)	5
Foreign currency	--	4
Futures	(516,247)	
Interest rate caps	--	
Interest rate swaps	--	
Options written	--	
Short sales	--	
	(2,958,847)	10
Net change in unrealized appreciation/depreciation on:		
Investments	(1,384,674)	10
Foreign currency	--	
Futures	225,201	
Interest rate caps	--	
Interest rate floors	--	
Interest rate swaps	--	
Options written	--	
Short sales	--	
	(1,159,473)	10
Net gain (loss)	(4,118,320)	21
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	$ (357,708)	$ 43

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(1) Commencement of investment operations for Limited Duration was July 30, 2003. The other Trusts' statements are for a full year.

(2) Consolidated Statement of Operations.

See Notes to Financial Statements.

HIGH YIELD TRUST (BHY)	INCOME OPPORTUNITY TRUST (BNA)	INCOME TRUST (BKT)	LIMITED DURATION INCOME TRUST (BLW)	STRATEGIC BOND TRUST (BHD)

$ 8,033,894	$ 34,238,249	$ 45,060,425	$ 13,462,605	$ 12,835,456
636,202	2,481,258	3,072,754	1,154,773	1,084,562
60,591	413,543	898,600	--	--
21,364	32,000	91,811	4,557	15,810
31,392	199,285	184,754	51,336	46,011
56,513	108,217	125,000	50,000	27,435
12,000	57,620	74,706	20,367	13,221
22,500	31,500	48,074	11,067	22,499
31,976	119,586	112,141	30,000	39,930
24,083	67,546	49,000	17,856	13,316
1,830	44,553	29,901	20,086	7,556
--	--	--	15,000	--
20,188	111,042	155,803	10,136	18,969
918,639	3,666,150	4,842,544	1,385,178	1,289,309
350,855	1,664,516	1,584,933	51,372	694,780
--	--	--	--	--
1,269,494	5,330,666	6,427,477	1,436,550	1,984,089
--	--	--	--	(289,217)
(1,864)	(5,057)	(8,158)	--	(6,589)
1,267,630	5,325,609	6,419,319	1,436,550	1,688,283
6,766,264	28,912,640	38,641,106	12,026,055	11,147,173
(4,771,417)	(3,393,714)	(4,527,133)	594,555	(1,177,052)
--	(198,307)	--	--	--
--	(217,858)	(13,602,696)	(204,090)	--
--	--	(2,318)	--	--
--	1,491,314	(4,162,695)	--	--
--	(861,522)	(615,153)	--	--
--	--	889,290	--	--
(4,771,417)	(3,180,087)	(22,020,705)	390,465	(1,177,052)
10,326,575	12,430,608	(19,541,288)	21,875,388	17,670,059
--	168,091	--	--	--
--	1,032,645	75,909	--	--
--	--	356,506	--	--
--	--	1,000,886	--	--
--	537,812	8,956,825	--	--
--	(40,795)	201,718	--	--
--	(92,090)	(1,789,316)	--	--
10,326,575	14,036,271	(10,738,760)	21,875,388	17,670,059
5,555,158	10,856,184	(32,759,465)	22,265,853	16,493,007
$ 12,321,422	$ 39,768,824	$ 5,881,641	$ 34,291,908	$ 27,640,180

STATEMENTS OF CASH FLOWS
FOR THE PERIOD(1) ENDED OCTOBER 31, 2003

RECONCILIATION OF NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES	BROAD INVESTMENT GRADE 2009 TERM TRUST(2) (BCT)	BO
Net increase (decrease) in net assets resulting from operations	$ (357,708)	$ 43
Decrease (increase) in investments	4,562,308	45
Net realized loss (gain)	2,958,847	(10
Decrease (increase) in unrealized appreciation (depreciation)	1,159,473	(10
Decrease in interest rate caps	--	
Increase in interest rate swaps	--	
Decrease (increase) in receivable for investments sold	(1,144,618)	(13
Increase in receivable for forward foreign currency contacts	--	
Decrease (increase) in variation margin receivable	(33,001)	
Decrease in collateral deposited with brokers	--	
Decrease (increase) in interest receivable	(118,760)	
Increase in other assets	(5,195)	
Increase (decrease) in payable for investments purchased	--	(82
Decrease in payable for forward foreign currency contacts	--	
Increase in payable for forward foreign currency contacts, net	--	
Increase in variation margin payable	--	
Increase (decrease) in interest payable	(3,902)	
Increase in outstanding options written	--	1
Increase (decrease) in investments sold short	--	1
Increase in interest rate floor	--	
Increase (decrease) in interest rate swaps	--	
Increase (decrease) in investment advisory fee payable	(1,632)	
Increase (decrease) in administration fee payable	(445)	
Increase in deferred Directors/Trustees fees	3,503	
Increase (decrease) in accrued expenses	215,573	
Total adjustments	7,592,151	(67
Net cash flows provided by (used for) operating activities	$ 7,234,443	$(24
INCREASE (DECREASE) IN CASH AND FOREIGN CURRENCY		
Net cash flows provided by (used for) operating activities	$ 7,234,443	$(24
Cash flows provided by (used for) financing activities:		
Capital contributions	--	
Increase (decrease) in reverse repurchase agreements	(3,716,562)	56
Cash dividends paid	(3,504,653)	(32
Net cash flows provided by (used for) financing activities	(7,221,215)	24

Net increase (decrease) in cash	13,228	
Cash and foreign currency at beginning of period	75,724	
Cash and foreign currency at end of period	$ 88,952	$

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(1) Commencement of investment operations for Limited Duration was July 30, 2003. This information includes the initial investment by BlackRock Funding, Inc. The other Trusts' statements are for a full year.

(2) Consolidated Statement of Cash Flows.

See Notes to Financial Statements.

HIGH YIELD TRUST (BHY)	INCOME OPPORTUNITY TRUST (BNA)	INCOME TRUST (BKT)	LIMITED DURATION INCOME TRUST (BLW)	STRATEGIC BOND TRUST (BHD)
$ 12,321,422	$ 39,768,824	$ 5,881,641	$ 34,291,908	$ 27,640,1
373,218	10,781,983	(53,973,836)	(1,042,868,855)	(468,1
4,771,417	3,180,087	22,020,705	(390,465)	1,177,0
(10,326,575)	(14,036,271)	10,738,760	(21,875,388)	(17,670,0
--	--	20	--	
--	(537,811)	(931,496)	--	
(403,691)	99,155,268	13,138,945	(11,634,999)	(2,159,5
--	--	--	--	
--	300,045	136,839	--	
--	--	17,234,375	--	
451,489	(2,087,451)	1,734,013	(13,895,130)	150,9
(5,218)	(14,977)	(46,991)	(41,048)	(9,5
--	(101,568,077)	(206,805)	246,555,554	
--	--	--	--	
--	--	--	--	
--	--	--	--	
(13,822)	715,163	(333,672)	29,155	(10,9
--	2,348,912	2,396,153	--	
--	(19,811,393)	136,348,651	--	
(1,358,636)	--	--		
--	--	(8,025,329)	--	
(15,925)	2,968	(26,841)	475,379	7,9
(3,607)	33,984	21,963	--	
4,236	22,977	27,842	1,500	3,3
52,880	(158,754)	(81,575)	125,923	(28,0
(4,115,598)	(21,673,347)	138,813,085	(843,518,374)	(19,006,8
$ 7,205,824	$ 18,095,477	$ 144,694,726	$ (809,226,466)	$ 8,633,2

$ 7,205,824	$ 18,095,477	$ 144,694,726	$ (809,226,466)	$ 8,633,2
--	--	--	699,632,001	
--	17,674,238	(84,025,451)	118,993,475	1,648,2
(6,836,072)	(36,267,803)	(59,956,759)	(9,176,505)	(10,189,5
(6,836,072)	(18,593,565)	(143,982,210)	809,448,971	(8,541,2
369,752	(498,088)	712,516	222,505	91,9
(262,072)	91,331	367,605	--	(7,3
$ 107,680	$ (406,757)	$ 1,080,121	$ 222,505	$ 84,6

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED OCTOBER 31, 2003 AND FOR THE PERIOD(1) ENDED OCTOBER 31, 2002

	BROAD INVESTMENT GRADE 2009 TERM TRUST(2) (BCT)		
	2003	2002	
INCREASE (DECREASE) IN NET ASSETS			
OPERATIONS:			
Net investment income	$ 3,760,612	$ 5,953,008	$ 2
Net realized gain (loss)	(2,958,847)	2,180,535	1
Net change in unrealized appreciation/depreciation	(1,159,473)	(2,064,590)	1
Net increase (decrease) in net assets resulting from operations	(357,708)	6,068,953	4
DIVIDENDS AND DISTRIBUTIONS:			
From net investment income	(3,504,653)	(2,291,473)	(2
From net realized gains	--	--	(
Tax return of capital distributions	--	--	
In excess of net investment income	--	--	
Total dividends and distributions	(3,504,653)	(2,291,473)	(3
CAPITAL SHARE TRANSACTIONS:			
Net proceeds from the issuance of common shares	--	--	

Net proceeds from the underwriters' overallotment option exercised	--	--	
Reinvestment of dividends	--	--	
Cost of Trust shares reacquired	--	--	
Net proceeds from capital share transactions	--	--	
Total increase (decrease)	(3,862,361)	3,777,480	1
Net Assets			
Beginning of period	51,243,633	47,466,153	38
End of period	$ 47,381,272	$ 51,243,633	$ 39
End of period undistributed net investment income	$ 8,349,474	$ 7,480,911	$

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(1) Commencement of investment operations for Core Bond was November 30, 2001. This information includes the initial investment by BlackRock Funding, Inc. The other Trusts' statements are for a full year.

(2) Consolidated Statement of Changes in Net Assets.

See Notes to Financial Statements.

HIGH YIELD TRUST (BHY)		INCOME OPPORTUNITY TRUST (BNA)		INCOME TRUST (BKT)	
2003	2002	2003	2002	2003	20
$ 6,766,264	$ 7,613,863	$ 28,912,640	$ 39,603,548	$ 38,641,106	$ 62,1
(4,771,417)	(8,468,860)	(3,180,087)	(6,747,774)	(22,020,705)	28,3
10,326,575	2,224,397	14,036,271	5,135,503	(10,738,760)	(50,2
12,321,422	1,369,400	39,768,824	37,991,277	5,881,641	40,2
(7,116,448)	(7,613,863)	(27,903,349)	(25,885,698)	(63,862,381)	(35,8
--	--	(8,364,454)	--	--	
--	(584,069)	--	--	--	
--	--	--	--	--	
(7,116,448)	(8,197,932)	(36,267,803)	(25,885,698)	(63,862,381)	(35,8
--	--	--	--	--	

--	--	--	--	--	
280,376	261,647	--	--	3,905,622	2
--	--	--	(2,381,796)	--	
280,376	261,647	--	(2,381,796)	3,905,622	2
5,485,350	(6,566,885)	3,501,021	9,723,783	(54,075,118)	4,6
38,952,704	45,519,589	407,479,743	397,755,960	511,385,140	506,7
$ 44,438,054	$ 38,952,704	$ 410,980,764	$ 407,479,743	$ 457,310,022	$ 511,3
$ --	$ --	$ 5,785,104	$ 4,974,125	$ 10,115,860	$ 35,3

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIOD(1) ENDED OCTOBER 31, 2003 AND FOR THE PERIOD(2) ENDED OCTOBER 31, 2002

	LIMITED DURATION INCOME TRUST (BLW)	STRATEGIC (B
	2003	2003
INCREASE (DECREASE) IN NET ASSETS		
OPERATIONS:		
Net investment income	$ 12,026,055	$ 11,147,173
Net realized gain (loss)	390,465	(1,177,052)
Net change in unrealized appreciation/depreciation	21,875,388	17,670,059
Net increase (decrease) in net assets resulting from operations	34,291,908	27,640,180
DIVIDENDS FROM NET INVESTMENT INCOME	(9,176,505)	(10,466,535)
Capital Share Transactions:		
Net proceeds from the issuance of common shares	653,888,001	--
Net proceeds from the underwriters' overallotment option exercised	45,744,000	--
Reinvestment of dividends	--	277,020
Net proceeds from capital share transactions	699,632,001	277,020

Total increase	724,747,404	17,450,665
NET ASSETS		
Beginning of period	--	88,594,306
End of period	$ 724,747,404	$ 106,044,971
End of period undistributed net investment income	$ 2,864,550	$ 1,711,227

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(1) Commencement of investment operations for Limited Duration was July 30, 2003. This information includes the initial investment by BlackRock Funding, Inc. The other Trust's statement is for a full year.

(2) Commencement of investment operations for Strategic Bond was February 28, 2002. This information includes the initial investment by BlackRock Funding, Inc.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BLACKROCK BROAD INVESTMENT GRADE 2009 TERM TRUST (BCT)

	YEAR ENDED OCTOBER		
	2003	2002	2001
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of year	$ 17.33	$ 16.05	$ 13.64
Investment operations:			
Net investment income	1.28	2.01	1.17
Net realized and unrealized gain (loss)	(1.40)	0.04	2.01
Net increase (decrease) from investment operations	(0.12)	2.05	3.18
Dividends from net investment income	(1.19)	(0.77)	(0.77)
Net asset value, end of year	$ 16.02	$ 17.33	$ 16.05
Market value, end of year	$ 15.85	$ 16.18	$ 14.39
TOTAL INVESTMENT RETURN(1)	5.32%	18.34%	27.66%

RATIOS TO AVERAGE NET ASSETS:			
Total expenses	2.43%	2.50%	3.52%
Net expenses	2.43%	2.50%	3.52%
Net expenses excluding interest expense and excise tax	1.18%	1.16%	1.16%
Net investment income	7.54%	12.22%	7.93%
SUPPLEMENTAL DATA:			
Average net assets (000)	$49,882	$48,731	$43,701
Portfolio turnover	39%	35%	19%
Net assets, end of year (000)	$47,381	$51,244	$47,466
Reverse repurchase agreements outstanding, end of year (000)	$19,953	$23,669	$13,373
Asset coverage(2)	$ 3,375	$ 3,165	$ 4,550

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(1) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(2) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each year indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BLACKROCK CORE BOND TRUST (BHK)

	YEAR ENDED OCTOBER 31, 2003	FOR THE NOVEMBER 30 THRO OCTOBER 3
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period	$ 14.33	$ 14
Investment operations:		

Net investment income	0.83	0
Net realized and unrealized gain	0.77	0
Net increase from investment operations	1.60	1
Dividends and distributions:		
From net investment income	(1.00)	(1
Net realized gain	(0.18)	
Total dividends and distributions	(1.18)	(1
Capital charges with respect to issuance of shares	--	(0
Net asset value, end of period	$ 14.75	$ 14
Market value, end of period	$ 13.57	$ 13
TOTAL INVESTMENT RETURN(3)	6.62%	(1
RATIOS TO AVERAGE NET ASSETS:		
Total expenses	1.05%	1
Net expenses	1.05%	1
Net expenses excluding interest expense	0.87%	0
Net investment income	5.58%	7
SUPPLEMENTAL DATA:		
Average net assets (000)	$ 401,049	$ 380,
Portfolio turnover	161%	
Net assets, end of period (000)	$ 398,540	$ 387,
Reverse repurchase agreements outstanding, end of period (000)	$ 91,668	$ 165,
Asset coverage(5)	$ 5,348	$ 3,

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(1) Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

(2) Net asset value, beginning of period, reflects a deduction of $0.675 per share sales charge from the initial offering price of $15.00 per share.

(3) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(4) Annualized.

(5) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BLACKROCK HIGH YIELD TRUST (BHY)

	YEAR ENDED OCTOBER 31,		
	2003	2002	2001
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of period	$ 6.13	$ 7.20	$ 10.60
Investment operations:			
Net investment income	1.06	1.20	1.32
Net realized and unrealized gain (loss)	0.89	(0.98)	(3.13)
Net increase (decrease) from investment operations xxx	1.95	0.22	(1.81)
Dividends and distributions:			
From net investment income	(1.07)	(1.20)	(1.48)
Tax return of capital	(0.05)	(0.09)	(0.11)
Total dividends and distributions	(1.12)	(1.29)	(1.59)
Capital charge with respect to issuance of shares	--	--	--
Net asset value, end of period	$ 6.96	$ 6.13	$ 7.20
Market value, end of period	$ 10.25	$ 8.68	$ 9.18
TOTAL INVESTMENT RETURN(3)	32.87%	7.97%	(11.31)%
RATIOS TO AVERAGE NET ASSETS:			
Total expenses	3.07%	3.45%	4.90%
Net expenses	3.07%	3.45%	4.90%
Net expenses excluding interest expense	2.22%	2.20%	2.03%
Net investment income	16.37%	16.29%	14.23%
SUPPLEMENTAL DATA:			
Average net assets (000)	$41,326	$46,751	$58,553
Portfolio turnover	30%	147%	71%
Net assets, end of period (000)	$44,438	$38,953	$45,520
Loan outstanding, end of period (000)	$19,250	$19,250	$23,000
Asset coverage(5)	$ 3,308	$ 3,024	$ 2,983

(1) Commencement of investment operations. This information includes the initial investment by BlackRock Financial Management, Inc.

(2) Net asset value, beginning of period, reflects a deduction of $0.675 per share sales charge from the initial offering price of $15.00 per share.

(3) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment return does not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(4) Annualized.

(5) Per $1,000 of loan outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BLACKROCK INCOME OPPORTUNITY TRUST (BNA)

	YEAR ENDED OCTOBER		
	2003	2002	2001
PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of year	$ 11.83	$ 11.47	$ 11.03
Investment operations:			
Net investment income	0.84	1.15	0.87
Net realized and unrealized gain (loss)	0.31	(0.05)	0.34
Net increase from investment operations	1.15	1.10	1.21
Dividends and distributions:			
From net investment income	(0.81)	(0.75)	(0.23)
From net realized gains	(0.24)	--	--
Tax return of capital	--	--	(0.54)
Total dividends and distributions	(1.05)	(0.75)	(0.77)
Increase resulting from Trust shares repurchased	--	0.01	--

Net asset value, end of year	$ 11.93	$ 11.83	$ 11.47
Market value, end of year	$ 10.95	$ 10.50	$ 10.41
TOTAL INVESTMENT RETURN(1)	14.71%	8.44%	15.09%
RATIOS TO AVERAGE NET ASSETS:			
Total expenses	1.29%	1.40%	3.62%
Net expenses	1.29%	1.40%	3.62%
Net expenses excluding interest expense	0.89%	0.93%	1.01%
Net investment income	6.99%	10.04%	7.76%
SUPPLEMENTAL DATA:			
Average net assets (000)	$413,543	$394,495	$388,478
Portfolio turnover	46%	153%	83%
Net assets, end of year (000)	$410,981	$407,480	$397,756
Reverse repurchase agreements outstanding, end of year (000)	$103,378	$ 85,704	$136,385
Asset coverage(2)	$ 4,976	$ 5,755	$ 3,916

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(1) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment return does not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(2) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each year indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BLACKROCK INCOME TRUST (BKT)

	YEAR ENDED OCTOBER		
	2003	2002	2001

PER SHARE OPERATING PERFORMANCE:			
Net asset value, beginning of year	$ 8.13	$ 8.06	$ 7.23
Investment operations:			
Net investment income	0.61	0.99	0.56
Net realized and unrealized gain (loss)	(0.52)	(0.35)	0.83
Net increase (decrease) from investment operations	0.09	0.64	1.39
Dividends from net investment income	(1.01)	(0.57)	(0.56)
Net asset value, end of year	$ 7.21	$ 8.13	$ 8.06
Market value, end of year	$ 7.71	$ 8.07	$ 7.26
TOTAL INVESTMENT RETURN(1)	15.41%	15.35%	23.23%
RATIOS TO AVERAGE NET ASSETS:			
Total expense	1.36%	2.05%	2.54%
Net expenses	1.36%	2.05%	2.54%
Net expenses excluding interest expense	1.02%	1.03%	1.03%
Net investment income	8.18%	12.28%	7.43%
SUPPLEMENTAL DATA:			
Average net assets (000)	$472,676	$506,533	$470,185
Portfolio turnover	64%	125%	32%
Net assets, end of year (000)	$457,301	$511,385	$506,764
Reverse repurchase agreements outstanding, end of year (000)	$121,767	$205,792	$118,634
Asset coverage(2)	$ 4,756	$ 3,485	$ 5,272

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(1) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each year reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(2) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each year indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

BLACKROCK LIMITED DURATION INCOME TRUST (BLW)

	FOR THE PERIOD JULY 30, 2003(1) THROUGH OCTOBER 31, 2003
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of period	$ 19.10
Investment operations:	
Net investment income	0.33
Net realized and unrealized loss	0.60
Net increase from investment operations	0.93
Dividends from net investment income	(0.25)
Capital charges with respect to issuance of shares	(0.04)
Net asset value, end of period	$ 19.74
Market value, end of period	$ 18.80
TOTAL INVESTMENT RETURN(3)	(4.77)%
RATIOS TO AVERAGE NET ASSETS:	
Total expenses	0.82%(4)
Net expenses	0.82%(4)
Net expenses excluding interest expense	0.79%(4)
Net investment income	6.87%(4)
SUPPLEMENTAL DATA:	
Average net assets (000)	$ 686,655
Portfolio turnover	127%
Net assets, end of period (000)	$ 724,747
Reverse repurchase agreements outstanding, end of period (000)	$ 118,993
Asset coverage(5)	$ 7,091

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(1) Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

(2) Net asset value, beginning of period, reflects a deduction of $0.90 per share sales charge from the initial offering price of $20.00 per share.

(3) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(4) Annualized.

(5) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

FINANCIAL HIGHLIGHTS

BLACKROCK STRATEGIC BOND TRUST (BHD)

	YEAR ENDED OCTOBER 31, 2003	FOR THE PE FEBRUARY 28, THROUG OCTOBER 31,
PER SHARE OPERATING PERFORMANCE:		
Net asset value, beginning of period	$ 12.63	$ 14.33
Investment operations:		
Net investment income	1.59	0.98
Net realized and unrealized loss	2.34	(1.77
Net increase from investment operations	3.93	(0.79
Dividends from net investment income	(1.49)	(0.84
Capital charges with respect to issuance of shares	--	(0.07
Net asset value, end of period	$ 15.07	$ 12.63
Market value, end of period	$ 15.27	$ 12.35
TOTAL INVESTMENT RETURN(3)	37.36%	(12.34
RATIOS TO AVERAGE NET ASSETS:		
Total expenses	2.01%	2.57
Net expenses	1.71%	2.26
Net expenses excluding interest expense	1.01%	1.25
Net investment income	11.32%	10.68
SUPPLEMENTAL DATA:		
Average net assets (000)	$ 98,498	$ 95,675
Portfolio turnover	32%	22
Net assets, end of period (000)	$106,045	$ 88,594
Reverse repurchase agreements outstanding, end of period (000)	$ 45,872	$ 44,223

Asset coverage(5)	$ 3,312	$ 3,003

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(1) Commencement of investment operations. This information includes the initial investment by BlackRock Funding, Inc.

(2) Net asset value, beginning of period, reflects a deduction of $0.675 per share sales charge from the initial offering price of $15.00 per share.

(3) Total investment return is calculated assuming a purchase of a share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Total investment returns for less than a full year are not annualized. Past performance is not a guarantee of future results.

(4) Annualized.

(5) Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance for a share outstanding, total investment returns, ratios to average net assets and other supplemental data for each period indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION & ACCOUNTING POLICIES

The BlackRock Broad Investment Grade 2009 Term Trust Inc. ("Broad Investment Grade"), BlackRock Core Bond Trust ("Core Bond"), The BlackRock High Yield Trust ("High Yield"), BlackRock Income Opportunity Trust ("Income Opportunity"), The BlackRock Income Trust Inc. ("Income Trust"), BlackRock Limited Duration Income Trust ("Limited Duration") and BlackRock Strategic Bond Trust ("Strategic Bond") are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended. Broad Investment Grade, Income Opportunity and Income Trust are Maryland corporations. Core Bond, High Yield, Limited Duration and Strategic Bond are organized as Delaware statutory trusts. Limited Duration had no transactions before its commencement of investment operations on July 30, 2003 other than a sale to BlackRock Funding, Inc. of 6,021 common shares for $115,001.

On December 3, 1999, Broad Investment Grade transferred a substantial portion of its total assets to a 100% owned regulated investment company subsidiary called BCT Subsidiary, Inc. The financial statements and these notes to the financial statements for Broad Investment Grade are consolidated and include the operations of both Broad Investment Grade and its wholly owned subsidiary after

elimination of all intercompany transactions and balances.

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

SECURITIES VALUATION: The Trusts value most of their securities on the basis of current market quotations provided by dealers or pricing services selected under the supervision of each Trust's Board (the "Board") of Directors/Trustees ("Trustees"). In determining the value of a particular security, pricing services may use certain information with respect to transactions in such securities, quotations from dealers, market transactions in comparable securities, various relationships observed in the market between securities, and calculated yield measures based on valuation technology commonly employed in the market for such securities. Exchange traded options are valued at their last sales price as of the close of options trading on applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades. Short-term securities may be valued at amortized cost. Securities or other assets for which such current market quotations are not readily available are valued at fair value as determined in good faith under procedures established by, and under the general supervision and responsibility of, each Trust's Board.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on trade date. Realized and unrealized gains and losses are calculated on the identified cost basis. Each Trust also records interest income on an accrual basis and amortizes premium and/or accretes discount on securities purchased using the interest method.

REPURCHASE AGREEMENTS: In connection with transactions in repurchase agreements, a Trust's custodian takes possession of the underlying collateral securities, the value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by a Trust may be delayed or limited.

OPTION WRITING/PURCHASING: When a Trust writes or purchases an option, an amount equal to the premium received or paid by the Trust is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by the Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether a Trust has realized a gain or a loss on investment transactions. A Trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

Options, when used by the Trusts, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of five would imply that the price would move approximately five percent in relation to a one percent change in interest rates.

Option writing and purchasing may be used by the Trusts as an attempt to manage the duration of positions, or collections of positions, so that changes in interest rates do not adversely affect the targeted duration of the portfolio unexpectedly. A call option gives the purchaser of the option the right (but not obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period. Put or call options can be purchased or sold to effectively help manage the targeted duration of the portfolio.

The main risk that is associated with purchasing options is that the option expires without being exercised. In this case, the option expires worthless and the premium paid for the option is considered the loss. The risk associated with writing call options is that a Trust may forgo the opportunity for a profit if the market value of the underlying position increases and the option is exercised. The risk in writing put options is that a Trust may incur a loss if the market value of the underlying position decreases and the option is exercised. In addition, as with futures contracts, the Trust risks not being able to enter into a closing transaction for the written option as the result of an illiquid market.

INTEREST RATE SWAPS: In an interest rate swap, one investor pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, an investor may pay a fixed rate and receive

a floating rate. Interest rate swaps are efficient as asset/liability management tools. In more complex swaps, the notional principal amount may decline (or amortize) over time.

During the term of the swap, changes in the value of the swap are recognized as unrealized gains or losses by "marking-to-market" to reflect the market value of the swap. When the swap is terminated, a Trust will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract, if any.

The Trusts are exposed to credit loss in the event of non-performance by the other party to the swap. However, the Trusts closely monitor swaps and do not anticipate non-performance by any counterparty.

SWAP OPTIONS: Swap options are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement at any time before the expiration of the option. Premiums received or paid from writing or purchasing options are recorded as liabilities or assets and are subsequently adjusted to the current market value of the option written or purchased. Premiums received or paid from writing or purchasing options which expire unexercised are treated by a Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commission, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether a Trust has realized a gain or loss on investment transactions.

The main risk that is associated with purchasing swap options is that the swap option expires without being exercised. In this case, the option expires worthless and the premium paid for the swap option is considered the loss. The main risk that is associated with the writing of a swap option is the market risk of an unfavorable change in the value of the interest rate swap underlying the written swap option.

Swap options may be used by the Trusts to manage the duration of the Trusts' portfolios in a manner similar to more generic options described above.

INTEREST RATE CAPS: Interest rate caps are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the excess, if any, of a floating rate over a specified fixed or floating rate.

Interest rate caps are intended to both manage the duration of the Trusts' portfolios and their exposure to changes in short-term interest rates. Owning interest rate caps reduces a portfolio's duration, making them less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from rising short-term interest rates, which the Trusts experience primarily in the form of leverage.

The Trusts are exposed to credit loss in the event of non-performance by the other party to the interest rate cap. However, the Trusts do not anticipate non-performance by any counterparty.

Transactions fees paid or received by the Trusts are recognized as assets or liabilities and amortized or accreted into interest expense or income over the life of the interest rate cap. The asset or liability is subsequently adjusted to the current market value of the interest rate cap purchased or sold. Changes in the value of the interest rate cap are recognized as unrealized gains and losses.

INTEREST RATE FLOORS: Interest rate floors are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the deficiency, if any, of a floating rate under a specified fixed or floating rate.

Interest rate floors are used by the Trusts to both manage the duration of the portfolios and their exposure to changes in short-term interest rates. Selling interest rate floors reduces a portfolios duration, making it less sensitive to changes in interest rates from a market value perspective. The Trusts' leverage provides extra income in a period of falling rates. Selling floors reduces some of that advantage by partially monetizing it as an up front payment which the Trusts receive.

The Trusts are exposed to credit loss in the event of non-performance by the other party to the interest rate floor. However, the Trusts do not anticipate non-performance by any counterparty.

Transactions fees paid or received by the Trusts are recognized as assets or liabilities and amortized or accreted into interest expense or income over the life of the interest rate floor. The asset or liability is subsequently adjusted to the current market value of the interest rate floor purchased or sold. Changes in the value of the interest rate floor are recognized as unrealized gains and losses.

FINANCIAL FUTURES CONTRACTS: A futures contract is an agreement between two parties to buy and sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are

made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, a Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Financial futures contracts, when used by the Trusts, help in maintaining a targeted duration. Futures contracts can be sold to effectively shorten an otherwise longer duration portfolio. In the same sense, futures contracts can be purchased to lengthen a portfolio that is shorter than its duration target. Thus, by buying or selling futures contracts, the Trusts may attempt to manage the duration of positions so that changes in interest rates do not change the duration of the portfolio unexpectedly.

FORWARD CURRENCY CONTRACTS: The Trusts enter into forward currency contracts primarily to facilitate settlement of purchases and sales of foreign securities and to help manage the overall exposure to foreign currency. A forward contract is a commitment to purchase or sell a foreign currency at a future date (usually the security transaction settlement date) at a negotiated forward rate. In the event that a security fails to settle within the normal settlement period, the forward currency contract is renegotiated at a new rate. The gain or loss arising from the differ-

ence between the settlement value of the original and renegotiated forward contracts is isolated and is included in net realized gains (losses) from foreign currency transactions. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contract.

Forward currency contracts, when used by the Trusts, help to manage the overall exposure to the foreign currency backing some of the investments held by the Trusts. Forward currency contracts are not meant to be used to eliminate all of the exposure to the foreign currency, rather they allow the Trusts to limit their exposure to foreign currency within a narrow band to the objectives of the Trusts.

FOREIGN CURRENCY TRANSLATION: Foreign currency amounts are translated into United States dollars on the following basis:

(i) market value of investment securities, other assets and liabilities--at the New York City noon rates of exchange.

(ii) purchases and sales of investment securities, income and expenses--at the rates of exchange prevailing on the respective dates of such transactions.

The Trusts isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of securities held at period end. Similarly, the Trusts isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the period.

Net realized and unrealized foreign exchange gains and losses including realized foreign exchange gains and losses from sales and maturities of foreign portfolio securities, maturities of foreign reverse repurchase agreements, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of interest and discount recorded on the Trusts' books and the U.S. dollar equivalent amounts actually received or paid and changes in unrealized foreign

exchange gains and losses in the value of portfolio securities and other assets and liabilities arising as a result of changes in the exchange rate.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

SHORT SALES: The Trusts may make short sales of securities as a method of managing potential price declines in similar securities owned. When a Trust makes a short sale, it may borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the sale. The Trusts may have to pay a fee to borrow the particular securities and may be obligated to pay over any payments received on such borrowed securities. A gain, limited to the price at which the Trust sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received.

SECURITY LENDING: The Trusts may lend their portfolio securities to qualified institutions. The loans are secured by collateral at least equal, at all times, to the market value of the securities loaned. The Trusts may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The Trusts receive compensation for lending their securities in the form of interest on the loan. The Trusts also continue to receive interest on the securities loaned, and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the accounts of the Trusts. The Trusts did not enter into any security lending transactions during the period ended October 31, 2003.

SEGREGATION: In cases in which the Investment Company Act of 1940, as amended, and the interpretive positions of the Securities and Exchange Commission ("SEC") require that each Trust segregate assets in connection with certain investments (e.g., when issued securities, reverse repurchase agreements or futures contracts), each Trust will, consistent with certain interpretive letters issued by the SEC, designate on its books and records cash or other liquid debt securities having a market value at least equal to the amount that would otherwise be required to be physically segregated.

FEDERAL INCOME TAXES: It is each Trust's (excluding Limited Duration) intention to continue, and Limited Duration intends to elect, to be treated as a regulated investment company under the Internal Revenue Code and to distribute sufficient amounts of their taxable income to shareholders. Therefore, no Federal income tax provisions are required. As part of a tax planning strategy, Broad Investment Grade intends to retain a portion of its taxable income and pay an excise tax on the undistributed amounts.

DIVIDENDS AND DISTRIBUTIONS: Each Trust declares and pays dividends and distributions to common shareholders monthly from net investment income, net realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards may be distributed annually. Dividends and distributions are recorded on the ex-dividend date.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America.

ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and

expenses during the reporting period. Actual results could differ from these estimates.

DEFERRED COMPENSATION AND BLACKROCK CLOSED-END SHARE EQUIVALENT INVESTMENT PLAN: Under the revised deferred compensation plan approved by each Trust's Board, non-interested Trustees may elect to defer receipt of all or a portion of their annual compensation. As of January 1, 2003, the Board elected to require its non-interested members to defer a portion of their annual complex compensation pursuant to the plan. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of other BlackRock closed-end funds selected by the Trustees. This has the same economic effect for the Trustees as if the Trustees had invested the deferred amounts in such Trusts.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Trust. Each Trust may, however, elect to invest in common shares of those Trusts selected by the Trustees/Directors in order to match its deferred compensation obligations.

RECLASSIFICATION OF CAPITAL ACCOUNTS: In order to present undistributed (distribution in excess of) net investment income ("UNII"), accumulated net realized gain ("Accumulated Gain") and paid-in capital ("PIC") more closely to its tax character the following accounts, for each Trust, were increased (decreased):

TRUST	UNII	ACCUMULATED GAIN	PIC
Broad Investment Grade	$ 612,604	$ 443,366	$ (1,055,970)
Core Bond	4,872,347	(4,861,017)	(11,330)
High Yield	350,184		(350,184)
Income Opportunity	(198,402)	198,402	
Income Trust		10,359,634	(10,359,634)
Limited Duration	15,000		(15,000)
Strategic Bond	25,000		(25,000)

NOTE 2. AGREEMENTS

Each Trust has an Investment Management Agreement with BlackRock Advisors, Inc. (the "Advisor"), which is a wholly owned subsidiary of BlackRock, Inc. BlackRock Financial Management, Inc., a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to Core Bond, Limited Duration and Strategic Bond. BlackRock, Inc. is an indirect, majority owned subsidiary of The PNC Financial Services Group, Inc. The investment management agreement for Core Bond, Limited Duration and Strategic Bond covers both investment advisory and administration services. Broad Investment Grade had an Administration Agreement with Princeton Administrators, L.P. ("Princeton"), an indirect wholly owned affiliate of Merrill Lynch & Co., Inc. High Yield, Income Opportunity and Income Trust each had an Administration Agreement with Prudential Investments LLC ("Prudential"), an indirect wholly owned subsidiary of Prudential Financial, Inc.

Each Trust's investment advisory fee paid to the Advisor is computed weekly and payable monthly based on an annual rate, 0.55% for Broad Investment Grade, 0.60% for Income Opportunity and 0.65% for Income Trust, of each Trust's average net assets and 0.55% for Core Bond and Limited Duration, 1.05% for High Yield and 0.75% for Strategic Bond, of each Trust's average weekly managed assets. The Advisor has voluntarily agreed to waive a portion of the investment advisory fees or other expenses on Strategic Bond as a percentage of its average weekly managed assets as follows: 0.20% for the first 5 years of the Trust's

operations, 0.15% in year 6, 0.10% in year 7 and 0.05% in year 8.

The administration fee paid to each Trust's respective administrator, on other than Core Bond, Limited Duration and Strategic Bond, is computed weekly and payable monthly based on an annual rate, 0.15% for Broad Investment Grade, 0.10% for Income Opportunity and 0.20% of the first $500 million and 0.15% on any excess for Income Trust, of each Trust's average net assets and 0.10% for High Yield based on its average weekly managed assets.

On May 22, 2003, the Board approved the change of the Trusts' administrators to the Advisor. The new administration agreements became effective August 18, 2003. The administration fee structures for Broad Investment Grade, Income Opportunity and High Yield, as described above, remain unchanged under the new administration agreements. Income Trust's new administration fee is 0.15% of its average weekly net assets.

Pursuant to the agreements, the Advisor provides continuous supervision of the investment portfolio and pays the compensation of officers of each Trust who are affiliated persons of the Advisor. The Advisor pays occupancy and certain clerical and accounting costs for Core Bond, Limited Duration and Strategic Bond. Each Trust's respective administrator pays occupancy and certain clerical and accounting costs of their respective Trust(s). Each Trust bears all other costs and expenses, which include reimbursements to the Advisor for certain operational support services provided to each Trust.

Pursuant to the terms of their custody agreements, Core Bond, High Yield, Income Opportunity, Income Trust and Strategic Bond received earnings credits from its custodian for positive cash balances maintained, which are used to offset custody fees.

NOTE 3. PORTFOLIO SECURITIES

Purchases and sales of investment securities, other than short-term investments, dollar rolls and U.S. government securities, for the year ended October 31, 2003, aggregated as follows:

TRUST	PURCHASES	SALES
Broad Investment Grade	$ 9,518,939	$ 17,566,287
Core Bond	1,802,685,560	447,259,526
High Yield	17,429,401	21,150,056
Income Opportunity	254,047,342	230,794,922
Income Trust	191,331,458	124,033,582
Limited Duration	2,374,989,704	554,303,341
Strategic Bond	41,918,181	43,796,771

Purchases and sales of U.S. government securities for the year ended October 31, 2003, aggregated as follows:

TRUST	PURCHASES	SALES
Broad Investment Grade	$ 10,556,264	$ 1,817,063
Core Bond	590,274,891	594,380,609
High Yield	--	--
Income Opportunity	26,261,365	33,652,852
Income Trust	421,835,640	269,779,710
Limited Duration	155,160,852	76,878,768
Strategic Bond	2,828,040	3,026,708

Each Trust may from time to time purchase in the secondary market certain mortgage pass-through securities packaged or master serviced by affiliates or mortgage related securities containing loans or mortgages originated by PNCBank or its affiliates, including Midland Loan Services, Inc. It is possible under certain circumstances, that PNC Mortgage Securities Corp. or its affiliates, including Midland Loan Services, Inc., could have interests that are in conflict with the holders of these mortgage backed securities, and such holders could have rights against PNC Mortgage Securities Corp. or its affiliates, including Midland Loan Services, Inc.

At October 31, 2003, the total cost of securities for Federal income tax purposes and the aggregate gross unrealized appreciation and depreciation for securities held by each Trust were as follows:

TRUST	COST	APPRECIATION	DEPRECIATION	NET
Broad Investment Grade	$ 64,723,574	$ 3,764,776	$ 2,842,648	$ 922,128
Core Bond	536,291,164	12,242,474	4,468,920	7,773,554
High Yield	75,461,110	5,124,302	19,127,466	(14,003,164)
Income Opportunity	542,949,432	21,880,827	6,018,214	15,862,613
Income Trust	717,455,177	26,541,762	34,584,117	(8,042,355)
Limited Duration	1,043,259,320	23,014,432	1,139,044	21,875,388
Strategic Bond	140,787,210	8,071,541	2,498,716	5,572,825

For Federal income tax purposes, the following Trusts had capital loss carryforwards as of their last respective tax year end. These amounts may be used to offset future realized capital gains, if any:

TRUST	CAPITAL LOSS CARRYFORWARDS AMOUNT	EXPIRES
Broad Investment Grade	$ 85,817	2008
	131,829	2011
	$ 217,646	
High Yield	$ 3,443,603	2007
	3,270,311	2008
	15,159,280	2009
	8,468,860	2010
	4,771,417	2011
	$35,113,471	

TRUST	CAPITAL LOS CARRYFORWARDS A
Income Opportunity	$ 1,978,381
INCOME TRUST	$27,373,194
	33,107,952
	1,352,206
	13,940,898
	21,960,613
	$97,734,863
Strategic Bond	$ 316,708
	1,177,052
	$ 1,493,760

Accordingly, no capital gain distributions are expected to be paid to shareholders of a Trust until that Trust has net realized capital gains in excess of its carryforward amounts.

Details of open financial futures contracts at October 31, 2003, were as follows:

TRUST	NUMBER OF CONTRACTS	TYPE	EXPIRATION DATE	VALUE AT TRADE DATE	VALU OCTOBER
LONG POSITION:					
Broad Investment Grade	60	10 Yr. U.S. T-Note	Dec. '03	$ 6,628,781	$ 6,7
	50	30 Yr. U.S. T-Bond	Dec. '03	5,246,876	5,4
Core Bond	422	30 Yr. U.S. T-Bond	Dec. '03	44,332,486	45,8
Income Opportunity	826	10 Yr. U.S. T-Note	Dec. '03	91,388,531	92,7
	380	30 Yr. U.S. T-Bond	Dec. '03	39,907,169	41,3
Income Trust	350	30 Yr. U.S. T-Bond	Dec. '03	36,723,694	38,0
SHORT POSITION:					
Core Bond	718	5 Yr. U.S. T-Note	Dec. '03	$ 79,256,986	$ 80,2
	177	10 Yr. U.S. T-Note	Dec. '03	19,709,270	19,8
	49	10 Yr. U.S. T-Note	Mar. '04	5,399,033	5,4
Income Opportunity	979	5 Yr. U.S. T-Note	Dec. '03	107,510,114	109,4

TRUST	NUMBER OF CONTRACTS	TYPE	EXPIRATION DATE	VALUE AT TRADE DATE	VALUE AT OCTOBER 31, 2003
Income Trust	436	10 Yr. U.S. T-Note	Dec. '03	23,671,102	24,256,125
	30	Euro Dollar	Jun. '04	7,346,137	7,376,250
	30	Euro Dollar	Sep. '04	7,316,513	7,345,875
	30	Euro Dollar	Dec. '04	7,289,137	7,312,125
	30	Euro Dollar	Mar. '05	7,266,638	7,281,750
	25	Euro Dollar	Jun. '05	6,036,781	6,045,625
	25	Euro Dollar	Sep. '05	6,021,156	6,025,625
	25	Euro Dollar	Dec. '05	6,006,157	6,009,063
	25	Euro Dollar	Mar. '06	5,992,406	5,994,063

Core Bond had open forward currency contracts at October 31, 2003, were as

follows:

TRUST AND FOREIGN CURRENCY	SETTLEMENT DATE	CONTRACT TO RECEIVE	VALUE AT SETTLEMENT DATE	VALUE AT OCTOBER 31, 2003	UNREALI APPRECIA (DEPRECIA
SOLD:					
Canadian Dollar	01/12/04	6,264,653 $	$ 4,713,369	$ 4,733,640	$(20
Euro	01/08/04	14,232,091 Euro	16,509,226	16,491,551	17
Swedish Krona	01/07/04	39,660,864 kr	5,134,757	5,064,974	69
					$ 67

Income Trust held one interest rate floor. Under the agreement, Income Trust pays the excess, if any, of a fixed rate over a floating rate. Income Trust received a transaction fee for the floor. Transaction fees are amortized through the termination of the agreement. Details of the interest rate floor held at October 31, 2003, were as follows:

NOTIONAL AMOUNT (000)	FIXED RATE	FLOATING RATE	TERMINATION DATE	AMORTIZED COST	V OC
$23,000	6.00%	1-month LIBOR	1/25/05	$417,375	$

Details of open interest rate swaps at October 31, 2003, were as follows:

TRUST	NOTIONAL AMOUNT (000)	FIXED RATE	UNREALIZED FLOATING RATE	TERMINATION DATE	APPRECIATION (DEPRECIATION)
Core Bond	$25,000	2.64% (a)	3-month LIBOR	8/14/06	$ (25,906)
	21,800	3.52% (a)	3-month LIBOR	9/26/08	(182,715)
	5,700	3.52% (a)	3-month LIBOR	9/26/08	(31,848)
	10,800	3.57% (b)	3-month LIBOR	10/31/08	52,162
	4,400	5.82% (b)	3-month LIBOR	11/27/24	--
					$ (188,307)
Income Opportunity	$47,000	5.73% (a)	3-month LIBOR	5/4/06	$2,620,762
	50,000	2.64% (a)	3-month LIBOR	8/14/06	(54,951)
	8,000	3.52% (a)	3-month LIBOR	9/26/08	(44,800)
	11,500	3.57% (B)	3-MONTH LIBOR	10/31/08	55,543
	7,000	5.23% (b)	3-month LIBOR	11/4/21	77,741
	4,800	5.82% (b)	3-month LIBOR	11/27/24	--
					$2,654,295

Income Trust	$50,000	2.64% (a)	3-month LIBOR	8/14/06	$ (54,951)
	24,000	3.55% (a)	3-month LIBOR	10/26/06	537,931
	11,200	3.52% (a)	3-month LIBOR	9/26/08	(62,720)
	12,400	3.57% (b)	3-month LIBOR	10/31/08	59,892
	25,000	5.23% (b)	3-month LIBOR	8/15/23	451,344
	5,100	5.82% (b)	3-month LIBOR	11/27/24	--
					$ 931,496

(a) Trust pays floating interest rate and receives fixed rate.
(b) Trust pays fixed interest rate and receives floating rate.

Transactions in options written during the year ended October 31, 2003, were as follows:

TRUST	CONTRACTS/ NOTIONAL AMOUNT (000)	PREMIUM RECEIVED
CORE BOND		
Options outstanding at October 31, 2002	$ 138	$ 199,639
Options written	113,366	2,291,544
Options expired	(138)	(199,639)
Options terminated in closing purchase transactions	(7,658)	(222,143)
Options outstanding at October 31, 2003	$105,708	$2,069,401
INCOME OPPORTUNITY		
Options outstanding at October 31, 2002	$ 6,000	$ 124,460
Options written	123,340	2,432,578
Options expired	(3,000)	(56,660)
Options terminated in closing purchase transactions	(3,000)	(67,800)
Options outstanding at October 31, 2003	$123,340	$2,432,578
INCOME TRUST		
Options outstanding at October 31, 2002	$ 22,000	$ 456,353
Options written	150,485	3,054,224
Options expired	(11,000)	(207,753)
Options terminated in closing purchase transactions	(11,000)	(248,600)
Options outstanding at October 31, 2003	$150,485	$3,054,224

NOTE 4. BORROWINGS

REVERSE REPURCHASE AGREEMENTS: The Trusts may enter into reverse repurchase agreements with qualified, third-party broker-dealers as determined by and under the direction of the Trusts' Board. Interest on the value of reverse repurchase agreements issued and outstanding is based upon competitive market rates at the time of issuance. At the time a Trust enters into a reverse repurchase agreement, it will establish and maintain a segregated account with the lender, containing liquid investment grade securities having a value not less than the repurchase price, including accrued interest of the reverse repurchase agreement.

The average daily balance and weighted average interest rate of reverse repurchase agreements during the year ended October 31, 2003, were as follows:

TRUST	AVERAGE DAILY BALANCE	WEIGHTED AVERAGE INTEREST RATE
Broad Investment Grade	$ 19,408,552	1.21%
Core Bond	67,591,003	1.05%
Income Opportunity	136,171,515	1.22%
Income Trust	135,804,028	1.17%
Limited Duration	26,590,763	0.76%
Strategic Bond	46,036,350	1.51%

DOLLAR ROLLS: The Trusts may enter into dollar rolls in which a Trust sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future date. During the roll period the Trusts forgo principal and interest paid on the securities. The Trusts will be compensated by the interest earned on the cash proceeds of the initial sale and/or by the lower repurchase price at the future date.

LOAN PAYABLE: High Yield has a $32 million committed credit facility (the "facility"). Under the terms of the facility, the Trust borrows at the London Interbank Offered Rate ("LIBOR") plus facility and administrative fees. In addition, the Trust pays a liquidity fee on the unused portion of the facility. The Trust may borrow up to 33 1/3% of its total assets up to the committed amount. In accordance with the terms of the debt agreement, the Trust has pledged its portfolio assets as collateral for the borrowing.

For the year ended October 31, 2003, High Yield borrowed a daily weighted average balance of $19,250,000 at a weighted average interest rate at 1.96%.

NOTE 5. CAPITAL

There are 200 million of $0.01 par value common shares authorized for Broad Investment Grade, Income Opportunity and Income Trust. There are an unlimited number of $0.001 par value common shares authorized for Core Bond, High Yield, Limited Duration and Strategic Bond. At October 31, 2003, the common shares outstanding and the shares owned by affiliates of the Advisor of each Trust were:

TRUST	COMMON SHARES OUTSTANDING	COMMON SHARES OWNED

Broad Investment Grade	2,957,093	7,093
Core Bond	27,018,774	9,425
High Yield	6,381,648	--
Income Opportunity	34,449,693	--
Income Trust	63,389,691	--
Limited Duration	36,706,021	8,029
Strategic Bond	7,035,621	9,425

Transactions in common shares of beneficial interest for the periods ended October 31, 2003, were as follows:

	SHARES FROM			
TRUST	INTIAL PUBLIC OFFERING	UNDERWRITERS' EXERCISING THE OVER-ALLOTMENT OPTION	REINVESTMENT OF DIVIDENDS	NET INCREA SHARES OUTST
High Yield	--	--	29,680	56,72
Income Trust	--	--	514,874	514,87
Limited Duration	34,306,021	2,400,000	--	36,706,02
Strategic Bond	--	--	19,467	19,46

Transactions in common shares of beneficial interest for the periods ended October 31, 2002, were as follows:

	SHARES FROM			
TRUST	INTIAL PUBLIC OFFERING	UNDERWRITERS' EXERCISING THE OVER-ALLOTMENT OPTION	REINVESTMENT OF DIVIDENDS	NET INCREA SHARES OUTST
Core Bond	25,009,425	2,000,000	9,349	27,018,77
High Yield	--	--	27,048	27,04
Strategic Bond	7,009,425	--	6,729	7,016,15

During the year ended October 31, 2002, Income Opportunity repurchased a total of 238,100 shares of its outstanding common shares at a cost of $2,381,796, at an average discount of approximately 9.8% from its net asset value. These shares are being held in treasury.

Offering costs incurred in connection with Core Bond, Limited Duration and Strategic Bond offering of common shares have been charged to paid-in capital in excess of par of the common shares were $765,000, $1,222,110 and $490,000, respectively.

NOTE 6. DIVIDENDS

Subsequent to October 31, 2003, the Board of each of the Trusts declared dividends per common share payable November 28, 2003, to shareholders of record on November 14, 2003. The per share common dividends declared were as follows:

TRUST	COMMON DIVIDEND PER SHARE
Broad Investment Grade	$0.075000
Core Bond	0.087500

High Yield	0.084167
Income Opportunity	0.070000
Income Trust	0.051042
Limited Duration	0.125000
Strategic Bond	0.130000

INDEPENDENT AUDITORS' REPORT

To the Board of Directors/Trustees and Shareholders of:
BlackRock Broad Investment Grade 2009 Term Trust
BlackRock Core Bond Trust
BlackRock High Yield Trust
BlackRock Income Opportunity Trust
BlackRock Income Trust
BlackRock Limited Duration Income Trust
BlackRock Strategic Bond Trust

We have audited the accompanying statements of assets and liabilities of each of the above mentioned Trusts, including the portfolios of investments, as of October 31, 2003, and the related statements of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trusts' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures, included confirmation of securities owned as of October 31, 2003, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each of the Trusts as of October 31, 2003, the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for the periods presented, in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
December 18, 2003

DIVIDEND REINVESTMENT PLANS

Pursuant to each Trust's respective Dividend Reinvestment Plan (the "Plan"), shareholders of Broad Investment Grade, Income Opportunity and Income Trust may elect, while shareholders of Core Bond, High Yield, Limited Duration and Strategic Bond are automatically enrolled, to have all distributions of dividends and capital gains reinvested by EquiServe Trust Company, N.A. (the "Plan Agent") in the respective Trust's shares pursuant to the Plan. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, which serves as agent for the shareholders in administering the Plan.

After Broad Investment Grade and/or Income Opportunity Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will acquire shares for the participants' account, by the purchase of outstanding shares on the open market, on the Trust's primary exchange or elsewhere ("open market purchases"). The Trust will not issue any new shares under the Plan.

After Core Bond, High Yield, Income Trust, Limited Duration and/or Strategic Bond declares a dividend or determines to make a capital gain distribution, the Plan Agent will acquire shares for the participants' account, depending upon the circumstances described below, either (i) through receipt of unissued but authorized shares from the Trust ("newly issued shares") or (ii) by open market purchases. If, on the dividend payment date, the NAV is equal to or less than the market price per share plus estimated brokerage commissions (such condition being referred to herein as "market premium"), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the payment date, the dollar amount of the dividend will be divided by 95% of the market price on the payment date. If, on the dividend payment date, the NAV is greater than the market value per share plus estimated brokerage commissions (such condition being referred to herein as "market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases.

The Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by each Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any Federal income tax that may be payable on such dividends or distributions.

Each Trust reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, each Trust reserves

the right to amend the Plan to include a service charge payable by the participants. Participants that request a sale of shares through the Plan Agent are subject to a $2.50 sales fee and a $0.15 per share sold brokerage commisson. All correspondence concerning the Plan should be directed to the Plan Agent at 150 Royall Street, Canton, MA 02021 or (800) 699-1BFM.

TRUSTEES INFORMATION

INDEPENDENT TRUSTEES			
Name, address, age	Andrew F. Brimmer P.O. Box 4546 New York, NY 10163-4546 Age: 77	Richard E. Cavanagh P.O. Box 4546 New York, NY 10163-4546 Age: 57	K P N A
Current positions held with the Trusts	Lead Trustee Audit Committee Chairman(2)	Trustee Audit Committee Member	T A
Term of office and length of time served	3 years(4)/since inception	3 years(4)/since inception(5)	3
Principal occupations during the past five years	President of Brimmer & Company, Inc., a Washington, D.C.-based economic and financial consulting firm, also Wilmer D. Barrett Professor of Economics, University of Massachusetts - Amherst. Formerly member of the Board of Governors of the Federal Reserve System. Former Chairman, District of Columbia Financial Control Board.	President and Chief Executive Officer of The Conference Board, Inc., a leading global business membership organization, from 1995-present. Former Executive Dean of the John F. Kennedy School of Government at Harvard University from 1988-1995. Acting Director, Harvard Center for Business and Government (1991-1993). Formerly Partner (principal) of McKinsey & Company, Inc. (1980- 1988). Former Executive Director of Federal Cash Management, White House Office of Management and Budget (1977-1979). Co-author, THE WINNING PERFORMANCE (best selling management book published in 13 national editions).	C P O S B f P O
Number of portfolios over-seen within the fund complex	48	48	4

Other Directorships held outside of the fund complex	Director of CarrAmerica Realty Corporation and Borg-Warner Automotive. Formerly Director of Airborne Express, BankAmerica Corporation (Bank of America), Bell South Corporation, College Retirement Equities Fund (Trustee), Commodity Exchange, Inc. (Public Governor), Connecticut Mutual Life Insurance Company, E.I. du Pont de Nemours & Company, Equitable Life Assurance Society of the United States, Gannett Company, Mercedes-Benz of North America, MNC Financial Corporation (American Security Bank), NCM Capital Management, Navistar International Corporation, PHH Corp. and UAL Corporation (United Airlines).	Trustee: Airplanes Group, Aircraft Finance Trust (AFT) and Educational Testing Service (ETS). Director, Arch Chemicals, Fremont Group and The Guardian Life Insurance Company of America.	F o s d i
For "Interested Director/ Trustee" Relationships, events or transactions by reason of which the Trustee is an interested person as defined in Section 2(a)(19)(1940 Act)			

(1) Interested Trustee as defined by Section 2(a)(19) of the Investment Company Act of 1940.

(2) The Board of each Trust has determined that each Trust has two Audit Committee financial experts serving on its Audit Committee, Dr. Brimmer and Mr. Dixon, both of whom are independent for the purpose of the definition of Audit Committee financial expert as applicable to the Trusts.

(3) Trustee since inception; appointed Chairman of the Board on August 22, 2002.

(4) The Board is classified into three classes of which one class is elected annually. Each Trustee serves a three year term concurrent with the class from which he is elected.

(5) For Broad Investment Grade, Income Opportunity and Income Trust appointed Director on 08/11/94.

(6) For Income Opportunity and Income Trust appointed Director on 06/19/92.

(7) Except during the periods 08/12/93 through 04/15/97 and 10/31/02 through 11/11/02.

(8) Effective 12/11/03.

INDEPENDENT TRUSTEES (CONTINUED)		
Frank J. Fabozzi P.O. Box 4546 New York, NY 10163-4546 Age: 55	James Clayburn La Force, Jr. P.O. Box 4546 New York, NY 10163-4546 Age: 74	Walter F. Mondale P.O. Box 4546 New York, NY 10163-4546 Age: 75
Trustee	Trustee	Trustee
3 years(4)/since inception	3 years(4)/since inception(6)	3 years(4)/since inception(7)
Consultant. Editor of THE JOURNAL OF PORTFOLIO MANAGEMENT and Frederick Frank Adjunct Professor of Finance at the School of Management at Yale University. Author and editor of several books on fixed income portfolio management. Visiting Professor of Finance and Accounting at the Sloan School of Management, Massachusetts Institute of Technology from 1986 to August 1992.	Dean Emeritus of the John E. Anderson Graduate School of Management, University of California since July 1, 1993. Acting Dean of the School of Business, Hong Kong University of Science and Technology 1990-1993. From 1978 to September 1993, Dean of the John E. Anderson Graduate School of Management, University of California.	Partner, Dorsey & Whitney, LLP., a law firm (December 1996-present, September 1987-August 1993). Formerly U.S. Ambassador to Japan (1993-1996). Formerly Vice President of the United States, U.S. Senator and Attorney General of the State of Minnesota. 1984 Democratic Nominee for President of the United States.
48	48	48
Director, Guardian Mutual Funds Group (18 portfolios).	Payden & Rygel Investment Trust, Provident Investment Counsel Funds, Advisors Series Trust, Arena Pharmaceuticals, Inc. and CancerVax Corporation.	

INTERESTED TRUSTEES(1)	
Ralph L. Schlosstein	Robert S. Kapito

BlackRock,Inc. 40 East 52nd Street New York, NY 10022 Age: 52	BlackRock,Inc. 40 East 52nd Street New York, NY 10022 Age: 46
Chairman of the Board(3)	President and Trustee
3 years(4)/since inception	3 years(4)/since August 22, 2002(7)
Director since 1999 and President of BlackRock, Inc. since its formation in 1998 and of BlackRock, Inc.'s predecessor entities since 1988. Member of the Management Committee and Investment Strategy Group of BlackRock, Inc. Formerly, Managing Director of Lehman Brothers, Inc. and Co-head of its Mortgage and Savings Institutions Group. Currently, Chairman and a Trustee of each of the closed-end Trusts in which BlackRock Advisors, Inc. acts as investment advisor.	Vice Chairman of BlackRock, Inc. Head of the Portfolio Management Group. Also a member of the Management Committee, the Investment Strategy Group, the Fixed Income and Global Operating Committees and the Equity Investment Strategy Group. Responsible for the portfolio management of the Fixed Income, Domestic Equity and International Equity, Liquidity, and Alternative Investment Groups of BlackRock. Currently President and a Director/Trustee of each of the closed-end Trusts in which BlackRock Advisors, Inc. acts as investment advisor.
48	48
Chairman and President of the BlackRock Provident Institutional Funds (10 portfolios), Director of Anthracite Capital, Inc.8 and Director of several of BlackRock's alternative investment vehicles. Currently, a Member of the Visiting Board of Overseers of the John F. Kennedy School of Government at Harvard University, the Financial Institutions Center Board of the Wharton School of the University of Pennsylvania, a Trustee of Trinity School in New York City and a Trustee of New Visions for Public Education in New York City. Formerly, a Director of Pulte Corporation and a Member of Fannie Mae's Advisory Council.	Chairman of the Hope and Heroes Children's Cancer Fund. President of the Board of Directors of the Periwinkle National Theatre for Young Audiences. Director of icruise.com, Corp.

Director and President of the Advisor. | Vice Chairman of the Advisor.

ADDITIONAL INFORMATION

PORTFOLIO MANAGEMENT

As of September 2003, Jeff Gary, Managing Director of BlackRock Financial Management ("BFM") since 2003, joined the portfolio management team for the following Trusts: BlackRock Strategic Bond Trust (BHD), BlackRock High Yield Trust (BHY), BlackRock Core Bond Trust (BHK), BlackRock Limited Duration Income Trust (BLW) and BlackRock Income Opportunity Trust (BNA). Prior to joining BFM, Mr. Gary was a Managing Director and high yield portfolio manager with AIG (American General) Investment Group. Dennis Schaney is no longer a member of the portfolio management team for the Trusts listed above.

TAX INFORMATION

We wish to advise you as to the federal tax status of dividends paid by the Trusts during the fiscal year ended October 31, 2003.

During the fiscal year ended October 31, 2003, the Trusts paid dividends and distributions as follows:

FUND	ORDINARY INCOME PER SHARE	NON-TAXABLE RETURN OF CAPITAL PER SHARE	LONG TERM CAPITAL GAINS PER SHARE	
Broad Investment Grade 2009 Term (BCT)	$1.18525	--	--	$
Core Bond (BHK)	1.12106	--	$0.06644	
High Yield (BHY)	1.11796	$0.05224	--	
Income Opportunity (BNA)	0.81000	--	0.24280	
Income (BKT)	1.01250	--	--	
Limited Duration Income (BLW)	0.25000	--	--	
Strategic Bond (BHD)	1.49000	--	--	

Further, we with to advise you that your income dividends do not qualify for the dividends received deduction.

For the purpose of preparing your 2003 annual federal income tax return, you should report the amounts as reflected on the appropriate From 1099 DIV which will be mailed to you in January 2004.

Director/Trustees
Ralph L. Schlosstein, CHAIRMAN
Andrew F. Brimmer
Richard E. Cavanagh
Kent Dixon
Frank J. Fabozzi
Robert S. Kapito
James Clayburn La Force, Jr.
Walter F. Mondale

Officers
Robert S. Kapito, PRESIDENT
Henry Gabbay, TREASURER
Anne Ackerley, VICE PRESIDENT
Jeff Gary, VICE PRESIDENT
Michael Lustig, VICE PRESIDENT
Richard M. Shea, VICE PRESIDENT/TAX
James Kong, ASSISTANT TREASURER
Vincent B. Tritto, SECRETARY
Brian P. Kindelan, ASSISTANT SECRETARY

Investment Advisor
BlackRock Advisors, Inc.
100 Bellevue Parkway
Wilmington, DE 19809
(800) 227-7BFM

Sub-Advisor(1)
BlackRock Financial Management, Inc.
40 East 52nd Street
New York, NY 10022

Custodian
State Street Bank and Trust Company
One Heritage Drive
North Quincy, MA 02171

Transfer Agent
EquiServe Trust Company, N.A.
150 Royall Street
Canton, MA 02021
(800) 699-1BFM

Independent Accountants
Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116

Legal Counsel
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036

Legal Counsel - Independent Trustees
Debevoise & Plimpton
919 Third Avenue
New York, NY 10022

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Trust shares. Statements and other information contained in this report are as dated and are subject to change.

BlackRock Advisors, Inc.(2)
100 Bellevue Parkway
Wilmington, DE 19809
(800) 227-7BFM
BlackRock Core Bond Trust
BlackRock Limited Duration Income Trust
BlackRock Strategic Bond Trust

Princeton Administrators, L.P.(2)
P.O. Box 9095
Princeton, NJ 08543-9095
(800) 543-6217
BlackRock Broad Investment Grade 2009 Term Trust

Prudential Investments LLC
Gateway Center Three
100 Mulberry Street
Newark, NJ 07102-4077
(800) 277-7BFM
BlackRock High Yield Tru
BlackRock Income Opportu
BlackRock Income Trust

Effective August 18, 2003, BlackRock Advisors, Inc. provides administrative services for all trusts.

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(1) For Core Bond, Limited Duration and Strategic Bond only.
(2) Provided administrative services for the Trust(s) listed directly below its name.

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 contact the Trusts at (800) 227-7BFM.

The Trusts have delegated to the Advisor the voting of proxies relating to their voting securities pursuant to the Advisor's proxy voting policies and procedures. You may obtain a copy of these proxy voting procedures, without charge, by calling (800) 699-1236. These policies and procedures are also available on the website of the Securities and Exchange Commission at http://www.sec.gov.

[BLACKROCK LOGO]

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Trust shares. Statements and other information contained in this report are as dated and are subject to change.

CEF-ANN-3

ITEM 2. CODE OF ETHICS.

(a) The Registrant has adopted a code of ethics (the "Code of Ethics") that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

(b) Not applicable.

(c) The Registrant has not amended its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(d) The Registrant has not granted a waiver or an implicit waiver from a provision of its Code of Ethics during the period covered by the shareholder report presented in Item 1 hereto.

(e) Not applicable.

(f) The Registrant's Code of Ethics is attached as an Exhibit hereto.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Registrant's Board of Trustees has determined that it has two audit

committee financial experts serving on its audit committee, each of whom is an "independent" Trustee: Dr. Andrew F. Brimmer and Mr. Kent Dixon. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable until annual reports for fiscal years ending after December 15, 2003.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The Trust has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The audit committee of the Trust is comprised of: Dr. Andrew F. Brimmer; Richard E. Cavanagh; and Kent Dixon.

ITEM 6. RESERVED.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Registrant has delegated the voting of proxies relating to its voting securities to its investment advisor, BlackRock Advisors, Inc. (the "Advisor") and its sub-advisor, BlackRock Financial Management, Inc. (the "Sub-Advisor"). The Proxy Voting Policies and Procedures of the Advisor and Sub-Advisor (the "Proxy Voting Policies") are included as an Exhibit hereto.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

ITEM 10. CONTROLS AND PROCEDURES.

(a) The Registrant's principal executive officer and principal financial officer have evaluated the Registrant's disclosure controls and procedures within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported timely.

(b) The Registrant's principal executive officer and principal financial officer are aware of no changes in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal half-year that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 11. EXHIBITS.

(a)(1) Code of Ethics.

(a)(2) Certifications of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(b) Certification of principal executive officer and principal financial officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

(c) Proxy Voting Policies.

SIGNATURES

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.

(Registrant) The BlackRock Income Trust Inc.

By: /s/ Henry Gabbay

Name: Henry Gabbay
Title: Treasurer
Date: January 7, 2004

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

By: /s/ Robert S. Kapito

Name: Robert S. Kapito
Title: Principal Executive Officer
Date: January 7, 2004

By: /s/ Henry Gabbay

Name: Henry Gabbay
Title: Principal Financial Officer
Date: January 7, 2004