

BLACKROCK MUNICIPAL INCOME TRUST II
Form N-CSR
November 03, 2017

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 811-21126

Name of Fund: BlackRock Municipal Income Trust II (BLE)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Municipal
Income Trust II, 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2017

Date of reporting period: 08/31/2017

Item 1 Report to Stockholders

ANNUAL REPORT

BlackRock Municipal Bond Trust (BBK)

BlackRock Municipal Income Investment Quality Trust (BAF)

BlackRock Municipal Income Quality Trust (BYM)

BlackRock Municipal Income Trust II (BLE)

BlackRock MuniHoldings Investment Quality Fund (MFL)

BlackRock MuniVest Fund, Inc. (MVF)

Not FDIC Insured May Lose Value No Bank Guarantee

The Markets in Review

Dear Shareholder,

In the 12 months ended August 31, 2017, risk assets, such as stocks and high-yield bonds, continued to deliver strong performance. These markets showed great resilience during a period with big surprises, including the aftermath of the U.K.'s vote to leave the European Union and the outcome of the U.S. presidential election, which brought only brief spikes in equity market volatility. These expressions of isolationism and discontent were countered by the closely watched and less surprising elections in France, the Netherlands and Australia.

Interest rates rose, which worked against high-quality assets with more interest rate sensitivity. As a result, longer-term U.S. Treasuries posted negative returns, as rising energy prices, modest wage increases, and steady job growth led to expectations of higher inflation and anticipation of interest rate increases by the U.S. Federal Reserve (the Fed).

Market prices began to reflect reflationary expectations toward the end of 2016, as investors sensed that a global recovery was afoot. And those expectations have been largely realized in 2017, as many countries throughout the world experienced sustained and synchronized growth for the first time since the financial crisis. Growth rates and inflation are still relatively low, but they are finally rising together.

The Fed responded to these positive developments by increasing interest rates three times and setting expectations for additional interest rate increases. The Fed also appears to be approaching the implementation of its plan to reduce the vast balance sheet reserves that provided liquidity to the global economy in the aftermath of the financial crisis in 2008. Also, growing skepticism about the near-term likelihood of significant U.S. tax reform and infrastructure spending has tempered reflationary expectations in the United States.

By contrast, the European Central Bank and the Bank of Japan reiterated their commitments to economic stimulus and balance sheet expansion despite nascent signs of sustained economic growth in both countries. The Eurozone also benefited from the relatively stable political environment, which is creating momentum for economic reform and pro-growth policies.

Financial markets and to an extent the Fed have adopted a wait-and-see approach to the economic data and potential fiscal stimulus. Escalating tensions with North Korea and our nation's divided politics are significant concerns. Nevertheless, benign credit conditions, modest inflation, and the positive outlook for growth in the world's largest economies have kept markets relatively tranquil.

However, the capacity for rapid global growth is restrained by structural factors, including an aging population in developed countries, low productivity growth, and excess savings. Cyclical factors, such as the Fed moving toward the normalization of monetary policy and the length of the current expansion, also limit economic growth. Tempered economic growth and high valuations across most assets have laid the groundwork for muted returns going forward. At current valuation levels, potential equity gains will likely be closely tied to the pace of earnings growth, which has remained solid thus far in 2017.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

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Total Returns as of August 31, 2017

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	5.65%	16.23%
U.S. small cap equities (Russell 2000® Index)	2.04	14.91
International equities (MSCI Europe, Australasia, Far East Index)	12.14	17.64
Emerging market equities (MSCI Emerging Markets Index)	18.02	24.53
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.40	0.62
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	3.10	(3.26)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	2.74	0.49
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.51	0.92
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	3.03	8.62

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

Table of Contents

	Page
<u>The Markets in Review</u>	2
Annual Report:	
<u>Municipal Market Overview</u>	4
<u>The Benefits and Risks of Leveraging</u>	5
<u>Derivative Financial Instruments</u>	5
<u>Trust Summaries</u>	6
Financial Statements:	
<u>Schedules of Investments</u>	18
<u>Statements of Assets and Liabilities</u>	57
<u>Statements of Operations</u>	59
<u>Statements of Changes in Net Assets</u>	61
<u>Statements of Cash Flows</u>	64
<u>Financial Highlights</u>	66
<u>Notes to Financial Statements</u>	72
<u>Report of Independent Registered Public Accounting Firm</u>	83
<u>Disclosure of Investment Advisory Agreements</u>	84
<u>Automatic Dividend Reinvestment Plans</u>	89
<u>Officers and Trustees</u>	90
<u>Additional Information</u>	93

Municipal Market Overview

For the Reporting Period Ended August 31, 2017

Municipal Market Conditions

Municipal bonds experienced modestly positive performance for the period as a result of rising interest rates spurring from generally stronger economic data, signs of inflation pressures, Fed monetary policy normalization, and market expectations for pro-growth fiscal policy. However, ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in continued demand for fixed income investments. More specifically, investors favored the income, attractive relative yield, and stability of municipal bonds amid bouts of interest rate volatility (bond prices rise as rates fall) resulting from geopolitical tensions, the contentious U.S. election, and continued global central bank divergence i.e., policy easing outside the United States while the Fed slowly engages in policy tightening. During the 12 months ended August 31, 2017, municipal bond funds experienced net outflows of approximately \$2 billion (based on data from the Investment Company Institute). The asset class came under pressure post the November U.S. election as a result of uncertainty surrounding potential tax-reform, though expectation that tax reform was likely to be delayed or watered down quickly eased investor concerns.

For the same 12-month period, total new issuance remained robust from a historical perspective at \$400 billion (though slightly below the \$405 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 55%) as issuers continued to take advantage of low interest rates and a flat yield curve to reduce their borrowing costs.

S&P Municipal Bond Index	
Total Returns as of August 31, 2017	
6 months:	3.51%
12 months:	0.92%

A Closer Look at Yields

From August 31, 2016 to August 31, 2017, yields on AAA-rated 30-year municipal bonds increased by 58 basis points (bps) from 2.12% to 2.70%, while 10-year rates rose by 44 bps from 1.42% to 1.86% and 5-year rates increased 26 bps from 0.86% to 1.12% (as measured by Thomson Municipal Market Data). The municipal yield curve steepened over the 12-month period with the spread between 2- and 30-year maturities steepening by 34 bps.

During the same time period, on a relative basis, tax-exempt municipal bonds broadly outperformed U.S. Treasuries with the greatest outperformance experienced in the front and intermediate portions of the yield curve. The relative positive performance of municipal bonds was driven largely by a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities became increasingly scarce. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

Financial Conditions of Municipal Issuers

The majority of municipal credits remain strong, despite well-publicized distress among a few issuers. Four of the five states with the largest amount of debt outstanding California, New York, Texas and Florida have exhibited markedly improved credit fundamentals during the slow national recovery. However, several states with the largest unfunded pension liabilities have seen their bond prices decline noticeably and remain vulnerable to additional price deterioration. On the local level, Chicago's credit quality downgrade is an outlier relative to other cities due to its larger pension liability and inadequate funding remedies. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery while the overall market is fundamentally sound. We continue to advocate careful credit research and believe that a thoughtful approach to structure and security selection remains imperative amid uncertainty in a modestly improving economic environment.

The opinions expressed are those of BlackRock as of August 31, 2017, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

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The Standard & Poor's Municipal Bond Index, a broad, market value-weighted index, seeks to measure the performance of the U.S. municipal bond market. All bonds in the index are exempt from U.S. federal income taxes or subject to AMT. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the distribution rate on, and net asset value (NAV) of, their common shares (Common Shares). However, these objectives cannot be achieved in all interest rate environments.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trusts (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trusts' shareholders benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Trust's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, a Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by a Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Trust's financing cost of leverage is significantly lower than the income earned on a Trust's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares (Common Shareholders) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trusts' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Trusts had not used leverage. Furthermore, the value of the Trusts' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Trusts' obligations under their respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAVs positively or negatively. Changes in the future

direction of interest rates are very difficult to predict accurately, and there is no assurance that the Trusts' intended leveraging strategy will be successful.

The use of leverage also generally causes greater changes in each Trust's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trusts to incur losses. The use of leverage may limit a Trust's ability to invest in certain types of securities or use certain types of hedging strategies. Each Trust incurs expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares. Moreover, to the extent the calculation of the Trusts' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Trusts' investment adviser will be higher than if the Trusts did not use leverage.

To obtain leverage, each Trust has issued Variable Rate Demand Preferred Shares (VRDP Shares) and Variable Rate Muni Term Preferred Shares (VMTP Shares) (collectively, Preferred Shares) and/or leveraged its assets through the use of tender option bond trusts (TOB Trusts) as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act), each Trust is permitted to issue debt up to 33 1/3% of its total managed assets or equity securities (e.g., Preferred Shares) up to 50% of its total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by the Preferred Shares' governing instruments or by agencies rating the Preferred Shares, which may be more stringent than those imposed by the 1940 Act.

If a Trust segregates or designates on its books and records cash or liquid assets having a value not less than the value of a Trust's obligations under the TOB Trust (including accrued interest), then the TOB Trust is not considered a senior security and is not subject to the foregoing limitations and requirements imposed by the 1940 Act.

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other asset without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or

illiquidity of the instrument. The Trusts' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trusts' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Trust Summary as of August 31, 2017

BlackRock Municipal Bond Trust

Trust Overview

BlackRock Municipal Bond Trust s (BBK) (the Trust) investment objective is to provide current income exempt from regular U.S. federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from regular U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its managed assets in municipal bonds that are investment grade quality or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BBK
Initial Offering Date	April 30, 2002
Yield on Closing Market Price as of August 31, 2017 (\$15.99) ¹	4.77%
Tax Equivalent Yield ²	8.43%
Current Monthly Distribution per Common Share ³	\$0.0635
Current Annualized Distribution per Common Share ³	\$0.7620
Economic Leverage as of August 31, 2017 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
BBK ^{1,2}	(5.18)%	(1.44)%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

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² The Trust moved from a premium to NAV to a discount during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

In this environment, the Trust's positions in longer-dated and longer-duration bonds were the largest detractors from performance. (Duration is a measure of interest rate sensitivity.) Exposure to lower-coupon and zero-coupon bonds, which experienced greater price deterioration than the market as a whole, also detracted from returns. Conversely, positions in pre-refunded issues benefited performance as their low duration and higher credit quality enabled them to hold up better than longer-duration bonds.

Positions in the transportation, education and utilities sectors, which were among the weaker sectors for the period, negatively impacted performance. The Trust's exposure to school district bonds, which were adversely affected by their longer durations, was an additional detractor.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

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

BlackRock Municipal Bond Trust

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$15.99	\$18.22	(12.24)%	\$18.55	\$14.50
Net Asset Value	\$16.32	\$17.89	(8.78)%	\$17.89	\$15.30

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
County/City/Special District/School District	23%	17%
Health	18	24
Transportation	18	15
Education	11	14
State	11	9
Utilities	9	13
Corporate	5	5
Tobacco	5	2
Housing		1

For Trust compliance purposes, the Trust's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2017	4%
2018	6
2019	4
2020	6
2021	11

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	8/31/17	8/31/16
AAA/Aaa	3%	4%
AA/Aa	40	47
A	26	27
BBB/Baa	15	11
BB/Ba	6	5
B	3	1
N/R ²	7	5

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- ¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.
- ² The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of August 31, 2017 and August 31, 2016, the market value of unrated securities deemed by the investment adviser to be investment grade represents less than 1% and 3%, respectively, of the Trust's total investments.
- * Excludes short-term securities.

Trust Summary as of August 31, 2017

BlackRock Municipal Income Investment Quality Trust

Trust Overview

BlackRock Municipal Income Investment Quality Trust s (BAF) (the Trust) investment objective is to provide current income exempt from U.S. federal income tax, including the alternative minimum tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its managed assets in municipal bonds exempt from U.S. federal income taxes, including the alternative minimum tax. The Trust also invests at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular U.S. federal income tax would now satisfy the foregoing objective and policy.

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

Trust Information

Symbol on NYSE	BAF
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2017 (\$15.11) ¹	5.44%
Tax Equivalent Yield ²	9.61%
Current Monthly Distribution per Common Share ³	\$0.0685
Current Annualized Distribution per Common Share ³	\$0.8220
Economic Leverage as of August 31, 2017 ⁴	39%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
BAF ^{1, 2}	1.15%	0.14%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

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² The Trust's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

The Trust's exposure to pre-refunded issues benefited performance, as their low duration enabled them to hold up better than longer-duration bonds at a time of rising yields. (Duration is a measure of interest-rate sensitivity.) In addition, the bonds' higher coupons and income levels further aided their performance. Positions in the tax-backed (local) and transportation sectors also contributed to results.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Fund's positioning had a positive effect on returns.

The Trust's use of leverage, while enhancing the level of income, also exacerbated the impact of declining bond prices.

Positions in intermediate and longer-dated maturities declined the most in value as they typically have longer durations relative to shorter maturities. In addition, the Trust's exposure to 4% coupon bonds detracted as lower coupons typically underperform in a rising rate environment.

From a sector allocation perspective, the Trust's exposure to utilities was a detractor.

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

BlackRock Municipal Income Investment Quality Trust

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$15.11	\$15.79	(4.31)%	\$ 16.30	\$ 13.68
Net Asset Value	\$15.69	\$16.56	(5.25)%	\$ 16.56	\$ 15.07

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
Transportation	31%	28%
County/City/Special District/School District	28	27
Utilities	15	17
Health	12	14
State	6	6
Education	5	5
Tobacco	1	1
Corporate	1	1
Housing	1	1

For Trust compliance purposes, the Trust's sector classifications refer to one or

more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule²

Calendar Year Ended December 31,	
2018	11%
2019	17
2020	2
2021	28

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	8/31/17	8/31/16
AAA/Aaa	3%	3%
AA/Aa	70	74
A	17	19
BBB/Baa	8	4
N/R	2	

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¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

* Excludes short-term securities.

ANNUAL REPORT

AUGUST 31, 2017

9

Trust Summary as of August 31, 2017

BlackRock Municipal Income Quality Trust

Trust Overview

BlackRock Municipal Income Quality Trust s (BYM) (the Trust) investment objective is to provide current income exempt from U.S. federal income taxes, including the alternative minimum tax. The Trust seeks to achieve its investment objective by investing, under normal circumstances, at least 80% of its managed assets in municipal bonds exempt from U.S. federal income taxes, including the U.S. federal alternative minimum tax. The Trust also invests at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on NYSE	BYM
Initial Offering Date	October 31, 2002
Yield on Closing Market Price as of August 31, 2017 (\$14.84) ¹	4.85%
Tax Equivalent Yield ²	8.57%
Current Monthly Distribution per Common Share ³	\$0.0600
Current Annualized Distribution per Common Share ³	\$0.7200
Economic Leverage as of August 31, 2017 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
BYM ^{1,2}	0.74%	(0.30)%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

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² The Trust's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

Portfolio income made the most significant positive contribution during a period in which bond prices lost ground. However, the Trust's use of leverage, while enhancing the level of income, also exacerbated the impact of declining bond prices.

Holdings in zero-coupon bonds also detracted. Despite their higher income and lack of reinvestment risk, their longer durations accentuated negative price performance in the rising rate environment. (Duration is a measure of interest-rate sensitivity.)

The Trust's exposure to longer-term bonds, which lagged the overall market, further detracted from performance.

In this challenging market environment, the Trust's position in high-quality, defensive pre-refunded bonds was the largest positive contributor to performance.

Positions in the transportation and health care sectors, both of which outperformed the broader market, added value.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's strategy had a positive effect on returns. The Trust's cash position, though modest, was an additional positive at a time of falling prices. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Municipal Income Quality Trust

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$14.84	\$15.55	(4.57)%	\$ 15.79	\$ 13.50
Net Asset Value	\$15.32	\$16.22	(5.55)%	\$ 16.22	\$ 14.64

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
Transportation	32%	28%
County/City/Special District/School District	22	25
Utilities	15	12
Health	14	11
State	7	11
Education	5	7
Tobacco	3	3
Corporate	2	2
Housing		1

For Trust compliance purposes, the Trust's sector classifications refer to one or

more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule²

Calendar Year Ended December 31,	
2017	3%
2018	14
2019	8
2020	8
2021	8

² Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	8/31/17	8/31/16
AAA/Aaa	11%	14%
AA/Aa	48	54
A	24	24
BBB/Baa	11	7
N/R	6	1

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¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

* Excludes short-term securities.

ANNUAL REPORT

AUGUST 31, 2017

11

Trust Summary as of August 31, 2017

BlackRock Municipal Income Trust II

Trust Overview

BlackRock Municipal Income Trust II s (BLE) (the Trust) investment objective is to provide current income exempt from regular U.S. federal income tax. The Trust seeks to achieve its investment objective by investing primarily in municipal bonds exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). The Trust invests, under normal market conditions, at least 80% of its managed assets in municipal bonds that are investment grade quality at the time of investment or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on NYSE American	BLE
Initial Offering Date	July 30, 2002
Yield on Closing Market Price as of August 31, 2017 (\$15.45) ¹	5.71%
Tax Equivalent Yield ²	10.09%
Current Monthly Distribution per Common Share ³	\$0.0735
Current Annualized Distribution per Common Share ³	\$0.8820
Economic Leverage as of August 31, 2017 ⁴	38%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

³ The monthly distribution per Common Share, declared on October 2, 2017, was decreased to \$0.0650 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
BLE ^{1,2}	0.29%	(0.18)%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

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¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

² The Trust's premium to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

Portfolio income made the most significant contribution to performance during a period in which bond prices lost ground. However, the Trust's use of leverage, while enhancing the level of income, also exacerbated the impact of declining bond prices.

The Trust's position in high-quality, defensive, pre-refunded bonds was a positive contributor in the rising-rate environment. Positions in the tobacco sector, which outperformed in the period, also added value.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

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

BlackRock Municipal Income Trust II

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$ 15.45	\$ 16.34	(5.45)%	\$ 16.38	\$ 13.87
Net Asset Value	\$ 15.17	\$ 16.12	(5.89)%	\$ 16.12	\$ 14.59

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
Transportation	24%	22%
Utilities	16	17
County/City/Special District/School District	14	13
Health	12	12
State	11	11
Education	8	10
Corporate	7	7
Tobacco	7	7
Housing	1	1

For Trust compliance purposes, the Trust's sector classifications refer to one or

more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule³

Calendar Year Ended December 31,	
2017	7%
2018	5
2019	16
2020	13
2021	15

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation¹

	8/31/17	8/31/16
AAA/Aaa	4%	7%
AA/Aa	40	43
A	19	20
BBB/Baa	19	17
BB/Ba	7	4
B	2	2
N/R ²	9	7

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¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

² The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of August 31, 2017 and August 31, 2016, the market value of unrated securities deemed by the investment adviser to be investment grade represents 1% and 2%, respectively, of the Trust's total investments.

* Excludes short-term securities.

Trust Summary as of August 31, 2017

BlackRock MuniHoldings Investment Quality Fund

Trust Overview

BlackRock MuniHoldings Investment Quality Fund s (MFL) (the Trust) investment objective is to provide shareholders with current income exempt from U.S. federal income tax and to provide shareholders with the opportunity to own shares the value of which is exempt from Florida intangible personal property tax. The Trust seeks to achieve its investment objective by investing primarily in long-term, investment grade (as rated or, if unrated, determined to be of comparable quality by the investment adviser at the time of investment) municipal obligations exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). Under normal market conditions, the Trust invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more at the time of investment. The Trust may invest directly in such securities or synthetically through the use of derivatives. Due to the repeal of the Florida intangible personal property tax, in September 2008, the Board gave approval to permit the Trust the flexibility to invest in municipal obligations regardless of geographic location since municipal obligations issued by any state or municipality that provides income exempt from regular U.S. federal income tax would now satisfy the foregoing objective and policy.

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

Trust Information

Symbol on NYSE	MFL
Initial Offering Date	September 26, 1997
Yield on Closing Market Price as of August 31, 2017 (\$15.03) ¹	5.71%
Tax Equivalent Yield ²	10.09%
Current Monthly Distribution per Common Share ³	\$0.0715
Current Annualized Distribution per Common Share ³	\$0.8580
Economic Leverage as of August 31, 2017 ⁴	41%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
MFL ^{1,2}	0.46%	(0.34)%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

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¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

² The Trust moved from neither a premium nor a discount to NAV to a premium during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

Portfolio income made the most significant positive contribution during a period in which bond prices lost ground. However, the Trust's use of leverage, while enhancing the level of income, also exacerbated the impact of declining bond prices.

The Trust's exposure to longer-term bonds, which lagged the overall market, detracted from performance.

An underweight in lower investment-grade BBB rated bonds, which outpaced the overall market due to the combination of their superior income accrual and positive price performance in the second half of the reporting period, was an additional detractor.

The Trust's cash position, though modest, contributed to performance at a time of falling prices.

The Trust's position in high-quality, defensive, pre-refunded bonds was also a positive contributor in the rising-rate environment. Holdings in the transportation sector, which outperformed in the period, also added value.

BlackRock MuniHoldings Investment Quality Fund

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's strategy had a positive effect on returns. The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$15.03	\$15.86	(5.23)%	\$16.16	\$13.52
Net Asset Value	\$14.91	\$15.86	(5.99)%	\$15.86	\$14.32

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
Transportation	41%	37%
Utilities	17	14
Health	15	12
County/City/Special District/School District	12	12
State	8	14
Education	5	9
Tobacco	1	1
Housing	1	1
Corporate		¹

¹ Represents less than 1% of total investments. For Trust compliance purposes, the Trust's sector classifications refer to one or

more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2017	1%
2018	9
2019	20
2020	4
2021	18

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³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation²	8/31/17	8/31/16
AAA/Aaa	9%	6%
AA/Aa	59	65
A	26	25
BBB/Baa	4	4
N/R	2	

² For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

* Excludes short-term securities.

ANNUAL REPORT

AUGUST 31, 2017

15

Trust Summary as of August 31, 2017

BlackRock MuniVest Fund, Inc.

Trust Overview

BlackRock MuniVest Fund, Inc.'s (MVF) (the Trust) investment objective is to provide shareholders with as high a level of current income exempt from U.S. federal income taxes as is consistent with its investment policies and prudent investment management. The Trust seeks to achieve its investment objective by investing at least 80% of an aggregate of the Trust's net assets (including proceeds from the issuance of any preferred shares) and the proceeds of any borrowing for investment purposes, in municipal obligations exempt from U.S. federal income taxes (except that the interest may be subject to the U.S. federal alternative minimum tax). Under normal market conditions, the Trust primarily invests in long term municipal obligations rated investment grade at the time of investment (or, if unrated, are considered by the Trust's investment adviser to be of comparable quality at the time of investment) and in long term municipal obligations with maturities of more than ten years at the time of investment. The Trust may invest up to 20% of its total assets in securities rated below investment grade or deemed equivalent at the time of purchase. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

Trust Information

Symbol on NYSE American	MVF
Initial Offering Date	September 29, 1988
Yield on Closing Market Price as of August 31, 2017 (\$9.84) ¹	5.61%
Tax Equivalent Yield ²	9.91%
Current Monthly Distribution per Common Share ³	\$0.0460
Current Annualized Distribution per Common Share ³	\$0.5520
Economic Leverage as of August 31, 2017 ⁴	38%

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

² Tax equivalent yield assumes the maximum marginal U.S. federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

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

⁴ Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 5.

Performance

Returns for the 12 months ended August 31, 2017 were as follows:

	Returns Based On	
	Market Price	NAV
MVF ^{1,2}	(3.10)%	(0.38)%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	(0.46)%	(0.01)%

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¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices.

² The Trust's premium to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend as calculated by Lipper. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

The following discussion relates to the Trust's absolute performance based on NAV:

The municipal bond market generated mixed returns in the past 12 months. Municipal bonds moved lower early in the period due to a pick-up in new tax-exempt issuance and rising yields in the U.S. Treasury market. (Prices and yields move in opposite directions.) The weakness accelerated in November once Donald Trump's election victory caused investors to factor in the possibility of faster economic growth and tighter Fed policy. As optimism for meaningful fiscal reforms subsequently waned and the economy failed to experience a significant acceleration, municipal bonds stabilized and retraced the majority of their post-election losses.

Portfolio income made the most significant positive contribution during a period in which bond prices lost ground. However, the Trust's use of leverage, while enhancing the level of income, also exacerbated the impact of declining bond prices.

Reinvestment was a drag on results, as the proceeds of higher-yielding bonds that matured or were called needed to be reinvested at materially lower prevailing rates.

The Trust's exposure to pre-refunded issues benefited performance, as their low durations enabled them to hold up better than longer-duration bonds at a time of rising yields. (Duration is a measure of interest rate sensitivity.) At the sector level, tax-backed (local) and education issues contributed to performance, while the school districts and health care sectors detracted.

The Trust sought to manage interest rate risk using U.S. Treasury futures. Given that Treasury yields rose, as prices fell, this aspect of the Trust's positioning had a positive effect on returns.

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

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$ 9.84	\$ 10.77	(8.64)%	\$ 10.95	\$ 9.35
Net Asset Value	\$ 9.75	\$ 10.38	(6.07)%	\$ 10.38	\$ 9.48

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Sector Allocation	8/31/17	8/31/16
Transportation	26%	24%
Health	23	26
County/City/Special District/School District	11	10
Education	9	10
Corporate	8	9
State	7	7
Utilities	7	6
Housing	6	4
Tobacco	3	4

For Trust compliance purposes, the Trust's sector classifications refer to one or

more of the sector sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Call/Maturity Schedule³

Calendar Year Ended December 31,

2017	8%
2018	14
2019	19
2020	14
2021	5

³ Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

Credit Quality Allocation ¹	8/31/17	8/31/16
AAA/Aaa	7%	9%
AA/Aa	39	40
A	16	23
BBB/Baa	21	14
BB/Ba	4	3
B	2	2
N/R ²	11	9

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- ¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings
- ² The investment adviser evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment adviser has deemed certain of these unrated securities as investment grade quality. As of August 31, 2017 and August 31, 2016, the market value of unrated securities deemed by the investment adviser to be investment grade represents 1% and 2%, respectively, of the Trust's total investments.

* Excludes short-term securities.

Schedule of Investments August 31, 2017

BlackRock Municipal Bond Trust (BBK)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 0.6%		
Opelika Utilities Board, Refunding RB, 4.00%, 6/01/41	\$ 960	\$ 1,014,778
Arizona 7.5%		
Arizona Health Facilities Authority, Refunding RB, Phoenix Children's Hospital, Series A, 5.00%, 2/01/42	2,200	2,346,894
City of Phoenix Arizona IDA, Refunding RB, Basis Schools, Inc. Projects, 5.00%, 7/01/45 (a)	460	475,934
County of Pinal Arizona Electric District No.3, Refunding RB: 4.75%, 7/01/21 (b)	680	774,282
4.75%, 7/01/31	3,070	3,384,184
Salt Verde Financial Corp., RB, Senior: 5.00%, 12/01/32	1,500	1,805,565
5.00%, 12/01/37	2,065	2,514,943
University Medical Center Corp., RB, 6.50%, 7/01/19 (b)	500	550,500
University Medical Center Corp., Refunding RB, 6.00%, 7/01/21 (b)	900	1,065,078
		12,917,380
Arkansas 2.2%		
City of Benton Arkansas, RB, 4.00%, 6/01/39	505	534,684
City of Fort Smith Arkansas Water & Sewer Revenue, Refunding RB, 4.00%, 10/01/40	840	883,227
City of Little Rock Arkansas, RB, 4.00%, 7/01/41	1,835	1,915,226
County of Pulaski Arkansas Public Facilities Board, RB, 5.00%, 12/01/42	465	520,028
		3,853,165
California 25.9%		
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 5.88%, 8/15/31	1,900	2,155,968
California Infrastructure & Economic Development Bank, Refunding RB, Academy Motion Picture Arts and Sciences, Series A, 4.00%, 11/01/45	1,550	1,608,280
Carlsbad California Unified School District, GO, Election of 2006, Series B, 0.00%, 5/01/34 (c)	1,000	1,114,360
Chaffey Joint Union High School District, GO, Election of 2012, Series C, 5.25%, 8/01/47	4,955	5,994,708
City of San Jose California, Refunding ARB, Norman Y Mineta San Jose International Airport SJC, Series A-1, AMT, 5.75%, 3/01/34	2,000	2,277,420
County of Los Angeles Metropolitan Transportation Authority, Refunding RB, Series A, 5.00%, 7/01/38	4,095	4,942,788
Hartnell Community College District California, GO, CAB, Election of 2002, Series D, 0.00%, 8/01/34 (c)	1,650	1,705,754
Norwalk-La Mirada Unified School District, GO, Refunding, CAB, Election of 2002, Series E (AGC), 0.00%, 8/01/38 (d)	8,000	3,617,920
	Par (000)	Value
Municipal Bonds		
California (continued)		
Palomar Community College District, GO, CAB, Election of 2006, Series B: 0.00%, 8/01/30 (d)	\$ 1,500	\$ 1,029,000
0.00%, 8/01/33 (d)	4,000	1,647,120
0.00%, 8/01/39 (c)	2,605	2,468,680
San Diego Community College District, GO, CAB, Election of 2002, 0.00%, 8/01/33 (c)	2,800	3,321,220
State of California, GO, Refunding: 5.00%, 10/01/39	1,000	1,174,820
Various Purposes, 5.00%, 2/01/38	3,000	3,469,800
State of California, GO, Various Purposes: 5.75%, 4/01/31	2,000	2,153,720
6.00%, 3/01/33	1,000	1,123,510
6.50%, 4/01/33	1,950	2,127,684
5.50%, 3/01/40	2,350	2,599,593
		44,532,345
Colorado 0.7%		
Colorado Health Facilities Authority, RB, Catholic Health Initiatives, Series D, 6.25%, 10/01/33	1,070	1,120,836
Connecticut 0.3%		
	550	593,049

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Connecticut State Health & Educational Facility Authority, Refunding RB, Lawrence & Memorial Hospital, Series F, 5.00%, 7/01/36

Delaware 1.4%

County of Sussex Delaware, RB, NRG Energy, Inc., Indian River Power LLC Project, 6.00%, 10/01/40

Delaware Transportation Authority, RB, U.S. 301 Project, 5.00%, 6/01/55

1,200 1,290,756
950 1,065,121

2,355,877

District of Columbia 2.0%

Washington Metropolitan Area Transit Authority, RB, Series B, 5.00%, 7/01/37

2,855 3,413,238

Florida 3.7%

Capital Trust Agency Inc., RB, M/F Housing, The Gardens Apartment Project, Series A, 4.75%, 7/01/40

600 627,510

County of Miami-Dade Florida, RB, AMT, Seaport Department, Series B, 6.00%, 10/01/31

4,135 4,934,047

County of Orange Florida Health Facilities Authority, Refunding RB, Mayflower Retirement Center, 5.00%, 6/01/36

125 132,795

Stevens Plantation Community Development District, RB, Special Assessment, Series A, 7.10%, 5/01/35 (e)(f)

860 601,596

6,295,948

Hawaii 0.3%

State of Hawaii Department of Budget & Finance, Refunding RB, Special Purpose, Senior Living, Kahala Nui, 5.25%, 11/15/37

400 439,616

Portfolio Abbreviations

AGC	Assured Guarantee Corp.	EDA	Economic Development Authority	ISD	Independent School District
AGM	Assured Guaranty Municipal Corp.	EDC	Economic Development Corp.	LRB	Lease Revenue Bonds
AMBAC	American Municipal Bond Assurance Corp.	ERB	Education Revenue Bonds	M/F	Multi-Family
AMT	Alternative Minimum Tax (subject to)	GARB	General Airport Revenue Bonds	NPFGC	National Public Finance Guarantee Corp.
ARB	Airport Revenue Bonds	GO	General Obligation Bonds	PILOT	Payment in Lieu of Taxes
BAM	Build America Mutual Assurance Co.	GTD	Guaranteed	PSF	Permanent School Fund
BARB	Building Aid Revenue Bonds	HFA	Housing Finance Agency	PSF-GTD	Permanent School Fund Guaranteed
BHAC	Berkshire Hathaway Assurance Corp.	HRB	Housing Revenue Bonds	RB	Revenue Bonds
CAB	Capital Appreciation Bonds	IDA	Industrial Development Authority	S/F	Single-Family
COP	Certificates of Participation	IDB	Industrial Development Board		

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

	Par (000)	Value
Municipal Bonds		
Idaho 0.3%		
Idaho Health Facilities Authority, RB, St. Lukes Health System Project, Series A, 5.00%, 3/01/39	\$ 500	\$ 553,060
Illinois 7.2%		
City of Chicago Illinois, ARB, O Hare International Airport, Senior Lien, Series D, 5.00%, 1/01/47	505	577,382
City of Chicago Illinois, Refunding ARB, O Hare International Airport Passenger Facility Charge, Series B, AMT, 4.00%, 1/01/29	1,600	1,677,120
City of Chicago Illinois, Refunding GARB, O Hare International Airport, Senior Lien: Series B, 5.00%, 1/01/35	2,000	2,350,140
Series B, 5.00%, 1/01/41	2,000	2,285,000
Series C, 5.00%, 1/01/38	1,000	1,148,840
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A, 5.00%, 1/01/41	870	960,149
City of Chicago Illinois Transit Authority, RB, Sales Tax Receipts, 5.25%, 12/01/40	665	718,739
Illinois Finance Authority, Refunding RB: OSF Healthcare System, 6.00%, 5/15/39	295	324,031
Roosevelt University Project, 6.50%, 4/01/44	1,000	1,063,050
Railsplitter Tobacco Settlement Authority, RB, 6.00%, 6/01/28	1,150	1,310,919
		12,415,370
Kansas 2.6%		
County of Seward Kansas Unified School District No. 480 Liberal, GO, Refunding: 5.00%, 9/01/39	720	850,983
5.00%, 9/01/39	3,280	3,650,115
		4,501,098
Kentucky 3.6%		
County of Boyle Kentucky, Refunding RB, Centre College of Kentucky, 5.00%, 6/01/37	2,500	2,865,200
Kentucky Economic Development Finance Authority, RB, Catholic Health Initiatives, Series A, 5.38%, 1/01/40	1,830	1,990,875
Kentucky Public Transportation Infrastructure Authority, RB, Downtown Crossing Project, Convertible CAB, 1st Tier, Series C (c): 0.00%, 7/01/34	500	447,185
0.00%, 7/01/39	830	726,582
0.00%, 7/01/43	270	236,350
		6,266,192
Louisiana 1.5%		
City of Alexandria Louisiana Utilities, RB, 5.00%, 5/01/39	860	958,797
Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Westlake Chemical Corp. Project, Series A-1, 6.50%, 11/01/35	1,050	1,189,576
Louisiana Public Facilities Authority, RB, Belle Chasse Educational Foundation Project, 6.50%, 5/01/31	400	441,804
		2,590,177
Maryland 0.2%		
County of Anne Arundel Maryland Consolidated, RB, Special Taxing District, Villages at Two Rivers Project: 5.13%, 7/01/36	170	172,710
5.25%, 7/01/44	170	172,451
		345,161
	Par (000)	Value
Municipal Bonds		
Massachusetts 2.1%		
Massachusetts Development Finance Agency, RB, Emerson College Issue, Series A: 5.00%, 1/01/47	\$ 630	\$ 706,797
5.25%, 1/01/42	565	650,897
Massachusetts Development Finance Agency, Refunding RB, International Charter School, 5.00%, 4/15/40	400	430,392
Massachusetts Port Authority, Refunding ARB, Series A, AMT, 5.00%, 7/01/42	1,500	1,740,600

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	3,528,686
Michigan 5.1%	
Michigan Finance Authority, RB, Detroit Water & Sewage Disposal System, Senior Lien, Series 2014 C-2, AMT, 5.00%, 7/01/44	240
	256,860
Michigan Finance Authority, Refunding RB, Henry Ford Health System, 5.00%, 11/15/41	5,560
	6,271,903
Michigan State Hospital Finance Authority, Refunding RB, Trinity Health Credit Group, Series C, 4.00%, 12/01/32	2,100
	2,183,748
State of Michigan Building Authority, Refunding RB, Facilities Program, Series I, 6.25%, 10/15/38	40
	42,288
	8,754,799
Minnesota 4.5%	
City of Maple Grove Minnesota, Refunding RB, Maple Grove Hospital, Corp., 4.00%, 5/01/37	880
	915,790
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	3,890
	4,125,695
Minneapolis-St. Paul Metropolitan Airports Commission, Refunding ARB, Sub Series D, AMT, 5.00%, 1/01/41	290
	332,827
Minnesota Higher Education Facilities Authority, RB:	
Augsburg College, Series B, 4.25%, 5/01/40	1,185
	1,188,033
College of St. Benedict, Series 8-K, 5.00%, 3/01/37	660
	742,051
College of St. Benedict, Series 8-K, 4.00%, 3/01/43	385
	397,047
	7,701,443
Mississippi 1.9%	
County of Warren Mississippi, RB, Gulf Opportunity Zone Bonds, International Paper Co. Project, Series A, 5.38%, 12/01/35	400
	441,032
Mississippi Development Bank, RB, Special Obligation:	
CAB, Hinds Community College District (AGM), 5.00%, 4/01/36	845
	914,848
County of Jackson Limited Tax Note (AGC), 5.50%, 7/01/32	1,750
	1,873,287
	3,229,167
Missouri 3.1%	
Missouri Development Finance Board, RB, Annual Appropriation Sewer System, Series B, 5.00%, 11/01/41	900
	964,863
Missouri State Health & Educational Facilities Authority, RB:	
A.T. Still University of Health Sciences, 5.25%, 10/01/31	500
	561,785
A.T. Still University of Health Sciences, 4.25%, 10/01/32	320
	341,168
A.T. Still University of Health Sciences, 5.00%, 10/01/39	500
	558,160
Heartland Regional Medical Center, 4.13%, 2/15/43	300
	311,814
University of Central Missouri, Series C-2, 5.00%, 10/01/34	1,000
	1,125,820

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2017

19

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

	Par (000)	Value
Municipal Bonds		
Missouri (continued)		
Missouri State Health & Educational Facilities Authority, Refunding RB, Kansas City University of Medicine and Biosciences, Series A:		
5.00%, 6/01/42	\$ 540	\$ 620,833
5.00%, 6/01/47	770	881,095
		5,365,538
Montana 0.7%		
County of Cascade Montana High School District A Great Falls, GO:		
4.00%, 7/01/34	570	627,906
4.00%, 7/01/35	550	604,885
		1,232,791
Nebraska 1.6%		
Central Plains Energy Project Nebraska, RB, Gas Project No. 3, 5.00%, 9/01/42	600	654,462
County of Douglas Nebraska Hospital Authority No. 3, Refunding RB, Health Facilities Nebraska Methodist Health System, 5.00%, 11/01/45	400	444,684
Nebraska Public Power District, Refunding RB, Series A:		
5.00%, 1/01/32	250	283,758
4.00%, 1/01/44	400	410,556
Public Power Generation Agency, Refunding RB, 3.13%, 1/01/35	960	934,339
		2,727,799
Nevada 1.2%		
City of Las Vegas Nevada, RB, Special Assessment, No. 809 Summerlin Area, 5.65%, 6/01/23	1,025	1,018,706
County of Clark Nevada, Refunding ARB, Department of Aviation, Subordinate Lien, Series A-2, 4.25%, 7/01/36	1,000	1,069,020
		2,087,726
New Jersey 13.9%		
New Jersey EDA, RB:		
Continental Airlines, Inc. Project, AMT, Series B, 5.63%, 11/15/30	660	744,975
Goethals Bridge Replacement Project (AGM), AMT, 5.13%, 7/01/42	200	220,038
School Facilities Construction, Series UU, 5.00%, 6/15/40	425	450,802
New Jersey EDA, Refunding RB:		
Series B, 5.50%, 6/15/30	1,250	1,453,975
Special Assessment, Kapkowski Road Landfill Project, 6.50%, 4/01/28	7,500	8,841,750
New Jersey Educational Facilities Authority, Refunding RB, College of New Jersey, Series G, 3.50%, 7/01/31	900	920,556
New Jersey Health Care Facilities Financing Authority, Refunding RB, St. Barnabas Health Care System, Series A:		
4.63%, 7/01/21 (b)	510	576,473
5.63%, 7/01/21 (b)	1,700	1,985,855
5.00%, 7/01/25	500	570,260
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series AA, 6.50%, 10/01/38	15	15,072
New Jersey State Turnpike Authority, RB, Series E, 5.00%, 1/01/45	1,860	2,134,815
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/35 (d)	1,000	430,640
Transportation Program, Series AA, 5.00%, 6/15/45	900	962,154
Transportation Program, Series AA, 5.00%, 6/15/46	400	427,348
	Par (000)	Value
Municipal Bonds		
New Jersey (continued)		
New Jersey Turnpike Authority, Refunding RB, Series B, 5.00%, 1/01/40	\$ 1,000	\$ 1,177,510
Tobacco Settlement Financing Corp., Refunding RB, Series 1A, 5.00%, 6/01/41	3,000	2,899,020
		23,811,243
New Mexico 1.1%		
New Mexico Finance Authority, RB, Senior Lien, Series A:		
3.25%, 6/01/33	545	563,426

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3.25%, 6/01/34 New Mexico Hospital Equipment Loan Council, Refunding RB, Presbyterian Healthcare Services, 5.00%, 8/01/44	840 450	860,597 511,295
		1,935,318
New York 6.0%		
City of New York New York Industrial Development Agency, RB, PILOT, Queens Baseball Stadium (AMBAC), 5.00%, 1/01/39	925	939,670
Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A, 6.25%, 6/01/41 (a)	900	925,533
Counties of New York Tobacco Trust VI, Refunding RB, Settlement Pass-Through Turbo, Series C, 4.00%, 6/01/51	500	468,655
Erie Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 6/01/45	1,160	1,140,930
Hudson Yards Infrastructure Corp., Refunding RB, Series A, 5.00%, 2/15/37	2,190	2,599,793
New York Liberty Development Corp., Refunding RB:		
2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 7/15/49	800	865,072
3 World Trade Center Project, Class 2, 5.38%, 11/15/40 (a)	405	449,433
New York Transportation Development Corp., ARB, LaGuardia Airport Terminal B Redevelopment Project, Series A, AMT, 5.00%, 7/01/41	1,000	1,104,490
New York Transportation Development Corp., Refunding RB, American Airlines, Inc., AMT, 5.00%, 8/01/31	1,295	1,383,435
Niagara Area Development Corp., Refunding RB, Solid Waste Disposal Facility, Covanta Energy Project, Series A, AMT, 5.25%, 11/01/42 (a)	400	400,816
		10,277,827
North Dakota 0.3%		
County of Burleigh North Dakota, Refunding RB, St. Alexius Medical Center Project, Series A, 5.00%, 7/01/21 (b)	480	548,904
Ohio 2.4%		
Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2, 6.50%, 6/01/47	2,000	1,990,080
City of Dayton Ohio Airport Revenue, Refunding ARB, James M. Cox Dayton International Airport, Series A (AGM), AMT, 4.00%, 12/01/32	2,000	2,076,160
		4,066,240
Oklahoma 1.8%		
Norman Oklahoma Regional Hospital Authority, Refunding RB, 4.00%, 9/01/37	1,275	1,312,918
Oklahoma City Public Property Authority, Refunding RB, 5.00%, 10/01/39	720	819,893
Oklahoma Development Finance Authority, RB, Provident Oklahoma Education Resources, Inc., Cross Village Student Housing Project, Series A, 5.25%, 8/01/57	820	903,911
		3,036,722

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

	Par (000)	Value
Municipal Bonds		
Oregon 1.6%		
County of Lane Oregon School District No. 19 Springfield, GO, CAB, Series B, 0.00%, 6/15/40 (d)	\$ 1,000	\$ 419,060
Oregon Health & Science University, RB, Series A, 4.00%, 7/01/37	675	720,812
State of Oregon State Facilities Authority, Refunding RB, University of Portland Project, Series A, 5.00%, 4/01/45	1,475	1,665,187
		2,805,059
Pennsylvania 7.8%		
County of Allegheny Pennsylvania IDA, Refunding RB, U.S. Steel Corp. Project, 6.55%, 12/01/27	1,695	1,772,207
Delaware River Port Authority, RB: 4.50%, 1/01/32	1,500	1,667,235
Series D (AGM), 5.00%, 1/01/40	2,600	2,817,204
Pennsylvania Turnpike Commission, RB, Sub-Series B-1, 5.00%, 6/01/42	5,000	5,667,800
Pottsville Hospital Authority, Refunding RB, Lehigh Valley Health Network, Series B, 5.00%, 7/01/45	1,250	1,402,375
		13,326,821
Puerto Rico 1.1%		
Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds: 5.50%, 5/15/39	940	944,606
5.63%, 5/15/43	890	895,474
		1,840,080
Rhode Island 4.5%		
Rhode Island Health & Educational Building Corp., Refunding RB, Series A (AGM), 3.75%, 5/15/32	1,155	1,206,536
Rhode Island Turnpike & Bridge Authority, Refunding RB, Series A, 5.00%, 10/01/40	1,540	1,774,034
State of Rhode Island, COP, School for the Deaf Project, Series C (AGC), 5.38%, 4/01/19 (b)	900	963,684
Tobacco Settlement Financing Corp., Refunding RB: Series A, 5.00%, 6/01/40	1,000	1,085,440
Series B, 4.50%, 6/01/45	2,730	2,761,914
		7,791,608
Tennessee 2.9%		
Chattanooga Health Educational & Housing Facility Board, RB, Catholic Health Initiatives, Series A, 5.25%, 1/01/40	1,950	2,074,585
County of Chattanooga-Hamilton Tennessee Hospital Authority, Refunding RB, Series A, 5.00%, 10/01/44	875	954,966
County of Memphis-Shelby Tennessee Sports Authority, Inc., Refunding RB, Memphis Arena Project, Series A, 5.38%, 11/01/28	275	300,303
Johnson City Health & Educational Facilities Board, RB, Mountain States Health, Series A, 5.00%, 8/15/42	800	859,040
Metropolitan Government of Nashville & Davidson County Health & Educational Facilities Board, RB, Vanderbilt University Medical Center, Series A, 5.00%, 7/01/40	675	765,045
		4,953,939
Texas 8.7%		
County of Harris Texas Houston Sports Authority, Refunding RB, CAB, Senior Lien, Series G (NPFGC), 0.00%, 11/15/41 (d)	11,690	3,652,190
County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co., Project, Series A, 6.30%, 11/01/29	1,500	1,663,395
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Project, Series A, 0.00%, 9/15/38 (d)	10,760	4,454,640
	Par (000)	Value
Municipal Bonds		
Texas (continued)		
Leander Independent School District, GO, Refunding, CAB, Series D (PSF-GTD) (d): 0.00%, 8/15/24 (b)	\$ 370	\$ 196,196
0.00%, 8/15/35	3,630	1,774,525
Red River Texas Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	760	869,159

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Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, LBJ Infrastructure Group LLC, 7.00%, 6/30/40	2,000	2,267,580
		14,877,685
Utah 0.2%		
Utah State Charter School Finance Authority, Refunding RB, Mountainville Academy, 4.00%, 4/15/42	400	411,956
Vermont 0.8%		
University of Vermont & State Agricultural College, Refunding RB, 4.00%, 10/01/37	500	528,735
Vermont Student Assistance Corp., RB, Series A, 4.13%, 6/15/30	810	852,444
		1,381,179
Virginia 0.8%		
Ballston Quarter Community Development Authority, Tax Allocation Bonds, Series A, 5.38%, 3/01/36	490	494,415
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 6.00%, 1/01/37	725	824,593
		1,319,008
Wisconsin 0.6%		
Public Finance Authority, Refunding RB, National Gypsum Co., AMT, 4.00%, 8/01/35	280	272,955
WPPI Energy Power Supply Systems, Refunding RB, Series A, 5.00%, 7/01/37	665	752,740
		1,025,695
Total Municipal Bonds 134.7%		231,244,523
Municipal Bonds Transferred to		
Tender Option Bond Trusts (g)		
Colorado 2.2%		
Colorado Health Facilities Authority, RB, Catholic Health, Series C-7 (AGM), 5.00%, 5/01/18 (b)	3,750	3,855,413
Connecticut 1.7%		
Connecticut State Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45	2,611	2,980,034
Georgia 2.7%		
City of Atlanta Georgia Water & Wastewater Revenue, Refunding RB, 5.00%, 11/01/43	4,003	4,639,592
New Jersey 0.9%		
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (h)	1,400	1,480,883
New York 12.8%		
City of New York New York, GO, Fiscal 2015, Series B, 4.00%, 8/01/32	3,990	4,370,566
City of New York New York Municipal Water Finance Authority, RB, Water & Sewer System, Fiscal 2009, Series A:		
5.75%, 6/15/18 (b)	104	107,659
5.75%, 6/15/40	346	360,061

See Notes to Financial Statements.

ANNUAL REPORT

AUGUST 31, 2017

21

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

Municipal Bonds Transferred to Tender Option Bond Trusts (g) New York (continued)	Par (000)	Value
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution: Fiscal 2013, Series CC, 5.00%, 6/15/47	\$ 6,000	\$ 6,873,707
Series FF-2, 5.50%, 6/15/40	405	437,837
Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (h)	2,500	2,888,705
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	2,505	2,852,232
State of New York Dormitory Authority, RB, State University Dormitory Facilities, New York University, Series A, 5.00%, 7/01/18 (b)	2,199	2,277,220
State of New York Thruway Authority, Refunding RB, Transportation, Personal Income Tax, Series A, 5.00%, 3/15/31	1,560	1,786,153
		21,954,140
Ohio 1.9%		
County of Montgomery Ohio, RB, Catholic Health, Series C-1 (AGM), 5.00%, 4/28/18 (b)	1,260	1,294,726
Ohio Higher Educational Facility Commission, RB, Cleveland Clinic Health, Series A, 5.25%, 1/01/18 (b)	2,000	2,028,800
		3,323,526
Municipal Bonds Transferred to Tender Option Bond Trusts (g) Texas 1.1%	Par (000)	Value
City of San Antonio Texas Public Service Board, RB, Electric & Gas Systems, Junior Lien, 5.00%, 2/01/43	\$ 1,580	\$ 1,798,656
Total Municipal Bonds Transferred to Tender Option Bond Trusts 23.3%		40,032,244
Total Long-Term Investments (Cost \$250,194,591) 158.0%		271,276,767
Short-Term Securities	Shares	
BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.62% (i)(j)	136,442	136,483
Total Short-Term Securities (Cost 136,483) 0.1%		136,483
Total Investments (Cost \$250,331,074) 158.1%		271,413,250
Other Assets Less Liabilities 1.5%		2,642,663
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (13.1)%		(22,451,244)
VMTP Shares at Liquidation Value (46.5)%		(79,900,000)
Net Assets Applicable to Common Shares 100.0%		\$ 171,704,669

Notes to Schedule of investments

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

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- (c) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.

- (d) Zero-coupon bond.

- (e) Non-income producing security.

- (f) Issuer filed for bankruptcy and/or is in default.

- (g) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

- (h) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between February 15, 2019 to June 15, 2019, is \$2,411,645. See Note 4 of the Notes to Financial Statements for details.

- (i) Annualized 7-day yield as of period end.

- (j) During the year ended August 31, 2017, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	Shares Held at August 31, 2016	Net Activity	Shares Held at August 31, 2017	Value at August 31, 2017	Income	Net Realized Gain¹	Change in Unrealized Appreciation (Depreciation)
Affiliated BlackRock Liquidity Funds, MuniCash, Institutional Class	2,139,553	(2,003,111)	136,442	\$ 136,483	\$ 13,328	\$ 2,430	

¹ Includes net capital gain distributions.

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Municipal Bond Trust (BBK)

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Description	Number of Contracts	Expiration Date	Notional Amount (000)	Value/ Unrealized Appreciation (Depreciation)
Short Contracts				
5-Year U.S. Treasury Note	(21)	December 2017	\$ 2,489	\$ (3,870)
10-Year U.S. Treasury Note	(53)	December 2017	\$ 6,730	(9,278)
Long U.S. Treasury Bond	(72)	December 2017	\$ 11,239	(50,614)
Ultra Long U.S. Treasury Bond	(15)	December 2017	\$ 2,536	(11,712)
Total				\$ (75,474)

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

Liabilities	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
	Net unrealized depreciation ¹					\$ 75,474		\$ 75,474

¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended August 31, 2017, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ 642,731		\$ 642,731
Net Change in Unrealized Appreciation (Depreciation) from:							
Futures contracts					\$ (89,339)		\$ (89,339)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:							
Average notional value of contracts	long						\$ 241,875 ¹
Average notional value of contracts	short						\$ 21,966,457

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¹ Actual amounts for the period are shown due to limited outstanding derivative financial instruments as of each quarter end. For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 271,276,767		\$ 271,276,767
Short-Term Securities	\$ 136,483			136,483
Total	\$ 136,483	\$ 271,276,767		\$ 271,413,250
Derivative Financial Instruments ²				
Liabilities:				
Interest rate contracts	\$ (75,474)			\$ (75,474)

¹ See above Schedule of Investments for values in each state or political subdivision.

² Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Municipal Bond Trust (BBK)

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Liabilities:				
TOB Trust Certificates		\$ (22,403,733)		\$ (22,403,733)
VMTP Shares at Liquidation Value		(79,900,000)		(79,900,000)
Total		\$ (102,303,733)		\$ (102,303,733)

During the year ended August 31, 2017, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments August 31, 2017

BlackRock Municipal Income Investment Quality Trust (BAF)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
Alabama 1.9%		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children s Hospital (AGC) (a):		
6.00%, 6/01/19	\$ 1,000	\$ 1,088,090
6.13%, 6/01/19	1,000	1,090,260
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	335	372,704
		2,551,054
California 15.0%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/18 (a)	2,005	2,102,483
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	1,120	1,272,141
City of Los Angeles California Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38	1,175	1,217,171
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/18 (a)	1,400	1,455,482
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33	1,025	1,258,157
Los Angeles Municipal Improvement Corp., Refunding LRB, Real Property, Series B (AGC), 5.50%, 4/01/19 (a)	3,210	3,447,957
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/21 (a)	1,000	1,173,460
San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 8/01/19 (a)	1,125	1,222,132
State of California, GO, Refunding Various Purposes, 4.00%, 11/01/36 (b)	490	531,645
State of California Public Works Board, LRB, Various Capital Projects, Series I: 5.50%, 11/01/30	1,000	1,210,470
5.50%, 11/01/31	1,500	1,811,820
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	505	598,617
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	380	464,136
University of California, Refunding RB, The Regents of Medical Center, Series J, 5.25%, 5/15/38	2,355	2,776,828
		20,542,499
Colorado 3.9%		
City & County of Denver Colorado Airport System, ARB, Sub-System, Series B, 5.25%, 11/15/32	3,250	3,802,175
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/19 (a)	1,425	1,547,977
		5,350,152
Florida 9.3%		
City of Jacksonville Florida, RB, Series A, 5.25%, 10/01/31	4,525	5,212,574
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	205	243,109
County of Miami-Dade Florida, RB, Seaport Department, Series A, 6.00%, 10/01/38	4,215	5,084,891
County of Orange Florida Health Facilities Authority, Refunding RB, Presbyterian Retirement Communities Project, 5.00%, 8/01/41	1,305	1,423,690
Reedy Creek Florida Improvement District, GO, Series A, 5.25%, 6/01/32	745	878,534
		12,842,798
Municipal Bonds		
Georgia 2.1%		
City of Atlanta Georgia Department of Aviation, Refunding GARB, Series C, 6.00%, 1/01/30	\$ 2,500	\$ 2,906,075
Illinois 22.3%		
City of Chicago Illinois, Refunding GARB, O Hare International Airport, 3rd Lien, Series C (AGC), 5.25%, 1/01/30	1,000	1,080,850
City of Chicago Illinois O Hare International Airport, ARB, 3rd Lien, Series A: 5.75%, 1/01/21 (a)	690	795,453
5.75%, 1/01/39	135	153,206
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien, Series C, 6.50%, 1/01/21 (a)	3,740	4,403,214

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City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 12/01/18 (a)	1,300	1,383,447
Sales Tax Receipts, 5.25%, 12/01/36	3,185	3,460,853
Sales Tax Receipts, 5.25%, 12/01/40	3,000	3,242,430
City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28	3,000	3,184,590
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	1,480	1,561,770
County of Cook Illinois Community College District No. 508, GO, City College of Chicago: 5.50%, 12/01/38	855	920,835
5.25%, 12/01/43	1,430	1,506,877
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	1,885	2,154,140
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	915	1,043,137
6.00%, 6/01/28	260	296,382
State of Illinois, GO:		
5.25%, 2/01/31	610	658,483
5.25%, 2/01/32	1,000	1,076,540
5.50%, 7/01/33	1,000	1,083,250
5.50%, 7/01/38	270	291,600
State of Illinois Toll Highway Authority, Refunding RB, Series B, 5.50%, 1/01/18 (a)	2,250	2,285,482
		30,582,539
Indiana 1.8%		
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC):		
5.50%, 1/01/19 (a)	470	499,361
5.50%, 1/01/38	1,945	2,051,002