

POPULAR INC
Form 10-Q
August 09, 2012
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2012

Commission File Number: 001-34084

POPULAR, INC.

(Exact name of registrant as specified in its charter)

Puerto Rico
(State or other jurisdiction of

Incorporation or organization)

66-0667416
(IRS Employer

Identification Number)

Edgar Filing: POPULAR INC - Form 10-Q

Popular Center Building

209 Muñoz Rivera Avenue

Hato Rey, Puerto Rico
(Address of principal executive offices)

(787) 765-9800

00918
(Zip code)

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: Common Stock, \$0.01 par value, 102,856,169 shares outstanding as of July 31, 2012.

Table of Contents

POPULAR, INC .

INDEX

	Page
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements</u>	
<u>Unaudited Consolidated Statements of Financial Condition at June 30, 2012 and December 31, 2011</u>	4
<u>Unaudited Consolidated Statements of Operations for the quarters and six months ended June 30, 2012 and 2011</u>	5
<u>Unaudited Consolidated Statements of Comprehensive Income for the quarters and six months ended June 30, 2012 and 2011</u>	6
<u>Unaudited Consolidated Statements of Changes in Stockholders' Equity for the six months ended June 30, 2012 and 2011</u>	7
<u>Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2012 and 2011</u>	8
<u>Notes to Unaudited Consolidated Financial Statements</u>	9
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	126
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	194
<u>Item 4. Controls and Procedures</u>	194
<u>Part II. Other Information</u>	
<u>Item 1. Legal Proceedings</u>	194
<u>Item 1A. Risk Factors</u>	194
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	195
<u>Item 6. Exhibits</u>	
<u>Signatures</u>	196

Table of Contents

Forward-Looking Information

The information included in this Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may relate to Popular, Inc. (the Corporation, Popular, we, us, our) financial condition, results of operations, plans, objectives, future performance and business, including, but not limited to, statements with respect to the adequacy of the allowance for loan losses, delinquency trends, market risk and the impact of interest rate changes, capital markets conditions, capital adequacy and liquidity, and the effect of legal proceedings and new accounting standards on the Corporation's financial condition and results of operations. All statements contained herein that are not clearly historical in nature are forward-looking, and the words anticipate, believe, continues, expect, estimate, intend, project and similar expressions and future or conditional verbs such as will, would, should, could, may, or similar expressions are generally intended to identify forward-looking statements.

These statements are not guarantees of future performance and involve certain risks, uncertainties, estimates and assumptions by management that are difficult to predict.

Various factors, some of which are beyond Popular's control, could cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. Factors that might cause such a difference include, but are not limited to:

the rate of growth in the economy and employment levels, as well as general business and economic conditions;

changes in interest rates, as well as the magnitude of such changes;

the fiscal and monetary policies of the federal government and its agencies;

changes in federal bank regulatory and supervisory policies, including required levels of capital and the impact of proposed capital standards on our capital ratios;

the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) on our businesses, business practices and cost of operations;

regulatory approvals that may be necessary to undertake certain actions or consummate strategic transactions such as acquisitions and dispositions;

the relative strength or weakness of the consumer and commercial credit sectors and of the real estate markets in Puerto Rico and the other markets in which borrowers are located;

the performance of the stock and bond markets;

competition in the financial services industry;

additional Federal Deposit Insurance Corporation (FDIC) assessments; and

Edgar Filing: POPULAR INC - Form 10-Q

possible legislative, tax or regulatory changes.

Other possible events or factors that could cause results or performance to differ materially from those expressed in these forward-looking statements include the following: negative economic conditions that adversely affect the general economy, housing prices, the job market, consumer confidence and spending habits which may affect, among other things, the level of non-performing assets, charge-offs and provision expense; changes in interest rates and market liquidity which may reduce interest margins, impact funding sources and affect our ability to originate and distribute financial products in the primary and secondary markets; adverse movements and volatility in debt and equity capital markets; changes in market rates and prices which may adversely impact the value of financial assets and liabilities; liabilities resulting from litigation and regulatory investigations; changes in accounting standards, rules and interpretations; increased competition; our ability to grow our core businesses; decisions to downsize, sell or close units or otherwise change our business mix; and management's ability to identify and manage these and other risks. Moreover, the outcome of legal proceedings, as discussed in Part II, Item I. Legal Proceedings, is inherently uncertain and depends on judicial interpretations of law and the findings of regulators, judges and juries. Investors should refer to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 as well as Part II, Item 1A of this Form 10-Q for a discussion of such factors and certain risks and uncertainties to which the Corporation is subject.

All forward-looking statements included in this document are based upon information available to the Corporation as of the date of this document, and other than as required by law, including the requirements of applicable securities laws, we assume no obligation to update or revise any such forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

Table of Contents**POPULAR, INC.****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION****(UNAUDITED)**

(In thousands, except share information)	June 30, 2012	December 31, 2011
Assets:		
Cash and due from banks	\$ 515,338	\$ 535,282
Money market investments:		
Federal funds sold	5,455	75,000
Securities purchased under agreements to resell	234,738	252,668
Time deposits with other banks	709,635	1,048,506
Total money market investments	949,828	1,376,174
Trading account securities, at fair value:		
Pledged securities with creditors right to repledge	356,624	402,591
Other trading securities	60,845	33,740
Investment securities available-for-sale, at fair value:		
Pledged securities with creditors right to repledge	939,286	1,737,868
Other investment securities available-for-sale	4,137,511	3,271,955
Investment securities held-to-maturity, at amortized cost (fair value at June 30, 2012 \$126,523; December 31, 2011 \$125,254)	124,646	125,383
Other investment securities, at lower of cost or realizable value (realizable value at June 30, 2012 - \$175,948; December 31, 2011 \$181,583)	174,287	179,880
Loans held-for-sale, at lower of cost or fair value	364,537	363,093
Loans held-in-portfolio:		
Loans not covered under loss sharing agreements with the FDIC	20,763,610	20,703,192
Loans covered under loss sharing agreements with the FDIC	4,016,330	4,348,703
Less Unearned income	97,801	100,596
Allowance for loan losses	766,030	815,308
Total loans held-in-portfolio, net	23,916,109	24,135,991
FDIC loss share asset	1,631,594	1,915,128
Premises and equipment, net	527,027	538,486
Other real estate not covered under loss sharing agreements with the FDIC	226,629	172,497
Other real estate covered under loss sharing agreements with the FDIC	125,093	109,135
Accrued income receivable	122,320	125,209
Mortgage servicing assets, at fair value	155,711	151,323
Other assets	1,577,794	1,462,393
Goodwill	647,757	648,350
Other intangible assets	59,243	63,954
Total assets	\$ 36,612,179	\$ 37,348,432
Liabilities and Stockholders Equity		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 5,578,487	\$ 5,655,474

Edgar Filing: POPULAR INC - Form 10-Q

Interest bearing	21,836,293	22,286,653
Total deposits	27,414,780	27,942,127
Assets sold under agreements to repurchase	1,426,636	2,141,097
Other short-term borrowings	316,200	296,200
Notes payable	1,877,583	1,856,372
Other liabilities	1,555,743	1,193,883
Total liabilities	32,590,942	33,429,679
Commitments and contingencies (See Note 19)		
Stockholders' equity:		
Preferred stock, 30,000,000 shares authorized; 2,006,391 shares issued and outstanding	50,160	50,160
Common stock, \$0.01 par value; 170,000,000 shares authorized; 102,832,457 shares issued at June 30, 2012 (December 31, 2011 102,634,640) and 102,824,323 shares outstanding (December 31, 2011 102,590,457)	1,028	1,026
Surplus	4,127,216	4,123,898
Accumulated deficit	(100,440)	(212,726)
Treasury stock at cost, 8,134 shares at June 30, 2012 (December 31, 2011 44,183)	(144)	(1,057)
Accumulated other comprehensive loss, net of tax	(56,583)	(42,548)
Total stockholders' equity	4,021,237	3,918,753
Total liabilities and stockholders' equity	\$ 36,612,179	\$ 37,348,432

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**POPULAR, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)**

(In thousands, except per share information)	Quarter ended June 30, 2012	2011	Six months ended June 30, 2012	2011
Interest income:				
Loans	\$ 389,342	\$ 442,460	\$ 777,284	\$ 865,835
Money market investments	964	926	1,912	1,873
Investment securities	43,813	53,723	88,883	106,098
Trading account securities	5,963	9,790	11,854	18,544
Total interest income	440,082	506,899	879,933	992,350
Interest expense:				
Deposits	48,514	70,672	100,193	147,551
Short-term borrowings	13,044	13,719	26,627	27,734
Long-term debt	37,324	47,966	74,331	99,164
Total interest expense	98,882	132,357	201,151	274,449
Net interest income	341,200	374,542	678,782	717,901
Provision for loan losses non-covered loans	81,743	95,712	164,257	155,474
Provision for loan losses covered loans	37,456	48,605	55,665	64,162
Net interest income after provision for loan losses	222,001	230,225	458,860	498,265
Service charges on deposit accounts	46,130	46,802	92,719	92,432
Other service fees	62,027	58,307	128,066	116,959
Net loss on sale and valuation adjustments of investment securities	(349)	(90)	(349)	(90)
Trading account (loss) profit	(7,283)	874	(9,426)	375
Net (loss) gain on sale of loans, including valuation adjustments on loans held-for-sale	(15,397)	(12,782)	74	(5,538)
Adjustments (expense) to indemnity reserves on loans sold	(5,398)	(9,454)	(9,273)	(19,302)
FDIC loss share income (expense)	2,575	38,670	(12,680)	54,705
Fair value change in equity appreciation instrument		578		8,323
Other operating income	11,419	1,255	28,501	40,664
Total non-interest income	93,724	124,160	217,632	288,528
Operating expenses:				
Personnel costs	116,336	110,959	237,827	217,099
Net occupancy expenses	24,963	25,957	49,125	50,543
Equipment expenses	10,900	10,761	22,241	22,797
Other taxes	12,074	14,623	25,512	26,595
Professional fees	52,127	49,479	100,232	96,167
Communications	6,645	7,188	13,776	14,398
Business promotion	16,980	11,332	29,830	21,192
FDIC deposit insurance	22,907	27,682	47,833	45,355
Loss on early extinguishment of debt	25,072	289	25,141	8,528
Other real estate owned (OREO) expenses	2,380	6,440	16,545	8,651
Other operating expenses	34,964	14,835	50,860	41,014
Amortization of intangibles	2,531	2,255	5,124	4,510

Edgar Filing: POPULAR INC - Form 10-Q

Total operating expenses	327,879	281,800	624,046	556,849
(Loss) income before income tax	(12,154)	72,585	52,446	229,944
Income tax (benefit) expense	(77,893)	(38,100)	(61,701)	109,127
Net Income	\$ 65,739	\$ 110,685	\$ 114,147	\$ 120,817
Net Income Applicable to Common Stock	\$ 64,809	\$ 109,754	\$ 112,286	\$ 118,956
Net Income per Common Share Basic	\$ 0.63	\$ 1.07	\$ 1.10	\$ 1.16
Net Income per Common Share Diluted	\$ 0.63	\$ 1.07	\$ 1.10	\$ 1.16

Dividends Declared per Common Share

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**POPULAR, INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(UNAUDITED)**

(In thousands)	Quarter ended,		Six months ended,	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Net income	\$ 65,739	\$ 110,685	\$ 114,147	\$ 120,817
Other comprehensive (loss) income before tax:				
Foreign currency translation adjustment	(860)	(1,137)	(946)	(1,728)
Reclassification adjustment for losses included in net income				10,084
Adjustment of pension and postretirement benefit plans				
Amortization of net losses	6,290	3,245	12,579	6,487
Amortization of prior service cost	(50)	(240)	(100)	(480)
Unrealized holding (losses) gains on securities available-for-sale arising during the period	(18,573)	50,779	(26,455)	30,801
Reclassification adjustment for losses included in net income	349	90	349	90
Unrealized net (losses) gains on cash flow hedges	(1,408)	485	(1,698)	434
Reclassification adjustment for net losses (gains) included in net income	290	51	1,347	(884)
Other comprehensive (loss) income before tax	(13,962)	53,273	(14,924)	44,804
Income tax benefit (expense)	1,164	(5,500)	889	(4,072)
Total other comprehensive (loss) income, net of tax	(12,798)	47,773	(14,035)	40,732
Comprehensive income, net of tax	\$ 52,941	\$ 158,458	\$ 100,112	\$ 161,549

Tax effect allocated to each component of other comprehensive (loss) income:

(In thousands)	Quarter ended		Six months ended,	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Underfunding of pension and postretirement benefit plans	\$ (1,710)	\$ (822)	\$ (3,420)	\$ (1,643)
Amortization of net losses	(15)	(72)	(30)	(144)
Amortization of prior service cost	2,554	(4,431)	4,235	(2,490)
Unrealized holding (losses) gains on securities available-for-sale arising during the period		(14)		(14)
Reclassification adjustment for losses included in net income	422	(146)	509	(131)
Unrealized net (losses) gains on cash flow hedges	(87)	(15)	(405)	350
Reclassification adjustment for net losses (gains) included in net income				
Income tax benefit (expense)	\$ 1,164	\$ (5,500)	\$ 889	\$ (4,072)

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents**POPULAR, INC.****CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY****(UNAUDITED)**

(In thousands)	Common stock	Preferred stock	Surplus	Accumulated deficit	Treasury stock	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2010	\$ 1,023	\$ 50,160	\$ 4,103,211	\$ (347,328)	\$ (574)	\$ (5,961)	\$ 3,800,531
Net income				120,817			120,817
Issuance of stock	1		3,916				3,917
Dividends declared:							
Preferred stock				(1,861)			(1,861)
Common stock purchases					(68)		(68)
Other comprehensive income, net of tax						40,732	40,732
Balance at June 30, 2011	\$ 1,024	\$ 50,160	\$ 4,107,127	\$ (228,372)	\$ (642)	\$ 34,771	\$ 3,964,068
Balance at December 31, 2011	\$ 1,026	\$ 50,160	\$ 4,123,898	\$ (212,726)	\$ (1,057)	\$ (42,548)	\$ 3,918,753
Net income				114,147			114,147
Issuance of stock	2		3,318				3,320
Dividends declared:							
Preferred stock				(1,861)			(1,861)
Common stock purchases					(150)		(150)
Common stock reissuance					1,063		1,063
Other comprehensive loss, net of tax						(14,035)	(14,035)
Balance at June 30, 2012	\$ 1,028	\$ 50,160	\$ 4,127,216	\$ (100,440)	\$ (144)	\$ (56,583)	\$ 4,021,237

Disclosure of changes in number of shares:

	June 30, 2012	December 31, 2011	June 30, 2011
Preferred Stock:			
Balance at beginning and end of period	2,006,391	2,006,391	2,006,391
Common Stock Issued:			
Balance at beginning of year	102,634,640	102,292,916	102,292,916
Issuance of stock	197,817	341,724	127,227
Balance at end of the period	102,832,457	102,634,640	102,420,143
Treasury stock	(8,134)	(44,183)	(22,353)
Common Stock Outstanding	102,824,323	102,590,457	102,397,790

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**POPULAR, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)**

(In thousands)	Six months ended June 30,	
	2012	2011
Cash flows from operating activities:		
Net income	\$ 114,147	\$ 120,817
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for loan losses	219,922	219,636
Amortization of intangibles	5,124	4,510
Depreciation and amortization of premises and equipment	23,282	23,450
Net accretion of discounts and amortization of premiums and deferred fees	(15,677)	(64,498)
Impairment losses on net assets to be disposed of		8,743
Fair value adjustments on mortgage servicing rights	4,791	16,249
Fair value change in equity appreciation instrument		(8,323)
FDIC loss share expense (income)	12,680	(54,705)
FDIC deposit insurance expense	47,833	45,355
Adjustments (expense) to indemnity reserves on loans sold	9,273	19,302
Losses from investments under the equity method	4,217	218
Deferred income tax (benefit) expense	(154,686)	21,755
(Gain) loss on:		
Disposition of premises and equipment	(6,864)	(1,992)
Early extinguishment of debt	24,950	
Sale and valuation adjustments of investment securities	349	90
Sale of loans, including valuation adjustments on loans held-for-sale	(74)	5,538
Sale of equity method investment		(16,907)
Sale of other assets	(2,545)	
Acquisitions of loans held-for-sale	(174,632)	(173,549)
Proceeds from sale of loans held-for-sale	145,588	65,667
Net disbursements on loans held-for-sale	(542,282)	(417,220)
Net (increase) decrease in:		
Trading securities	543,077	319,024
Accrued income receivable	2,889	8,676
Other assets	10,553	(32,659)
Net increase (decrease) in:		
Interest payable	(4,499)	(949)
Pension and other postretirement benefit obligation	16,165	(123,084)
Other liabilities	11,364	(65,383)
Total adjustments	180,798	(201,056)
Net cash provided by (used in) operating activities	294,945	(80,239)
Cash flows from investing activities:		
Net decrease (increase) in money market investments	426,346	(404,598)
Purchases of investment securities:		
Available-for-sale	(890,777)	(856,543)
Held-to-maturity	(250)	(64,358)
Other	(76,033)	(69,504)
Proceeds from calls, paydowns, maturities and redemptions of investment securities:		

Edgar Filing: POPULAR INC - Form 10-Q

Available-for-sale	780,832	707,567
Held-to-maturity	1,548	52,073
Other	81,626	56,162
Proceeds from sale of investment securities:		
Available-for-sale		19,143
Other		2,294
Net repayments on loans	539,177	779,606
Proceeds from sale of loans	41,476	225,698
Acquisition of loan portfolios	(705,819)	(744,390)
Payments received from FDIC under loss sharing agreements	262,807	15,694
Net proceeds from sale of equity method investment		31,503
Mortgage servicing rights purchased	(1,018)	(860)
Acquisition of premises and equipment	(21,927)	(25,548)
Proceeds from sale of:		
Premises and equipment	15,610	9,847
Other productive assets	1,026	
Foreclosed assets	93,480	94,759
Net cash provided by (used in) investing activities	548,104	(171,455)
Cash flows from financing activities:		
Net increase (decrease) in:		
Deposits	(528,508)	1,198,252
Federal funds purchased and assets sold under agreements to repurchase	(363,354)	157,772
Other short-term borrowings	20,000	(212,920)
Payments of notes payable	(22,552)	(1,177,306)
Proceeds from issuance of notes payable	29,802	419,500
Proceeds from issuance of common stock	3,320	3,917
Dividends paid	(1,551)	(1,861)
Treasury stock acquired	(150)	(68)
Net cash (used in) provided by financing activities	(862,993)	387,286
Net (decrease) increase in cash and due from banks	(19,944)	135,592
Cash and due from banks at beginning of period	535,282	452,373
Cash and due from banks at end of period	\$ 515,338	\$ 587,965

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

Notes to Consolidated Financial

Statements (Unaudited)

Note 1 - Organization, consolidation and basis of presentation	10
Note 2 - New accounting pronouncements	10
Note 3 - Restrictions on cash and due from banks and certain securities	13
Note 4 - Pledged assets	14
Note 5 - Investment securities available-for-sale	15
Note 6 - Investment securities held-to-maturity	19
Note 7 - Loans	20
Note 8 - Allowance for loan losses	30
Note 9 - FDIC loss share asset and true-up payment obligation	51
Note 10 - Transfers of financial assets and mortgage servicing assets	53
Note 11 - Other assets	56
Note 12 - Goodwill and other intangible assets	57
Note 13 - Deposits	59
Note 14 - Borrowings	60
Note 15 - Trust preferred securities	62
Note 16 - Stockholders' equity	63
Note 17 - Accumulated other comprehensive income (loss)	64
Note 18 - Guarantees	64
Note 19 - Commitments and contingencies	67
Note 20 - Non-consolidated variable interest entities	72
Note 21 - Related party transactions with affiliated company / joint venture	75
Note 22 - Fair value measurement	78
Note 23 - Fair value of financial instruments	88
Note 24 - Net income per common share	93
Note 25 - Other service fees	94
Note 26 - FDIC loss share income (expense)	94
Note 27 - Pension and postretirement benefits	95
Note 28 - Stock-based compensation	96
Note 29 - Income taxes	98
Note 30 - Supplemental disclosure on the consolidated statements of cash flows	102
Note 31 - Segment reporting	102
Note 32 - Subsequent events	109
Note 33 - Condensed consolidating financial information of guarantor and issuers of registered guaranteed securities	109

Table of Contents**Note 1 Organization, consolidation and basis of presentation****Nature of Operations**

Popular, Inc. (the Corporation) is a diversified, publicly-owned financial holding company subject to the supervision and regulation of the Board of Governors of the Federal Reserve System. The Corporation has operations in Puerto Rico, the United States, the Caribbean and Latin America. In Puerto Rico, the Corporation provides retail and commercial banking services through its principal banking subsidiary, Banco Popular de Puerto Rico (BPPR), as well as mortgage banking, investment banking, broker-dealer, auto and equipment leasing and financing, and insurance services through specialized subsidiaries. In the U.S. mainland, the Corporation operates Banco Popular North America (BPNA), including its wholly-owned subsidiary E-LOAN. BPNA focuses efforts and resources on the core community banking business. BPNA operates branches in New York, California, Illinois, New Jersey and Florida. E-LOAN markets deposit accounts under its name for the benefit of BPNA. The BPNA branches operate under the name of Popular Community Bank. Note 31 to the consolidated financial statements presents information about the Corporation's business segments.

Principles of Consolidation and Basis of Presentation

The consolidated interim financial statements have been prepared without audit. The consolidated statement of financial condition data at December 31, 2011 was derived from audited financial statements. The unaudited interim financial statements are, in the opinion of management, a fair statement of the results for the periods reported and include all necessary adjustments, all of a normal recurring nature, for a fair statement of such results.

Certain reclassifications have been made to the 2011 consolidated financial statements and notes to the financial statements to conform with the 2012 presentation.

On May 29, 2012, the Corporation effected a 1-for-10 reverse split of its common stock. The reverse split is described further in Note 16 to these consolidated financial statements. All share and per share information in the consolidated financial statements and accompanying notes have been adjusted to retroactively reflect the 1-for-10 reverse stock split.

Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from the unaudited financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, these financial statements should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2011, included in the Corporation's 2011 Annual Report (the 2011 Annual Report). Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 New accounting pronouncements***FASB Accounting Standards Update 2012-02, Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment (ASU 2012-02)***

The FASB issued ASU 2012-02 in July 2012. ASU 2012-02 is intended to simplify how entities test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity the option to first assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with ASC Subtopic 350-30, *Intangibles-Goodwill and Other-General Intangibles Other than Goodwill*. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. This guidance results in guidance that is similar to the goodwill impairment testing guidance in ASU 2011-08. The previous guidance under ASC Subtopic 350-30 required an entity to test indefinite-lived intangible assets for impairment on at least an annual basis by comparing an asset's fair value with its carrying amount and recording an impairment loss for an amount equal to the excess of the asset's carrying amount over its fair value. Under the amendments in this ASU, an entity is not required to calculate the fair value of an indefinite-lived intangible asset if the entity determines that it is not more likely than not that the asset is impaired.

Edgar Filing: POPULAR INC - Form 10-Q

In addition the new qualitative indicators replace those currently used to determine whether indefinite-lived intangible assets should be tested for impairment on an interim basis.

Table of Contents

ASU 2012-12 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual or interim goodwill impairment tests performed as of a date before July 27, 2012, as long as the financial statements have not yet been issued. The Corporation did not elect to adopt early the provisions of this ASU.

The provisions of this guidance simplify how entities test for indefinite-lived assets impairment and will not have an impact on the Corporation's consolidated financial statements.

FASB Accounting Standards Update 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income (ASU 2011-05) and FASB Accounting Standards Update 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (ASU 2011-12)

The FASB issued ASU 2011-05 in June 2011. The amendment of this ASU allows an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments to the Codification in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. This ASU also does not change the option for an entity to present components of other comprehensive income either net of related tax effects or before related tax effects, with one amount shown for the aggregate income tax expense or benefit related to the total of other comprehensive income items.

In December 2011, the FASB issued ASU 2011-12, which defers indefinitely the new requirement in ASU 2011-05 to present components of reclassification adjustments out of accumulated other comprehensive income on the face of the income statement by income statement line item.

The Corporation adopted the provisions of these two guidance in the first quarter of 2012. The guidance impacts presentation disclosure only and did not have an impact on the Corporation's financial condition or results of operations.

FASB Accounting Standards Update 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities (ASU 2011-11)

The FASB issued ASU 2011-11 in December 2011. The amendments in this ASU require an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. To meet this objective, entities with financial instruments and derivatives that are either offset on the balance sheet or subject to a master netting arrangement or similar arrangement shall disclose the following quantitative information separately for assets and liabilities in tabular format: a) gross amounts of recognized assets and liabilities; b) amounts offset to determine the net amount presented in the balance sheet; c) net amounts presented in the balance sheet; d) amounts subject to an enforceable master netting agreement or similar arrangement not otherwise included in (b), including: amounts related to recognized financial instruments and other derivatives instruments if either management makes an accounting election not to offset or the amounts do not meet the guidance in ASC Section 210-20-45 or ASC Section 815-10-45, and also amounts related to financial collateral (including cash collateral); and e) the net amount after deducting the amounts in (d) from the amounts in (c).

In addition to these tabular disclosures, entities are required to provide a description of the setoff rights associated with assets and liabilities subject to an enforceable master netting arrangement.

An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented.

The provisions of this guidance impact presentation disclosure only and will not have an impact on the Corporation's financial condition or results of operations.

Table of Contents

FASB Accounting Standards Update 2011-10, Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (ASU 2011-10)

The FASB issued ASU 2011-10 in December 2011. The objective of this ASU is to resolve the diversity in practice about whether the guidance in ASC Subtopic 360-20, Property, Plant, and Equipment Real Estate Sales applies to a parent that ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt. ASU 2011-10 provides that when a parent (reporting entity) ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt, the reporting entity should apply the guidance in ASC Subtopic 360-20 to determine whether it should derecognize the in substance real estate. Generally, a reporting entity would not satisfy the requirements to derecognize the in substance real estate before the legal transfer of the real estate to the lender and the extinguishment of the related nonrecourse indebtedness. That is, even if the reporting entity ceases to have a controlling financial interest under ASC Subtopic 810-10, the reporting entity would continue to include the real estate, debt, and the results of the subsidiary's operations in its consolidated financial statements until legal title to the real estate is transferred to legally satisfy the debt.

ASU 2011-10 should be applied on a prospective basis to deconsolidation events occurring after the effective date; with prior periods not adjusted even if the reporting entity has continuing involvement with previously derecognized in substance real estate entities. For public entities, ASU 2011-10 is effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. Early adoption is permitted; however, the Corporation is not early adopting this ASU.

The adoption of this guidance is not expected to have a material effect on the Corporation's consolidated financial statements.

FASB Accounting Standards Update 2011-08, Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment (ASU 2011-08)

The FASB issued Accounting Standards Update (ASU) No. 2011-08 in September 2011. ASU 2011-08 is intended to simplify how entities test goodwill for impairment. ASU 2011-08 permits an entity the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in ASC Topic 350, *Intangibles-Goodwill and Other*. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. The previous guidance under ASC Topic 350 required an entity to test goodwill for impairment, on at least an annual basis, by comparing the fair value of a reporting unit with its carrying amount, including goodwill (step one). If the fair value of a reporting unit is less than its carrying amount, then the second step of the test must be performed to measure the amount of the impairment loss, if any. Under the amendments in this ASU, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount.

This ASU also removes the guidance that permitted the entities to carry forward the calculation of the fair value of the reporting unit from one year to the next if certain conditions are met. In addition, the new qualitative indicators replace those currently used to determine whether an interim goodwill impairment test is required. These indicators are also applicable for assessing whether to perform step two for reporting units with zero or negative carrying amounts.

ASU 2011-08 was effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption was permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period had not yet been issued. The Corporation did not elect to adopt early the provisions of this ASU.

The Corporation adopted this guidance on January 1, 2012. The provisions of this guidance simplify how entities test for goodwill impairment and it has not impacted the Corporation's consolidated financial statements as of June 30, 2012.

FASB Accounting Standards Update 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS (ASU 2011-04)

The FASB issued ASU 2011-04 in May 2011. The amendment of this ASU provides a consistent definition of fair value between U.S. GAAP and International Financial Reporting Standards (IFRS). The ASU modifies some fair value measurement principles and disclosure requirements including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity, measuring the fair value of financial instruments that are managed within a portfolio, application of premiums and discounts in a fair value measurement, disclosing quantitative information about unobservable inputs used in Level 3 fair value measurements, and other additional disclosures about fair value measurements.

Table of Contents

The new guidance was effective for interim or annual periods beginning on or after December 15, 2011. The guidance should be applied prospectively and early application was not permitted.

The Corporation adopted this guidance on the first quarter of 2012. It has not had a material impact on the Corporation's consolidated financial statements as of June 30, 2012. Refer to Notes 22 and 23 for additional fair value disclosures included for the quarter and six months ended June 30, 2012.

FASB Accounting Standards Update 2011-03, Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements (ASU 2011-03)

The FASB issued ASU 2011-03 in April 2011. The amendment of this ASU affects all entities that enter into agreements to transfer financial assets that both entitle and obligate the transferor to repurchase or redeem the financial assets before their maturity. The ASU modifies the criteria for determining when these transactions would be accounted for as financings (secured borrowings / lending agreements) as opposed to sales (purchases) with commitments to repurchase (resell). This ASU does not affect other transfers of financial assets. ASC Topic 860 prescribes when an entity may or may not recognize a sale upon the transfer of financial assets subject to repurchase agreements. That determination is based, in part, on whether the entity has maintained effective control over transferred financial assets.

Specifically, the amendments in this ASU remove from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the requirement to demonstrate that the transferor possesses adequate collateral to fund substantially all the cost of purchasing replacement financial assets.

The new guidance was effective for interim or annual periods beginning on or after December 15, 2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early application was not permitted.

The Corporation adopted this guidance on January 1, 2012. It has not had an impact on the Corporation's consolidated financial statements as of June 30, 2012.

Note 3 Restrictions on cash and due from banks and certain securities

The Corporation's banking subsidiaries, BPPR and BPNA, are required by federal and state regulatory agencies to maintain average reserve balances with the Federal Reserve Bank of New York (the Fed) or other banks. Those required average reserve balances amounted to \$888 million at June 30, 2012 (December 31, 2011 \$838 million). Cash and due from banks, as well as other short-term, highly liquid securities, are used to cover the required average reserve balances.

At June 30, 2012 and December 31, 2011, the Corporation held \$36 million in restricted assets in the form of cash and funds deposited in money market accounts.

Table of Contents**Note 4 Pledged assets**

Certain securities and loans were pledged to secure public and trust deposits, assets sold under agreements to repurchase, other borrowings and credit facilities available, derivative positions, and loan servicing agreements. The classification and carrying amount of the Corporation's pledged assets, in which the secured parties are not permitted to sell or repledge the collateral, were as follows:

(In thousands)	June 30, 2012	December 31, 2011
Investment securities available-for-sale, at fair value	\$ 2,006,552	\$ 1,894,651
Investment securities held-to-maturity, at amortized cost	25,000	25,000
Loans held-for-sale measured at lower of cost or fair value		5,286
Loans held-in-portfolio covered under loss sharing agreements with the FDIC	501,640	
Loans held-in-portfolio not covered under loss sharing agreements with the FDIC	8,643,391	8,571,268
Total pledged assets	\$ 11,176,583	\$ 10,496,205

Pledged securities and loans that the creditor has the right by custom or contract to repledge are presented separately on the consolidated statements of financial condition.

At June 30, 2012, the Corporation had \$1.5 billion in investment securities available-for-sale and \$0.3 billion in loans that served as collateral to secure public funds (December 31, 2011 \$1.4 billion and \$0.4 billion, respectively).

At June 30, 2012, the Corporation's banking subsidiaries had short-term and long-term credit facilities authorized with the Federal Home Loan Bank system (the FHLB) aggregating \$2.8 billion (December 31, 2011 \$2.0 billion). Refer to Note 14 to the consolidated financial statements for borrowings outstanding under these credit facilities. At June 30, 2012, the credit facilities authorized with the FHLB were collateralized by \$4.1 billion in loans held-in-portfolio (December 31, 2011 \$3.2 billion). Also, the Corporation's banking subsidiaries had a borrowing capacity at the Federal Reserve (Fed) discount window of \$4.4 billion (December 31, 2011 \$2.6 billion), which remained unused as of such date. The amount available under these credit facilities with the Fed is dependent upon the balance of loans and securities pledged as collateral. At June 30, 2012, the credit facilities with the Fed discount window were collateralized by \$4.8 billion in loans held-in-portfolio (December 31, 2011 \$4.0 billion). These pledged assets are included in the above table and were not reclassified and separately reported in the consolidated statements of financial condition.

In addition, at June 30, 2012 trades receivables from brokers and counterparties amounting to \$73 million were pledged to secure repurchase agreements (December 31, 2011 \$68 million).

Table of Contents**Note 5 Investment securities available-for-sale**

The following tables present the amortized cost, gross unrealized gains and losses, approximate fair value, weighted average yield and contractual maturities of investment securities available-for-sale.

(In thousands)	Amortized cost	At June 30, 2012		Fair value	Weighted average yield
		Gross unrealized gains	Gross unrealized losses		
U.S. Treasury securities					
Within 1 year	\$ 7,014	\$ 64	\$	\$ 7,078	1.50%
After 1 to 5 years	27,609	3,241		30,850	3.82
Total U.S. Treasury securities	34,623	3,305		37,928	3.35
Obligations of U.S. Government sponsored entities					
Within 1 year	539,045	16,168		555,213	3.84
After 1 to 5 years	190,538	2,646	7	193,177	1.81
After 5 to 10 years	280,596	3,206	166	283,636	1.98
After 10 years	7,083	289		7,372	5.41
Total obligations of U.S. Government sponsored entities	1,017,262	22,309	173	1,039,398	2.96
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	5,000	54		5,054	2.99
After 1 to 5 years	6,592	199	34	6,757	4.67
After 10 years	37,290	808		38,098	5.38
Total obligations of Puerto Rico, States and political subdivisions	48,882	1,061	34	49,909	5.04
Collateralized mortgage obligations federal agencies					
After 1 to 5 years	6,130	62		6,192	1.52
After 5 to 10 years	37,137	1,580		38,717	2.85
After 10 years	1,909,363	47,628	318	1,956,673	2.53
Total collateralized mortgage obligations federal agencies	1,952,630	49,270	318	2,001,582	2.53
Collateralized mortgage obligations private label					
After 5 to 10 years	41	2		43	4.95
After 10 years	42,722	43	2,474	40,291	2.70
Total collateralized mortgage obligations private label	42,763	45	2,474	40,334	2.70
Mortgage-backed securities					
Within 1 year	689	26		715	3.79
After 1 to 5 years	4,880	228		5,108	3.93
After 5 to 10 years	95,331	7,272		102,603	4.68
After 10 years	1,645,570	121,764	34	1,767,300	4.24
Total mortgage-backed securities	1,746,470	129,290	34	1,875,726	4.26
Equity securities (without contractual maturity)	6,595	565	138	7,022	3.05

Edgar Filing: POPULAR INC - Form 10-Q

Other					
After 5 to 10 years	18,025	1,838		19,863	10.99
After 10 years	4,907	128		5,035	3.62
Total other	22,932	1,966		24,898	9.41
Total investment securities available-for-sale	\$ 4,872,157	\$ 207,811	\$ 3,171	\$ 5,076,797	3.31%

Table of Contents

(In thousands)	At December 31, 2011				Weighted average yield
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	
U.S. Treasury securities					
After 1 to 5 years	\$ 34,980	\$ 3,688	\$	\$ 38,668	3.35%
Total U.S. Treasury securities	34,980	3,688		38,668	3.35
Obligations of U.S. Government sponsored entities					
Within 1 year	94,492	2,382		96,874	3.45
After 1 to 5 years	655,625	25,860		681,485	3.38
After 5 to 10 years	171,633	2,969		174,602	2.94
After 10 years	32,086	499		32,585	3.20
Total obligations of U.S. Government sponsored entities	953,836	31,710		985,546	3.30
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	765	9		774	4.97
After 1 to 5 years	14,824	283	31	15,076	4.07
After 5 to 10 years	4,595	54		4,649	5.33
After 10 years	37,320	909		38,229	5.38
Total obligations of Puerto Rico, States and political subdivisions	57,504	1,255	31	58,728	5.03
Collateralized mortgage obligations federal agencies					
After 1 to 5 years	2,424	49		2,473	3.28
After 5 to 10 years	55,096	1,446		56,542	2.64
After 10 years	1,589,373	49,462	208	1,638,627	2.84
Total collateralized mortgage obligations federal agencies	1,646,893	50,957	208	1,697,642	2.83
Collateralized mortgage obligations private label					
After 5 to 10 years	5,653	1	181	5,473	0.81
After 10 years	59,460		7,141	52,319	2.44
Total collateralized mortgage obligations private label	65,113	1	7,322	57,792	2.30
Mortgage-backed securities					
Within 1 year	57	1		58	3.91
After 1 to 5 years	7,564	328		7,892	3.86
After 5 to 10 years	111,639	8,020	1	119,658	4.66
After 10 years	1,870,736	141,274	49	2,011,961	4.25
Total mortgage-backed securities	1,989,996	149,623	50	2,139,569	4.27
Equity securities (without contractual maturity)	6,594	426	104	6,916	2.96
Other					
After 5 to 10 years	17,850	700		18,550	10.99
After 10 years	6,311	101		6,412	3.61
Total other	24,161	801		24,962	9.06
Total investment securities available-for-sale	\$ 4,779,077	\$ 238,461	\$ 7,715	\$ 5,009,823	3.58%

Edgar Filing: POPULAR INC - Form 10-Q

The weighted average yield on investment securities available-for-sale is based on amortized cost; therefore, it does not give effect to changes in fair value.

Securities not due on a single contractual maturity date, such as mortgage-backed securities and collateralized mortgage obligations, are classified in the period of final contractual maturity. The expected maturities of collateralized mortgage obligations, mortgage-backed securities and certain other securities may differ from their contractual maturities because they may be subject to prepayments or may be called by the issuer.

Table of Contents

There were no proceeds from the sale of investment securities available-for-sale for the six months ended June 30, 2012 since the transactions traded in June 2012, but settled in July 2012 (June 30, 2011 \$19.1 million). Proceeds received in July 2012 related to these sale transactions amounted to \$8.0 million. Gross realized gains and losses on the sale of investment securities available-for-sale were as follows:

(In thousands)	For the quarter ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Gross realized gains	\$	\$ 6	\$	\$ 6
Gross realized losses	(349)	(96)	(349)	(96)
Net realized gains (losses) on sale of investment securities available-for-sale	\$ (349)	\$ (90)	\$ (349)	\$ (90)

The following tables present the Corporation's fair value and gross unrealized losses of investment securities available-for-sale, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

(In thousands)	Less than 12 months		At June 30, 2012 12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of U.S. Government sponsored entities	\$ 31,912	\$ 173	\$	\$	\$ 31,912	\$ 173
Obligations of Puerto Rico, States and political subdivisions	2,798	34			2,798	34
Collateralized mortgage obligations federal agencies	88,198	314	2,762	4	90,960	318
Collateralized mortgage obligations private label			35,826	2,474	35,826	2,474
Mortgage-backed securities	205	4	801	30	1,006	34
Equity securities	5,164	130	3	8	5,167	138
Total investment securities available-for-sale in an unrealized loss position	\$ 128,277	\$ 655	\$ 39,392	\$ 2,516	\$ 167,669	\$ 3,171

(In thousands)	Less than 12 months		At December 31, 2011 12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of Puerto Rico, States and political subdivisions	\$ 7,817	\$ 28	\$ 191	\$ 3	\$ 8,008	\$ 31
Collateralized mortgage obligations federal agencies	90,543	208			90,543	208
Collateralized mortgage obligations private label	13,595	539	44,148	6,783	57,743	7,322
Mortgage-backed securities	5,577	14	1,466	36	7,043	50
Equity securities	5,199	95	2	9	5,201	104
Total investment securities available-for-sale in an unrealized loss position	\$ 122,731	\$ 884	\$ 45,807	\$ 6,831	\$ 168,538	\$ 7,715

Management evaluates investment securities for other-than-temporary (OTTI) declines in fair value on a quarterly basis. Once a decline in value is determined to be other-than-temporary, the value of a debt security is reduced and a corresponding charge to earnings is recognized for anticipated credit losses. Also, for equity securities that are considered other-than-temporarily impaired, the excess of the security's carrying value over its fair value at the evaluation date is accounted for as a loss in the results of operations. The OTTI analysis requires management to consider various factors, which include, but are not limited to: (1) the length of time and the extent to which fair value has been less than the amortized cost basis, (2) the financial condition of the issuer or

Table of Contents

issuers, (3) actual collateral attributes, (4) the payment structure of the debt security and the likelihood of the issuer being able to make payments, (5) any rating changes by a rating agency, (6) adverse conditions specifically related to the security, industry, or a geographic area, and (7) management's intent to sell the debt security or whether it is more likely than not that the Corporation would be required to sell the debt security before a forecasted recovery occurs.

At June 30, 2012, management performed its quarterly analysis of all debt securities in an unrealized loss position. Based on the analyses performed, management concluded that no individual debt security was other-than-temporarily impaired as of such date. At June 30, 2012, the Corporation did not have the intent to sell debt securities in an unrealized loss position and it is not more likely than not that the Corporation will have to sell the investment securities prior to recovery of their amortized cost basis. Also, management evaluated the Corporation's portfolio of equity securities at June 30, 2012. No other-than-temporary impairment losses on equity securities were recorded during the quarters and six months ended June 30, 2012 and 2011. Management has the intent and ability to hold the investments in equity securities that are at a loss position at June 30, 2012, for a reasonable period of time for a forecasted recovery of fair value up to (or beyond) the cost of these investments.

The unrealized losses associated with Collateralized mortgage obligations private label (private-label CMO) are primarily related to securities backed by residential mortgages. In addition to verifying the credit ratings for the private-label CMOs, management analyzed the underlying mortgage loan collateral for these bonds. Various statistics or metrics were reviewed for each private-label CMO, including among others, the weighted average loan-to-value, FICO score, and delinquency and foreclosure rates of the underlying assets in the securities. At June 30, 2012, there were no sub-prime securities in the Corporation's private-label CMOs portfolios. For private-label CMOs with unrealized losses at June 30, 2012, credit impairment was assessed using a cash flow model that estimates the cash flows on the underlying mortgages, using the security-specific collateral and transaction structure. The model estimates cash flows from the underlying mortgage loans and distributes those cash flows to various tranches of securities, considering the transaction structure and any subordination and credit enhancements that exist in that structure. The cash flow model incorporates actual cash flows through the current period and then projects the expected cash flows using a number of assumptions, including default rates, loss severity and prepayment rates. Management's assessment also considered tests using more stressful parameters. Based on the assessments, management concluded that the tranches of the private-label CMOs held by the Corporation were not other-than-temporarily impaired at June 30, 2012, thus management expects to recover the amortized cost basis of the securities.

The following table states the name of issuers, and the aggregate amortized cost and fair value of the securities of such issuer (includes available-for-sale and held-to-maturity securities), in which the aggregate amortized cost of such securities exceeds 10% of stockholders' equity. This information excludes securities backed by the full faith and credit of the U.S. Government. Investments in obligations issued by a state of the U.S. and its political subdivisions and agencies, which are payable and secured by the same source of revenue or taxing authority, other than the U.S. Government, are considered securities of a single issuer.

(In thousands)	June 30, 2012		December 31, 2011	
	Amortized cost	Fair value	Amortized cost	Fair value
FNMA	\$ 1,234,776	\$ 1,273,616	\$ 1,049,315	\$ 1,089,069
FHLB	538,854	555,078	553,940	578,617
Freddie Mac	1,123,166	1,147,089	984,270	1,010,669

Table of Contents**Note 6 Investment securities held-to-maturity**

The following tables present the amortized cost, gross unrealized gains and losses, approximate fair value, weighted average yield and contractual maturities of investment securities held-to-maturity.

(In thousands)	Amortized cost	At June 30, 2012		Fair value	Weighted average yield
		Gross unrealized gains	Gross unrealized losses		
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	\$ 7,375	\$ 18	\$	\$ 7,393	2.31%
After 1 to 5 years	11,649	579		12,228	5.83
After 5 to 10 years	19,301	960	13	20,248	6.00
After 10 years	59,674	704	405	59,973	4.00
Total obligations of Puerto Rico, States and political subdivisions	97,999	2,261	418	99,842	4.48
Collateralized mortgage obligations federal agencies					
After 10 years	147	5		152	5.45
Total collateralized mortgage obligations federal agencies	147	5		152	5.45
Other					
After 1 to 5 years	26,500	29		26,529	3.38
Total other	26,500	29		26,529	3.38
Total investment securities held-to-maturity	\$ 124,646	\$ 2,295	\$ 418	\$ 126,523	4.25%

(In thousands)	Amortized cost	At December 31, 2011		Fair value	Weighted average yield
		Gross unrealized gains	Gross unrealized losses		
Obligations of Puerto Rico, States and political subdivisions					
Within 1 year	\$ 7,275	\$ 6	\$	\$ 7,281	2.24%
After 1 to 5 years	11,174	430		11,604	5.80
After 5 to 10 years	18,512	266	90	18,688	5.99
After 10 years	62,012	40	855	61,197	4.11
Total obligations of Puerto Rico, States and political subdivisions	98,973	742	945	98,770	4.51
Collateralized mortgage obligations private label					
After 10 years	160		9	151	5.45
Total collateralized mortgage obligations private label	160		9	151	5.45
Other					
After 1 to 5 years	26,250	83		26,333	3.41
Total other	26,250	83		26,333	3.41

Edgar Filing: POPULAR INC - Form 10-Q

Total investment securities held-to-maturity	\$ 125,383	\$ 825	\$ 954	\$ 125,254	4.28%
--	------------	--------	--------	------------	-------

Securities not due on a single contractual maturity date, such as collateralized mortgage obligations, are classified in the period of final contractual maturity. The expected maturities of collateralized mortgage obligations and certain other securities may differ from their contractual maturities because they may be subject to prepayments or may be called by the issuer.

The following tables present the Corporation's fair value and gross unrealized losses of investment securities held-to-maturity, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2012 and December 31, 2011.

(In thousands)	Less than 12 months		At June 30, 2012 12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of Puerto Rico, States and political subdivisions	\$ 91	\$ 1	\$ 22,147	\$ 417	\$ 22,238	\$ 418
Total investment securities held-to-maturity in an unrealized loss position	\$ 91	\$ 1	\$ 22,147	\$ 417	\$ 22,238	\$ 418

Table of Contents

(In thousands)	Less than 12 months		At December 31, 2011 12 months or more		Total	
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Obligations of Puerto Rico, States and political subdivisions	\$ 10,323	\$ 92	\$ 31,062	\$ 853	\$ 41,385	\$ 945
Collateralized mortgage obligations private label			151	9	151	9
Total investment securities held-to-maturity in an unrealized loss position	\$ 10,323	\$ 92	\$ 31,213	\$ 862	\$ 41,536	\$ 954

As indicated in Note 5 to these consolidated financial statements, management evaluates investment securities for OTTI declines in fair value on a quarterly basis.

The Obligations of Puerto Rico, States and political subdivisions classified as held-to-maturity at June 30, 2012 are primarily associated with securities issued by municipalities of Puerto Rico and are generally not rated by a credit rating agency. The Corporation performs periodic credit quality reviews on these issuers. The decline in fair value at June 30, 2012 was attributable to changes in interest rates and not credit quality, thus no other-than-temporary decline in value was necessary to be recorded in these held-to-maturity securities at June 30, 2012. At June 30, 2012, the Corporation does not have the intent to sell securities held-to-maturity and it is not more likely than not that the Corporation will have to sell these investment securities prior to recovery of their amortized cost basis.

Note 7 Loans

Covered loans acquired in the Westernbank FDIC-assisted transaction, except for lines of credit with revolving privileges, are accounted for by the Corporation in accordance with ASC Subtopic 310-30. Under ASC Subtopic 310-30, the acquired loans were aggregated into pools based on similar characteristics. Each loan pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. The covered loans which are accounted for under ASC Subtopic 310-30 by the Corporation are not considered non-performing and will continue to have an accretable yield as long as there is a reasonable expectation about the timing and amount of cash flows expected to be collected. The Corporation measures additional losses for this portfolio when it is probable the Corporation will be unable to collect all cash flows expected at acquisition plus additional cash flows expected to be collected arising from changes in estimates after acquisition. Lines of credit with revolving privileges that were acquired as part of the Westernbank FDIC-assisted transaction are accounted for under the guidance of ASC Subtopic 310-20, which requires that any differences between the contractually required loan payment receivable in excess of the Corporation's initial investment in the loans be accreted into interest income. Loans accounted for under ASC Subtopic 310-20 are placed in non-accrual status when past due in accordance with the Corporation's non-accruing policy and any accretion of discount is discontinued.

The risks on loans acquired in the FDIC-assisted transaction are significantly different from the risks on loans not covered under the FDIC loss sharing agreements because of the loss protection provided by the FDIC. Accordingly, the Corporation presents loans subject to the loss sharing agreements as covered loans in the information below and loans that are not subject to the FDIC loss sharing agreements as non-covered loans.

For a summary of the accounting policy related to loans, interest recognition and allowance for loan losses refer to the summary of significant accounting policies included in Note 2 to the consolidated financial statements included in the 2011 Annual Report. Also, refer to Note 8 for a description of enhancements to the Corporation's methodology for determining the allowance for loan losses which were effective on March 31, 2012.

Table of Contents

The following table presents the composition of non-covered loans held-in-portfolio (HIP), net of unearned income, at June 30, 2012 and December 31, 2011.

(In thousands)	Non-covered loans HIP at June 30, 2012	Non-covered loans HIP at December 31, 2011
Commercial multi-family	\$ 871,924	\$ 808,933
Commercial real estate non-owner occupied	2,625,014	2,665,499
Commercial real estate owner occupied	2,636,039	2,817,266
Commercial and industrial	3,469,838	3,681,629
Construction	249,743	239,939
Mortgage	5,899,973	5,518,460
Leasing	537,917	548,706
Legacy ^[2]	509,829	648,409
Consumer:		
Credit cards	1,209,868	1,230,029
Home equity lines of credit	525,093	557,894
Personal	1,352,993	1,130,593
Auto	539,899	518,476
Other	237,679	236,763
Total loans held-in-portfolio^[1]	\$ 20,665,809	\$ 20,602,596

[1] Non-covered loans held-in-portfolio at June 30, 2012 are net of \$98 million in unearned income and exclude \$365 million in loans held-for-sale. (December 31, 2011 \$101 million in unearned income and \$363 million in loans held-for-sale.)

[2] The legacy portfolio is comprised of commercial loans, construction loans and lease financings related to certain lending products exited by the Corporation as part of restructuring efforts carried out in prior years at the BPNA reportable segment.

The following table presents the composition of covered loans at June 30, 2012 and December 31, 2011.

(In thousands)	Covered loans at June 30, 2012	Covered loans at December 31, 2011
Commercial real estate	\$ 2,145,055	\$ 2,271,295
Commercial and industrial	186,121	241,447
Construction	469,765	546,826
Mortgage	1,116,476	1,172,954
Consumer	98,913	116,181
Total loans held-in-portfolio	\$ 4,016,330	\$ 4,348,703

The following table provides a breakdown of loans held-for-sale (LHFS) at June 30, 2012 and December 31, 2011 by main categories.

(In thousands)	Non-covered loans	
	June 30, 2012	December 31, 2011

Edgar Filing: POPULAR INC - Form 10-Q

Commercial	\$ 18,072	\$ 25,730
Construction	160,102	236,045
Legacy	425	468
Mortgage	185,938	100,850
Total	\$ 364,537	\$ 363,093

During the quarter and six months ended June 30, 2012, the Corporation recorded purchases of mortgage loans amounting to \$336 million and \$551 million, respectively (June 30, 2011 \$479 million and \$918 million, respectively). Also, the Corporation recorded purchases of \$230 in consumer loans during the quarter and six months ended June 30, 2012. In addition, during the six months ended June 30, 2012, the Corporation recorded purchases of construction loans amounting to \$1 million. There were no purchases of construction loans during the second quarter of 2012 and six months ended June 30, 2011. There were no purchases of commercial loans during the quarters and six months ended June 30, 2012 and 2011.

Table of Contents

The Corporation performed whole-loan sales involving approximately \$80 million and \$130 million of residential mortgage loans during the quarter and six months ended June 30, 2012, respectively (June 30, 2011- \$67 million and \$302 million, respectively). Also, the Corporation securitized approximately \$205 million and \$395 million of mortgage loans into Government National Mortgage Association (GNMA) mortgage-backed securities during the quarter and six months ended June 30, 2012, respectively (June 30, 2011- \$217 million and \$473 million, respectively). Furthermore, the Corporation securitized approximately \$71 million and \$131 million of mortgage loans into Federal National Mortgage Association (FNMA) mortgage-backed securities during the quarter and six months ended June 30, 2012, respectively (June 30, 2011- \$48 million and \$121 million, respectively). The Corporation sold commercial and construction loans with a book value of approximately \$19 million and \$39 million during the quarter and six months ended June 30, 2012, respectively (June 30, 2011- \$12 million and \$14 million, respectively).

Non-covered loans

The following tables present non-covered loans held-in-portfolio by loan class that are in non-performing status or are accruing interest but are past due 90 days or more at June 30, 2012 and December 31, 2011. Accruing loans past due 90 days or more consist primarily of credit cards, FHA / VA and other insured mortgage loans, and delinquent mortgage loans which are included in the Corporation's financial statements pursuant to GNMA's buy-back option program. Servicers of loans underlying GNMA mortgage-backed securities must report as their own assets the defaulted loans that they have the option (but not the obligation) to repurchase, even when they elect not to exercise that option. Also, accruing loans past due 90 days or more include residential conventional loans purchased from another financial institution that, although delinquent, the Corporation has received timely payment from the seller / servicer, and, in some instances, have partial guarantees under recourse agreements. However, residential conventional loans purchased from another financial institution, which are in the process of foreclosure, are classified as non-performing mortgage loans.

(In thousands)	At June 30, 2012					
	Puerto Rico		U.S. mainland		Popular, Inc.	
	Non-covered loans		Non-covered loans		Non-covered loans	
	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more
Commercial multi-family	\$ 14,268	\$	\$ 22,488	\$	\$ 36,756	\$
Commercial real estate non-owner occupied	62,163		90,958		153,121	
Commercial real estate owner occupied	358,498		40,270		398,768	
Commercial and industrial	156,863	585	22,431		179,294	585
Construction	55,534		12,004		67,538	
Mortgage	600,082	296,264	32,818		632,900	296,264
Leasing	5,045				5,045	
Legacy			54,730		54,730	
Consumer:						
Credit cards		22,889	401		401	22,889
Home equity lines of credit		230	8,693		8,693	230
Personal	15,989		1,671		17,660	
Auto	6,055		44		6,099	
Other	1,796	520	15		1,811	520
Total^[1]	\$ 1,276,293	\$ 320,488	\$ 286,523	\$	\$ 1,562,816	\$ 320,488

[1] For purposes of this table non-performing loans exclude \$179 million in non-performing loans held-for-sale.

Table of Contents

(In thousands)	At December 31, 2011					
	Puerto Rico		U.S. mainland		Popular, Inc.	
	Non-covered loans		Non-covered loans		Non-covered loans	
	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more	Non-accrual loans	Accruing loans past-due 90 days or more
Commercial multi-family	\$ 15,396	\$	\$ 13,935	\$	\$ 29,331	\$
Commercial real estate non-owner occupied	51,013		80,820		131,833	
Commercial real estate owner occupied	385,303		59,726		445,029	
Commercial and industrial	179,459	675	44,440		223,899	675
Construction	53,859		42,427		96,286	
Mortgage	649,279	280,912	37,223		686,502	280,912
Leasing	5,642				5,642	
Legacy			75,660		75,660	
Consumer:						
Credit cards		25,748	735		735	25,748
Home equity lines of credit		157	10,065		10,065	157
Personal	19,317		1,516		20,833	
Auto	6,830		34		6,864	
Other	5,144	468	27		5,171	468
Total^[1]	\$ 1,371,242	\$ 307,960	\$ 366,608	\$	\$ 1,737,850	\$ 307,960

[1] For purposes of this table non-performing loans exclude \$262 million in non-performing loans held-for-sale.

The following tables present loans by past due status at June 30, 2012 and December 31, 2011 for non-covered loans held-in-portfolio (net of unearned income).

(In thousands)	June 30, 2012					
	Puerto Rico					Non covered loans HIP Puerto Rico
	Non-covered loans					
	Past due				Current	
	30-59 days	60-89 days	90 days or more	Total past due		
Commercial multi-family	\$ 5,850	\$	\$ 14,268	\$ 20,118	\$ 96,126	\$ 116,244
Commercial real estate non-owner occupied	3,983	717	62,163	66,863	1,212,645	1,279,508
Commercial real estate owner occupied	24,007	16,654	358,498	399,159	1,677,317	2,076,476
Commercial and industrial	35,694	23,465	157,448	216,607	2,474,445	2,691,052
Construction	73	2,495	55,534	58,102	143,662	201,764
Mortgage	233,466	108,754	896,346	1,238,566	3,575,655	4,814,221
Leasing	6,864	1,520	5,045	13,429	524,488	537,917
Consumer:						
Credit cards	13,961	10,354	22,889	47,204	1,148,930	1,196,134
Home equity lines of credit	54	169	230	453	18,128	18,581
Personal	13,624	9,303	15,989	38,916	1,170,516	1,209,432
Auto	21,896	6,422	6,055	34,373	504,282	538,655
Other	1,391	466	2,316	4,173	232,074	236,247
Total	\$ 360,863	\$ 180,319	\$ 1,596,781	\$ 2,137,963	\$ 12,778,268	\$ 14,916,231

Table of Contents

(In thousands)	June 30, 2012						Loans HIP U.S. mainland
	U.S. mainland						
	Past due						
	30-59 days	60-89 days	90 days or more	Total past due	Current		
Commercial multi-family	\$ 1,102	\$ 1,092	\$ 22,488	\$ 24,682	\$ 730,998		\$ 755,680
Commercial real estate non-owner occupied	19,316	994	90,958	111,268	1,234,238		1,345,506
Commercial real estate owner occupied	3,520	540	40,270	44,330	515,233		559,563
Commercial and industrial	9,313	1,906	22,431	33,650	745,136		778,786
Construction			12,004	12,004	35,975		47,979
Mortgage	15,572	11,208	32,818	59,598	1,026,154		1,085,752
Legacy	6,679	5,040	54,730	66,449	443,380		509,829
Consumer:							
Credit cards	295	143	401	839	12,895		13,734
Home equity lines of credit							⁷ Pub. Energy Auth. RB, Ser. A, 3.65%, 11/01/06, FRDD N/A 9,900,000
	4,780	2,659	8,693	16,132	490,380	A-1+	9,900
Massachusetts 1.4%							
A-1+	9,400 ⁷						9,400,000
Pennsylvania 2.2%							
A-1+	15,000 ⁷						15,000,000
Texas 0.0%							
A-1+	50 ⁷						50,000

See Notes to Financial Statements.

BlackRock Municipal Income Trust (BFK) (continued)

Shares (000)	Description	Value
	Money Market Fund 2.1%	
14,450	AIM Tax Free Cash Reserve Portfolio Institutional Class	\$ 14,450,000
	Total Short-Term Investments (cost \$48,800,000)	48,800,000
	Total Investments 156.3% (cost \$980,229,509)	\$ 1,053,280,159
	Liabilities in excess of other assets (0.6)%	(3,930,069)
	Preferred shares at redemption value, including dividends payable (55.7)%	(375,270,501)
	Net Assets Applicable to Common Shareholders 100%	\$ 674,079,589

¹ Using the highest of S&P ratings, Moody ratings or Fitch ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁴ Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2006, the Trust held 7.6% of its net assets, with a current market value of \$51,143,397, in securities restricted as to resale.

⁵ Issuer is in default and/or bankruptcy.

⁶ Illiquid security. As of October 31, 2006, the Trust held 0.8% of its net assets, with a current market value of \$5,699,415, in these securities.

⁷ For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006.

⁸ Cost for federal income tax purposes is \$980,139,735. The net unrealized appreciation on a tax basis is \$73,140,424, consisting of \$78,332,533 gross unrealized appreciation and \$5,192,109 gross unrealized depreciation.

KEY TO ABBREVIATIONS

ACA	American Capital Access	MBIA	Municipal Bond Insurance Assoc.
AMBAC	American Municipal Bond Assurance Corp.	PCRB	Pollution Control Revenue Bond
AMT	Subject to Alternative Minimum Tax	RB	Revenue Bond
FGIC	Financial Guaranty Insurance Co.	SA	Special Assessment
FRDD	Floating Rate Daily Demand	ST	Special Tax
FRWD	Floating Rate Weekly Demand	TA	Tax Allocation
FSA	Financial Security Assurance	XLCA	XL Capital Assurance
GO	General Obligation		

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock Long-Term Municipal Advantage Trust (BTA)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 187.8%				
California 29.8%				
NR ³	\$ 7,000	Irvine Unified Sch. Dist. Fin. Grp. II ST, Ser. A, 5.125%, 9/01/36	03/07 @ 103	\$ 7,110,320
AAA	15,000 ⁴	Golden St. Tobacco Sec. Corp. Tobacco Settlement RB, 5.00%, 6/01/45, AMBAC	06/15 @ 100	15,708,000
BBB	72,945	Stanislaus Cnty. Tobacco Sec. Cap. Apprec. RB, Ser. A, Zero Coupon, 6/01/46	06/16 @ 18.256	7,854,718
BBB+	7,250	Statewide Cmnty. RB, Daughters of Charity Proj., Ser. A, 5.00%, 7/01/39	07/15 @ 100	7,439,225
BBB	60,000	Statewide Fin. Auth. Tobacco Settlement Cap. Apprec. RB, Turbo Pooled Proj., Ser. A, Zero Coupon, 6/01/46	06/16 @ 15.782	5,585,400
AAA	15,000 ⁴	Univ. of California RB, 4.75%, 5/15/38, MBIA	05/13 @ 101	15,372,150
				59,069,813
District of Columbia 13.0%				
Tobacco Settlement Fin. Corp. Asset Bkd. RB,				
BBB	6,880	6.25%, 5/15/24	05/11 @ 101	7,416,571
BBB	15,415	6.50%, 5/15/33	No Opt. Call	18,419,846
				25,836,417
Florida 1.0%				
NR	1,150	Baywinds Cmnty. Dev. Dist. SA, Ser. A, 5.25%, 5/01/37	05/16 @ 100	1,152,553
AAA	865	JEA RB, Wtr. & Swr. Sys. Proj., Ser. A, 4.75%, 10/01/36, MBIA	04/11 @ 100	879,151
				2,031,704
Georgia 16.4%				
AAA	15,000 ⁴	Atlanta Arpt. Passenger Fac. Charge RB, 5.00%, 1/01/33, FSA	07/14 @ 100	15,708,600
AAA	15,000 ⁴	Atlanta Wtr. & Wstwr. RB, 5.00%, 11/01/43, FSA	11/14 @ 100	15,735,450
BBB	1,000	Cobb Cnty. Dev. Auth. RB, Wst. Mgt., Inc. Proj., Ser. A, 5.00%, 4/01/33, AMT	04/16 @ 101	1,013,870
				32,457,920
Idaho 2.7%				
Madison Cnty. Hosp. COP,				
BBB-	2,145	5.25%, 9/01/26	09/16 @ 100	2,258,835
BBB-	1,000	5.25%, 9/01/30	09/16 @ 100	1,049,270
BBB-	2,000	5.25%, 9/01/37	09/16 @ 100	2,084,560
				5,392,665
Illinois 17.8%				

Edgar Filing: POPULAR INC - Form 10-Q

AAA	15,000 ⁴	Chicago O Hare Intl. Arprt. RB, 5.00%, 1/01/33, FCIC Fin. Auth. RB,	01/16 @ 100	15,822,600
A-	14,890	Illinois Inst. of Technology Proj., Ser. A, 5.00%, 4/01/36	04/16 @ 100	15,398,047
BBB-	4,000	Proctor Hosp. Proj., 5.125%, 1/01/25	01/16 @ 100	4,110,160
				35,330,807
Indiana 9.8%				
Carmel Ind. Redev. Auth. Lease Rent RB, Performing Arts Center Proj.				
AA	7,230 ⁴	4.75%, 2/01/33	02/16 @ 100	7,370,551
AA	6,580 ⁴	5.00%, 2/01/33	02/16 @ 100	6,892,221
Baa2	5,000	Delaware Cnty. Hosp. Auth. RB, Ball Memorial Hosp., Inc. Proj., 5.25%, 8/01/36	08/16 @ 100	5,220,700
				19,483,472
Montana 2.0%				
RB, Two Rivers Auth., Inc Proj.,				
NR	1,500	7.25%, 11/01/21	11/11 @ 107	1,487,985
NR	2,600	7.375%, 11/01/27	11/11 @ 107	2,569,424
				4,057,409
Nebraska 7.8%				
AAA	15,000 ⁴	Omaha Pub. Pwr. Dist. Elec. Sys. RB, 4.75%, 2/01/36, FGIC	02/16 @ 100	15,429,000
Nevada 5.7%				
NR	6,600	Henderson Local Impvt. Dists. No. T-18 SA, 5.30%, 9/01/35	03/07 @ 103	6,733,122
AAA	4,325	Truckee Meadows Wtr. Auth. RB, 4.875%, 7/01/34, XLCA	07/16 @ 100	4,464,438
				11,197,560
New Hampshire 2.6%				
BBB	5,000	Business Fin. Auth. RB, Wst. Mgmt., Inc. Proj., 5.20%, 5/01/27, AMT	05/16 @ 101	5,116,550
New Jersey 3.9%				
BBB	7,335	Tobacco Settlement Fin. Corp. Asset Bkd. RB, 5.75%, 6/01/32	06/12 @ 100	7,790,357

See Notes to Financial Statements.

BlackRock Long-Term Municipal Advantage Trust (BTA) (continued)

Rating¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions² (unaudited)	Value
New Mexico 7.8%				
BBB	\$ 15,000	Farmington PCRB, Public Service Co. Proj., Ser. B, 4.875%, 4/01/33	04/16 @ 101	\$ 15,375,300
New York 23.7%				
AA-	15,000 ⁴	Liberty Dev. Corp. RB, Goldman Sachs Headquarters Proj. 5.25%, 10/01/35	No Opt. Call	17,427,450
BBB	5,000	Nassau Cnty. Tobacco Settlement Corp. Asset Bkd. RB, Ser. A2, Zero Coupon, 6/01/26	06/16 @ 100	4,529,200
B	7,600	New York City Indl. Dev. Agcy. RB, American Airlines/JFK Intl. Arpt. Proj., 7.625%, 8/01/25, AMT	08/16 @ 101	9,154,428
AA+	15,000 ⁴	New York City Mun. Wtr. Fin. Auth. Wtr. & Swr. Sys. RB, Ser. D, 5.00%, 6/15/39	06/15 @ 100	15,783,300
				46,894,378
North Carolina 15.0%				
AA	13,495 ⁴	Charlotte-Mecklenburg Hosp. Auth. Hlth. Care System RB, Carolina Hlth. Care Sys. Proj., 5.00%, 1/15/45	01/15 @ 100	14,049,644
AA+	15,170 ⁴	Univ. of North Carolina RB, 4.75%, 12/01/34	12/15 @ 100	15,689,876
				29,739,520
Puerto Rico 3.6%				
BBB-	6,825	Indl. Tourist Edl. RB, Ana G. Mendez Univ. Sys. Proj., 5.00%, 3/01/36	03/16 @ 100	7,161,950
Texas 21.2%				
BBB	10,000	Alliance Arpt. Auth. Inc. Spl. Fac. RB, FedEx Corp. Proj., 4.85%, 4/01/21, AMT	04/16 @ 100	10,145,400
Baa2	10,000	Brazos River Auth. PCRB, TXU Energy Co. LLC Proj., 5.00%, 3/01/41, AMT	03/11 @ 100	10,036,800
AAA	7,000	Dallas-Fort Worth Intl. Arpt. Facs. Impvt. Corp. RB, Ser. A, 5.00%, 11/01/35, FSA, AMT	11/08 @ 100	7,066,220
AAA	34,560	Leander Indpt. Sch. Dist. GO, Zero Coupon, 8/15/42, PSF	08/14 @ 21.126	5,039,885
AAA	9,150 ⁴	New Caney Indpt. Sch. Dist. Sch. Bldg. GO, 5.00%, 2/15/35, PSF	02/15 @ 100	9,650,048
				41,938,353
Virginia 3.2%				
NR	3,250	Peninsula Ports Auth. RB, Baptist Homes Proj., Ser. C, 5.375%, 12/01/26	12/16 @ 100	3,347,793
NR	3,000	Ser. C, 5.40%, 12/01/33	12/16 @ 100	3,077,250
				6,425,043
Washington 0.8%				
AAA	1,500	Hlth. Care Facs. Auth. RB, Providence Hlth. Care Svcs. Proj., 4.50%, 10/01/35, FGIC	10/16 @ 100	1,497,540

Edgar Filing: POPULAR INC - Form 10-Q

		Total Long-Term Investments (cost \$363,727,386)		372,225,758
<hr/>				
SHORT-TERM INVESTMENTS 0.4%				
Nebraska 0.1%				
A-1+	140 ⁵	American Pub. Energy Agcy. Gas Sply. RB, Ser. A, 3.56%, 11/02/06, FRWD	N/A	141,000
<hr/>				
	Shares (000)			
<hr/>				
Money Market Fund 0.3%				
NR	599	AIM Tax Free Cash Reserve Portfolio Institutional Class	N/A	600,000
<hr/>				
Total Short-Term Investments (cost \$741,000)				741,000
<hr/>				
Total Investments 188.2% (cost \$364,468,386)				\$ 372,966,758
Other assets in excess of liabilities 2.4%				4,657,385
Short-term floating rate certificates, including interest payable (90.6)%				(179,487,019)
<hr/>				
Net Assets 100%				\$ 198,137,124
<hr/>				

See Notes to Financial Statements.

BlackRock Long-Term Municipal Advantage Trust (BTA) (continued)

- 1 Using the highest of Standard & Poor's, Moody's Investor Services or Fitch Ratings.
- 2 Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- 3 Security is deemed to be of investment grade quality by the investment advisor.
- 4 Security represents underlying bond transferred to a separate securitization trust established in a tender option bond transaction in which the Trust acquired the residual interest certificates. These securities serve as collateral in a financing transaction. The aggregate value of the above underlying bonds and secured borrowings including accrued interest were \$180,638,890 and \$179,487,019, respectively at October 31, 2006. See Note 2 to Financial Statements for details of tender option bonds.
- 5 For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006.
- 6 Cost for federal income tax purposes is \$186,631,560. The net unrealized appreciation on a tax basis is \$8,990,198, consisting of \$8,990,198 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	MBIA	Municipal Bond Insurance Assoc.
AMT	Subject to Alternative Minimum Tax	PCRB	Pollution Control Revenue Bond
COP	Certificate of Participation	PSF	Public School Fund Guaranteed
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FRWD	Floating Rate Weekly Demand	SA	Special Assessment
FSA	Financial Security Assurance	ST	Special Tax
GO	General Obligation	XLCA	XL Capital Assurance

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock California Investment Quality Municipal Trust (RAA)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 123.6%				
California 108.8%				
A+	\$ 700	California GO, 4.75%, 3/01/34	03/16 @ 100	\$ 715,211
A+	40	5.75%, 3/01/19	03/07 @ 100	40,244
AAA	625	California St. Univ. RB, Ser. C, 5.00%, 11/01/38, MBIA	11/15 @ 100	662,150
AAA	500	Chabot Las Positas Cmnty. Coll. Dist. GO, 5.00%, 8/01/31, AMBAC	08/16 @ 100	534,175
A+	275	City of Chula Vista Incl. Dev. RB, 5.00%, 12/01/27, AMT	12/15 @ 102	290,826
A+	320	San Diego Gas & Elec. Proj., 5.00%, 12/01/27, AMT	12/15 @ 102	338,416
AAA	75	Edl. Facs. Auth. RB, Student Loan Prog., Ser. A, 6.00%, 3/01/16, MBIA	03/07 @ 102	76,940
AAA	600 ³	Golden St. Tobacco Sec. Corp. RB, Ser. B, 5.50%, 6/01/13	N/A	666,756
AAA	400 ³	Ser. B, 5.625%, 6/01/13	N/A	447,412
A3	1,040	Hlth. Facs. Fin. Auth. RB, Cedars Sinai Med. Ctr. Proj., 5.00%, 11/15/34	11/15 @ 100	1,082,723
AAA	1,000 ³	Infrastructure & Econ. Dev. Bank RB, Bay Area Toll Brgds. Proj. Ser. A, 5.00%, 1/01/28, AMBAC	N/A	1,135,660
AAA	1,000	Los Angeles Cnty. Cmnty. Facs. ST, Ser. A, 5.50%, 9/01/14, FSA	09/07 @ 102	1,035,070
AAA	510	Los Angeles Dept. Arpts. RB, Ontario Intl. Proj., Ser. A, 5.00%, 5/15/26, MBIA, AMT	05/16 @ 100	538,504
AAA	500	Los Angeles Dept. of Wtr. & Pwr. RB, Pwr. Sys. Proj., 5.00%, 7/01/35, FSA	07/15 @ 100	529,900
B	945	Los Angeles Regl. Arpt. Impvt. Corp. Lease RB, American Airlines, Inc. Proj., Ser. B, 7.50%, 12/01/24	12/12 @ 102	1,061,396
AAA	200	Murrieta Valley Univ. Sch. Dist. Pub. Fin. Auth. ST, Ser. A, 4.75%, 9/01/36	09/16 @ 100	205,528
AAA	700	Palm Springs Univ. Sch. Dist. GO, Election 2004, Ser. A, 4.50%, 8/01/35, FSA	08/14 @ 102	702,702
NR	1,000	Poway Unified Sch. Dist. ST, Cmnty. Facs. Dist. No. 6 Proj., 5.60%, 9/01/33	09/10 @ 102	1,030,070
Aaa	500	Rural Home Mtg. Fin. Auth. RB, 5.40%, 12/01/36, AMT	06/16 @ 104	535,735
NR	1,000	San Bernardino Cnty. Cmnty. Facs. ST, 5.90%, 9/01/33	09/12 @ 102	1,058,990
AAA	500	San Diego Ind. Dev. RB, Ser. A, 5.90%, 6/01/18, AMBAC	11/06 @ 100	500,165
AAA	40	South California Pub. Pwr. Auth. RB, Transm. Proj., 5.50%, 7/01/20, MBIA	12/06 @ 100	40,060
AAA	500 ³	Temecula Valley Unified Sch. Dist. GO, Ser. G, 5.75%, 8/01/07, FGIC	N/A	518,400
AAA	900 ³	Tobacco Sec. Auth. of Southern California Tobacco Settlement RB, Ser. A, 5.625%, 6/01/12	N/A	992,844
AAA	750	Tustin Univ. Sch. Dist. ST, Cmnty. Facs. Dist. 97-1-A Proj., 5.00%, 9/01/32, FSA	09/12 @ 100	780,990
AAA	370	West Basin Mun. Wtr. Dist. COP, Ser. A, 5.50%, 8/01/22, AMBAC	08/07 @ 101	378,488
				15,899,355

Puerto Rico 14.8%

Edgar Filing: POPULAR INC - Form 10-Q

AAA	85	Hwy. & Trans. Auth. RB, Ser. L, 5.25%, 7/01/38, AMBAC	No Opt. Call	100,882
BBB-	700	Indl. Tourist Edl. RB, Ana G. Mendez Univ. Sys. Proj., 5.00%, 3/01/26	03/16 @ 100	734,559
Aaa	745 ³	Pub. Fin. Corp. RB, Ser. E, 5.50%, 2/01/12	N/A	813,347
BBB	500	Pub. Impvt. GO, Ser. A, 5.00%, 7/01/34	07/14 @ 100	521,130
				2,169,918
Total Long-Term Investments (cost \$16,924,807)				18,069,273

See Notes to Financial Statements.

BlackRock California Investment Quality Municipal Trust (RAA) (continued)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Value
SHORT-TERM INVESTMENTS 36.9%			
California 27.3%			
		Bay Area Toll Auth. Toll Bridge RB,	
A-1+	\$ 700 ⁴	San Francisco Bay Area A Proj., 3.35%, 11/02/06, AMBAC, FRWD	\$ 700,000
A-1+	700 ⁴	San Francisco Bay Area A2 Proj., 3.35%, 11/02/06, XLCA, FRWD	700,000
A-1+	700 ⁴	California GO, Ser. B-1, 3.40%, 11/01/06, FRWD	700,000
A-1+	700 ⁴	Fin. Auth. PCRB, Pacific Gas & Elec. Proj., 3.50%, 11/01/06, FRDD	700,000
A-1+	500 ⁴	Hlth. Facs. Fin. Auth. RB, Hosp. Adventist Proj., Ser. A, 3.47%, 11/01/06, MBIA, FRDD	500,000
A-1+	700 ⁴	Met. Wtr. Dist. RB, Wtr. Wks. Proj., 3.36%, 11/01/06, FRDD	700,000
			4,000,000
Money Market Funds 9.6%			
NR	700	AIM Tax Free Cash Reserve Portfolio Institutional Class	700,000
NR	700	SSGA Tax Free Money Mkt. Fund	700,000
			1,400,000
Total Short-Term Investments (cost \$5,400,000)			5,400,000
Total Investments 160.5% (cost \$22,324,807)			\$ 23,469,273
Liabilities in excess of other assets (9.2)%			(1,349,858)
Preferred shares at redemption value, including dividends payable (51.3)%			(7,504,131)
Net Assets Applicable to Common Shareholders 100%			\$ 14,615,284

¹ Using the highest of S&P ratings, Moody ratings or Fitch ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁴ For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date in which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006

⁵ Cost for Federal income tax purposes is \$22,318,970. The net unrealized appreciation on a tax basis is \$1,150,303, consisting of \$1,150,303 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	GO	General Obligation
AMT	Subject to Alternative Minimum Tax	MBIA	Municipal Bond Insurance Assoc.
COP	Certificate of Participation	PCRB	Pollution Control Revenue Bond
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FRDD	Floating Rate Daily Demand	ST	Special Tax

Edgar Filing: POPULAR INC - Form 10-Q

FRWD Floating Rate Weekly Demand
FSA Financial Security Assurance

XLCA XL Capital Assurance

See Notes to Financial Statements.

26

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock California Municipal Income Trust (BFZ)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 152.1%				
California 131.3%				
AAA	\$ 24,500	Anaheim Pub. Fin. Auth. RB, Pub. Impvt. Proj., Ser. C, Zero Coupon, 9/01/31, FSA	No Opt. Call	\$ 8,220,975
AAA	6,070	Ser. C, Zero Coupon, 9/01/32, FSA California GO,	No Opt. Call	1,940,276
A+	10,000	5.50%, 11/01/33	11/13 @ 100	10,997,600
AAA	5,500	Ser. BZ, 5.35%, 12/01/21, MBIA, AMT	06/07 @ 101	5,583,930
AAA	5,000	Ser. BZ, 5.375%, 12/01/24, MBIA, AMT	06/07 @ 101	5,077,300
AAA	1,000	California St. Univ. RB, Ser. C, 5.00%, 11/01/38, MBIA	11/15 @ 100	1,059,440
AAA	4,700	Chabot Las Positas Cmnty. Coll. Dist. Election 2004B GO, 5.00%, 8/01/30, AMBAC	08/16 @ 100	5,025,146
A+	4,395	City of Chula Vista Indl. Dev. RB, 5.00%, 12/01/27, AMT	12/15 @ 102	4,647,932
A+	5,065	San Diego Gas & Elec. Proj., 5.00%, 12/01/27, AMT	12/15 @ 102	5,356,491
BBB	5,000	Cnty. Tobacco Sec. Agcy. RB, Stanislaus Fdg. Proj., Ser. A, 5.875%, 6/01/43	06/12 @ 100	5,294,150
Aaa	10,000 ³	Dept. of Wtr. Res. Pwr. Sply. RB, Ser. A, 5.375%, 5/01/12		11,018,600
AAA	10,000	Edl. Facs. Auth. RB, Stanford Univ. Proj., Ser. Q, 5.25%, 12/01/32	06/11 @ 101	10,598,800
AAA	6,000	El Monte Sr. Dept. of Pub. Svcs. Fac. Phase II COP, 5.25%, 1/01/34, AMBAC	01/11 @ 100	6,261,480
AAA	7,485	Elk Grove Unified Sch. Dist. Cmnty. Facs. Dist. 1 ST, Zero Coupon, 12/01/29, AMBAC	12/11 @ 37.373	2,225,515
AAA	7,485	Zero Coupon, 12/01/30, AMBAC	12/11 @ 35.365	2,105,905
AAA	7,485	Zero Coupon, 12/01/31, AMBAC	12/11 @ 33.465	1,992,806
BBB	5,000	Foothill/Eastn. Transp. Corridor Agcy. RB, Toll Road Proj., Zero Coupon, 1/15/26	01/14 @ 101	4,580,250
BBB	5,000	Toll Road Proj., Zero Coupon, 1/15/33	01/10 @ 25.78	1,102,950
BBB	5,000	Toll Road Proj., Zero Coupon, 1/15/34	01/10 @ 24.228	1,036,500
BBB	13,445	Toll Road Proj., Zero Coupon, 1/15/35	01/10 @ 22.819	2,624,195
BBB	1,000	Toll Road Proj., Zero Coupon, 1/15/38	01/10 @ 19.014	162,240
BBB	10,030	Toll Road Proj., 5.75%, 1/15/40	01/10 @ 101	10,428,994
BBB	2,000	Golden St. Tobacco Sec. Corp. RB, Ser. A-1, 6.625%, 6/01/40	06/13 @ 100	2,260,400
BBB	1,000	Ser. A-1, 6.75%, 6/01/39	06/13 @ 100	1,140,360
AAA	10,200 ³	Ser. B, 5.50%, 6/01/13	N/A	11,334,852
AAA	5,800 ³	Ser. B, 5.625%, 6/01/13	N/A	6,487,474
A+	3,000	Hlth. Facs. Fin. Auth. RB, Insured Hlth. Facs. Valleycare Proj., Ser. A, 5.375%, 5/01/27	05/12 @ 100	3,163,230
AAA	4,890 ⁴	Kaiser Proj., Ser. A, 5.40%, 5/01/28	ETM	4,994,646
AAA	22,435 ³	Infrastructure & Econ. Dev. Bank RB, Bay Area Toll Brdgs. Proj. Ser. A, 5.00%, 1/01/28, AMBAC	N/A	25,478,532
A	15,250	J. David Gladstone Inst. Proj., 5.25%, 10/01/34	10/11 @ 101	15,938,385
A+	13,500	Kaiser Asst. Corp. Proj., Ser. A, 5.55%, 8/01/31	08/11 @ 102	14,363,190
NR	4,965	Irvine Mobile Home Park RB, Meadows Mobile Home Park Proj., Ser. A, 5.70%, 3/01/28	03/08 @ 102	5,138,725
A3	7,700	Kaweah Delta Hlth. Care Dist. RB, 6.00%, 8/01/34	08/12 @ 102	8,443,743
NR	2,855	Lathrop Fin. Auth. RB, Wtr. Sply. Proj., 5.90%, 6/01/27	06/13 @ 100	3,002,404
NR	5,140	6.00%, 6/01/35	06/13 @ 100	5,425,064
		Live Oak Unified Sch. Dist. GO, Cap. Apprec. Election 2004,		

Edgar Filing: POPULAR INC - Form 10-Q

AAA	985	Zero Coupon, 8/01/35, XLCA	08/18 @ 39.952	233,287
AAA	1,030	Zero Coupon, 8/01/36, XLCA	08/18 @ 37.743	229,927
AAA	1,080	Zero Coupon, 8/01/37, XLCA	08/18 @ 35.649	227,448
AAA	1,125	Zero Coupon, 8/01/38, XLCA	08/18 @ 33.665	223,481
AAA	1,175	Zero Coupon, 8/01/39, XLCA	08/18 @ 31.785	220,078
AAA	1,230	Zero Coupon, 8/01/40, XLCA	08/18 @ 30.004	217,267
AAA	1,285	Zero Coupon, 8/01/41, XLCA	08/18 @ 28.317	214,171
AAA	1,340	Zero Coupon, 8/01/42, XLCA	08/18 @ 26.72	210,648
AAA	1,400	Zero Coupon, 8/01/43, XLCA	08/18 @ 25.208	207,536
AAA	1,465	Zero Coupon, 8/01/44, XLCA	08/18 @ 23.777	204,748
AAA	2,920	Los Angeles Dept. Arpts RB, Ontario Intl. Proj., Ser. A, 5.00%, 5/15/24, MBIA, AMT	05/16 @ 100	3,090,236
See Notes to Financial Statements.				

BlackRock California Municipal Income Trust (BFZ) (continued)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
California (cont d)				
B	\$ 4,110	Los Angeles Regl. Arpt. Impvt. Corp. Lease RB, American Airlines, Inc. Proj., Ser. C, 7.50%, 12/01/24, AMT	12/12 @ 102	\$ 4,616,229
AAA	3,230	Murrieta Valley Univ. Sch. Dist. Pub. Fin. Auth. ST, Ser. A, 4.75%, 9/01/36	09/16 @ 100	3,319,277
BBB+	1,000	Palm Springs Mobile Home Park RB, Sahara Mobile Home Park Proj., 5.625%, 5/15/26	05/12 @ 102	1,059,760
AAA	4,900	Palm Springs Univ. Sch. Dist. GO, Election 2004, Ser. A, 4.50%, 8/01/35, FSA	08/14 @ 102	4,918,914
NR	4,000	Rancho Cucamonga Cmnty. Facs. Dist. ST, Ser. A, 6.50%, 9/01/33	09/13 @ 100	4,336,120
AAA	15,500	Rancho Cucamonga Redev. Agcy. TA, Rancho Redev. Proj., 5.125%, 9/01/30, MBIA	09/11 @ 100	16,120,465
AAA	1,905 ⁴	Richmond Wst. & Wtr. RB, Zero Coupon, 8/01/31, FGIC	ETM	644,042
AAA	6,500	San Francisco City & Cnty. Arpt. Comm. Intl. Arpt. RB, Ser. 27-A, 5.25%, 5/01/31, MBIA, AMT	05/11 @ 100	6,744,855
		San Francisco City & Cnty. Redev. Agcy. Cmnty. Facs. Dist. ST,		
NR	1,775	Mission Bay South Proj., 6.125%, 8/01/31	08/09 @ 102	1,854,911
NR	7,500	Mission Bay South Proj., 6.25%, 8/01/33	08/11 @ 101	7,966,950
		San Jose Multi-Fam. Hsg. RB,		
AAA	2,880	Lenzen Hsg. Proj., Ser. B, 5.45%, 2/20/43, AMT	08/11 @ 102	2,994,106
AAA	3,595	Vlgs. Pkwy. Sr. Apts. Proj., Ser. D, 5.50%, 4/01/34, AMT	04/11 @ 100	3,708,350
		Santa Clara Cnty. Hsg. Auth. Multi-Fam. Hsg. RB,		
A3	1,715	John Burns Gardens Apts. Proj., Ser. A, 5.85%, 8/01/31, AMT	02/12 @ 101	1,818,449
A3	1,235	River Town Apts. Proj., Ser. A, 6.00%, 8/01/41, AMT	02/12 @ 101	1,316,362
NR	3,075	Santa Clarita Cmnty. Facs. Dist. ST, Valencia Town Ctr. Proj., 5.85%, 11/15/32	11/10 @ 102	3,198,369
BBB	2,290	Sld. Wst. Mgmt. PCRB, Central Valley Wst. Svc. Proj., Ser. A-2, 5.40%, 4/01/25, AMT	04/15 @ 101	2,426,850
		Statewide Cmnty. Dev. Auth. RB,		
BBB+	4,000	Daughters of Charity Hlth. Proj., Ser. A, 5.25%, 7/01/30	07/15 @ 100	4,221,880
AA-	10,000	Sutter Hlth. Oblig. Grp. Proj., Ser. B, 5.625%, 8/15/42	08/12 @ 100	10,810,200
AAA	2,000	Upland Unified Sch. Dist. GO, Ser. B, 5.125%, 8/01/25, FSA	08/13 @ 100	2,147,740
NR	2,245	Val Verde Unified Sch. Dist. ST, 6.25%, 10/01/28	10/13 @ 102	2,370,383
AAA	2,000 ³	Vernon Elec. Sys. RB, Malburg Generating Station Proj., 5.50%, 4/01/08	N/A	2,056,700
AAA	2,000	West Valley-Mission Cmnty. Coll. Dist. GO, Election 2004 A, 4.75%, 8/01/30, FSA	08/16 @ 100	2,070,940
				310,513,159
Multi-State 9.4%				
		Charter Mac Equity Issuer Trust,		
A3	7,000 ⁵	Ser. A-2, 6.30%, 6/30/49	06/09 @ 100	7,315,700
Baa1	4,000 ⁵	Ser. B-1, 6.80%, 11/30/50	11/10 @ 100	4,325,680
		MuniMae TE Bond Subsidiary, LLC,		
A3	7,000 ⁵	Ser. A-1, 6.30%, 6/30/49	06/09 @ 100	7,324,380
Baa1	3,000	Ser. B-1, 6.80%, 6/30/50	11/10 @ 100	3,251,970
				22,217,730
Puerto Rico 11.4%				
A3	10,000	Elec. Pwr. Auth. RB, Ser. 2, 5.25%, 7/01/31	07/12 @ 101	10,618,600
		Pub. Fin. Corp. RB,		

Edgar Filing: POPULAR INC - Form 10-Q

Aaa	10,000 ₃	Ser. E, 5.70%, 2/01/10	N/A	10,658,000
Aaa	5,750 ₃	Ser. E, 5.75%, 2/01/07	N/A	5,781,970
				<hr/>
				27,058,570
				<hr/>
		Total Long-Term Investments (cost \$332,845,193)		359,789,459
				<hr/>

See Notes to Financial Statements.

BlackRock California Municipal Income Trust (BFZ) (continued)

Shares (000)	Description	Value
MONEY MARKET FUNDS 6.2%		
11,750	AIM Tax Free Cash Reserve Portfolio Institutional Class	\$ 11,750,000
2,850	SSgA Tax Free Money Mkt. Fund	2,850,000
Total Money Market Funds (cost \$14,600,000)		14,600,000
Total Investments 158.3% (cost \$347,445,199)		
Liabilities in excess of other assets (2.5)%		(5,796,988)
Preferred shares at redemption value, including dividends payable (55.8)%		(132,019,760)
Net Assets Applicable to Common Shareholders 100%		\$ 236,572,711

¹ Using the highest of S&P's, Moody's or Fitch's ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁴ Security is collateralized by Municipal or U.S. Treasury obligations.

⁵ Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2006, the Trust held 8.0% of its net assets, with a current market value of \$18,965,760, in securities restricted as to resale.

⁶ Cost for Federal income tax purposes is \$348,474,285. The net unrealized appreciation on a tax basis is \$25,915,174, consisting of \$25,915,174 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	MBIA	Municipal Bond Insurance Assoc.
AMT	Subject to Alternative Minimum Tax	PCRB	Pollution Control Revenue Bond
COP	Certificate of Participation	RB	Revenue Bond
ETM	Escrowed to Maturity	ST	Special Tax
FGIC	Financial Guaranty Insurance Co.	TA	Tax Allocation
FSA	Financial Security Assurance	XLCA	XL Capital Assurance
GO	General Obligation		

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock Florida Investment Quality Municipal Trust (RFA)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 128.3%				
Florida 115.1%				
NR	\$ 250	Arborwood Cmnty. Dev. Dist. SA, Master Infrastructure Proj., Ser. B, 5.10%, 5/01/14	No Opt. Call	\$ 252,325
AAA	170 ³	Boynton Beach, Util. Sys. RB, 6.25%, 11/01/20, FGIC	ETM	203,805
AAA	700	Broward Cnty. Sch. Brd. COP, Ser. A, 5.00%, 7/01/30, FSA	07/15 @ 100	738,206
AAA	700	Cape Coral Wtr. & Swr. RB, 5.00%, 10/01/36, AMBAC	10/16 @ 100	747,355
AAA	1,000 ⁴	Dade Cnty. SO, Ser. B, Zero Coupon, 10/01/08, AMBAC	N/A	671,380
BBB	455	Escambia Cnty. Env. Impvt. RB, Intl. Paper Co. Proj., Ser. A, 5.00%, 8/01/26, AMT	08/11 @ 100	459,755
A+	750	Highlands Cnty. Hlth. Fac. Auth. RB, Adventist/Sunbelt Hosp. Proj., 5.00%, 11/15/30	11/15 @ 100	778,710
AAA	1,000	JEA RB, Wtr. & Swr. Sys. Proj., Ser. A, 4.75%, 10/01/41, MBIA	04/11 @ 100	1,015,080
NR	740	Live Oak Cmnty. Dev. Dist. No. 2 SA, Ser. A, 5.85%, 5/01/35	05/12 @ 101	769,134
NR	275	Madison Cnty. RB, First Mtg. Twin Oaks Proj., Ser. A, 6.00%, 7/01/25	07/15 @ 100	284,873
BB+	500	Miami Beach Hlth. Facs. Auth. RB, Mt. Sinai Med. Ctr. Proj., 6.75%, 11/15/21	11/14 @ 100	577,360
AAA	750	Miami Dade Cnty. Aviation RB, Miami Intl. Arprt. Proj., Ser. B, 5.00%, 10/01/37, FGIC	10/14 @ 100	787,350
AAA	725	Miami Dade Cnty. Pub. Facs. RB, Jackson Hlth. Sys. Proj., Ser. A, 5.00%, 6/01/29, MBIA	06/15 @ 100	765,875
AAA	5,000	Miami Dade Cnty. SO, Ser. B, Zero Coupon, 10/01/31, MBIA	04/08 @ 28.079	1,315,600
A+	750	Miami Hlth. Facs. Auth. RB, Catholic Hlth. East Proj., Ser. C, 5.125%, 11/15/24	11/13 @ 100	784,440
		Orange Cnty. Hlth. Facs. Auth. RB,		
NR	105	Hlth. Care Orlando Lutheran Proj., 5.375%, 7/01/20	07/15 @ 100	106,517
NR	95	Hlth. Care Orlando Lutheran Proj., 5.70%, 7/01/26	07/15 @ 100	98,185
AAA	1,000	Orange Cnty. Tourist Dev. RB, 4.75%, 10/01/32, XLCA	10/16 @ 100	1,027,280
AAA	1,000	Palm Beach Cnty. Wtr. & Swr. RB, Ser. A, 5.00%, 10/01/36	10/16 @ 100	1,067,650
AAA	750	Peace River Manasota Regl. Wtr. Sply. Auth. RB, Ser. A, 5.00%, 10/01/35, FSA	10/15 @ 100	793,530
NR	400	Pine Ridge Plantation Cmnty. Dev. Dist. SA, Ser. B, 5.00%, 5/01/11	No. Opt. Call	402,112
AA-	1,000 ⁴	Pinellas Cnty. Hlth. Fac. Auth. RB, Baycare Hlth. Sys. Proj., 5.50%, 5/15/13	N/A	1,100,940
AAA	700	South Florida Wtr. Mgmt. Dist. COP, 5.00%, 10/01/36, AMBAC	10/16 @ 100	743,267
AAA	750	St. Johns Cnty. RB, 5.00%, 10/01/35, FSA	10/15 @ 100	794,212
NR	620	Stevens Plantation Impvt. Proj. RB, 6.375%, 5/01/13	No Opt. Call	641,142
AAA	750	Tampa Wtr. & Swr. RB, 4.625%, 10/01/36, MBIA	10/16 @ 100	760,403
AAA	750	Vlg. Ctr. Cmnty. Dev. Dist. RB, Ser. A, 5.00%, 11/01/32, MBIA	11/13 @ 101	788,955
				18,475,441
Puerto Rico 13.2%				
AAA	85	Hwy. & Trans. Auth. RB, Ser. L, 5.25%, 7/01/38, AMBAC	No Opt. Call	100,882
BBB-	650	Indl. Tourist Edl. RB, Ana G. Mendez Univ. Sys. Proj., 5.00%, 3/01/26	03/16 @ 100	682,091
Aaa	745 ⁴	Pub. Fin. Corp. RB, Ser. E, 5.50%, 2/01/12	N/A	813,346
BBB	500	Pub. Impvt. GO, Ser. A, 5.00%, 7/01/34	07/14 @ 100	521,130

Edgar Filing: POPULAR INC - Form 10-Q

				2,117,449
Total Long-Term Investments (cost \$19,676,485)				20,592,890
SHORT-TERM INVESTMENTS 29.6%				
Florida 26.2%				
VMIG1	500 ⁵	Gulf Coast Univ. Fin. Corp. RB, 3.61%, 11/02/06, FRWD	N/A	500,000
A-1	600 ⁵	Orlando & Orange Cnty. Expwy. Auth. RB, Ser. D, 3.52%, 11/02/06, FSA, FRWD	N/A	600,000
A-1+	800 ⁵	Palm Beach Cnty. Sch. Brd. COP, Ser. B, 3.55%, 11/02/06, AMBAC, FRWD	N/A	800,000
A-1+	1,200 ⁵	Pinellas Cnty. Hlth. Fac. Auth. RB, All Children s Hosp. Proj., 3.64%, 11/01/06, AMBAC, FRDD	N/A	1,200,000
A-1	500 ⁵	Putnam Cnty. Dev. PCRB, Pwr. & Lt. Co. Proj., 3.62%, 11/01/06, FRDD	N/A	500,000
VMIG1	600 ⁵	Sarasota Cnty. Pub. Hosp. Brd. RB, Sarasota Mem. Hosp., Ser. A, 3.65%, 11/01/06, AMBAC, FRDD	N/A	600,000
				4,200,000

See Notes to Financial Statements.

BlackRock Florida Investment Quality Municipal Trust (RFA) (continued)

Shares (000)	Description	Value
	Money Market Fund 3.4%	
550	AIM Tax Free Cash Reserve Portfolio Institutional Class	\$ 550,000
	Total Short-Term Investments (cost \$4,750,000)	4,750,000
	Total Investments 157.9% (cost \$24,426,485)	\$ 25,342,890
	Liabilities in excess of other assets (4.9)%	(784,926)
	Preferred shares at redemption value, including dividends payable (53.0)%	(8,504,133)
	Net Assets Applicable to Common Shareholders 100%	\$ 16,053,831

¹ Using the highest of S&P's, Moody's or Fitch's ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ Security is collateralized by Municipal or U.S. Treasury obligations.

⁴ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁵ For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006.

⁶ Cost for Federal income tax purposes is \$24,420,763. The net unrealized appreciation on a tax basis is \$922,127, consisting of \$922,127 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	FSA	Financial Security Assurance
AMT	Subject to Alternative Minimum Tax	GO	General Obligation
COP	Certificate of Participation	MBIA	Municipal Bond Insurance Assoc.
ETM	Escrowed to Maturity	PCRB	Pollution Control Revenue Bond
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FRDD	Floating Rate Daily Demand	SA	Special Assessment
FRWD	Floating Rate Weekly Demand	SO	Special Obligation
		XLCA	XL Capital Assurance

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock Florida Municipal Income Trust (BBF)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 147.0%				
Florida 126.5%				
AA	\$ 7,705	Beacon Tradeport Cmnty. Dev. Dist. SA, Ser. A, 5.625%, 5/01/32, RAA	05/12 @ 102	\$ 8,384,504
A	2,000	Boynton Beach Multi-Fam. Hsg. RB, Clipper Cove Apts. Proj., 5.45%, 1/01/33, ACA	01/13 @ 100	2,095,060
AAA	5,550 ³	Brd. of Ed. GO, Ser. A, 5.125%, 6/01/10	N/A	5,889,105
AAA	799	Escambia Cnty. Hlth. Facs. Auth. RB, 5.95%, 7/01/20, AMBAC	No Opt. Call	832,705
AAA	2,800	Fin. Auth. Student Hsg. RB, Cap. Projs. Loan Prog., Ser. F-1, 5.00%, 10/01/31, MBIA	08/11 @ 102	2,920,260
NR	695	Gateway Svcs. Cmnty. Dev. Dist. SA, Stoneybrook Proj., 5.50%, 7/01/08	No Opt. Call	695,584
NR	1,660	Heritage Harbour South Cmnty. Cap. Impvt. SA, Ser. A, 6.50%, 5/01/34	05/13 @ 101	1,800,137
A+	6,500 ³	Highlands Cnty. Hlth. Facs. Auth. RB, Adventist/Sunbelt Hosp. Proj., Ser. A, 6.00%, 11/15/11	N/A	7,251,335
BBB+	1,450	Hillsborough Cnty. Ind. Dev. Auth. PCRB, Tampa Elec. Co. Proj., 5.50%, 10/01/23	10/12 @ 100	1,511,074
AA	7,500	Jacksonville Econ. Dev. Comm. Hlth. Facs. RB, Mayo Clinic Proj., Ser. B, 5.50%, 11/15/36	11/11 @ 101	8,080,050
AAA	4,000	Jacksonville Transp. RB, 5.00%, 10/01/26, MBIA	10/11 @ 100	4,147,880
Aa2	5,000 ³	JEA RB, Elec. Sys. Proj., Ser. A, 5.50%, 10/01/07	N/A	5,087,900
AAA	5,000	Wtr. & Swr. Sys. Proj, Ser. A, 4.75%, 10/01/41, MBIA	04/11 @ 100	5,075,400
NR4	1,625	Laguna Lakes Cmnty. RB, Ser. A, 6.40%, 5/01/33	05/13 @ 101	1,749,540
NR	1,750	Madison Cnty. RB, First Mtg. Twin Oaks Proj., Ser. A, 6.00%, 7/01/25	07/15 @ 100	1,812,825
AAA	2,770 ⁵	Melbourne Wtr. & Swr. RB, Zero Coupon, 10/01/21, FGIC	ETM	1,503,196
BB+	3,000	Miami Beach Hlth. Facs. Auth. RB, Mt. Sinai Med. Ctr. Proj., 6.75%, 11/15/21	11/14 @ 100	3,464,160
AAA	1,000	Miami Dade Cnty. Expwy. Auth. Toll Sys. RB, 5.125%, 7/01/25, FGIC	07/11 @ 101	1,063,190
AAA	2,595	Miami Dade Cnty. SO, Ser. A, Zero Coupon, 10/01/19, MBIA	04/08 @ 55.413	1,353,889
AAA	9,700	Ser. B, Zero Coupon, 10/01/33, MBIA	04/08 @ 25.056	2,277,172
AAA	25,000	Ser. C, Zero Coupon, 10/01/28, MBIA	04/08 @ 32.99	7,731,750
NR	1,515	North Palm Beach Cnty. Impvt. Dist. RB, Wtr. Ctrl. & Impvt. Unit Dev. 43 Proj., 6.10%, 8/01/21	08/11 @ 101	1,599,825
NR	3,500	6.125%, 8/01/31	08/11 @ 101	3,651,725
NR	655	Orange Cnty. Hlth. Facs. Auth. RB, Hlth. Care Orlando Lutheran Proj., 5.375%, 7/01/20	07/15 @ 100	664,465
NR	600	Hlth. Care Orlando Lutheran Proj., 5.70%, 7/01/26	07/15 @ 100	620,118
AAA	6,000	Orange Cnty. Tourist Dev. RB, 4.75%, 10/01/32, XLCA	10/16 @ 100	6,163,680
AAA	2,500	Palm Beach Cnty. Sch. Brd. COP, Ser. B, 5.00%, 8/01/25, AMBAC	08/11 @ 101	2,640,275
NR	600	Pine Ridge Plantation Cmnty. Dev. Dist. SA, Ser. B, 5.00%, 5/01/11	No. Opt. Call	603,168
AAA	390	South Florida Wtr. Mgmt. Dist. COP, 5.00%, 10/01/31, AMBAC	10/16 @ 100	414,753
AAA	750	5.00%, 10/01/36, AMBAC	10/16 @ 100	796,358
AA-	12,000	South Miami Hlth. Facs. Auth. RB, Baptist Hlth. Proj., 5.25%, 11/15/33	02/13 @ 100	12,557,880

Edgar Filing: POPULAR INC - Form 10-Q

AAA	1,000	St. Johns Cnty. RB, 5.00%, 10/01/35, FSA	10/15 @ 100	1,058,950
AAA	1,500 ³	St. Petersburg Pub. Util. RB, Ser. A, 5.00%, 10/01/09, FSA	N/A	1,574,100
NR	2,740	Sumter Cnty. Incl. Dev. Auth. RB, North Sumter Util. Co. LLC Proj., 6.80%, 10/01/32, AMT	10/09 @ 100	2,865,656
AA	5,500	Tampa RB, Univ. of Tampa Proj., 5.625%, 4/01/32, RAA	04/12 @ 100	5,891,655
		Tampa Wtr. & Swr. RB,		
AAA	2,750	4.625%, 10/01/36, MBIA	10/16 @ 100	2,788,142
AA	4,000	Ser. A, 5.00%, 10/01/26	10/11 @ 101	4,168,080
		Vlg. Cmnty. Dev. Dist. No. 5 SA,		
NR	3,480	Ser. A, 6.00%, 5/01/22	05/13 @ 101	3,690,958
NR ⁴	1,510	Ser. A, 6.50%, 5/01/33	05/13 @ 101	1,634,862
AAA	1,795	Vlg. Ctr. Cmnty. Dev. Dist. RB, Ser. A, 5.00%, 11/01/32, MBIA	11/13 @ 101	1,888,232
BBB+	2,000	Volusia Cnty. Edl. Fac. Auth. RB, Embry Riddle Aero. Univ. Proj., Ser. A, 5.75%, 10/15/29	10/09 @ 101	2,085,960
				132,085,558

Puerto Rico 20.5%

BBB	6,000	Children s Trust Fund Tobacco Settlement RB, 5.625%, 5/15/43	05/12 @ 100	6,318,540
		Pub. Fin. Corp. RB,		
Aaa	4,000 ³	Ser. E, 5.70%, 2/01/10	N/A	4,263,200
Aaa	3,000 ³	Ser. E, 5.75%, 2/01/07	N/A	3,016,680

See Notes to Financial Statements.

BlackRock Florida Municipal Income Trust (BBF) (continued)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
Puerto Rico (cont d)				
AAA	\$ 2,520 ³	Pub. Impvt. GO, Ser. A, 5.125%, 7/01/11	N/A	\$ 2,700,382
BBB	4,980	Ser. A, 5.125%, 7/01/31	07/11 @ 100	5,158,135
				21,456,937
Total Long-Term Investments (cost \$144,300,201)				153,542,495
Shares (000)				
MONEY MARKET FUNDS 6.8%				
NR	5,200	AIM Tax Free Cash Reserve Portfolio Institutional Class	N/A	5,200,000
NR	1,900	SSgA Tax Free Money Mkt. Fund	N/A	1,900,000
Total Money Market Funds (cost \$7,100,000)				7,100,000
Total Investments 153.8% (cost \$151,400,201)				\$ 160,642,495
Other assets in excess of liabilities 1.3%				1,397,144
Preferred shares at redemption value, including dividends payable (55.1)%				(57,588,628)
Net Assets 100%				\$ 104,451,011

¹ Using the highest of S&P's, Moody's or Fitch's ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁴ Security is deemed to be of investment grade quality by the investment advisor.

⁵ Security is collateralized by Municipal or U.S. Treasury obligations.

⁶ Cost for Federal income tax purposes is \$151,400,085. The net unrealized appreciation on a tax basis is \$9,242,410, consisting of \$9,273,007 gross unrealized appreciation and \$30,597 gross unrealized depreciation.

KEY TO ABBREVIATIONS

ACA	American Capital Access	MBIA	Municipal Bond Insurance Assoc.
AMBAC	American Municipal Bond Assurance Corp.	PCRB	Pollution Control Revenue Bond
AMT	Subject to Alternative Minimum Tax	RAA	Radian Asset Assurance
COP	Certificate of Participation	RB	Revenue Bond
ETM	Escrowed to Maturity	SA	Special Assessment
FGIC	Financial Guaranty Insurance Co.	SO	Special Obligation
FSA	Financial Security Assurance	XLCA	XL Capital Assurance
GO	General Obligation		

Edgar Filing: POPULAR INC - Form 10-Q

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock New Jersey Investment Quality Municipal Trust (RNJ)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 123.2%				
Multi-State 7.2%				
A3	\$ 1,000 ₃	Charter Mac Equity Issuer Trust, Ser. A, 6.625%, 6/30/49	06/09 @ 100	\$ 1,053,660
New Jersey 100.2%				
AAA	1,000	Delaware River Port. Auth. of Pennsylvania & New Jersey RB, 5.75%, 1/01/26, FSA Econ. Dev. Auth. RB,	01/10 @ 100	1,060,980
BBB	1,000	Cigarette Tax Proj., 5.75%, 6/15/34	06/14 @ 100	1,081,250
NR	60	First Mtg. Lions Gate Proj., Ser. A, 5.75%, 1/01/25	01/13 @ 102	61,886
NR	110	First Mtg. Lions Gate Proj., Ser. A, 5.875%, 1/01/37	01/13 @ 102	113,573
AAA	900	Transp. Proj., Ser. A, 5.75%, 5/01/10, FSA	No Opt. Call	963,099
BBB-	1,000	Winchester Proj., Ser. A, 5.80%, 11/01/31	11/14 @ 100	1,088,490
BBB	500	Wst. Mgmt., Inc. Proj., Ser. A, 5.30%, 6/01/15, AMT	No Opt. Call	527,180
B	925	Continental Airlines, Inc. Proj., 7.00%, 11/15/30, AMT	11/10 @ 101	985,495
AAA	500	Edl. Facs. Auth. RB, Rowan Univ. Proj., Ser. G, 4.50%, 7/01/31, MBIA Hlth. Care Fac. Fin. Auth. RB,	07/16 @ 100	501,530
A-	1,000	Hackensack Univ. Med. Ctr. Proj., 6.00%, 1/01/25	01/10 @ 101	1,065,540
AAA	1,000	St. Joseph s Hosp. & Med. Ctr. Proj., 5.75%, 7/01/16, CONNIE LEE Middlesex Cnty. Impvt. Auth. RB,	12/06 @ 102	1,021,490
NR	750	Heldrich Ctr. Hotel Proj., Ser. B, 6.25%, 1/01/37	01/15 @ 100	774,787
Baa1	1,000	Student Hsg. Proj., Ser. A, 5.00%, 8/15/35	08/14 @ 100	1,028,710
AAA	500	Old Brdg. Twpshp. Brd. of Ed. GO, 4.375%, 7/15/32, MBIA	07/16 @ 100	502,330
AAA	1,000	Passaic Valley Sewage Comm. Swr. Sys. GO, Ser. E, 5.75%, 12/01/21, AMBAC	12/09 @ 101	1,069,630
AAA	490	South Jersey Trans. Auth. Sys. RB, Ser. A, 4.50%, 11/01/35, FGIC	11/15 @ 100	492,524
BBB	1,000	Tobacco Settlement Fin. Corp. RB, 6.125%, 6/01/42 Tpke. Auth. RB,	6/12 @ 100	1,085,040
AAA	840 ₄	Ser. C, 6.50%, 1/01/16, AMBAC	ETM	985,698
AAA	160	Ser. C, 6.50%, 1/01/16, AMBAC	No Opt. Call	188,091
				14,597,323
New York 3.6%				
AA-	500	Port Auth. of New York & New Jersey RB, Consolidated 132nd Proj., 5.00%, 9/01/33	09/13 @ 101	527,285
Puerto Rico 12.2%				
BBB+	500	Comnwlth. Infrastructure Fin. Auth. ST, Ser. B, 5.00%, 7/01/31	07/16 @ 100	526,205
AAA	500	Elec. Pwr. Auth. RB, Ser. RR, 5.00%, 7/01/35, FGIC	07/15 @ 100	531,770
AAA	80	Hwy. & Trans. Auth. RB, Ser. L, 5.25%, 7/01/38, AMBAC	No Opt. Call	94,948
BBB-	600	Indl. Tourist Edl. RB, Ana G. Mendez Univ. Sys. Proj., 5.00%, 3/01/26	03/16 @ 100	629,622
				1,782,545

Edgar Filing: POPULAR INC - Form 10-Q

Total Long-Term Investments (cost \$16,904,243)				17,960,813
<hr/>				
SHORT-TERM INVESTMENTS 29.7%				
New Jersey 24.9%				
Edl. Facs. Auth. RB, Princeton Univ. Proj.,				
A-1+	275 ⁵	Ser. B, 3.54%, 11/01/06, FRDD	N/A	275,000
A-1+	1,200 ⁵	Ser. B, 3.58%, 11/01/06, FRDD	N/A	1,200,000
VMIG1	200 ⁵	Essex Cnty. Impvt. Auth. RB, Aces Pooled Gov t. Loan Prog., 3.54%, 11/01/06, FRWD	N/A	200,000
A-1+	700 ⁵	Gloucester Cnty. Ind. Auth. PCRB, ExxonMobil Proj., 3.25%, 11/01/06, FRDD	N/A	700,000
A-1+	700 ⁵	Mercer Cnty. Impvt. Auth. RB, Atlantic Fndtn. & Johnson Proj., 3.51%, 11/02/06, MBIA, FRWD	N/A	700,000
A-1+	555 ⁵	Sports & Expo. Auth. RB, Ser. B-2, 3.50%, 11/01/06, MBIA, FRWD	N/A	555,000
				<hr/>
				3,630,000
<hr/>				
Puerto Rico 4.8%				
A-1	700 ⁵	Hwy. & Transp. Auth. RB, Ser. A, 3.41%, 11/01/06, AMBAC, FRWD	N/A	700,000
				<hr/>
Total Short-Term Investments (cost \$4,330,000)				4,330,000
<hr/>				
Total Investments 152.9% (cost \$21,234,249)				\$ 22,290,813
Liabilities in excess of other assets (1.4)%				(209,937)
Preferred shares at redemption value, including dividends payable (51.5)%				(7,504,819)
				<hr/>
Net Assets Applicable to Common Shareholders 100%				\$ 14,576,057
<hr/>				

See Notes to Financial Statements.

BlackRock New Jersey Investment Quality Municipal Trust (RNJ) (continued)

- 1 Using the highest of S&P s, Moody s or Fitch s ratings.
 2 Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
 3 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2006, the Trust held 7.2% of its net assets, with a current market value of \$1,053,660, in securities restricted as to resale.
 4 Security is collateralized by Municipal or U.S. Treasury obligations.
 5 For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006. Cost for Federal income tax purposes is \$21,231,398. The net unrealized appreciation on a tax basis is \$1,059,415, consisting of \$1,059,415 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	FSA	Financial Security Assurance
AMT	Subject to Alternative Minimum Tax	GO	General Obligation
CONNIE LEE	College Construction Loan Insurance Assoc.	MBIA	Municipal Bond Insurance Assoc.
ETM	Escrowed to Maturity	PCRB	Pollution Control Revenue Bond
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FRDD	Floating Rate Daily Demand	ST	Special Tax
FRWD	Floating Rate Weekly Demand		

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006

BlackRock New Jersey Municipal Income Trust (BNJ)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 150.0%				
Multi-State 12.6%				
		Charter Mac Equity Issuer Trust,		
A3	\$ 7,000 ₃	Ser. A-2, 6.30%, 6/30/49	06/09 @ 100	\$ 7,315,700
Baa1	2,500 ₃	Ser. B-1, 6.80%, 11/30/50	11/10 @ 100	2,703,550
		MuniMae TE Bond Subsidiary, LLC,		
A3	3,000 ₃	Ser. A-1, 6.30%, 6/30/49	06/09 @ 100	3,139,020
Baa1	2,000	Ser. B-1, 6.80%, 6/30/50	11/10 @ 100	2,167,980
				15,326,250
New Jersey 104.7%				
A+	8,340 ₄	Cherry Hill Twnshp. GO, 5.00%, 7/15/11 Econ. Dev. Auth.,	N/A	8,859,415
BBB	5,000	RB, Cigarette Tax Proj., 5.75%, 6/15/34	06/14 @ 100	5,406,250
B	3,450	RB, Continental Airlines, Inc. Proj., 7.00%, 11/15/30, AMT	11/10 @ 101	3,675,630
B	2,000	RB, Continental Airlines, Inc. Proj., 7.20%, 11/15/30, AMT	11/10 @ 101	2,145,140
BBB-	2,630	RB, First Mtg. Fellowship Vlg. Proj., Ser. C., 5.50%, 1/01/18	01/09 @ 102	2,709,610
NR	500	RB, First Mtg. Lions Gate Proj., Ser. A, 5.75%, 1/01/25	01/13 @ 102	515,720
NR	855	RB, First Mtg. Lions Gate Proj., Ser. A, 5.875%, 1/01/37	01/13 @ 102	882,771
BBB-	4,050	RB, First Mtg. Winchester Proj., Ser. A, 5.75%, 11/01/24	11/14 @ 100	4,398,300
Baa3	5,000	RB, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/31, AMT	No Opt. Call	5,948,150
A-	2,000	RB, Masonic Charity Fndtn. Proj., 5.50%, 6/01/31	06/11 @ 102	2,135,160
Aaa	1,920	RB, Victoria Hlth. Proj., Ser. A, 5.20%, 12/20/36	12/11 @ 103	2,051,059
BBB	2,000	RB, Wst. Mgmt., Inc. Proj., Ser. A, 5.30%, 6/01/15, AMT	No Opt. Call	2,108,720
Baa3	2,500	SA, Kapkowski Rd. Landfill Proj., 6.50%, 4/01/28	No Opt. Call	3,047,900
		Edl. Facs. Auth. RB,		
BBB-	1,000	Fairleigh Dickinson Univ. Proj., Ser. C, 5.50%, 7/01/23	07/14 @ 100	1,071,530
BBB-	2,000	Fairleigh Dickinson Univ. Proj., Ser. C, 6.00%, 7/01/20	07/14 @ 100	2,224,060
BBB-	3,000	Fairleigh Dickinson Univ. Proj., Ser. D, 6.00%, 7/01/25	07/13 @ 100	3,274,530
BBB+	2,120	Georgian Court Coll. Proj., Ser. C, 6.50%, 7/01/33	07/13 @ 100	2,377,262
AAA	400	Rowan Univ. Proj., Ser. G, 4.50%, 7/01/31, MBIA	07/16 @ 100	401,224
AAA	12,600	Garden St. Presvtn. Trust RB, Open Space & Farmland Presvtn. Proj., Ser. B, Zero Coupon, 11/01/26, FSA	No Opt. Call	5,349,204
		Hlth. Care Fac. Fin. Auth. RB,		
A	4,500	Atlantic City Med. Ctr. Proj., 5.75%, 7/01/25	07/12 @ 100	4,838,805
A+	3,000	Catholic Hlth. East. Proj., Ser. A, 5.375%, 11/15/33	11/12 @ 100	3,168,240
A2	10,000	Kennedy Hlth. Sys. Proj., 5.625%, 7/01/31	07/11 @ 100	10,615,000
Baa1	1,650	South Jersey Hosp. Proj., 5.00%, 7/01/46	07/16 @ 100	1,704,714
Baa1	1,960 ₄	South Jersey Hosp. Proj., 6.00%, 7/01/12	N/A	2,181,029
Baa1	5,500 ₄	South Jersey Hosp. Proj., 6.00%, 7/01/12	N/A	6,120,235
		Middlesex Cnty. Impvt. Auth. RB,		
AAA	1,400	Admin. Bldg. Res. Proj., 5.35%, 7/01/34, AMT	07/11 @ 100	1,475,502
NR	5,000	Heldrich Ctr. Hotel Proj., Ser. B, 6.25%, 1/01/37	01/15 @ 100	5,165,250
AAA	4,470	New Brunswick Apts. Rental Hsg. Proj., 5.30%, 8/01/35, AMT	08/12 @ 100	4,598,870
BBB-	2,500	Middlesex Cnty. Poll. Ctrl. Auth. RB, Amerada Hess Proj., 6.05%, 9/15/34	09/14 @ 100	2,699,300
Aaa	1,920	Newark Hlth. Care Fac. RB, New Cmty. Urban Renewal Proj., Ser. A, 5.20%, 6/01/30	06/12 @ 102	2,047,891
BBB	13,000	Tobacco Settlement Fin. Corp. RB, 6.125%, 6/01/42	06/12 @ 100	14,105,520
		Trenton Pkg. Auth. RB,		

Edgar Filing: POPULAR INC - Form 10-Q

AAA	5,465	5.00%, 4/01/25, FGIC	04/11 @ 100	5,717,866
AAA	1,500	5.00%, 4/01/30, FGIC	04/11 @ 100	1,552,140
		Vineland GO, MBIA, AMT		
AAA	1,500	5.30%, 5/15/30	05/10 @ 101	1,565,355
AAA	1,500	5.375%, 5/15/31	05/10 @ 101	1,569,810
				127,707,162
		New York 6.8%		
AAA	8,000	Port Auth. of New York & New Jersey RB, JFK Intl. Air Terminal Proj., 5.75%, 12/01/22, MBIA, AMT	12/07 @ 102	8,326,960

See Notes to Financial Statements.

BlackRock New Jersey Municipal Income Trust (BNJ) (continued)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
Puerto Rico 25.9%				
		Hsg. Fin. Corp. Home Mtg. RB,		
AAA	\$ 2,590	Ser. A, 5.20%, 12/01/33	06/11 @ 100	\$ 2,669,202
AAA	2,590	Ser. B, 5.30%, 12/01/28, AMT	06/11 @ 100	2,669,228
AAA	3,500 ⁴	Hwy. & Transp. Auth. RB, Ser. D, 5.25%, 7/01/12	N/A	3,802,820
		Pub. Bldgs. Auth. RB,		
AAA	5,000	Ser. D, Zero Coupon, 7/01/31, AMBAC	07/17 @ 100	4,159,000
BBB	4,765 ⁴	Gov t. Facs., Ser. D, 5.25%, 7/01/12	N/A	5,156,921
BBB	1,735	Gov t. Facs., Ser. D, 5.25%, 7/01/36	07/12 @ 100	1,826,816
		Pub. Fin. Corp. RB		
Aaa	4,000 ⁴	Ser. E, 5.70%, 2/01/10	N/A	4,263,200
Aaa	7,040 ⁴	Ser. E, 5.75%, 2/01/07	N/A	7,079,143
				31,626,330
Total Long-Term Investments (cost \$168,912,061)				182,986,702
Shares (000)				
MONEY MARKET FUND 2.6%				
NR	3,150	AIM Tax Free Cash Reserve Portfolio Institutional Class (cost \$3,150,000)	N/A	3,150,000
Total Investments 152.6% (cost \$172,062,061)				\$ 186,136,702
Liabilities in excess of other assets (0.3)%				(320,429)
Preferred shares at redemption value, including dividends payable (52.3)%				(63,829,275)
Net Assets Applicable to Common Shareholders 100%				\$ 121,986,998

¹ Using the highest of S&P's, Moody's or Fitch's ratings.

² Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

³ Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2006, the Trust held 10.8% of its net assets, with a current market value of \$13,158,270, in securities restricted as to resale.

⁴ This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.

⁵ Cost for Federal income tax purposes is \$171,994,918. The net unrealized appreciation on a tax basis is \$14,141,784, consisting of \$14,141,784 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC American Municipal Bond Assurance Corp.

GO General Obligation

Edgar Filing: POPULAR INC - Form 10-Q

AMT	Subject to Alternative Minimum Tax	MBIA	Municipal Bond Insurance Assoc.
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FSA	Financial Security Assurance		

See Notes to Financial Statements.

37

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock New York Investment Quality Municipal Trust (RNY)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 145.7%				
New York 133.0%				
NR	\$ 95	Albany Indl. Dev. Agcy. RB, New Covenant Charter Sch. Proj., Ser. A, 7.00%, 5/01/25	05/15 @ 102	\$ 94,805
NR	60	Ser. A, 7.00%, 5/01/35	05/15 @ 102	59,126
AAA	1,000	Albany Mun. Wtr. Fin. Auth. Second Resolution RB, Ser. B, 5.00%, 12/01/33, MBIA	06/08 @ 100	1,018,860
AAA	1,000	Convention Ctr. Dev. RB, Hotel Unit Fee Secured, 5.00%, 11/15/44, AMBAC	11/15 @ 100	1,054,790
AAA	750	Dorm. Auth. RB, Hosp. Lutheran Med. Proj., 5.00%, 8/01/31, MBIA	02/13 @ 100	785,153
Aa3	1,000	Kateri Residence Proj., 5.00%, 7/01/22	07/13 @ 100	1,049,600
AA	500	Memorial Sloan Kettering Ctr. Proj., Ser. 1, 5.00%, 7/01/35	07/16 @ 100	529,850
BBB	1,000	Mount Sinai Hlth. Proj., Ser. A, 6.50%, 7/01/25	07/10 @ 101	1,082,020
AAA	1,005	St. Univ. Edl. Fac. Proj., 5.25%, 5/15/15, AMBAC	No Opt. Call	1,103,580
A+	1,000 ₃	Univ. of Rochester Proj., Ser. B, 5.625%, 7/01/09	N/A	1,061,930
Aa1	100	Hsg. Fin. Agcy. Multi-Family Hsg. RB, Crotona Estates Apts. Proj., Ser. A, 4.95%, 8/15/38, AMT	08/16 @ 100	101,045
Aa1	150	Kensico Terrace Apts. Proj., Ser. B, 4.95%, 2/15/38, AMT	02/08 @ 100	150,399
AA-	925	Liberty Dev. Corp. RB, 5.25%, 10/01/35	No Opt. Call	1,074,693
B3	175	Nat. Sports Museum Proj., Ser. A, 6.125%, 2/15/19	02/16 @ 100	180,926
AA-	2,100	Madison Cnty. Indl. Dev. Agcy. Civic Fac. RB, Colgate Univ. Proj., Ser. B, 5.00%, 7/01/23	07/13 @ 100	2,211,657
AAA	1,000 ₃	Nassau Cnty. GO, Ser. U, 5.25%, 11/01/06, AMBAC	N/A	1,020,000
AA-	990 ₃	New York City GO, Ser. A, 6.00%, 5/15/10	N/A	1,079,932
AA-	10	Ser. A, 6.00%, 5/15/30	05/10 @ 101	10,785
AA	1,000	New York City Hsg. Dev. Corp. Multi-Fam. Hsg. RB, Ser. A, 5.25%, 5/01/30	05/14 @ 100	1,044,060
B	950	New York City Indl. Dev. Agcy. RB, American Airlines/JFK Intl. Arpt. Proj., 7.625%, 8/01/25, AMT	08/16 @ 101	1,144,304
B	300	American Airlines/JFK Intl. Arpt. Proj., 7.75%, 8/01/31, AMT	08/16 @ 101	362,280
BBB-	500	Liberty Interactive Corp. Proj., 5.00%, 9/01/35	09/15 @ 100	513,585
AAA	1,000	New York City Mun. Wtr. Fin. Auth. Wtr. & Swr. Sys. RB, Ser. B, 5.00%, 6/15/36, FSA	12/14 @ 100	1,055,940
AA+	1,000	Ser. C, 5.125%, 6/15/33	06/11 @ 101	1,053,010
AAA	2,000 ₃	New York City Transl. Fin. Auth. RB, Ser. B, 6.00%, 5/15/10	N/A	2,181,680
Caa1	1,000	Port Auth. of New York & New Jersey RB, Contl. Airlines/Eastn. LaGuardia Proj., 9.125%, 12/01/15, AMT	12/06 @ 100	1,042,700
AAA	2,000	Sales Tax Asset Receivable Corp. RB, Ser. A, 5.00%, 10/15/32, AMBAC	10/14 @ 100	2,119,700
BBB-	115	Suffolk Cnty. Indl. Dev. Agcy. RB, Jeffersons Ferry Proj., 5.00%, 11/01/28	11/16 @ 100	119,120
AAA	845 ₃	Triborough Brdg. & Tunl. Auth. RB, Ser. A, 5.00%, 1/01/12, MBIA	N/A	903,567
AAA	155	Ser. A, 5.00%, 1/01/32, MBIA	01/12 @ 100	161,062
AAA	1,000 ₃	Urban Dev. Corp. RB, Correctional Facs. Proj., 5.70%, 1/01/07, MBIA	N/A	1,023,490
				26,393,649

Edgar Filing: POPULAR INC - Form 10-Q

Puerto Rico 12.7%				
BBB	500	Children s Trust Fund Tobacco Settlement RB, 5.625%, 5/15/43	05/12 @ 100	526,545
BBB-	800	Indl. Tourist Edl. RB, Ana G. Mendez Univ. Sys. Proj., 5.00%, 3/01/26	03/16 @ 100	839,496
Aaa	745 ₃	Pub. Fin. Corp. RB, Ser. E, 5.50%, 2/01/12	N/A	813,346
BBB	315	Pub. Impvt. GO, Ser. A, 5.00%, 7/01/34	07/14 @ 100	328,312
				2,507,699
Total Long-Term Investments (cost \$27,112,058)				28,901,348
SHORT-TERM INVESTMENT 1.0%				
New York 1.0%				
A-1+	200 ⁴	Triborough Brdg. & Tunl. Auth. RB, Ser. B-2, 3.56%, 11/02/06, FRWD (cost \$200,000)	N/A	200,000
Total Investments 146.7% (cost \$27,312,058)				\$ 29,101,348
Other assets in excess of liabilities 2.7%				539,401
Preferred shares at redemption value, including dividends payable (49.4)%				(9,801,799)
Net Assets Applicable to Common Shareholders 100%				\$ 19,838,950

See Notes to Financial Statements.

BlackRock New York Investment Quality Municipal Trust (RNY) (continued)

-
- 1 Using the highest of S&P's, Moody's or Fitch's ratings.
 - 2 Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
 - 3 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
 - 4 For purposes of amortized cost valuation, the maturity date of this instrument is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted. Rate shown is rate as of October 31, 2006.
 - 5 Cost for Federal income tax purposes is \$27,301,073. The net unrealized appreciation on a tax basis is \$1,800,275, consisting of \$1,800,275 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

AMBAC	American Municipal Bond Assurance Corp.	GO	General Obligation
AMT	Subject to Alternative Minimum Tax	MBIA	Municipal Bond Insurance Assoc.
FRWD	Floating Rate Weekly Demand	RB	Revenue Bond
FSA	Financial Security Assurance		

See Notes to Financial Statements.

PORTFOLIO OF INVESTMENTS
OCTOBER 31, 2006
BlackRock New York Municipal Income Trust (BNY)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
LONG-TERM INVESTMENTS 152.3%				
Multi-State 10.9%				
		Charter Mac Equity Issuer Trust,		
A3	\$ 6,000 ₃	Ser. A-2, 6.30%, 6/30/49	06/09 @ 100	\$ 6,270,600
Baa1	5,500 ₃	Ser. B-1, 6.80%, 11/30/50	11/10 @ 100	5,947,810
		MuniMae TE Bond Subsidiary, LLC,		
A3	6,000 ₃	Ser. A-1, 6.30%, 6/30/49	06/09 @ 100	6,278,040
Baa1	3,000	Ser. B-1, 6.80%, 6/30/50	11/10 @ 100	3,251,970
				21,748,420
New York 125.3%				
		Albany Indl. Dev. Agcy. RB, New Covenant Charter Sch. Proj.,		
NR	910	Ser. A, 7.00%, 5/01/25	05/15 @ 102	908,135
NR	590	Ser. A, 7.00%, 5/01/35	05/15 @ 102	581,410
AAA	8,000	Convention Ctr. Dev. RB, Hotel Unit Fee Secured, 5.00%, 11/15/44, AMBAC	11/15 @ 100	8,438,320
		Dorm. Auth. RB,		
AA	4,335	Memorial Sloan Kettering Ctr. Proj., Ser. 1, 5.00%, 7/01/35	07/16 @ 100	4,593,799
AAA	5,605	Mental Hlth. Svcs. Facs. Proj., 5.00%, 2/15/35, AMBAC	02/15 @ 100	5,911,762
BBB	6,000	Mt. Sinai NYU Hlth. Proj., 5.50%, 7/01/26	07/08 @ 100	6,134,580
AAA	9,000	New Sch. Univ. Proj., 5.00%, 7/01/41, MBIA	07/11 @ 100	9,286,380
AAA	5,000	New York Univ. Proj., Ser. 2, 5.00%, 7/01/41, AMBAC	07/11 @ 100	5,159,100
A-	2,000	North Shore Long Island Jewish Grp. Proj., 5.375%, 5/01/23	05/13 @ 100	2,132,460
A-	2,000	North Shore Long Island Jewish Grp. Proj., 5.50%, 5/01/33	05/13 @ 100	2,143,860
		Hsg. Fin. Agcy. Multi-Family Hsg. RB,		
Aa1	500	Crotona Estates Apts. Proj., Ser. A, 4.95%, 8/15/38, AMT	08/16 @ 100	505,225
Aa1	850	Kensico Terrace Apts. Proj., Ser. B, 4.95%, 2/15/38, AMT	02/08 @ 100	852,261
		Liberty Dev. Corp. RB,		
AA-	13,025	5.25%, 10/01/35	No Opt. Call	15,132,836
B3	1,740	Nat. Sports Museum Proj., Ser. A, 6.125%, 2/15/19	02/16 @ 100	1,798,916
A-	5,000	Long Island Pwr. Auth. RB, Ser. B, 5.00%, 12/01/35	06/16 @ 100	5,268,350
AA-	2,000	Madison Cnty. Indl. Dev. Agcy. Civic Fac. RB, Colgate Univ. Proj., Ser. B, 5.00%, 7/01/33	07/13 @ 100	2,087,360
		Met. Transp. Auth. RB,		
AA	12,000	Ded. Tax Fund, Ser. A, 5.00%, 11/15/30	11/12 @ 100	12,500,640
A	12,000	Ded. Tax Fund, Ser. A, 5.125%, 11/15/31	11/12 @ 100	12,671,640
		Mtg. Agcy. RB,		
Aa1	5,950	Ser. 101, 5.40%, 4/01/32, AMT	10/11 @ 100	6,145,457
Aaa	15,500	Ser. A, 5.30%, 10/01/31, AMT	04/11 @ 100	15,886,260
		New York City GO,		
AAA	6,000 ₄	Ser. C, 5.375%, 3/15/12	N/A	6,535,320
AA-	2,240 ₄	Ser. D, 5.375%, 6/01/12	N/A	2,445,699
AA-	4,760	Ser. D, 5.375%, 6/01/32	06/12 @ 100	5,062,403
		New York City Indl. Dev. Agcy. RB,		
B	3,200	American Airlines/JFK Intl. Arpt. Proj., 7.625%, 8/01/25, AMT	08/16 @ 101	3,854,496
B	4,000	American Airlines/JFK Intl. Arpt. Proj., 7.75%, 8/01/31, AMT	08/16 @ 101	4,830,400
BBB-	2,000	Liberty Interactive Corp. Proj., 5.00%, 9/01/35	09/15 @ 100	2,054,340
A	750	Marymount Sch. Proj., 5.125%, 9/01/21, ACA	09/11 @ 102	781,748
A	2,000	Marymount Sch. Proj., 5.25%, 9/01/31, ACA	09/11 @ 102	2,138,140
AAA	1,550	Royal Charter Presbyterian Proj., 5.25%, 12/15/32, FSA	12/11 @ 102	1,679,967

Edgar Filing: POPULAR INC - Form 10-Q

BBB-	14,850	Spec. Arpt. Airis JFK I LLC Proj., Ser. A, 5.50%, 7/01/28, AMT New York City Mun. Wtr. Fin. Auth. RB,	07/11 @ 100	15,302,034
AAA	4,000	Ser. A, 5.00%, 6/15/32, FGIC	06/11 @ 100	4,141,480
AA+	6,500	Ser. C, 5.00%, 6/15/32	06/11 @ 100	6,765,980
AA+	1,500	Ser. D, 5.00%, 6/15/38	06/16 @ 100	1,585,590
AA+	5,000	Ser. D, 5.00%, 6/15/39 New York City Transl. Fin. Auth. RB,	06/15 @ 100	5,261,100
AAA	1,140 ⁴	5.00%, 5/01/09	N/A	1,191,323
AAA	2,520	5.00%, 5/01/29	05/09 @ 101	2,593,710
BBB	6,700	New York Cntys. Tobacco Trust III RB, 6.00%, 6/01/43	06/13 @ 100	7,237,139

See Notes to Financial Statements.

BlackRock New York Municipal Income Trust (BNY) (continued)

Rating ¹ (unaudited)	Principal Amount (000)	Description	Option Call Provisions ² (unaudited)	Value
New York (cont d)				
		Port Auth. of New York & New Jersey RB,		
Caa1	\$ 9,250	Contl. Airlines/Eastn. LaGuardia Proj., 9.125%, 12/01/15, AMT	12/06 @ 100	\$ 9,644,975
AAA	13,000	JFK Intl. Air Terminal Proj., 5.75%, 12/01/22, MBIA, AMT	12/07 @ 102	13,531,310
BBB	2,500	Rensselaer Tobacco Asset Sec. Corp. RB, Tobacco Settlement Proj., Ser. A, 5.75%, 6/01/43	06/12 @ 100	2,634,375
BBB	5,000	Rockland Tobacco Asset Sec. Corp. RB, Tobacco Settlement Proj., 5.75%, 8/15/43	08/12 @ 100	5,277,250
		Suffolk Cnty. Indl. Dev. Agcy. RB,		
BBB-	1,175	Jeffersons Ferry Proj., 5.00%, 11/01/28	11/16 @ 100	1,217,100
A	7,000	Keyspan Port Jefferson Proj., 5.25%, 6/01/27, AMT	06/13 @ 100	7,320,320
		TSASC, Inc., Tobacco Settlement RB,		
AAA	5,000 ⁴	Ser. 1, 5.75%, 7/15/12	N/A	5,541,550
AAA	8,000 ⁴	Ser. 1, 6.375%, 7/15/09	N/A	8,644,960
AA	2,500	Westchester Cnty. Ind. Dev. Agcy. RB, Winward Sch. Civic Fac. Proj., 5.25%, 10/01/31, RAA	10/11 @ 100	2,608,650
AAA	2,000 ⁴	Westchester Tobacco Asset Sec. Corp. Tobacco Settlement RB, 6.75%, 7/15/10	N/A	2,236,320
				250,256,430
Puerto Rico 16.1%				
BBB	4,060	Children s Trust Fund Tobacco Settlement RB, 5.625%, 5/15/43	05/12 @ 100	4,275,545
		Pub. Bldgs. Auth. RB,		
BBB	4,400 ⁴	Gov t. Facs., Ser. D, 5.25%, 7/01/12	N/A	4,761,900
BBB	1,600	Gov t. Facs., Ser. D, 5.25%, 7/01/36	07/12 @ 100	1,684,672
		Pub. Fin. Corp. RB,		
Aaa	7,475 ⁴	Ser. E, 5.50%, 2/01/12	N/A	8,160,756
Aaa	7,000 ⁴	Ser. E, 5.70%, 2/01/10	N/A	7,460,600
Aaa	5,750 ⁴	Ser. E, 5.75%, 2/01/07	N/A	5,781,970
				32,125,443
Total Long-Term Investments (cost \$286,843,010)				304,130,293
Shares (000)				
		MONEY MARKET FUND 1.6%		
NR	3,250	AIM Tax Free Cash Reserve Portfolio Institutional Class (cost \$3,250,000)	N/A	3,250,000
Total Investments 153.9% (cost \$290,093,010)				\$ 307,380,293
Other assets in excess of liabilities 1.1%				2,121,849
Preferred shares at redemption value, including dividends payable (55.0)%				(109,784,963)
Net Assets Applicable to Common Shareholders 100%				\$ 199,717,179

-
- 1 Using the highest of S&P's, Moody's or Fitch's ratings.
- 2 Date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.
- 3 Security is not registered under the Securities Act of 1933. These securities may be resold in transactions in accordance with Rule 144A under that Act, to qualified institutional buyers. As of October 31, 2006, the Trust held 9.3% of its net assets, with a current market value of \$18,496,450, in securities restricted as to resale.
- 4 This bond is prerefunded. U.S. government securities, held in escrow, are used to pay interest on this security, as well as retire the bond in full at the date indicated, typically at a premium to par.
- 5 Cost for Federal income tax purposes is \$290,092,330. The net unrealized appreciation on a tax basis is \$17,287,963, consisting of \$17,287,963 gross unrealized appreciation and \$0 gross unrealized depreciation.

KEY TO ABBREVIATIONS

ACA	American Capital Access	GO	General Obligation
AMBAC	American Municipal Bond Assurance Corp.	MBIA	Municipal Bond Insurance Assoc.
AMT	Subject to Alternative Minimum Tax	RAA	Radian Asset Assurance
FGIC	Financial Guaranty Insurance Co.	RB	Revenue Bond
FSA	Financial Security Assurance		

See Notes to Financial Statements.

STATEMENTS OF ASSETS AND LIABILITIES
October 31, 2006

	Investment Quality Municipal Trust (BKN)	Municipal Income Trust (BFK)	Long-Term Municipal Advantage Trust (BTA)
Assets			
Investments at value ¹	\$ 412,880,833	\$ 1,053,280,159	\$ 372,966,758
Investments in affiliates	92,469	137,103	193
Cash			533,406
Receivable from investments sold			
Interest receivable	5,689,568	15,315,241	5,278,394
Prepaid expenses			88,251
Other assets	37,160	60,301	11,178
	<u>418,700,030</u>	<u>1,068,792,804</u>	<u>378,878,180</u>
Liabilities			
Payable to custodian	4,803,973	10,080,151	
Payable for investments purchased			
Unrealized depreciation on forward starting swaps	1,299,606	4,943,635	
Short-term floating rate certificates, including interest payable ²			179,487,019
Dividends payable - common shares	1,474,401	3,621,287	914,030
Investment advisory fee payable	121,366	354,267	98,686
Administration fee payable	52,014		
Deferred Trustees' fees	92,469	137,103	193
Payable to affiliates	40,079	37,742	5,055
Other accrued expenses	160,188	268,529	236,073
	<u>8,044,096</u>	<u>19,442,714</u>	<u>180,741,056</u>
Preferred Shares at Redemption Value			
\$25,000 liquidation value per share, including dividends payable ³	146,777,682	375,270,501	
Net Assets Applicable to Common Shareholders			
	<u>\$ 263,878,252</u>	<u>\$ 674,079,589</u>	<u>\$ 198,137,124</u>
Composition of Net Assets Applicable to Common Shareholders:			
Par value ⁴	\$ 167,071	\$ 43,844	\$ 13,309
Paid-in capital in excess of par	231,766,743	622,523,348	190,237,548
Undistributed net investment income	8,636,759	15,656,056	(347,276)
Accumulated net realized gain (loss)	(1,112,489)	(32,250,682)	(264,829)
Net unrealized appreciation	24,420,168	68,107,023	8,498,372
Net assets applicable to common shareholders, October 31, 2006	<u>\$ 263,878,252</u>	<u>\$ 674,079,589</u>	<u>\$ 198,137,124</u>
Net asset value per common share ⁵	<u>\$ 15.79</u>	<u>\$ 15.37</u>	<u>\$ 14.89</u>
Investments at cost	\$ 387,161,059	\$ 980,229,501	\$ 364,468,386

Edgar Filing: POPULAR INC - Form 10-Q

2See Note 2 in the Notes to Financials

3Preferred shares outstanding	5,862	15,005	
4Par value per share	0.01	0.001	0.001
5Common shares outstanding	16,707,093	43,843,716	13,308,942

See Notes to Financial Statements.

Edgar Filing: POPULAR INC - Form 10-Q

	California Investment Quality Municipal Trust (RAA)	California Municipal Income Trust (BFZ)	Florida Investment Quality Municipal Trust (RFA)	Florida Municipal Income Trust (BBF)	New Jersey Investment Quality Municipal Trust (RNJ)
Assets					
Investments at value ¹	\$ 23,469,273	\$ 374,389,459	\$ 25,342,890	\$ 160,642,495	\$ 22,290,813
Investments in affiliates	20,171	51,002	20,023	18,965	21,909
Cash	97,153	360,054	508,312	537,230	49,275
Receivable from investments sold			40,000	1,818,975	
Interest receivable	270,446	5,190,429	263,324	2,249,722	347,352
Prepaid expenses					
Other assets	5,215	21,185	5,353	9,351	5,212
	<u>23,862,258</u>	<u>380,012,129</u>	<u>26,179,902</u>	<u>165,276,738</u>	<u>22,714,561</u>
Liabilities					
Payable to custodian					
Payable for investments purchased	1,593,476	8,021,232	1,462,139	1,838,198	496,295
Unrealized depreciation on forward starting swaps		1,852,642		694,636	
Short-term floating rate certificates, including interest payable ²					
Dividends payable common shares	71,101	1,143,086	79,777	502,124	70,623
Investment advisory fee payable	7,362	124,600	7,247	54,886	6,530
Administration fee payable	2,951		3,336		2,969
Deferred Trustees fees	20,171	51,002	20,023	18,965	21,909
Payable to affiliates	6,477	23,490	3,220	10,477	5,421
Other accrued expenses	41,305	203,606	46,196	117,813	29,938
	<u>1,742,843</u>	<u>11,419,658</u>	<u>1,621,938</u>	<u>3,237,099</u>	<u>633,685</u>
Preferred Shares at Redemption Value					
\$25,000 liquidation value per share, including dividends payable ³	7,504,131	132,019,760	8,504,133	57,588,628	7,504,819
Net Assets Applicable to Common Shareholders					
	\$ 14,615,284	\$ 236,572,711	\$ 16,053,831	\$ 104,451,011	\$ 14,576,057
Composition of Net Assets Applicable to Common Shareholders:					
Par value ⁴	\$ 10,071	\$ 15,031	\$ 11,271	\$ 6,663	\$ 10,071
Paid-in capital in excess of par	13,392,714	213,338,137	15,001,008	94,522,491	13,079,455
Undistributed net investment income	(596)	5,994,975	28,700	2,170,518	374,229
Accumulated net realized gain (loss)	68,629	(7,867,056)	96,447	(796,319)	55,732
Net unrealized appreciation	1,144,466	25,091,624	916,405	8,547,658	1,056,570

Edgar Filing: POPULAR INC - Form 10-Q

Net assets applicable to common shareholders, October 31, 2006	\$	14,615,284	\$	236,572,711	\$	16,053,831	\$	104,451,011	\$	14,576,057
Net asset value per common share ⁵	\$	14.51	\$	15.74	\$	14.24	\$	15.68	\$	14.47
1Investments at cost	\$	22,324,807	\$	347,445,193	\$	24,426,485	\$	151,400,201	\$	21,234,243
2See Note 2 in the Notes to Financials										
3Preferred shares outstanding		300		5,278		340		2,302		300
4Par value per share		0.01		0.001		0.01		0.001		0.01
5Common shares outstanding		1,007,093		15,031,082		1,127,093		6,663,185		1,007,093
				43						

STATEMENTS OF ASSETS AND LIABILITIES (continued)
October 31, 2006

	New Jersey Municipal Income Trust (BNJ)	New York Investment Quality Municipal Trust (RNY)	New York Municipal Income Trust (BNY)
Assets			
Investments at value ¹	\$ 186,136,702	\$ 29,101,348	\$ 307,380,293
Investment in affiliates	22,550	19,989	43,777
Cash	358,208	294,390	361,427
Receivable from investments sold			
Interest receivable	3,004,211	508,324	5,022,961
Other assets	10,673	37,301	17,785
	<u>189,532,344</u>	<u>29,961,352</u>	<u>312,826,243</u>
Liabilities			
Payable for investments purchased	2,074,723	150,021	850,117
Unrealized depreciation on forward starting swaps	844,900		1,196,012
Dividends payable - common shares	593,826	95,581	947,326
Investment advisory fee payable	62,833	8,749	104,588
Administration fee payable		3,875	
Deferred Trustees' fees	22,550	19,989	43,777
Payable to affiliates	12,763	3,711	17,696
Other accrued expenses	104,476	38,677	164,585
	<u>3,716,071</u>	<u>320,603</u>	<u>3,324,101</u>
Preferred Shares at Redemption Value			
\$25,000 liquidation value per share, including dividends payable ²	63,829,275	9,801,799	109,784,963
Net Assets Applicable to Common Shareholders			
	<u>\$ 121,986,998</u>	<u>\$ 19,838,950</u>	<u>\$ 199,717,179</u>
Composition of Net Assets Applicable to Common Shareholders:			
Par value ³	\$ 7,461	\$ 13,071	\$ 12,579
Paid-in capital in excess of par	105,919,065	17,651,717	178,522,683
Undistributed net investment income	3,440,789	358,505	5,287,790
Accumulated net realized gain (loss)	(610,058)	26,367	(197,144)
Net unrealized appreciation	13,229,741	1,789,290	16,091,271
	<u>\$ 121,986,998</u>	<u>\$ 19,838,950</u>	<u>\$ 199,717,179</u>
Net assets applicable to common shareholders, October 31, 2006	<u>\$ 121,986,998</u>	<u>\$ 19,838,950</u>	<u>\$ 199,717,179</u>
Net asset value per common share ⁴	<u>\$ 16.35</u>	<u>\$ 15.18</u>	<u>\$ 15.88</u>
1Investments at cost	\$ 172,062,061	\$ 27,312,058	\$ 290,093,010
2Preferred shares outstanding	2,552	392	4,390
3Par value per share	0.001	0.01	0.001
4Common shares outstanding	7,461,064	1,307,093	12,578,916

See Notes to Financial Statements.

STATEMENTS OF OPERATIONS
For the period ended October 31, 2006

	Investment Quality Municipal Trust (BKN)	Municipal Income Trust (BFK)	Long-Term Municipal Advantage Trust (BTA) ¹
Investment Income			
Interest income	\$ 21,233,709	\$ 55,535,420	\$ 11,171,496
Income from affiliates	5,383	7,163	193
Total investment income	21,239,092	55,542,583	11,171,689
Expenses			
Investment advisory	1,422,444	6,178,895	1,260,317
Administration	609,618		
Transfer agent	18,114	17,161	10,599
Custodian	111,987	136,670	69,944
Reports to shareholders	56,028	130,950	25,060
Directors/Trustees	30,425	63,413	14,600
Registration	21,243	33,865	13,473
Independent accountants	40,243	43,855	26,942
Legal	53,308	112,803	25,611
Insurance	24,337	61,599	7,492
Organization			39,000
Auction agent	386,761	968,826	
Deferred Trustees fees	5,383	7,163	193
Remarketing and liquidity fees			221,139
Miscellaneous	51,870	90,434	38,606
Total expenses excluding interest expense and excise tax	2,831,761	7,845,634	1,752,976
Interest Expense	9,389	42,536	3,952,420
Excise Tax		9,926	
Total expenses	2,841,150	7,898,096	5,705,396
Less fees waived by Advisor		(2,443,432)	(504,127)
Less fees paid indirectly	(21,109)	(7,367)	(36,581)
Net expenses	2,820,041	5,447,297	5,164,688
Net investment income	18,419,051	50,095,286	6,007,001
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) on:			
Investments	(1,676,067)	(7,373,174)	(264,829)
Futures and swaps	2,283,362	8,764,060	
	607,295	1,390,886	(264,829)
Net change in unrealized appreciation/depreciation on:			
Investments	9,726,610	44,449,345	8,498,372
Futures and swaps	(2,975,500)	(11,387,130)	
	6,751,110	33,062,215	8,498,372

Edgar Filing: POPULAR INC - Form 10-Q

Net gain	7,358,405	34,453,101	8,233,543
Dividends and Distributions to Preferred Shareholders from:			
Net investment income	(4,700,264)	(12,001,964)	
Net realized gains			
Total dividends and distributions	(4,700,264)	(12,001,964)	
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations			
	\$ 21,077,192	\$ 72,546,423	\$ 14,240,544

¹ Commencement of investment operations for Long-Term Municipal Advantage was February 28, 2006. This information includes the initial investment by BlackRock Funding, Inc.

² See Note 2 in the Notes to Financials.

See Notes to Financial Statements.

STATEMENTS OF OPERATIONS (continued)
For the year ended October 31, 2006

	California Investment Quality Municipal Trust (RAA)	California Municipal Income Trust (BFZ)	Florida Investment Quality Municipal Trust (RFA)
Investment Income			
Interest income	\$ 1,078,454	\$ 18,755,759	\$ 1,139,846
Income from affiliates	827	3,374	1,156
Total investment income	1,079,281	18,759,133	1,141,002
Expenses			
Investment advisory	76,502	2,176,770	85,504
Administration	21,858		24,430
Transfer agent	10,885	15,676	11,010
Custodian	18,250	83,232	14,659
Reports to shareholders	6,347	36,101	6,783
Directors/Trustees	13,611	24,182	13,611
Registration	588	31,499	661
Independent accountants	21,836	39,056	21,853
Legal	5,924	43,263	5,986
Insurance	1,300	21,639	1,456
Organization			
Deferred Trustees fees	827	3,374	1,156
Auction agent	22,638	343,701	25,036
Miscellaneous	15,155	43,934	15,343
Total expenses excluding interest expense and excise tax	215,721	2,862,427	227,488
Interest Expense		13,976	
Excise Tax			
Total expenses	215,721	2,876,403	227,488
Less fees waived by Advisor		(860,860)	
Less fees paid indirectly	(13,594)	(17,657)	(9,947)
Net expenses	202,127	1,997,886	217,541
Net investment income	877,154	16,761,247	923,461
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) on:			
Investments	77,273	(1,064,603)	267,606
Futures and swaps	1,132	3,280,995	(1,841)
	78,405	2,216,392	265,765
Net change in unrealized appreciation/depreciation on:			
Investments	431,082	11,329,159	184,809
Futures and swaps	(839)	(4,265,100)	1,679
	430,243	7,064,059	186,488

Edgar Filing: POPULAR INC - Form 10-Q

Net gain	508,648	9,280,451	452,253
Dividends and Distributions to Preferred Shareholders			
from:			
Net investment income	(215,916)	(3,954,681)	(236,669)
Net realized gains			(54,375)
Total dividends and distributions	(215,916)	(3,954,681)	(291,044)
Net Increase in Net Assets Applicable to Common Shareholders Resulting from Operations	\$ 1,169,886	\$ 22,087,017	\$ 1,084,670

See Notes to Financial Statements.

Edgar Filing: POPULAR INC - Form 10-Q

	Florida Municipal Income Trust (BBF)	New Jersey Investment Quality Municipal Trust (RNJ)	New Jersey Municipal Income Trust (BNJ)	New York Investment Quality Municipal Trust (RNY)	New York Municipal Income Trust (BNY)
Investment Income					
Interest income	\$ 8,316,297	\$ 1,059,578	\$ 9,804,352	\$ 1,508,256	\$ 15,967,809
Income from affiliates	1,098	1,466	1,309	1,137	2,543
Total investment income	<u>8,317,395</u>	<u>1,061,044</u>	<u>9,805,661</u>	<u>1,509,393</u>	<u>15,970,352</u>
Expenses					
Investment advisory	965,889	76,996	1,100,053	102,646	1,831,132
Administration		21,999		29,327	
Transfer agent	15,593	10,979	15,636	11,000	15,703
Custodian	59,087	18,965	64,675	19,336	75,252
Reports to shareholders	21,625	6,853	26,354	7,329	42,916
Directors/Trustees	15,389	13,611	16,257	13,611	22,365
Registration	21,243	588	21,243	766	21,243
Independent accountants	37,138	21,838	37,268	21,883	38,760
Legal	21,257	5,931	21,761	6,103	42,125
Insurance	9,604	1,313	10,926	1,746	18,195
Organization					
Deferred Trustees fees	1,098	1,466	1,309	1,137	2,543
Auction agent	151,041	22,639	166,633	28,372	288,192
Miscellaneous	29,756	15,166	31,058	15,513	39,935
Total expenses excluding interest expense and excise tax	<u>1,348,720</u>	<u>218,344</u>	<u>1,513,173</u>	<u>258,769</u>	<u>2,438,361</u>
Interest Expense			5,936		9,316
Excise Tax					
Total expenses	<u>1,348,720</u>	<u>218,344</u>	<u>1,519,109</u>	<u>258,769</u>	<u>2,447,677</u>
Less fees waived by Advisor	(382,095)		(435,097)		(724,243)
Less fees paid indirectly	(18,592)	(14,091)	(21,765)	(15,233)	(20,552)
Net expenses	<u>948,033</u>	<u>204,253</u>	<u>1,062,247</u>	<u>243,536</u>	<u>1,702,882</u>
Net investment income	<u>7,369,362</u>	<u>856,791</u>	<u>8,743,414</u>	<u>1,265,857</u>	<u>14,267,470</u>
Realized and Unrealized Gain (Loss)					
Net realized gain (loss) on:					
Investments	(61,121)	124,989	(16,003)	89,471	(347,102)
Futures and swaps	1,217,190	(4,814)	1,493,941	(1,841)	2,110,358
	<u>1,156,069</u>	<u>120,175</u>	<u>1,477,938</u>	<u>87,630</u>	<u>1,763,256</u>
Net change in unrealized appreciation/depreciation on:					
Investments	2,178,094	218,297	4,337,276	393,726	6,793,018
Futures and swaps	(1,586,773)	4,197	(1,944,436)	1,679	(2,747,808)
	<u>591,321</u>	<u>222,494</u>	<u>2,392,840</u>	<u>395,405</u>	<u>4,045,210</u>
Net gain	<u>1,747,390</u>	<u>342,669</u>	<u>3,870,778</u>	<u>483,035</u>	<u>5,808,466</u>

**Dividends and Distributions
to Preferred Shareholders
from:**

Net investment income	(1,810,602)	(204,250)	(1,946,877)	(276,400)	(3,294,504)
Net realized gains		(25,877)		(20,219)	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total dividends and distributions	(1,810,602)	(230,127)	(1,946,877)	(296,619)	(3,294,504)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Net Increase in Net Assets
Applicable to Common
Shareholders Resulting from
Operations**

\$ 7,306,150	\$ 969,333	\$ 10,667,315	\$ 1,452,273	\$ 16,781,432
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

STATEMENT OF CASH FLOWS
For the period ended October 31, 2006

	BlackRock Long-Term Municipal Advantage Trust (BTA)
Net Increase in Net Assets Resulting from Operations to Net Cash Used for Operating Activities	
Cash flows from operating activities:	
Net increase in net assets resulting from operations	\$ 14,240,544
Purchases of long-term investments	(432,072,945)
Proceeds from sales of long-term investments	68,275,472
Net purchases of short-term investments	(741,000)
Amortization of premium and discount on investments	(194,742)
Net realized loss on investments	264,829
Increase in unrealized appreciation/depreciation on investments	(8,498,372)
Increase in investments in affiliates	(193)
Increase in interest receivable	(5,278,394)
Increase in prepaid expenses	(88,251)
Increase in other assets	(11,178)
Increase in interest payable	2,142,019
Increase in investment advisory fee payable	98,686
Increase in deferred Directors/Trustees fees	193
Increase in payable to affiliates	5,055
Increase in accrued expenses	236,073
Total adjustments	(375,862,748)
Net cash used for operating activities	\$ (361,622,204)
Cash from financing activities:	
Capital contributions	190,289,857
Proceeds from and repayments of short-term floating rate certificates	177,345,000
Cash dividends paid	(5,479,247)
Net cash provided by financing activities	362,155,610
Net increase in cash	533,406
Cash at beginning of period	
Cash at end of period	\$ 533,406

See Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS
For the years ended October 31, 2006 and 2005

	Investment Quality Municipal Trust (BKN)		Municipal Income Trust (BFK)	
	2006	2005	2006	2005
Increase (Decrease) in Net Assets Applicable to Common Shareholders				
Operations:				
Net investment income	\$ 18,419,051	\$ 19,080,763	\$ 50,095,286	\$ 51,367,505
Net realized gain	607,295	9,521,667	1,390,886	14,502,349
Net change in unrealized appreciation/depreciation	6,751,110	(11,411,681)	33,062,215	4,068,932
Dividends from net investment income to preferred shareholders:	(4,700,264)	(3,091,066)	(12,001,964)	(7,913,843)
Net increase in net assets applicable to common shareholders resulting from operations	21,077,192	14,099,683	72,546,423	62,024,943
Dividends from Investment Income to Common Shareholders from:	(17,692,813)	(16,080,778)	(43,385,755)	(42,712,157)
Capital Share Transactions:				
Reinvestment of common dividends			2,871,527	1,086,467
Net proceeds from capital share transactions			2,871,527	1,086,467
Total increase (decrease)	3,384,379	(1,981,095)	32,032,195	20,399,253
Net Assets Applicable to Common Shareholders				
Beginning of year	260,493,873	262,474,968	642,047,394	621,648,141
End of year	\$ 263,878,252	\$ 260,493,873	\$ 674,079,589	\$ 642,047,394
End of year undistributed net investment income	\$ 8,636,759	\$ 12,726,040	\$ 15,656,056	\$ 20,939,165

See Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS (continued)
For the period ended October 31, 2006 and for the year ended October 31, 2005

	BlackRock Long-Term Municipal Advantage Trust (BTA)	California Investment Quality Municipal Trust (RAA)	
	2006¹	2006	2005
Increase (Decrease) in Net Assets Applicable to Common Shareholders			
Operations:			
Net investment income	\$ 6,007,001	\$ 877,154	\$ 783,716
Net realized gain (loss)	(264,829)	78,405	111,480
Net change in unrealized appreciation/depreciation	8,498,372	430,243	(143,365)
Dividends and distributions to preferred shareholders from:			
Net investment income		(215,916)	(128,583)
Net realized gains			
Net increase in net assets applicable to common shareholders resulting from operations	14,240,544	1,169,886	623,248
Dividends and Distributions to Common Shareholders from:			
Net investment income	(6,393,277)	(853,209)	(853,209)
Net realized gains			
Total dividends and distributions	(6,393,277)	(853,209)	(853,209)
Capital Share Transactions:			
Net proceeds from the issuance of common shares	186,584,810		
Net proceeds from the underwriters' over-allotment option exercised	3,216,375		
Reinvestment of common dividends	488,672		
Net proceeds from capital share transactions	190,289,857		
Total increase (decrease)	198,137,124	316,677	(229,961)
Net Assets			
Beginning of period		14,298,607	14,528,568
End of period	\$ 198,137,124	\$ 14,615,284	\$ 14,298,607
End of period undistributed (distribution in excess of) net investment income	\$ (347,276)	\$ (596)	\$ 191,464

¹ Commencement of investment operations for Long-Term Municipal Advantage was February 28, 2006. This information includes the initial investment by BlackRock Funding, Inc.

See Notes to Financial Statements.

Edgar Filing: POPULAR INC - Form 10-Q

	California Municipal Income Trust (BFZ)		Florida Investment Quality Municipal Trust (RFA)		Florida Municipal Income Trust (BBF)	
	2006	2005	2006	2005	2006	2005
Increase (Decrease) in Net Assets Applicable to Common Shareholders						
Operations:						
Net investment income	\$ 16,761,247	\$ 16,744,835	\$ 923,461	\$ 946,124	\$ 7,369,362	\$ 7,400,920
Net realized gain (loss)	2,216,392	(2,241,920)	265,765	160,059	1,156,069	(1,234,248)
Net change in unrealized appreciation/depreciation	7,064,059	7,640,066	186,488	(551,267)	591,321	2,386,133
Dividends and distributions to preferred shareholders from:						
Net investment income	(3,954,681)	(2,361,287)	(236,669)	(174,481)	(1,810,602)	(1,150,882)
Net realized gains			(54,375)	(10,423)		
Net increase in net assets applicable to common shareholders resulting from operations	22,087,017	19,781,694	1,084,670	370,012	7,306,150	7,401,923
Dividends and Distributions to Common Shareholders from:						
Net investment income	(13,697,832)	(13,680,084)	(957,322)	(957,322)	(6,019,766)	(6,011,917)
Net realized gains			(287,688)	(127,609)		
Total dividends and distributions	(13,697,832)	(13,680,084)	(1,245,010)	(1,084,931)	(6,019,766)	(6,011,917)
Capital Share Transactions:						
Net proceeds from the issuance of common shares						
Net proceeds from the underwriters over-allotment option exercised						
Reinvestment of common dividends	711,184				221,091	41,592
Net proceeds from capital share transactions	711,184				221,091	41,592
Total increase (decrease)	9,100,369	6,101,610	(160,340)	(714,919)	1,507,475	1,431,598
Net Assets						
Beginning of period	227,472,342	221,370,732	16,214,171	16,929,090	102,943,536	101,511,938
End of period	\$ 236,572,711	\$ 227,472,342	\$ 16,053,831	\$ 16,214,171	\$ 104,451,011	\$ 102,943,536
End of period undistributed (distribution in excess of) net investment income	\$ 5,994,975	\$ 6,886,241	\$ 28,700	\$ 299,272	\$ 2,170,518	\$ 2,631,771

STATEMENTS OF CHANGES IN NET ASSETS (continued)
For the years ended October 31, 2006 and 2005

	New Jersey Investment Quality Municipal Trust (RNJ)		New Jersey Municipal Income Trust (BNJ)	
	2006	2005	2006	2005
Increase (Decrease) in Net Assets Applicable to Common Shareholders				
Operations:				
Net investment income	\$ 856,791	\$ 876,362	\$ 8,743,414	\$ 8,666,540
Net realized gain (loss)	120,175	117,656	1,477,938	(579,155)
Net change in unrealized appreciation/depreciation	222,494	(339,943)	2,392,840	3,710,915
Dividends and distributions to preferred shareholders from:				
Net investment income	(204,250)	(149,372)	(1,946,877)	(1,322,793)
Net realized gains	(25,877)			
Net increase in net assets applicable to common shareholders resulting from operations	969,333	504,703	10,667,315	10,475,507
Dividends and Distributions to Common Shareholders from:				
Net investment income	(847,505)	(823,484)	(7,110,417)	(6,817,201)
Net realized gains	(126,529)			
Total dividends and distributions	(974,034)	(823,484)	(7,110,417)	(6,817,201)
Capital Share Transactions:				
Reinvestment of common dividends			690,656	61,711
Net proceeds from capital share transactions			690,656	61,711
Total increase (decrease)	(4,701)	(318,781)	4,247,554	3,720,017
Net Assets Applicable to Common Shareholders				
Beginning of year	14,580,758	14,899,539	117,739,444	114,019,427
End of year	\$ 14,576,057	\$ 14,580,758	\$ 121,986,998	\$ 117,739,444
End of year undistributed net investment income	\$ 374,229	\$ 576,903	\$ 3,440,789	\$ 3,754,669

	New York Investment Quality Municipal Trust (RNY)		New York Municipal Income Trust (BNY)	
	2006	2005	2006	2005
Increase (Decrease) in Net Assets Applicable to Common Shareholders				
Operations:				
Net investment income	\$ 1,265,857	\$ 1,259,631	\$ 14,267,470	\$ 14,254,822
Net realized gain (loss)	87,630	59,365	1,763,256	1,893,142
Net change in unrealized appreciation/depreciation	395,405	(411,759)	4,045,210	(627,477)
Dividends and distributions to preferred shareholders from:				
Net investment income	(276,400)	(182,787)	(3,294,504)	(2,091,682)
Net realized gains	(20,219)			
Net increase in net assets applicable to common shareholders resulting from operations	1,452,273	724,450	16,781,432	13,428,805
Dividends and Distributions to Common Shareholders from:				
Net investment income	(1,146,975)	(1,146,975)	(11,347,915)	(11,321,006)
Net realized gains	(109,330)			
Total dividends and distributions	(1,256,305)	(1,146,975)	(11,347,915)	(11,321,006)
Capital Share Transactions:				
Reinvestment of common dividends			826,411	75,737
Net proceeds from capital share transactions			826,411	75,737
Total increase (decrease)	195,968	(422,525)	6,259,928	2,183,536
Net Assets Applicable to Common Shareholders				
Beginning of year	19,642,982	20,065,507	193,457,251	191,273,715
End of year	\$ 19,838,950	\$ 19,642,982	\$ 199,717,179	\$ 193,457,251
End of year undistributed net investment income	\$ 358,505	\$ 517,851	\$ 5,287,790	\$ 5,662,743

FINANCIAL HIGHLIGHTS

BlackRock Investment Quality Municipal Trust (BKN)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.59	\$ 15.71	\$ 15.28	\$ 15.19	\$ 15.19
Investment operations:					
Net investment income	1.10	1.14	1.17	1.16	1.20
Net realized and unrealized gain (loss)	0.44	(0.11)	0.26	(0.09)	(0.26)
Dividends to preferred shareholders from net investment income	(0.28)	(0.19)	(0.09)	(0.09)	(0.13)
Net increase from investment operations	1.26	0.84	1.34	0.98	0.81
Dividends to common shareholders from net investment income	(1.06)	(0.96)	(0.91)	(0.89)	(0.81)
Net asset value, end of year	\$ 15.79	\$ 15.59	\$ 15.71	\$ 15.28	\$ 15.19
Market price, end of year	\$ 18.97	\$ 16.62	\$ 15.12	\$ 14.26	\$ 13.48
TOTAL INVESTMENT RETURN¹	21.06%	16.68%	12.91%	12.67%	4.14%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	1.09%	1.08%	1.08%	1.10%	1.09%
Expenses after fees waived and before fees paid indirectly	1.09%	1.08%	1.08%	1.10%	1.09%
Expenses before fees waived and paid indirectly	1.09%	1.08%	1.08%	1.10%	1.09%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.09%	7.21%	7.59%	7.62%	7.93%
Preferred share dividends	1.81%	1.17%	0.60%	0.59%	0.83%
Net investment income available to common shareholders	5.28%	6.04%	6.99%	7.03%	7.10%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 259,862	\$ 264,490	\$ 259,470	\$ 254,890	\$ 251,428
Portfolio turnover	82%	77%	52%	36%	19%
Net assets applicable to common shareholders, end of year (000)	\$ 263,878	\$ 260,494	\$ 262,475	\$ 255,315	\$ 253,710
Preferred shares value outstanding, end of year (000)	\$ 146,550	\$ 146,550	\$ 146,550	\$ 146,550	\$ 146,550
Asset coverage per preferred share, end of year	\$ 70,054	\$ 69,465	\$ 69,790	\$ 68,561	\$ 68,292

1 Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices

Edgar Filing: POPULAR INC - Form 10-Q

obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.

- 2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock Municipal Income Trust (BFK)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 14.71	\$ 14.26	\$ 13.87	\$ 13.33	\$ 14.30
Investment operations:					
Net investment income	1.14	1.18	1.19	1.23	1.20
Net realized and unrealized gain (loss)	0.78	0.43	0.26	0.35	(1.11)
Dividends to preferred shareholders from net investment income	(0.27)	(0.18)	(0.09)	(0.09)	(0.13)
Net increase (decrease) from investment operations	1.65	1.43	1.36	1.49	(0.04)
Dividends to common shareholders from net investment income	(0.99)	(0.98)	(0.97)	(0.95)	(0.93)
Net asset value, end of year	\$ 15.37	\$ 14.71	\$ 14.26	\$ 13.87	\$ 13.33
Market price, end of year	\$ 17.30	\$ 15.69	\$ 14.05	\$ 13.70	\$ 13.46
TOTAL INVESTMENT RETURN¹	17.39%	19.31%	10.01%	9.21%	(2.40)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	0.83%	0.83%	0.83%	0.84%	0.81%
Expenses after fees waived and before fees paid indirectly	0.83%	0.83%	0.83%	0.84%	0.83%
Expenses before fees waived and paid indirectly	1.21%	1.22%	1.23%	1.25%	1.23%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.65%	7.97%	8.44%	8.96%	8.74%
Preferred share dividends	1.83%	1.23%	0.63%	0.65%	0.92%
Net investment income available to common shareholders	5.82%	6.74%	7.81%	8.31%	7.82%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 654,691	\$ 644,680	\$ 618,076	\$ 594,192	\$ 598,425
Portfolio turnover	77%	68%	59%	56%	70%
Net assets applicable to common shareholders, end of year (000)	\$ 674,080	\$ 642,047	\$ 621,648	\$ 603,943	\$ 579,681
Preferred shares value outstanding, end of year (000)	\$ 375,125	\$ 375,125	\$ 375,125	\$ 375,125	\$ 375,125
Asset coverage per preferred share, end of year	\$ 69,933	\$ 67,797	\$ 66,435	\$ 65,251	\$ 63,636

1 Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices

Edgar Filing: POPULAR INC - Form 10-Q

obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.

- 2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock Long-Term Municipal Advantage Trust (BTA)

	For the period February 28, 2006¹ through October 31, 2006
PER SHARE OPERATING PERFORMANCE:	
Net asset value, beginning of period	\$ 14.332
Investment operations:	
Net investment income	0.45
Net realized and unrealized gain	0.62
Net increase from investment operations	1.07
Dividends to common shareholders from net investment income	(0.48)
Capital charges with respect to issuance of share	(0.03)
Net asset value, end of period	\$ 14.89
Market price, end of period	\$ 14.70
TOTAL INVESTMENT RETURN³	1.40%
RATIOS TO AVERAGE NET ASSETS⁴	
Total expenses	4.55%
Net expenses	4.11%
Net expenses excluding interest expense	0.97%
Net investment income	4.79%
SUPPLEMENTAL DATA:	
Average net assets (000)	\$ 186,998
Portfolio turnover	20%
Net assets, end of period (000)	\$ 198,137
Short-term floating rate certificates, end of period (000)	\$ 177,345
Asset coverage, end of period ⁵	\$ 2,177
Short-term floating rate certificates average daily balance (000)	\$ 183,026
Short-term floating rate certificates weighted average interest rate	3.57%

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

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

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

4 Annualized.

5 Per \$1,000 of certificates outstanding.

Edgar Filing: POPULAR INC - Form 10-Q

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock California Investment Quality Municipal Trust (RAA)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 14.20	\$ 14.43	\$ 14.56	\$ 14.81	\$ 15.30
Investment operations:					
Net investment income	0.87	0.78	0.92	1.05	1.04
Net realized and unrealized gain (loss)	0.50	(0.03)	(0.09)	(0.41)	(0.64)
Dividends to preferred shareholders from net investment income	(0.21)	(0.13)	(0.06)	(0.06)	(0.09)
Net increase from investment operations	1.16	0.62	0.77	0.58	0.31
Dividends and distributions to common shareholders from:					
Net investment income	(0.85)	(0.85)	(0.85)	(0.83)	(0.80)
Net realized gains			(0.05)		
Total dividends and distributions	(0.85)	(0.85)	(0.90)	(0.83)	(0.80)
Net asset value, end of year	\$ 14.51	\$ 14.20	\$ 14.43	\$ 14.56	\$ 14.81
Market price, end of year	\$ 15.80	\$ 15.75	\$ 14.30	\$ 14.03	\$ 13.38
TOTAL INVESTMENT RETURN¹	5.90%	16.76%	8.78%	11.38%	(9.26)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	1.41%	1.35%	1.35%	1.40%	1.29%
Expenses after fees waived and before fees paid indirectly	1.50%	1.39%	1.40%	1.40%	1.29%
Expenses before fees waived and paid indirectly	1.50%	1.39%	1.40%	1.40%	1.29%
Net investment income after fees waived and paid indirectly and before preferred share dividends	6.11%	5.38%	6.37%	7.17%	6.86%
Preferred share dividends	1.50%	0.88%	0.42%	0.44%	0.59%
Net investment income available to common shareholders	4.61%	4.50%	5.95%	6.73%	6.27%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 14,358	\$ 14,569	\$ 14,553	\$ 14,752	\$ 15,221
Portfolio turnover	49%	20%	15%	6%	30%
Net assets applicable to common shareholders, end of year (000)	\$ 14,615	\$ 14,299	\$ 14,529	\$ 14,665	\$ 14,911
Preferred shares value outstanding, end of year (000)	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Asset coverage per preferred share, end of year	\$ 73,731	\$ 72,671	\$ 73,433	\$ 73,886	\$ 74,706

-
- 1 Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.
 - 2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock California Municipal Income Trust (BFZ)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.18	\$ 14.77	\$ 13.97	\$ 14.16	\$ 14.50
Investment operations:					
Net investment income	1.11	1.12	1.15	1.12	1.11
Net realized and unrealized gain (loss)	0.62	0.36	0.65	(0.34)	(0.46)
Dividends to preferred shareholders from net investment income	(0.26)	(0.16)	(0.09)	(0.08)	(0.12)
Net increase from investment operations	1.47	1.32	1.71	0.70	0.53
Dividends to common shareholders from net investment income	(0.91)	(0.91)	(0.91)	(0.89)	(0.87)
Net asset value, end of year	\$ 15.74	\$ 15.18	\$ 14.77	\$ 13.97	\$ 14.16
Market price, end of year	\$ 17.12	\$ 14.92	\$ 13.65	\$ 13.21	\$ 13.09
TOTAL INVESTMENT RETURN¹	21.65%	16.42%	10.58%	7.92%	(5.49)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	0.87%	0.85%	0.87%	0.89%	0.88%
Expenses after fees waived and before fees paid indirectly	0.87%	0.86%	0.88%	0.89%	0.90%
Expenses before fees waived and paid indirectly	1.25%	1.25%	1.28%	1.30%	1.31%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.26%	7.35%	7.96%	8.01%	7.96%
Preferred share dividends	1.71%	1.04%	0.59%	0.57%	0.86%
Net investment income available to common shareholders	5.55%	6.31%	7.37%	7.44%	7.10%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 230,845	\$ 227,738	\$ 216,238	\$ 211,275	\$ 209,965
Portfolio turnover	17%	28%	15%	34%	44%
Net assets applicable to common shareholders, end of year (000)	\$ 236,573	\$ 227,472	\$ 221,371	\$ 209,397	\$ 212,215
Preferred shares value outstanding, end of year (000)	\$ 131,950	\$ 131,950	\$ 131,950	\$ 131,950	\$ 131,950
Asset coverage per preferred share, end of year	\$ 69,836	\$ 68,107	\$ 66,945	\$ 64,675	\$ 65,211

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

Edgar Filing: POPULAR INC - Form 10-Q

of future results.

- 2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock Florida Investment Quality Municipal Trust (RFA)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 14.39	\$ 15.02	\$ 15.39	\$ 15.65	\$ 15.50
Investment operations:					
Net investment income	0.82	0.84	0.98	1.04	1.05
Net realized and unrealized gain (loss)	0.40	(0.35)	(0.18)	(0.39)	0.02
Dividends and distributions to preferred shareholders from:					
Net investment income	(0.21)	(0.15)	(0.07)	(0.08)	(0.11)
Net realized gains	(0.05)	(0.01)	(0.02)		
Net increase from investment operations	0.96	0.33	0.71	0.57	0.96
Dividends and distributions to common shareholders from:					
Net investment income	(0.85)	(0.85)	(0.85)	(0.83)	(0.81)
Net realized gains	(0.26)	(0.11)	(0.23)		
Total dividends and distributions	(1.11)	(0.96)	(1.08)	(0.83)	(0.81)
Net asset value, end of year	\$ 14.24	\$ 14.39	\$ 15.02	\$ 15.39	\$ 15.65
Market price, end of year	\$ 16.00	\$ 14.85	\$ 14.30	\$ 14.47	\$ 14.50
TOTAL INVESTMENT RETURN¹	15.91%	10.76%	6.32%	5.52%	6.52%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	1.37%	1.29%	1.27%	1.29%	1.20%
Expenses after fees waived and before fees paid indirectly	1.43%	1.32%	1.31%	1.29%	1.20%
Expenses before fees waived and paid indirectly	1.43%	1.32%	1.31%	1.29%	1.20%
Net investment income after fees waived and paid indirectly and before preferred share dividends	5.80%	5.69%	6.48%	6.69%	6.76%
Preferred share dividends	1.49%	1.05%	0.46%	0.51%	0.69%
Net investment income available to common shareholders	4.31%	4.64%	6.02%	6.18%	6.07%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 15,930	\$ 16,626	\$ 17,035	\$ 17,561	\$ 17,427
Portfolio turnover	57%	15%	13%	17%	8%
Net assets applicable to common shareholders, end of year (000)	\$ 16,054	\$ 16,214	\$ 16,929	\$ 17,347	\$ 17,639
Preferred shares value outstanding, end of year (000)	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
Asset coverage per preferred share, end of year	\$ 72,229	\$ 72,696	\$ 74,795	\$ 76,021	\$ 76,886

-
- 1 Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.
 - 2 Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock Florida Municipal Income Trust (BBF)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.48	\$ 15.27	\$ 14.68	\$ 14.57	\$ 14.37
Investment operations:					
Net investment income	1.11	1.11	1.12	1.11	1.07
Net realized and unrealized gain (loss)	0.26	0.17	0.45	(0.03)	0.13
Dividends to preferred shareholders from net investment income	(0.27)	(0.17)	(0.08)	(0.08)	(0.12)
Net increase from investment operations	1.10	1.11	1.49	1.00	1.08
Dividends to common shareholders from net investment income	(0.90)	(0.90)	(0.90)	(0.89)	(0.87)
Capital charges with respect to issuance of preferred shares					(0.01)
Net asset value, end of year	\$ 15.68	\$ 15.48	\$ 15.27	\$ 14.68	\$ 14.57
Market price, end of year	\$ 16.30	\$ 15.25	\$ 14.40	\$ 13.36	\$ 13.65
TOTAL INVESTMENT RETURN¹	13.26%	12.44%	15.04%	4.30%	0.16%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	0.92%	0.90%	0.93%	0.94%	0.96%
Expenses after fees waived and before fees paid indirectly	0.93%	0.91%	0.93%	0.95%	0.98%
Expenses before fees waived and paid indirectly	1.30%	1.30%	1.32%	1.35%	1.38%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.12%	7.16%	7.49%	7.50%	7.59%
Preferred share dividends	1.75%	1.11%	0.55%	0.53%	0.82%
Net investment income available to common shareholders	5.37%	6.05%	6.94%	6.97%	6.77%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 103,431	\$ 103,432	\$ 100,002	\$ 98,081	\$ 93,558
Portfolio turnover	20%	10%	10%	19%	35%
Net assets applicable to common shareholders, end of year (000)	\$ 104,451	\$ 102,944	\$ 101,512	\$ 97,589	\$ 96,816
Preferred shares value outstanding, end of year (000)	\$ 57,550	\$ 57,550	\$ 57,550	\$ 57,550	\$ 57,550
Asset coverage per preferred share, end of year	\$ 70,391	\$ 69,729	\$ 69,101	\$ 67,394	\$ 67,060

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

Edgar Filing: POPULAR INC - Form 10-Q

of future results.

² Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock New Jersey Investment Quality Municipal Trust (RNJ)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 14.48	\$ 14.79	\$ 14.90	\$ 14.64	\$ 14.85
Investment operations:					
Net investment income	0.85	0.87	0.97	1.00	1.02
Net realized and unrealized gain (loss)	0.34	(0.21)	(0.20)	0.12	(0.39)
Dividends and distributions to preferred shareholders from:					
Net investment income	(0.20)	(0.15)	(0.07)	(0.06)	(0.09)
Net realized gains	(0.03)				
Net increase from investment operations	0.96	0.51	0.70	1.06	0.54
Dividends and distributions to common shareholders from:					
Net investment income	(0.84)	(0.82)	(0.81)	(0.80)	(0.75)
Net realized gains	(0.13)				
Total dividends and distributions	(0.97)	(0.82)	(0.81)	(0.80)	(0.75)
Net asset value, end of year	\$ 14.47	\$ 14.48	\$ 14.79	\$ 14.90	\$ 14.64
Market price, end of year	\$ 15.95	\$ 14.70	\$ 15.00	\$ 14.80	\$ 13.30
TOTAL INVESTMENT RETURN¹	15.25%	3.53%	7.14%	17.59%	2.07%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	1.41%	1.34%	1.34%	1.39%	1.31%
Expenses after fees waived and before fees paid indirectly	1.51%	1.37%	1.37%	1.39%	1.31%
Expenses before fees waived and paid indirectly	1.51%	1.37%	1.37%	1.39%	1.31%
Net investment income after fees waived and paid indirectly and before preferred share dividends	5.91%	5.89%	6.50%	6.72%	6.93%
Preferred share dividends	1.41%	1.00%	0.47%	0.41%	0.61%
Net investment income available to common shareholders	4.50%	4.89%	6.03%	6.31%	6.32%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 14,499	\$ 14,873	\$ 14,974	\$ 14,975	\$ 14,791
Portfolio turnover	27%	19%	12%	4%	14%
Net assets applicable to common shareholders, end of year (000)	\$ 14,576	\$ 14,581	\$ 14,900	\$ 15,007	\$ 14,747
Preferred shares value outstanding, end of year (000)	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Asset coverage per preferred share, end of year	\$ 73,603	\$ 73,612	\$ 74,670	\$ 75,026	\$ 74,159

Edgar Filing: POPULAR INC - Form 10-Q

- ¹ Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.
- ² Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock New Jersey Municipal Income Trust (BNJ)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.87	\$ 15.38	\$ 14.59	\$ 14.29	\$ 14.26
Investment operations:					
Net investment income	1.17	1.17	1.16	1.15	1.10
Net realized and unrealized gain (loss)	0.52	0.42	0.61	0.11	(0.07)
Dividends to preferred shareholders from net investment income	(0.26)	(0.18)	(0.08)	(0.08)	(0.12)
Net increase from investment operations	1.43	1.41	1.69	1.18	0.91
Dividends to common shareholders from net investment income	(0.95)	(0.92)	(0.90)	(0.88)	(0.87)
Capital charges with respect to issuance of preferred shares					(0.01)
Net asset value, end of year	\$ 16.35	\$ 15.87	\$ 15.38	\$ 14.59	\$ 14.29
Market price, end of year	\$ 18.40	\$ 15.91	\$ 14.45	\$ 14.04	\$ 13.64
TOTAL INVESTMENT RETURN¹	22.56%	16.95%	9.63%	9.59%	(2.25)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	0.89%	0.89%	0.91%	0.93%	0.93%
Expenses after fees waived and before fees paid indirectly	0.91%	0.90%	0.91%	0.94%	0.97%
Expenses before fees waived and paid indirectly	1.27%	1.28%	1.30%	1.34%	1.37%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.31%	7.37%	7.74%	7.85%	7.81%
Preferred share dividends	1.63%	1.12%	0.56%	0.57%	0.88%
Net investment income available to common shareholders	5.68%	6.25%	7.18%	7.28%	6.93%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 119,542	\$ 117,596	\$ 111,263	\$ 107,900	\$ 104,241
Portfolio turnover	2%	6%	16%	13%	50%
Net assets applicable to common shareholders, end of year (000)	\$ 121,987	\$ 117,739	\$ 114,019	\$ 108,172	\$ 105,985
Preferred shares value outstanding, end of year (000)	\$ 63,800	\$ 63,800	\$ 63,800	\$ 63,800	\$ 63,800
Asset coverage per preferred share, end of year	\$ 72,812	\$ 71,142	\$ 69,682	\$ 67,387	\$ 66,538

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

Edgar Filing: POPULAR INC - Form 10-Q

of future results.

² Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock New York Investment Quality Municipal Trust (RNY)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.03	\$ 15.35	\$ 15.34	\$ 15.47	\$ 15.28
Investment operations:					
Net investment income	0.97	0.96	0.96	1.03	1.06
Net realized and unrealized gain (loss)	0.37	(0.26)		(0.21)	0.06
Dividends and distributions to preferred shareholders from:					
Net investment income	(0.21)	(0.14)	(0.07)	(0.07)	(0.09)
Net realized gains	(0.02)				
Net increase from investment operations	1.11	0.56	0.89	0.75	1.03
Dividends and distributions to common shareholders from:					
Net investment income	(0.88)	(0.88)	(0.88)	(0.88)	(0.84)
Net realized gains	(0.08)				
Total dividends and distributions	(0.96)	(0.88)	(0.88)	(0.88)	(0.84)
Net asset value, end of year	\$ 15.18	\$ 15.03	\$ 15.35	\$ 15.34	\$ 15.47
Market price, end of year	\$ 16.65	\$ 14.75	\$ 14.50	\$ 14.18	\$ 14.40
TOTAL INVESTMENT RETURN¹	19.95%	8.01%	8.81%	4.69%	7.42%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	1.25%	1.20%	1.21%	1.24%	1.17%
Expenses after fees waived and before fees paid indirectly	1.33%	1.24%	1.24%	1.24%	1.17%
Expenses before fees waived and paid indirectly	1.33%	1.24%	1.24%	1.24%	1.17%
Net investment income after fees waived and paid indirectly and before preferred share dividends	6.48%	6.30%	6.29%	6.68%	6.97%
Preferred share dividends	1.42%	0.91%	0.46%	0.44%	0.60%
Net investment income available to common shareholders	5.06%	5.39%	5.83%	6.24%	6.37%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 19,527	\$ 19,993	\$ 20,019	\$ 20,158	\$ 19,915
Portfolio turnover	24%	10%	23%	36%	7%
Net assets applicable to common shareholders, end of year (000)	\$ 19,839	\$ 19,643	\$ 20,066	\$ 20,053	\$ 20,222
Preferred shares value outstanding, end of year (000)	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800	\$ 9,800
Asset coverage per preferred share, end of year	\$ 75,614	\$ 75,111	\$ 76,195	\$ 76,159	\$ 76,590

Edgar Filing: POPULAR INC - Form 10-Q

- ¹ Total investment return is calculated assuming a purchase of a common share at the current market price on the first day and a sale at the current market price on the last day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions. Past performance is not a guarantee of future results.
- ² Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

BlackRock New York Municipal Income Trust (BNY)

	Year Ended October 31,				
	2006	2005	2004	2003	2002
PER COMMON SHARE OPERATING PERFORMANCE:					
Net asset value, beginning of year	\$ 15.44	\$ 15.28	\$ 14.76	\$ 14.47	\$ 14.09
Investment operations:					
Net investment income	1.13	1.14	1.14	1.14	1.09
Net realized and unrealized gain	0.47	0.09	0.36	0.13	0.29
Dividends to preferred shareholders from net investment income	(0.26)	(0.17)	(0.08)	(0.09)	(0.13)
Net increase from investment operations	1.34	1.06	1.42	1.18	1.25
Dividends to common shareholders from net investment income	(0.90)	(0.90)	(0.90)	(0.89)	(0.87)
Net asset value, end of year	\$ 15.88	\$ 15.44	\$ 15.28	\$ 14.76	\$ 14.47
Market price, end of year	\$ 17.35	\$ 15.19	\$ 13.99	\$ 13.45	\$ 13.42
TOTAL INVESTMENT RETURN¹	20.95%	15.38%	10.99%	6.95%	(2.25)%
RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:²					
Expenses after fees waived and paid indirectly	0.87%	0.86%	0.87%	0.88%	0.90%
Expenses after fees waived and before fees paid indirectly	0.88%	0.87%	0.87%	0.89%	0.92%
Expenses before fees waived and paid indirectly	1.25%	1.26%	1.27%	1.29%	1.33%
Net investment income after fees waived and paid indirectly and before preferred share dividends	7.30%	7.35%	7.62%	7.73%	7.87%
Preferred share dividends	1.69%	1.08%	0.56%	0.62%	0.93%
Net investment income available to common shareholders	5.61%	6.27%	7.06%	7.11%	6.94%
SUPPLEMENTAL DATA:					
Average net assets of common shareholders (000)	\$ 195,439	\$ 194,038	\$ 188,476	\$ 183,648	\$ 173,885
Portfolio turnover	27%	24%	13%	14%	57%
Net assets applicable to common shareholders, end of year (000)	\$ 199,717	\$ 193,457	\$ 191,274	\$ 184,874	\$ 181,200
Preferred shares value outstanding, end of year (000)	\$ 109,750	\$ 109,750	\$ 109,750	\$ 109,750	\$ 109,750
Asset coverage per preferred share, end of year	\$ 70,502	\$ 69,073	\$ 68,575	\$ 67,115	\$ 66,279

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

²

Edgar Filing: POPULAR INC - Form 10-Q

Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

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

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization & Accounting Policies

BlackRock Investment Quality Municipal Trust Inc. (Investment Quality Municipal), BlackRock California Investment Quality Municipal Trust Inc. (California Investment Quality), BlackRock New Jersey Investment Quality Municipal Trust Inc. (New Jersey Investment Quality) and BlackRock New York Investment Quality Municipal Trust Inc. (New York Investment Quality) were organized as Maryland corporations. BlackRock Florida Investment Quality Municipal Trust (Florida Investment Quality) was organized as a Massachusetts business trust. Municipal Investment Quality, California Investment Quality, Florida Investment Quality, New Jersey Investment Quality and New York Investment Quality are herein referred to as the Investment Quality Trusts. BlackRock Municipal Income Trust (Municipal Income), BlackRock California Municipal Income Trust (California Income), BlackRock Florida Municipal Income Trust (Florida Income), BlackRock New Jersey Municipal Income Trust (New Jersey Income), BlackRock New York Municipal Income Trust (New York Income) (collectively the Income Trusts) and BlackRock Long-Term Municipal Advantage Trust (Long-Term Municipal) were organized as Delaware statutory trusts. The Investment Quality Trusts, Income Trusts and Long-Term Municipal are referred to herein collectively as the Trusts . Investment Quality Municipal and Municipal Income are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended (the 1940 Act). California Investment Quality, California Income, Florida Investment Quality, Florida Income, Long-Term Municipal, New Jersey Investment Quality, New Jersey Income, New York Investment Quality and New York Income are registered as non-diversified, closed-end management investment companies under the 1940 Act.

Long-Term Municipal was organized on November 7, 2005 and had no capital transactions until January 4, 2006 when the Trust sold 9,704 common shares for \$139,010 to BlackRock Funding, Inc. Investment operations for Long-Term Municipal commenced on February 28, 2006. Long-Term Municipal incurred organization costs which were deferred from the organization date until the commencement of investment operations.

On September 29, 2006, BlackRock, Inc., the parent of BlackRock Advisors, LLC (formerly BlackRock Advisors, Inc.), and Merrill Lynch & Co., Inc. (Merrill Lynch) combined Merrill Lynch's investment management business, Merrill Lynch Investment Managers (MLIM), with BlackRock, Inc. to create a new independent company. Merrill Lynch has a 49.8% economic interest and a 45% voting interest in the combined company and The PNC Financial Services Group, Inc. (PNC), has approximately a 34% economic and voting interest. The new company operates under the BlackRock name and is governed by a board of directors with a majority of independent members.

Under the Trusts' organizational documents, their officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trusts. In addition, in the normal course of business, the Trusts enter into contracts with their vendors and others that provide for general indemnifications. The Trusts' maximum exposure under these arrangements are unknown as this would involve future claims that may be made against the Trusts. However, based on experience, the Trusts consider the risk of loss from such claims to be remote.

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

Investments Valuation: Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services selected under the supervision of each Trust's Board of Trustees or Board of Directors, as the case may be (each, a Board). In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from bond dealers, market transactions in comparable investments and various relationships between investments. Swap quotations are provided by dealers selected under supervision of the Board. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades. Short-term securities may be valued at amortized cost which approximates fair value. Investments in open-end investment companies are valued at net asset value per share. Any investments or other assets for which such current market quotations are not readily available are valued at fair value (Fair Value Assets) as determined in good faith under procedures established by, and under the general supervision and responsibility of, each Trust's Board. The investment advisor and/or sub-advisor will submit its recommendations regarding the valuation and/or valuation methodologies for Fair Value Assets to a valuation committee. The valuation committee may accept, modify or reject any recommendations. The pricing of all Fair Value Assets shall be subsequently reported to the Board.

When determining the price for a Fair Value Asset, the investment advisor and/or sub-advisor shall seek to determine the price that the Trust might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant.

Edgar Filing: POPULAR INC - Form 10-Q

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157) which is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the implications of FAS 157. At this time, its impact on the Trusts' financial statements has not been determined.

Investment Transactions and Investment Income: Investment transactions are recorded on trade date. The cost of investments sold and the related gain or loss is determined by use of the specific identification method, generally first-in, first-out, for both financial reporting and federal income tax purposes. Each Trust also records interest income on an accrual basis and amortizes premium and/or accretes discount on securities purchased using the interest method.

Financial Futures Contracts: A futures contract is an agreement between two parties to buy and sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by marking-to-market on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Edgar Filing: POPULAR INC - Form 10-Q

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

Forward Starting Swaps: A forward starting swap is an agreement for an interest rate swap asset or liability to be created or sold in the future. Interest rate swaps are an agreement in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, a party may pay a fixed rate and receive a floating rate. The Trusts generally intend to close each forward starting swap before the accrual date specified in the agreement and therefore avoid entering into the interest rate swap underlying each forward starting swap.

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

Entering into these agreements involves, to varying degrees, elements of credit and market risk in excess of the amounts recognized on the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform and that there may be unfavorable changes in the fluctuation of interest and/or exchange rates. However, the Advisor of the Trusts monitor swaps and do not anticipate non-performance by any counterparty.

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

Federal Income Taxes: It is each Trust's intention to continue to be treated as a regulated investment company under the Internal Revenue Code and to distribute sufficient net income and net realized capital gains, if any, to shareholders. Therefore, no federal income tax provisions have been recorded.

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 (FIN 48) Accounting for Uncertainty in Income Taxes. FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken in the course of preparing the Trusts' tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be booked as a tax expense in the current year and recognized as: a liability for unrecognized tax benefits; a reduction of an income tax refund receivable; a reduction of deferred tax asset; an increase in deferred tax liability; or a combination thereof. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006. At this time, management is evaluating the implications of FIN 48 and its impact on the financial statements has not yet been determined.

Dividends and Distributions: Each Trust declares and pays dividends and distributions to common shareholders monthly from net investment income, net realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards may be distributed in accordance with the 1940 Act. Dividends and distributions are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. Dividends and distributions to preferred shareholders are accrued and determined as described in Note 6.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities including investments and swap valuations at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and such differences may be material.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Trust's Board, non-interested Trustees/Directors (Independent Trustees) are required to defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of other BlackRock Closed-End Funds selected by the Independent Trustees. These amounts are shown on the Statement of Assets and Liabilities as Investments in Affiliates. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts in such Trusts.

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

Other: Expenses that are directly related to one of the Trusts are charged directly to that Trust. Other operating expenses are generally pro rated to the Trusts on the basis of relative net assets of all the BlackRock Closed-End Funds.

Note 2. Tender Option Bonds Residuals

Long-Term Municipal invests in highly leveraged residual certificates (TOB Residuals) issued by tender option bond trusts (TOB s). A third party sponsor forms a special purpose entity, into which municipal securities from Long-Term Municipal are transferred. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates, which are issued to Long-Term Municipal. The transfer of the municipal securities to a TOB does not qualify for sale treatment under Statement of Financial Accounting standards No. 140 *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of*

Edgar Filing: POPULAR INC - Form 10-Q

Liabilities, therefore the municipal securities deposited into a TOB are presented in Long-Term Municipal's portfolio of investments and the proceeds from the transaction are reported as a secured borrowing of Long-Term Municipal. Interest income from the underlying security is recorded by the Long-Term Municipal on an accrual basis. Interest expense incurred on the secured borrowing and other expenses relating remarketing, administration and trustee services to a TOB are reported as expenses of Long-Term Municipal. The proceeds received from the transaction are used by Long-Term Municipal to purchase additional municipal bonds or other investments permitted by Long-Term Municipal's investment policies. At October 31, 2006, the aggregate value of the underlying municipal securities transferred to TOB's and the secured borrowings amounted to \$180,638,890 and \$179,487,019, respectively

Financial transactions executed through TOB's generally will underperform the market for fixed rate municipal bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Should short-term interest rates rise, Long-Term Municipal's investment in TOB Residuals likely will adversely affect the Trust's income and distributions to shareholders. Fluctuations in the market value of municipal securities deposited into the TOB may adversely affect the Trust's net asset value per share. Long-Term Municipal invests in highly leveraged TOB Residuals and consequently may lose money in excess of the amount of its investment. Long-Term Municipal invests in residual certificates for the purpose of using economic leverage as a more flexible alternative to the issuance of preferred shares.

Note 3. Agreements and Other Transactions with Affiliates and Related Parties

Each Trust has an Investment Management Agreement with BlackRock Advisors, LLC (the Advisor), a wholly owned subsidiary of BlackRock, Inc. BlackRock Financial Management, Inc. (BFM), a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to each Trust. BlackRock, Inc. may be presumed an affiliate of Merrill Lynch & Co., Inc. and The PNC Financial Services Group, Inc. The investment management agreement for each Income Trust and Long-Term Municipal covers both investment advisory and administration services. Each Investment Quality Trust has an Administration Agreement with the Advisor.

The Trust's investment advisory fee paid to the Advisor is computed weekly and payable monthly based on an annual rate, 0.35% for the Investment Quality Trusts and 0.60% for the Income Trusts, of the Trust's average weekly managed assets. Managed assets means the total assets of a Trust (including any assets attributable to any preferred shares that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage). The Advisor has voluntarily agreed to waive a portion of the investment advisory fee or other expenses on the Income Trusts as a percentage of managed assets as follows: 0.25% for the first five years of each of the Trust's operations from 2001 through 2006, 0.20% in 2007, 0.15% in 2008, 0.10% in 2009 and 0.05% in 2010.

The administration fee paid to the Advisor is computed weekly and payable monthly based on an annual rate of 0.15% for the Municipal Investment Quality Trust and 0.10% for the California Investment Quality, Florida Investment Quality, New Jersey Investment Quality and New York Investment Quality of the Trusts' average weekly managed assets.

Long-Term Municipal's investment advisory fee paid to the Advisor is computed weekly and payable monthly based on an annual rate equal to 1.00% of the average weekly net assets. Net Assets means the total assets of the Trust minus the sum of accrued liabilities. The Advisor has voluntarily agreed to waive a portion of the investment advisory or other expenses of Long-Term Municipal in the amount of 0.40% of the average weekly value of the Long-Term Municipal's Net Assets for the first five years of the Trust's operations from 2006 through 2011 and for declining amounts for the following three years, 0.30% in 2012, 0.20% in 2013 and 0.10% in 2014.

The Advisor pays BFM fees for its sub-advisory services.

Pursuant to the agreements, the Advisor provides continuous supervision of the investment portfolio and pays the compensation of officers of each Trust who are affiliated persons of the Advisor, as well as occupancy and certain clerical and accounting costs of each Trust. Each Trust bears all other costs and expenses, which include reimbursements to the Advisor for costs of employees that provide pricing, secondary market support, and compliance services to each Trust. For the period ended October 31, 2006, the Trusts reimbursed the Advisor the following amounts, which are included in miscellaneous expenses in the Statements of Operations:

<u>Trust</u>	<u>Amount</u>	<u>Trust</u>	<u>Amount</u>
Investment Quality Municipal	\$ 16,608	Florida Income	\$ 6,413
Municipal Income	35,040	New Jersey Investment Quality	978
Long-Term Municipal	5,055	New Jersey Income	7,015
California Investment Quality	967	New York Investment Quality	1,325
California Income	13,819	New York Income	11,987
Florida Investment Quality	1,153		

Edgar Filing: POPULAR INC - Form 10-Q

Pursuant to the terms of their custody agreement, each Trust may receive earnings credits from its custodian for positive cash balances maintained, which are used to offset custody fees. These credits are shown on the Statements of Operations as fees paid indirectly .

Edgar Filing: POPULAR INC - Form 10-Q

During the period ended October 31, 2006, Merrill Lynch & Co., Inc., through its affiliated broker dealer, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, earned commissions on transactions of securities as follows:

<u>Trust</u>	<u>Amount</u>
Investment Quality Municipal	\$ 5,489
Municipal Income	20,927
California Investment Quality	4
California Income	7,835
Florida Investment Quality	6
Florida Income	2,917
New Jersey Investment Quality	8
New Jersey Income	3,565
New York Investment Quality	6
New York Income	5,054

Note 4. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments and U.S. government securities, for the period ended October 31, 2006, were as follows:

<u>Trust</u>	<u>Purchases</u>	<u>Sales</u>	<u>Trust</u>	<u>Purchases</u>	<u>Sales</u>
Investment Quality Municipal	\$ 321,341,898	\$ 347,172,008	Florida Income	\$ 31,432,362	\$ 32,857,076
Municipal Income	769,892,333	784,151,106	New Jersey Investment Quality	5,220,858	4,461,766
Long-Term Municipal	432,072,945	68,275,472	New Jersey Income	3,530,625	3,205,818
California Investment Quality	9,257,239	9,307,459	New York Investment Quality	6,805,537	7,281,268
California Income	61,087,050	66,612,978	New York Income	81,069,755	79,096,580
Florida Investment Quality	12,983,370	10,144,558			

There were no purchases or sales of U.S. government securities for the year ended October 31, 2006.

Edgar Filing: POPULAR INC - Form 10-Q

Details of open forward starting swap agreements at October 31, 2006 were as follows:

Trust	Notional Amount (000)	Fixed Rate ^(a)	Counter Party	Floating Rate	Effective Date	Termination Date	Unrealized (Depreciation)
Investment	\$ 8,500,000	4.141%	CitiBank	1-week BMA Municipal Swap Index	12/27/06	12/14/26	\$ (276,781)
Quality	6,300,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(272,952)
Municipal	8,500,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(385,132)
	7,250,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(364,741)
							<u>\$ (1,299,606)</u>
Municipal	\$ 32,100,000	4.141%	CitiBank	1-week BMA Municipal Swap Index	12/27/06	12/14/26	\$ (1,045,256)
Income	24,000,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(1,039,817)
	32,000,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(1,449,907)
	28,000,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(1,408,655)
							<u>\$ (4,943,635)</u>
California	\$ 12,000,000	4.141%	CitiBank	1-week BMA Municipal Swap Index	12/27/06	12/14/26	\$ (390,750)
Income	9,000,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(389,931)
	12,000,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(543,715)
	10,500,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(528,246)
							<u>\$ (1,852,642)</u>
Florida	\$ 4,500,000	4.141%	CitiBank	1-week BMA Municipal Swap Index	12/27/06	12/14/26	\$ (146,531)
Income	3,300,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(142,975)
	4,500,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(203,893)
	4,000,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(201,237)
							<u>\$ (694,636)</u>
New Jersey	\$ 5,500,000	4.141%	CitiBank	1-week BMA Municipal Swap Index	12/27/06	12/14/26	\$ (179,094)
Income	4,100,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(177,635)
	5,500,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(249,203)
	4,750,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(238,968)
							<u>\$ (844,900)</u>
New York	\$ 7,800,000	4.141%	CitiBank		12/27/06	12/14/26	\$ (253,988)

Edgar Filing: POPULAR INC - Form 10-Q

				1-week BMA Municipal Swap Index			
Income	5,800,000	4.258	CitiBank	1-week BMA Municipal Swap Index	03/20/07	03/20/37	(251,289)
	7,750,000	4.263	CitiBank	1-week BMA Municipal Swap Index	12/14/06	12/27/31	(351,149)
	6,750,000	4.266	JP Morgan	1-week BMA Municipal Swap Index	11/03/06	04/03/26	(339,586)
							<u>\$ (1,196,012)</u>

(a) Trust will pay fixed interest rate and receive floating interest rate beginning on the effective date.
BMA - Bond Market Association.

Note 5. Income Tax Information

The tax character of distributions paid during the years ended October 31, 2006 and 2005 were as follows:

Year ended October 31, 2006

Distributions Paid From:	Tax-exempt Income	Ordinary Income	Long-term Capital Gains	Total Distributions
Investment Quality Municipal	\$ 22,393,077	\$	\$	\$ 22,393,077
Municipal Income	55,312,288	75,431		55,387,719
Long-Term Municipal	6,393,277			6,393,277
California Investment Quality	1,069,125			1,069,125
California Income	17,652,513			17,652,513
Florida Investment Quality	1,193,991	2,626	339,437	1,536,054
Florida Income	7,830,368			7,830,368
New Jersey Investment Quality	1,051,755		152,406	1,204,161
New Jersey Income	9,057,294			9,057,294
New York Investment Quality	1,423,375		129,549	1,552,924
New York Income	14,642,419			14,642,419

Year ended October 31, 2005

Distributions Paid From:	Tax-exempt Income	Ordinary Income	Long-term Capital Gains	Total Distributions
Investment Quality Municipal	\$ 19,171,844	\$	\$	\$ 19,171,844
Municipal Income	50,626,000			50,626,000
California Investment Quality	981,792			981,792
California Income	16,041,371			16,041,371
Florida Investment Quality	1,131,803		138,032	1,269,835
Florida Income	7,162,799			7,162,799
New Jersey Investment Quality	972,856			972,856
New Jersey Income	8,139,994			8,139,994
New York Investment Quality	1,329,762			1,329,762
New York Income	13,412,688			13,412,688

As of October 31, 2006, the components of distributable earnings on a tax basis were as follows:

Trust	Undistributed Tax-exempt Income	Undistributed Long-term Gains	Unrealized Net Appreciation
Investment Quality Municipal	\$ 9,145,098	\$	\$ 24,863,040
Municipal Income	17,043,833		68,059,686
Long-Term Municipal	688,481		8,990,005
California Investment Quality	88,969	68,629	1,130,132
California Income	6,096,873		24,011,530
Florida Investment Quality	126,911	96,447	902,104
Florida Income	2,730,119		8,528,809
New Jersey Investment Quality	413,526	55,732	1,037,506
New Jersey Income	3,239,297		13,274,334
New York Investment Quality	464,889	26,367	1,780,286
New York Income	5,201,509		16,048,174

For federal income tax purposes, the following Trusts had capital loss carryforwards at October 31, 2006, the Trust's last tax year-end, except for New York Income, which had its last tax year-end at July 31, 2006. These amounts may be used to offset future realized capital gains, if any:

Edgar Filing: POPULAR INC - Form 10-Q

<u>Trust</u>	<u>Capital Loss Carryforward Amount</u>	<u>Expires</u>	<u>Trust</u>	<u>Capital Loss Carryforward Amount</u>	<u>Expires</u>
Investment Quality Municipal	\$ 159,146	2012	California Income	\$ 389,453	2010
	904,137	2014		124,338	2011
	<u>\$ 1,063,283</u>			4,943,577	2012
Municipal Income	\$ 11,431,206	2011		1,350,312	2014
	15,767,388	2012		<u>\$ 6,807,680</u>	
	4,991,782	2014	Florida Income	\$ 796,318	2012
	<u>\$ 32,190,376</u>		New Jersey Income	\$ 610,058	2012
Long-Term Municipal	\$ 1,005,040	2014	New York Income	\$ 276,399	2012

Edgar Filing: POPULAR INC - Form 10-Q

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

Reclassification of Capital Accounts: In order to present undistributed (distribution in excess of) net investment income (UNII) and accumulated net realized gain (Accumulated Gain) more closely to its tax character, the following accounts for each Trust were increased (decreased):

Trust	UNII	Accumulated Gain	PIC	Trust	UNII	Accumulated Gain
Investment Quality Municipal	\$ (115,255)	\$ 115,255	\$	New Jersey Investment Quality	\$ (7,710)	\$ 7,710
Municipal Income	9,324	602	(9,926)	New York Investment Quality	(4)	4
Long-Term Municipal	39,000		(39,000)	New York Income	(1,828)	1,828
California Investment Quality	(89)	89				
Florida Investment Quality	(42)	42				
Florida Income	(247)	247				

Note 6. Capital

There are 200 million of \$0.01 par value common shares authorized for each of the Investment Quality Trusts. There are an unlimited number of \$0.001 par value common shares authorized for the Income Trusts and Long-Term Municipal. Each Trust may classify or reclassify any unissued common shares into one or more series of Auction Market Preferred Shares (preferred shares). At October 31, 2006, the shares owned by an affiliate of the Advisor of Long-Term Municipal were 9,704.

During the years ended October 31, 2006 and 2005, the following Trusts issued additional shares under their respective dividend reinvestment plans:

Trust	October 31, 2006	October 31, 2005
Municipal Income	183,235	72,096
Long-Term Municipal	34,238	
California Income	45,581	
Florida Income	14,192	2,650
New Jersey Income	42,417	3,854
New York Income	52,616	4,806

Long-Term Municipal, which commenced investment operations on February 28, 2006, issued 13,049,704 common shares under the initial public offering. An additional 225,000 shares were issued by the underwriters exercising their over-allotment option. Offering costs incurred in connection with the offering of common shares have been charged against the proceeds from the initial common share offering in the amount of \$381,825.

As of October 31, 2006, each Trust had the following series of preferred shares outstanding as listed in the table below. The preferred shares have a liquidation value of \$25,000 per share plus any accumulated unpaid dividends.

Trust	Series	Shares	Trust	Series	Shares
Investment Quality Municipal	T7	3,262	California Income	T7	2,639
	T28	2,600		R7	2,639
Municipal Income	M7	3,001	Florida Investment Quality	R7	340
	T7	3,001	Florida Income	T7	2,302
	W7	3,001	New Jersey Investment Quality	T7	300
	R7	3,001	New Jersey Income	R7	2,552
California Investment Quality	F7	3,001	New York Investment Quality	F7	392
	W7	300	New York Income	W7	2,195
				F7	2,195

Edgar Filing: POPULAR INC - Form 10-Q

Dividends on seven-day preferred shares are cumulative at a rate which is reset every seven days based on the results of an auction. Dividends on 28-day preferred shares are cumulative at a rate which resets every 28 days based on the results of an auction. The dividend ranges and average on the preferred shares for each of the Trusts for the year ended October 31, 2006 were as follows:

<u>Trust</u>	<u>Series</u>	<u>Low</u>	<u>High</u>	<u>Average</u>	<u>Trust</u>	<u>Series</u>	<u>Low</u>	<u>High</u>	<u>Average</u>
Investment Quality Municipal	T7	2.12%	3.85%	3.15%	California Income	T7	2.12%	3.98%	3.05%
	T28	2.78	3.65	3.31		R7	2.00	3.50	2.97
Municipal Income	M7	2.70	3.82	3.27	Florida Investment Quality	R7	2.65	3.55	3.43
	T7	2.50	3.93	3.22	Florida Income	T7	2.20	3.75	3.15
	W7	2.30	3.99	3.18	New Jersey Investment Quality	T7	2.20	5.00	3.08
	R7	2.45	3.80	3.20	New Jersey Income	R7	2.00	3.98	3.07
	F7	2.40	3.70	3.18	New York Investment Quality	F7	2.25	5.00	3.04
California Investment Quality	W7	2.00	3.70	2.89	New York Income	W7	2.40	3.97	3.02
						F7	2.00	3.55	3.00

Edgar Filing: POPULAR INC - Form 10-Q

A Trust may not declare dividends or make other distributions on common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding preferred shares would be less than 200%.

The preferred shares are redeemable at the option of each Trust, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated unpaid dividends whether or not declared. The preferred shares are also subject to mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Trust, as set forth in each Trust's Declaration of Trust/Articles Supplementary, are not satisfied.

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

Note 7. Dividends

Subsequent to October 31, 2006, the Board of each Trust declared dividends from undistributed earnings per common share payable December 1, 2006, to shareholders of record on November 15, 2006. The per share common dividends declared were as follows:

Trust	Common Dividend Per Share	Trust	Common Dividend Per Share
Investment Quality Municipal	\$ 0.088250	Florida Income	\$ 0.075375
Municipal Income II	0.082625	New Jersey Investment Quality	0.070125
Long-Term Municipal	0.068750	New Jersey Income	0.079625
California Investment Quality	0.070600	New York Investment Quality	0.073125
California Income	0.076074	New York Income	0.075339
Florida Investment Quality	0.070781		

The dividends declared on preferred shares for the period November 1, 2006 to November 30, 2006 for each of the Trusts were as follows:

Trust	Series	Dividends Declared	Trust	Series	Dividends Declared
Investment Quality Municipal	T7	\$ 259,590	California Income	T7	\$ 209,774
	T28	176,514		R7	158,129
Municipal Income	M7	194,075	Florida Investment Quality	R7	23,392
	T7	237,949	Florida Income	T7	187,728
	W7	236,929	New Jersey Investment Quality	T7	23,730
	R7	194,525	New Jersey Income	R7	161,363
	F7	197,676	New York Investment Quality	F7	24,880
California Investment Quality	W7	23,997	New York Income	W7	163,374
				F7	128,364

Note 8. Concentration Risk

The Trusts concentrate their investments in securities issued by state agencies, other governmental entities and U.S. Territories. The Trusts are more susceptible to adverse financial, social, environmental, economic, regulatory and political factors that may affect these state agencies, other governmental entities and U.S. Territories, which could seriously affect the ability of these states and their municipal subdivisions to meet continuing obligations for principle and interest payments and therefore could impact the value of the Trusts' investments and net asset value per share, than if the Trusts were not concentrated in securities issued by state agencies, other governmental entities and U.S. Territories.

Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that market value may fluctuate for other reasons and there is no assurance that the insurance company will meet its obligations. These securities have been identified in the Portfolios of Investments.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Shareholders of:

BlackRock Investment Quality Municipal Trust, Inc.

BlackRock Municipal Income Trust

BlackRock Long-Term Advantage Trust

BlackRock California Investment Quality Municipal Trust, Inc.

BlackRock California Municipal Income Trust

BlackRock Florida Investment Quality Municipal Trust, Inc.

BlackRock Florida Municipal Income Trust

BlackRock New Jersey Investment Quality Municipal Trust, Inc.

BlackRock New Jersey Municipal Income Trust

BlackRock New York Investment Quality Municipal Trust, Inc.

BlackRock New York Municipal Income Trust

(Collectively the Trusts)

We have audited the accompanying statements of assets and liabilities of the Trusts, including the portfolios of investments, as of October 31, 2006, and the related statements of operations for the period then ended, and the statements of changes in net assets and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Trusts management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trusts are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2006, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Trusts as of October 31, 2006, the results of its operations for the period then ended, and the changes in its net assets and their financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

January 2, 2007

DIVIDEND REINVESTMENT PLANS

Pursuant to each Trust's Dividend Reinvestment Plan (the "Plan"), common shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Plan Agent") in the respective Trust's shares pursuant to the Plan. Shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, which serves as agent for the shareholders in administering the Plan.

At present after an Investment Quality Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will acquire shares for the participant's account, by the purchase of outstanding shares on the open market, on the Trust's primary exchange or elsewhere ("open market purchases"). The Investment Quality Trusts do not presently issue any new shares under the Plan, which serves as agent for the shareholders in administering the Plan.

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

At a meeting of the Boards of Trustees of the Investment Quality Trusts on November 21, 2006, the Boards approved an amendment to the Dividend Reinvestment Plans of each Investment Quality Trust. Although the Plans presently permit shares to be purchased only the open market, as a result of the amendment, the Plans will permit purchases of newly issued shares on terms similar to the Income Trusts described in the next paragraph. The amendments will take effect on April 1, 2007.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent and will receive certificates for whole Trust shares and a cash payment for any fraction of a Trust share.

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

Each Trust reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan, however, each Trust reserves the right to amend the Plan to include a service charge payable by the participants. Participants who request a sale of shares through the Plan Agent are subject to a \$2.50 sales fee and a \$0.15 per share sold brokerage commission. All correspondence concerning the Plan should be directed to the Plan Agent at 250 Royall Street, Canton, MA 02021, or (800) 699-1BFM.

INVESTMENT MANAGEMENT AGREEMENTS

Under the 1940 Act, the continuation of each Trust's investment management agreement generally is required to be approved annually by the Boards, including the Independent Trustees. At a meeting held on May 23, 2006, the Board of each Trust other than BTA, including the Independent Trustees, met to consider the annual continuation of each management agreement in effect prior to such date (the "Old Management Agreement"). The Old Management Agreement for BTA was not considered by the Trustees for annual continuation because it commenced operations in February of 2006, so such consideration was not required, and references to each Trust in the disclosure below relating the annual continuation of the Old Management Agreements should be read to mean each Trust other than BTA. The Trustees did, however, consider the New Management Agreement (defined below) for BTA for use following completion of the Transaction (defined Below). The Boards first considered the annual continuation of each Old Management Agreement without considering the impending acquisition by BlackRock, Inc. of the management business of Merrill Lynch & Co., Inc. (the "Transaction"). Because the Old Management Agreements needed to be reapproved whether or not the Transaction closes. Accordingly, it was appropriate to review each Old Management Agreement without considering the impending Transaction, and then to separately consider the impact of the Transaction on the Old Management Agreements.

At the meeting on May 23, 2006, the Board of each Trust, including those trustees/directors of each Trust who are not interested persons of the Trusts for purposes of the Investment Company Act of 1940, as amended, (the "Independent Trustees"), unanimously approved the continuance of each Old Management Agreement for each Trust with a contract considered for renewal and then approved a New Management Agreement for each Trust to take effect following the completion the Transaction (the "New Management Agreements").

Information Received by the Boards

To assist each Board in its evaluation of the Old Management Agreements, the Independent Trustees received information from BlackRock on or about April 22, 2006, which detailed, among other things: the organization, business lines and capabilities of BlackRock Advisors, LLC (formerly BlackRock Advisors, Inc., "BlackRock") the sub-advisors, if any, for each Trust collectively the "Advisor," including the responsibilities of various departments and key personnel and biographical information relating to key personnel; financial statements for BlackRock, PNC and each Trust; the advisory and/or administrative fees paid by each Trust to the Advisors, including comparisons, compiled by an independent third party, with the management fees of funds with similar investment objectives ("Peers"); the profitability of BlackRock and certain industry profitability analyses for advisors to registered investment companies; the expenses of BlackRock in providing the various services; non-investment advisory reimbursements and "fallout" benefits to BlackRock; the expenses of each Trust, including comparisons of the respective Trust's expense ratios (both before and after any fee waivers) with the expense ratios of its Peers; and each Trust's performance for the past one-, three-, five- and ten-year periods, when applicable, and each Trust's performance compared to its Peers. This information supplemented the information received by each Board throughout the year regarding each Trust's performance, expense ratios, portfolio composition, trade execution and compliance.

In addition to the foregoing materials, independent legal counsel to the Independent Trustees provided a legal memorandum outlining, among other things, the duties of each Board under the 1940 Act, as well as the general principles of relevant law in reviewing and approving advisory contracts, the requirements of the 1940 Act in such matters, an advisor's fiduciary duty with respect to advisory agreements and compensation, and the standards used by courts in determining whether investment company boards of trustees have fulfilled their duties as well as factors to be considered by the boards in voting on advisory agreements.

The Independent Trustees reviewed this information and discussed it with independent counsel in executive session prior to the Board meeting. At the Board meeting on May 23, 2006, BlackRock made a presentation to and responded to additional questions from the Boards. After the presentations and after additional discussion, each Board considered each Old Management Agreement and, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC statements relating to the renewal of the Old Management Agreements.

Matters Considered by the Boards

The Old Management Agreements

In connection with their deliberations with respect to the Old Management Agreements, the Boards considered all factors they believed relevant with respect to each Trust, including the following: the nature, extent and quality of the services to be provided by the Advisors; the investment performance of each Trust; the costs of the services to be provided and profits to be realized by the Advisors and their affiliates from their relationship with the Trusts; the extent to which economies of scale would be realized as the BlackRock closed-end fund complex grows; and whether BlackRock realizes other benefits from its relationship with the Trusts.

Edgar Filing: POPULAR INC - Form 10-Q

Nature and Quality of Investment Advisory and Sub-Advisory Services. In evaluating the nature, extent and quality of the Advisors services, each Board reviewed information concerning the types of services that the Advisors provide and are expected to provide to each Trust, including narrative and statistical information concerning each Trust's performance record and how such performance compares to each Trust's Peers, information describing BlackRock's organization and its various departments, the experience and responsibilities of key personnel and available resources. The Boards noted the willingness of the personnel of BlackRock to engage in open, candid discussions with the Boards. Each Board further considered the quality of the Advisors' investment process in making portfolio management decisions. Given the Boards' experience with BlackRock, the Boards noted that they were familiar with and continue to have a good understanding of the organization, operations and personnel of BlackRock. The Boards also noted that the formation of Portfolio Review Committees and a Compliance Committee had helped each Board to continue to improve their understanding of BlackRock's organization, operations and personnel.

In addition to advisory services, the Independent Trustees considered the quality of the administrative or non-investment advisory services provided to the Trusts. In this regard, the Advisors provide each Trust with such administrative and other services (exclusive of, and in addition to, any such services provided by others for the Trusts) and officers and other personnel as are necessary for the operation of the respective Trust. In addition to investment management services, the Advisors and their affiliates provide each Trust with services such as:

Edgar Filing: POPULAR INC - Form 10-Q

preparing shareholder reports and communications, including annual and semi-annual financial statements and Trust websites; communications with analysts to support secondary market trading; assisting with daily accounting and pricing; preparing periodic filings with regulators and stock exchanges; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; providing legal and compliance support (such as helping to prepare proxy statements and responding to regulatory inquiries); and performing other Trust administrative tasks necessary for the operation of the respective Trust (such as tax reporting and fulfilling regulatory filing requirements). The Boards considered the Advisors' policies and procedures for assuring compliance with applicable laws and regulations.

Investment Performance of the Trusts. As previously noted, the Boards received performance information regarding each Trust and its Peers. Among other things, the Boards received materials reflecting each Trust's historic performance and each Trust's performance compared to its Peers. More specifically, each Trust's one-, three-, five- and ten-year total returns (when applicable) were evaluated relative to its respective Peers (including the performance of individual Peers as well as the Peers' median performance).

The Boards reviewed a narrative analysis of the third-party Peer rankings, prepared by BlackRock at the Boards' request. The summary placed the Peer rankings into context by analyzing various factors that affect these comparisons. In evaluating the performance information, in certain limited instances, the Boards noted that the Peers most similar to a given Trust still would not adequately reflect such Trust's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such Trust's performance with that of its Peers. The Boards noted that each Trust other than RAA, RFA, RNJ and RNY had performed better than or equal to the median of their Peers and benchmarks in each of the past one-, three- and five-year periods (if applicable).

With respect to BKN, RAA, RNJ and RNY, the Boards noted that each of these Trusts had out-performed its benchmark for at least two of the one-, three- and five-year periods, and that RFA had out-performed its benchmark for only the one-year period. The Boards further noted each of these Trusts had under performed its peers for at least one of the one-three-and five year periods and that the Advisors generally limited lengthening the duration of these Trusts in response to changes in interest rates because the shorter duration bonds held by these Trusts generally had yields higher than the coupons on longer duration bonds, the Advisors believed these Trusts were better able to maintain their dividend levels, albeit at the expense of a lower total return than the Trusts may have been able to achieve with a longer duration portfolio. In addition, RAA, RFA, RNJ and RNY are the smallest funds among each of their respective Peers and their small size negatively affects their performance relative to their Peers.

After considering this information, the Boards concluded that the performance of each Trust, in light of and after considering the other facts and circumstances applicable to each Trust, supports a conclusion that each Trust's Old Management Agreement should be renewed.

Fees and Expenses. In evaluating the management fees and expenses that a Trust is expected to bear, the Boards considered each Trust's management fee structure and the Trust's expected expense ratios in absolute terms as well as relative to the fees and expense ratios of applicable Peers. In reviewing fees, each Board, among other things, reviewed comparisons of each Trust's gross management fees before and after any applicable reimbursements and fee waivers and total expense ratios before and after any applicable waivers with those of the applicable Peers. The Boards also reviewed a narrative analysis of the Peer rankings that was prepared by an independent third party and summarized by BlackRock at the request of the Boards. This summary placed the rankings into context by analyzing various factors that affect these comparisons.

The Boards, noted that, of the ten Trusts with Old Management Agreements subject to annual continuation, BKN, BFK, BFZ, BNJ and BNY pay fees lower than or equal to the median fees paid by their Peers in each of (i) contractual management fees payable by a Trust prior to any expense reimbursements or fee waivers (contractual management fees), (ii) actual management fees paid by a Trust after taking into consideration expense reimbursements and fee waivers (actual management fees) and (iii) total expenses. The remaining five Trusts are worse than the median of their Peers in at least one of (a) contractual management fees, (b) actual management fees or (c) total expenses. The Board noted the following reasons why these five Trusts have contractual or actual management fees or total expenses higher than the median of their Peers:

Small Trusts. The Boards of RAA, RFA and RNJ noted that each of these Trusts incurs total expenses that are worse than the median of their Peers (and that RFA also pays actual management fees that are worse than the median of its Peers by a *de minimis* amount). The Boards noted that because each of these Trusts are small relative to their Peers, the fixed costs associated with operating these Trusts adversely affect their expense ratios. Each of these Trusts pays contractual management fees that are better than or equal to the median of their respective Peers.

De minimis. The Boards of RNY noted that this Trust pays actual management fees no more than four basis points worse than the median of its Peers and has contractual management fees and incurs total expenses that are better than the median of its Peers. The Board of BBF noted that BBF pays actual management fees and incurs total expenses that are better than the median of its Peers, but that it has contractual management fees less than three basis points worse than the median of its Peers.

Edgar Filing: POPULAR INC - Form 10-Q

The Boards also compared the management fees charged to the Trusts by the Advisors to the management fees the Advisors charge other types of clients (such as open-end investment companies and separately managed institutional accounts). With respect to open-end investment companies, the management fees charged to the Trusts generally were higher than those charged to the open-end investment companies. The Boards also noted that the Advisors provide the Trusts with certain services not provided to open-end funds, such as leverage management in connection with the issuance of preferred shares, stock exchange listing compliance requirements, rating agency compliance with respect to the leverage employed by the Trusts and secondary market support and other services not provided to the Trusts, such as monitoring of subscriptions and redemptions. With respect to separately managed institutional accounts, the management fees for such accounts were generally lower than those charged to the comparable Trusts. The Boards noted, however, the various services that are provided and the costs incurred by the Advisors in managing and operating the Trusts. For instance, the Advisors and their affiliates provide numerous services to the Trusts that are not provided to institutional accounts including, but not limited to: preparing shareholder reports and

Edgar Filing: POPULAR INC - Form 10-Q

communications, including annual and semi-annual financial statements; preparing periodic filings with regulators and stock exchanges; overseeing and coordinating the activities of other service providers; administering and organizing Board meetings and preparing the Board materials for such meetings; income monitoring; expense budgeting; preparing proxy statements; and performing other Trust administrative tasks necessary for the operation of the respective Trust (such as tax reporting and fulfilling regulatory filing requirements). Further, the Boards noted the increased compliance requirements for the Trusts in light of new SEC regulations and other legislation. These services are generally not required to the same extent, if at all, for separate accounts.

In connection with the Boards' consideration of this information, the Boards reviewed the considerable investment management experience of the Advisors and considered the high level of investment management, administrative and other services provided by the Advisors. In light of these factors and the other facts and circumstances applicable to each Trust, the Boards concluded that the fees paid and expenses incurred by each Trust under its Old Management Agreements supports a conclusion that each Trust's Old Management Agreements should be renewed.

Profitability. The Trustees also considered BlackRock's profitability in conjunction with their review of fees. The Trustees reviewed BlackRock's revenues, expenses and profitability margins on an after-tax basis. In reviewing profitability, the Trustees recognized that one of the most difficult issues in determining profitability is establishing a method of allocating expenses. The Trustees also reviewed BlackRock's assumptions and methodology of allocating expenses, noting the inherent limitations in allocating costs among various advisory products. The Boards also recognized that individual fund or product line profitability of other advisors is generally not publicly available.

The Boards recognized that profitability may be affected by numerous factors including, among other things, the types of funds managed, expense allocations and business mix, and therefore comparability of profitability is somewhat limited. Nevertheless, to the extent available, the Boards considered BlackRock's pre-tax profit margin compared to the pre-tax profitability of various publicly traded investment management companies and/or investment management companies that publicly disclose some or all of their financial results. The comparison indicated that BlackRock's pre-tax profitability was in the second quartile of the fifteen companies compared (including BlackRock), with the most profitable quartile being ranked first and the least profitable quartile being ranked fourth.

In evaluating the reasonableness of the Advisor compensation, the Boards also considered any other revenues paid to the Advisors, including partial reimbursements paid to the Advisors for certain non-investment advisory services. The Boards noted that these payments were less than the Advisors' costs for providing these services. The Boards also considered indirect benefits (such as soft dollar arrangements) that the Advisors and their affiliates are expected to receive that are attributable to their management of the Trusts.

In reviewing each Trust's fees and expenses, the Boards examined the potential benefits of economies of scale, and whether any economies of scale should be reflected in the Trusts' fee structures, for example through the use of breakpoints. In this connection, the Boards reviewed information provided by BlackRock, noting that most closed-end fund complexes do not have fund-level breakpoints, as closed-end funds generally do not experience substantial growth after their initial public offering and each fund is managed independently, consistent with its own investment objectives. The Boards also noted that the one registered closed-end investment company managed by BlackRock has a breakpoint in its fee structure, but that fund that was inherited by BlackRock when it took over managing the fund from another manager and that BlackRock simply retained the structure it inherited. The information also revealed that only one closed-end fund complex used a complex-level breakpoint structure, and that this complex generally is homogeneous with regard to the types of funds managed and is about four times as large as the Trusts' complex.

The Boards concluded that BlackRock's profitability, in light of all the other facts and circumstances applicable to each Trust, supports a conclusion that each Trust's Old Management Agreements should be renewed.

Other Benefits. In evaluating fees, the Boards also considered indirect benefits or profits the Advisors or their affiliates may receive as a result of their relationships with the Trusts. The Trustees, including the Independent Trustees, considered the intangible benefits that accrue to the Advisors and their affiliates by virtue of their relationships with the Trusts, including potential benefits accruing to the Advisors and their affiliates as a result of participating in offerings of the Trusts' shares, potentially stronger relationships with members of the broker-dealer community, increased name recognition of the Advisors and their affiliates, enhanced sales of other investment funds and products sponsored by the Advisors and their affiliates and increased assets under management which may increase the benefits realized by the Advisors from soft dollar arrangements with broker-dealers. The Boards also considered the unquantifiable nature of these potential benefits.

Miscellaneous. During the Boards' deliberations in connection with the Old Management Agreements, the Boards were aware that the Advisor pays compensation, out of its own assets, to the lead underwriter and to certain qualifying underwriters of many of its closed-end funds, and to employees of the Advisors' affiliates that participated in the offering of such funds. The Boards considered whether the management fee met applicable standards in light of the services provided by the Advisors, without regard to whether the Advisors ultimately pay any portion of the anticipated compensation to the underwriters.

Conclusion with respect to the Old Management Agreements. In reviewing the Old Management Agreements without considering the impending Transaction, the Trustees did not identify any single factor discussed above as all-important or controlling. The Trustees, including the Independent Trustees, unanimously determined that each of the factors described above, in light of all the other factors and all of the facts

Edgar Filing: POPULAR INC - Form 10-Q

and circumstances applicable to each respective Trust, was acceptable for each Trust and supported the Trustees' conclusion that the terms of each Old Management Agreement were fair and reasonable, that the respective Trust's fees are reasonable in light of the services provided to the respective Trust, and that each Old Management Agreement should be approved.

The Transaction

On September 29, 2006, Merrill Lynch contributed its investment management business, MLIM, to BlackRock, one of the largest publicly traded investment management firms in the United States and the parent company of the Advisor, to form a new asset management company that is one of the world's preeminent, diversified global money management organizations with approximately \$1 trillion in assets under

Edgar Filing: POPULAR INC - Form 10-Q

management. Based in New York, BlackRock manages assets for institutional and individual investors worldwide through a variety of equity, fixed income, cash management and alternative investment products. The new company operates under the BlackRock name and is governed by a board of directors with a majority of independent members. The new company offers a full range of equity, fixed income, cash management and alternative investment products with strong representation in both retail and institutional channels, in the United States and in non-U.S. markets. It has over 4,500 employees in 18 countries and a major presence in most key markets, including the United States, the United Kingdom, Asia, Australia, the Middle East and Europe. Merrill Lynch owns no more than 49.8% of the total capital stock of the new company on a fully diluted basis and it owns no more than 45% of the new company's voting power, and The PNC Financial Services Group, LLC. (PNC), which previously held a majority interest in BlackRock, retains approximately 34% of the new company's common stock. Each of Merrill Lynch and PNC has agreed that it will vote all of its shares on all matters in accordance with the recommendation of BlackRock's board of directors.

The New Management Agreements

Consequences of the Transaction. On February 23, 2006, April 21, 2006 and May 23, 2006 members of BlackRock management made presentations on the Transaction to the Trustees and the Trustees discussed with management and amongst themselves management's general plans and intentions regarding the Trusts, including the preservation, strengthening and growth of BlackRock's business and its combination with MLIM's business. The Boards also inquired about the plans for and anticipated roles and responsibilities of certain BlackRock employees and officers after the Transaction. The Independent Trustees also met in executive session to discuss the Transaction. After these meetings, BlackRock continued to update the Boards with respect to its plans to integrate the operations of BlackRock and MLIM and the potential impact of those plans on the Trusts as those plans were further developed.

At the Board meeting on May 23, 2006, after considering and approving the Old Management Agreements, the Boards (including the Independent Trustees) then considered the information received at or prior to the meeting and the consequences of the Transaction to each Trust, including, among other things:

(i) that BlackRock, MLIM and their investment advisory subsidiaries are experienced and respected asset management firms, and that BlackRock advised the Boards that in connection with the completion of the Transaction, it intends to take steps to combine the investment management operations of BlackRock and MLIM, which, among other things, may involve sharing common systems and procedures, employees (including portfolio managers), investment and trading platforms, and other resources. Furthermore, these combination processes will result in changes to the portfolio management teams for each of the Trusts;

(ii) that BlackRock advised the Boards that following the Transaction, there is not expected to be any diminution in the nature, quality and extent of services provided to the Trusts and their shareholders by the Advisors, including compliance services;

(iii) that BlackRock advised the Boards that it has no present intention to alter the expense waivers and reimbursements currently in effect for certain of the Trusts;

(iv) the experience, expertise, resources and performance of MLIM that will be contributed to BlackRock after the closing of the Transaction and their anticipated impact on BlackRock's ability to manage the Trusts;

(v) that BlackRock and MLIM would derive benefits from the Transaction and that as a result, they have a financial interest in the matters that were being considered;

(vi) the potential effects of regulatory restrictions on the Trusts as a result of Merrill Lynch's equity stake in BlackRock after the Transaction;

(vii) the fact that each Trust's aggregate investment advisory and sub-advisory fees payable under the New Management Agreements and the Old Management Agreements are identical;

(viii) the terms of the New Management Agreements, including the differences from the Old Management Agreements (see Comparison of the Old Management Agreements to the New Management Agreements above);

(ix) that the Trusts would not bear the costs of obtaining shareholder approval of the New Management Agreements; and

(x) that BlackRock and Merrill Lynch have agreed to conduct their respective businesses (and use reasonable best efforts to cause their respective affiliates to conduct their respective businesses) to enable the conditions of Section 15(f) to be true in relation to any registered investment companies advised by MLIM and registered under the 1940 Act and have agreed to the same conduct in relation to the BlackRock registered investment companies to the extent it is determined the Transaction is an assignment under the 1940 Act.

Nature and Quality of Investment Advisory and Sub-Advisory Services. The Boards considered the expected impact of the Transaction on the operations, facilities, organization and personnel of the Advisors, the potential implications of regulatory restrictions on the Trusts following the Transaction and the ability of the Advisors to perform their duties after the Transaction. The Boards considered that the services to be provided and the standard of care under the New Management Agreements are the same as under the Old Management Agreements. The Boards

Edgar Filing: POPULAR INC - Form 10-Q

also considered statements by management of BlackRock that, in connection with integrating the operations of the Advisors and MLIM, the objective was to preserve the best of both organizations in order to enhance BlackRock's ability to provide investment advisory services following completion of the Transaction.

The Boards noted that it is impossible to predict with certainty the impact of the Transaction on the nature, quality and extent of the services provided by the Advisors to the Trusts, but concluded based on the information currently available and in light of all of the current facts and circumstances, that the Transaction is likely to provide the Advisors with additional resources with which to serve the Trusts and was not expected to adversely affect the nature, quality and extent of the services to be provided to the Trusts and their shareholders by the Advisors and was not expected to materially adversely affect the ability of the Advisors to provide those services.

Edgar Filing: POPULAR INC - Form 10-Q

At the May 23, 2006 meeting of the Boards, BlackRock informed the Boards that, following completion of the Transaction, a team primarily comprised of MLIM professionals would manage the portfolios of those Trusts. BlackRock discussed with the Boards the reasons for this proposed change. BlackRock also informed the Boards that it intended to provide additional information to the Boards with respect to this proposed change at the August meetings of the Boards for the Boards' consideration at that time. If the Boards did not object to this change, the following team members generally would oversee investment policies for those Trusts that invest primarily in municipal securities. This team is one of the largest managers of municipal debt with approximately \$67.5 billion in assets under management as of March 31, 2006, including 31 closed-end investment companies with \$16.2 billion in assets, \$8 billion in retail separate accounts and nine open-end mutual funds with \$4.1 billion in assets. The team members are:

Robert A. DiMella. Mr. DiMella has been a Managing Director of MLIM since 2004 and was a Director from 2002 to 2004. He has been a portfolio manager with MLIM since 1993.

William R. Bock. Mr. Bock has been a Director of MLIM since 2005, and was a Vice President from 1989 to 2005. Mr. Bock has been a portfolio manager with MLIM since 1989.

Timothy T. Browse. Mr. Browse has been a Vice President (Municipal Tax-Exempt Fund Management) of and portfolio manager with MLIM since 2004. He was also Vice President, Portfolio Manager and team leader of the Municipal Investments Team with Lord Abbett & Co. from 2000 to 2003.

Theodore R. Jaeckel, Jr., CFA. Mr. Jaeckel has been a Director (Municipal Tax-Exempt Fund Management) of MLIM since 1997. Mr. Jaeckel has been a portfolio manager with MLIM since 1991.

Walter O Connor. Mr. O Connor has been a Managing Director of MLIM since 2003, was a Director of MLIM from 1998 to 2003 and was a Vice President of MLIM from 1992 to 1998. He has been a portfolio manager with MLIM since 1991.

Robert D. Sneed. Mr. Sneed has been a Vice President of MLIM since 1998 and was an Assistant Vice President from 1994 to 1998. Mr. Sneed has been a portfolio manager with MLIM since 1994.

Investment Performance of the Trusts. The Boards examined MLIM's investment performance with respect to its closed-end funds. The Boards noted the Advisors' and MLIM's considerable investment management experience and capabilities. The Boards considered this information together with the level of services expected to be provided to the Trusts. Although the Boards noted that it is impossible to predict the effect, if any, that consummation of the Transaction would have on the future performance of the Trusts, the Boards concluded that the information currently available, in light of all of the current facts and circumstances, supported approving the New Management Agreements.

Fees. The Boards noted that the fees payable by the Trusts under the New Management Agreements are identical to the fees payable under the Old Management Agreements. The Boards also considered the fees paid by the MLIM closed-end funds. In light of (i) the Boards' approval of the fees paid by each Trust pursuant to the Old Management Agreements at the May 23, 2006 meeting, (ii) the fact that no change to the fees paid by any Trust was proposed solely as a result of the Transaction, and (iii) the Boards' earlier conclusion with respect to the services expected to be provided to the Trusts under the New Management Agreements, the Boards concluded that the fee structure under the New Management Agreements was reasonable.

Profitability. Management of the Advisors stated to the Boards that, following the Transaction, the current intention is to continue to determine profitability and report profitability to the Boards in the same way as they did prior to the Transaction, subject to management's desire to preserve the best practices of MLIM. Management of the Advisors stated that any changes in the methods used to determine profitability and report profitability to the Boards would be discussed with the Boards. The Boards considered the potential for increased economies of scale as a result of the Transaction and whether any economies of scale should be reflected in the Trusts' fee structures. The Boards also considered that the process of integrating the operations of the Advisors and MLIM was in the early stages and that considerable expense would be incurred in connection with integrating such operations, all of which made it difficult to conclude that economies of scale would be realized as a result of the Transaction. In light of the foregoing, the Boards concluded that, at this time, no changes were necessary to the fee structure of the Trusts as a result of the Transaction.

Other Benefits. In evaluating ancillary benefits to be received by the Advisors and their affiliates under the New Management Agreements, the Boards considered whether the Transaction would have an impact on the ancillary benefits received by the Advisor by virtue of the Old Management Agreements. Based on its review of the materials provided, including materials received in connection with its approval of the continuance of each Old Management Agreement earlier at the May 23, 2006 meetings of the Boards and its discussions with the Advisors, the Boards noted that such benefits were difficult to quantify with certainty at this time and indicated that it would continue to evaluate them going forward.

Conclusion with respect to the New Management Agreements. The Trustees did not identify any single consequence of the Transaction discussed above as all-important or controlling. The Boards determined that all of the factors referred to in their evaluation of the Old Management Agreements described above under "Matters Considered by the Boards" The Old Management Agreements are applicable to the

evaluation of the New Management Agreements and concluded that these factors, in light of all the other factors and all of the facts and circumstances applicable to each Trust, were acceptable for each Trust and supported the Trustees' conclusion that the terms of each New Management Agreement were fair and reasonable, that the fees in each New Management Agreement are fair and reasonable in light of the services provided to the respective Trust and that each New Management Agreement should be approved.

Shareholder Meeting

At the shareholder meeting for each Trust held on August 23, 2006, the shareholders of each Trust approved the New Management Agreement for each Trust.

ADDITIONAL INFORMATION

60 Day Notice

We are required by the Internal Revenue Code to advise you within 60 days of a Trust's tax year-end as to the federal tax status of dividends paid by the Trusts during such tax year. All of the net investment income distributions paid by the **BlackRock Closed-End Funds (Municipal Bond Trust - BBK, California Municipal Bond Trust - BZA, Florida Municipal Bond Trust - BIE, Maryland Municipal Bond Trust - BZM, New Jersey Municipal Bond Trust - BLJ, New York Municipal Bond Trust - BQH, Virginia Municipal Bond Trust - BHV, Investment Quality Municipal Trust - BKN, Municipal Income Trust - BFK, Long-Term Advantage Trust - BTA, California Investment Quality Municipal Trust - RAA, California Municipal Income Trust - BFZ, Florida Investment Quality Municipal Trust - RFA, Florida Municipal Income Trust - BBF, New Jersey Investment Quality Municipal Trust - RNJ, New Jersey Municipal Income Trust - BNJ, and New York Investment Quality Municipal Trust - RNY)** during the taxable year ended October 31, 2006 qualify as tax-exempt interest dividends for federal income tax purposes.

Additionally, the following summarizes the taxable per share distributions paid by the Fund during the year:

	<u>Payable Date</u>	<u>Long-Term Capital Gains</u>	<u>Short-Term Capital Gains</u>
Florida Investment Quality Municipal Trust RFA			
Common Shareholders	12/30/2005	\$ 0.129658	
	08/01/2006	\$ 0.123660	\$ 0.001930
Preferred Shareholders			
Series R7	11/25/2005	\$ 13.90	
Series R7	12/02/2005	\$ 13.42	
Series R7	12/09/2005	\$ 19.66	
Series R7	12/16/2005	\$ 12.42	
Series R7	12/23/2005	\$ 13.84	
Series R7	07/21/2006	\$ 16.54	
Series R7	07/28/2006	\$ 21.58	
Series R7	08/04/2006	\$ 21.58	
Series R7	08/11/2006	\$ 21.82	
Series R7	08/18/2006	\$ 03.83	
New Jersey Investment Quality Municipal Trust RNJ			
Common Shareholders	12/30/2005	\$ 0.063528	
	08/01/2006	\$ 0.062110	
Preferred Shareholders			
Series T7	11/30/2005	\$ 18.70	
Series T7	12/07/2005	\$ 18.94	
Series T7	12/14/2005	\$ 03.61	
Series T7	07/18/2006	\$ 17.50	
Series T7	07/25/2006	\$ 18.22	
New York Investment Quality Municipal Trust RNY			
Common Shareholders	12/30/2005	\$ 0.042744	
	08/01/2006	\$ 0.040900	
Preferred Shareholders			
Series F7	11/28/2005	\$ 12.23	
Series F7	12/05/2005	\$ 10.48	
Series F7	07/17/2006	\$ 17.02	
Series F7	07/24/2006	\$ 11.84	

Municipal Bond Trust BBK

Common Shareholders	08/01/2006	\$	0.090870
Preferred Shareholders			
Series R7	07/21/2006	\$	17.74
Series R7	07/28/2006	\$	21.58
Series R7	08/04/2006	\$	21.58
Series R7	08/11/2006	\$	03.67
	80		

Edgar Filing: POPULAR INC - Form 10-Q

	<u>Payable Date</u>	<u>Long-Term Capital Gains</u>	<u>Short-Term Capital Gains</u>
New Jersey Municipal Bond Trust BLJ			
Common Shareholders	08/01/2006	\$ 0.063760	
Preferred Shareholders			
Series T7	07/19/2006	\$ 14.86	
Series T7	07/26/2006	\$ 22.83	
Series T7	08/02/2006	\$ 07.32	

Shareholder Meetings

A Special Meeting of Shareholders of the BlackRock Closed-End Funds was held on August 23, 2006 for shareholders of record as of June 5, 2006, to approve a new Investment Management Agreement and Sub-Advisory Agreement for each of the following Trusts:

Approved the Investment/Management Agreement as follows:

	<u>Votes For</u>	<u>Votes Against</u>	<u>Votes Abstain</u>
Investment Quality Municipal	7,898,427	1,458,316	493,656
Municipal Income	22,568,024	1,005,859	1,335,448
California Investment Quality ¹	509,602	295,994	32,888
California Income	7,481,480	289,785	570,631
Florida Investment Quality	591,086	9,089	36,220
Florida Income	3,402,507	109,854	135,112
New Jersey Investment Quality	530,319	33,406	13,416
New Jersey Income	3,895,384	212,871	256,415
New York Investment Quality	614,395	17,748	74,270
New York Income	6,132,380	306,273	440,206

Approved the Sub-Advisory Agreement as follows:

	<u>Votes For</u>	<u>Votes Against</u>	<u>Votes Abstain</u>
Municipal Income	22,552,347	1,022,928	1,334,056
California Income	7,507,133	276,055	558,708
Florida Income	3,383,336	122,244	141,893
New Jersey Income	3,893,372	231,097	240,201
New York Income	6,140,367	296,008	442,484

¹ - The Special Meeting of Shareholders was adjourned until September 22, 2006.

The Joint Annual Meeting of Shareholders was held on May 23, 2006 for shareholders of record as of February 28, 2006, to elect a certain number of Trustees for each of the following Trusts to three-year terms expiring in 2009:

Approved the Class I Directors/Trustees as follows:

<u>Richard E. Cavanagh</u>		<u>R. Glenn Hubbard</u>	
Votes For	Votes Withheld	Votes For	Votes Withheld

Edgar Filing: POPULAR INC - Form 10-Q

Investment Quality Municipal	15,983,505	148,893	15,995,182	137,216
Municipal Income	41,676,653	458,678	N/A	N/A
California Investment Quality	701,497	272,014	N/A	N/A
California Income	14,703,616	99,682	N/A	N/A
Florida Investment Quality	1,049,448	2,508	N/A	N/A
Florida Income	6,358,106	70,819	N/A	N/A
New Jersey Investment Quality	919,674	12,568	N/A	N/A
New Jersey Income	7,336,349	50,283	N/A	N/A
New York Investment Quality	1,236,670	7,224	N/A	N/A
New York Income	12,188,221	121,464	N/A	N/A

81

Edgar Filing: POPULAR INC - Form 10-Q

Approved the Class II Directors/Trustees as follows:

	Frank J. Fabozzi¹		Kathleen F. Feldstein¹		Ralph L. Schlosstein	
	Votes For	Votes Withheld	Votes For	Votes Withheld	Votes For	Votes Withheld
Investment Quality Municipal	N/A	N/A	5,149	85	N/A	N/A
Municipal Income	14,156	184	14,156	184	41,674,170	461,161
California Investment Quality	N/A	N/A	253		N/A	N/A
California Income	4,344		4,343	1	14,699,161	104,137
Florida Investment Quality	N/A	N/A	340		N/A	N/A
Florida Income	2,301		2,290	11	6,360,306	68,619
New Jersey Investment Quality	N/A	N/A	300		N/A	N/A
New Jersey Income	2,466		2,466		7,333,579	53,053
New York Investment Quality	N/A	N/A	387	4	N/A	N/A
New York Income	4,365	17	4,365	17	12,188,221	121,464

Elected the Class III Directors/Trustees as follows:

	Andrew F. Brimmer		Kent Dixon		Robert S. Kapito	
	Votes For	Votes Withheld	Votes For	Votes Withheld	Votes For	Votes Withheld
California Investment Quality	701,497	272,014	701,497	272,014	701,497	272,014
Florida Investment Quality	1,049,448	2,508	1,049,448	2,508	1,049,448	2,508
New Jersey Investment Quality	921,074	11,168	921,074	11,168	921,074	11,168
New York Investment Quality	1,236,645	7,249	1,236,645	7,249	1,233,656	10,238

The following Trust had an additional proposal (Proposal #3) to amend its respective Certificate of Designation or Statement of Preferences, as appropriate, to revise the language regarding preferred shares to allow the Trusts to follow the most recent guidelines of S&P, Moody's or Fitch ratings, as appropriate, for credit rating criteria in effect from time to time to maintain a AAA rating on preferred shares

	Votes For	Votes Against	Votes Withheld
Investment Quality Municipal	5,203	7	24
California Investment Quality	253		
Florida Investment Quality	338	2	
New Jersey Investment Quality	298	2	
New York Investment Quality	381	10	

Edgar Filing: POPULAR INC - Form 10-Q

1 Voted on by holders of preferred shares only.

Each Trust listed for trading on the New York Stock Exchange (NYSE) has filed with the NYSE its annual chief executive officer certification regarding compliance with the NYSE s listing standards and each Trust listed for trading on the American Stock Exchange (AMEX) has filed with the AMEX its corporate governance certification regarding compliance with the AMEX s listing standards. All of the Trusts have filed with the Securities and Exchange Commission the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

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

During the period, there were no material changes in any Trust s investment objective or policies or to any Trust s charters or by-laws that were not approved by the shareholders or in the principle risk factors associated with investment in the Trusts.

Quarterly performance, semi-annual and annual reports and other information regarding the Trusts may be found on BlackRock s website, which can be accessed at <http://www1.blackrock.com>. This reference to BlackRock s website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended, to incorporate BlackRock s website into this report.

Edgar Filing: POPULAR INC - Form 10-Q

Certain of the officers of the Trusts listed on the inside back cover of this Report to Shareholders are also officers of the Advisor or Sub-Advisor. They serve in the following capacities for the Advisor or Sub-Advisor: Robert S. Kapito Director and Vice Chairman of the Advisor and the Sub-Advisor, Donald Burke, Anne Ackerley, Bartholomew Battista, Vincent Tritto and Brian Kindelan Managing Directors of the Advisor and the Sub-Advisor, Neal Andrews and James Kong Managing Directors of the Sub-Advisor.

Important Information Regarding the BlackRock Closed-End Funds Annual Investor Update

The *Annual Investor Update* (Update) is available on the Internet and may be accessed through BlackRock's website at <http://www1.blackrock.com>. The Update provides information on the fixed income markets and summaries of BlackRock Closed-End Funds investment objectives and strategies. It also contains recent news regarding the BlackRock Closed-End Funds.

Historically, BlackRock provided this information in materials mailed with the Trusts' Annual report. However, we believe that making this information available through BlackRock's website allows us to communicate more fully and efficiently with the Trusts' shareholders.

If you would like to receive a hard copy of the BlackRock Closed-End Funds *Annual Investor Update*, please call (800) 699-1BFM.

SECTION 19 NOTICES

Set forth below is a summary of distributions which required each Trust, if any, to notify shareholders of the type of distributions paid pursuant to Section 19 of the Investment Company Act of 1940. Section 19 requires each Trust to accompany dividend payments with a notice if any part of that payment is from a source other than accumulated net investment income, not including profits or losses from the sale of securities or other properties. These notices are not for tax reporting purposes and were provided only for informational purposes in order to comply with the requirements of Section 19. In January 2007, after the completion of each Trust's tax year, shareholders will receive a Form 1099-DIV which will reflect the amount of income, capital gain and return of capital paid by the Trust taxable in calendar year 2006 and reportable on your 2006 federal and other income tax returns.

	Date of Distribution	Total Distributions	Net Investment Income	Distributions from proceeds from the sale of securities	Distributions from return of capital
Long-Term Municipal	September 2006	\$ 0.06875	\$ 0.06424	\$	\$ 0.00451
	October 2006	\$ 0.06875	\$ 0.05665	\$	\$ 0.01210
Florida Investment Quality	July 2006	\$ 0.12559	\$	\$ 0.12559	\$
New Jersey Investment Quality	July 2006	\$ 0.06211	\$	\$ 0.06211	\$
New York Investment Quality	July 2006	\$ 0.04090	\$	\$ 0.04090	\$

DIRECTORS/TRUSTEES INFORMATION (Unaudited)

Name, address, age	Current positions held with the Trusts	Term of office and length of time served	Principal occupations during the past five years	Number of portfolios overseen within the fund complex ¹	Other Directorships held outside the fund complex ¹	Events or transactions by reason of which the Trustee is an interested person as defined in Section 2(a) (19) of the 1940 Act
Interested Directors/Trustees²						
Ralph L. Schlosstein BlackRock, Inc. 40 East 52nd Street New York, NY 10022 Age: 55	Chairman of the Board ³	3 years ⁴ /since inception	Director since 1999 and President of BlackRock, Inc. since its formation in 1998 and of BlackRock, Inc.'s predecessor entities since 1988. Member of the Management Committee and Investment Strategy Group of BlackRock, Inc. Formerly, Managing Director of Lehman Brothers, Inc. and Co-head of its Mortgage and Savings Institutions Group. Chairman and President of the BlackRock Liquidity Funds and Director of several of BlackRock's alternative investment vehicles.	68	Member of the Visiting Board of Overseers of the John F. Kennedy School of Government at Harvard University, a member of the board of the Financial Institutions Center of The Wharton School of the University of Pennsylvania, a trustee of the American Museum of Natural History, a trustee of Trinity School in New York City, a member of the Board of Advisors of Marujupu LLC, and a trustee of New Visions for Public Education of The Public Theater in New York City and the James Beard Foundation. Formerly, a director of Pulte Corporation, the nation's largest homebuilder, a Trustee of Denison University and a member of Fannie Mae's Advisory Council.	Director and President of the Advisor.
Robert S. Kapito BlackRock, Inc. 40 East 52nd Street New York, NY 10022 Age: 49	President and Trustee	3 years ⁴ /since August 22, 2002	Vice Chairman of BlackRock, Inc. Head of the Portfolio Management Group. Also a member of the Management Committee, the Investment Strategy Group, the Fixed Income and Global Operating Committees and the Equity Investment Strategy Group. Responsible for the portfolio management of the Fixed Income, Domestic Equity and International Equity, Liquidity, and Alternative Investment Groups of BlackRock.	58	Chairman of the Hope and Heroes Children's Cancer Fund. President of the Board of Directors of the Periwinkle National Theatre for Young Audiences.	Director and Vice Chairman of the Advisor.

DIRECTORS/TRUSTEES INFORMATION (Unaudited) (Continued)

Name, address, age	Current positions held with the Trusts	Term of office and length of time served	Principal occupations during the past five years	Number of portfolios overseen within the fund complex ¹	Other Directorships held outside the fund complex
Independent Trustees					
Andrew F. Brimmer P.O. Box 4546 New York, NY 10163-4546 Age: 80	Lead Trustee Audit Committee Chairman ⁵	3 years ⁴ /since inception	President of Brimmer & Company, Inc., a Washington, D.C.-based economic and financial consulting firm, also Wilmer D. Barrett Professor of Economics, University of Massachusetts Amherst. Formerly member of the Board of Governors of the Federal Reserve System. Former Chairman, District of Columbia Financial Control Board.	58	Former Director of CarrAmerica Realty Corporation and Borg-Warner Automotive, Airborne Express, BankAmerica Corporation (Bank of America), BellSouth Corporation, College Retirement Equities Fund (Trustee), Commodity Exchange, Inc. (Public Governor), Connecticut Mutual Life Insurance Company, E.I. du Pont de Nemours & Company, Equitable Life Assurance Society of the United States, Gannett Company, Mercedes-Benz of North America, MNC Financial Corporation (American Security Bank), NCM Capital Management, Navistar International Corporation, PHH Corp. and UAL Corporation (United Airlines).
Richard E. Cavanagh P.O. Box 4546 New York, NY 10163-4546 Age: 60	Trustee Audit Committee Member	3 years ⁴ /since inception	President and Chief Executive Officer of The Conference Board, Inc., a leading global business research organization, from 1995-present. Former Executive Dean of the John F. Kennedy School of Government at Harvard University from 1988-1995. Acting Director, Harvard Center for Business and Government (1991-1993). Formerly Partner (principal) of McKinsey & Company, Inc. (1980-1988). Former Executive Director of Federal Cash Management, White House Office of Management and Budget (1977-1979). Co-author,	58	Trustee: Aircraft Finance Trust (AFT) and Chairman of the Board of Trustees, Educational Testing Service (ETS). Director, Arch Chemicals, Fremont Group and The Guardian Life Insurance Company of America.

Edgar Filing: POPULAR INC - Form 10-Q

THE WINNING PERFORMANCE (best selling management book published in 13 national editions).

<p>Kent Dixon P.O. Box 4546 New York, NY 10163-4546 Age: 69</p>	<p>Trustee Audit Committee Member⁵</p>	<p>3 years⁴/since inception</p>	<p>Consultant/Investor. Former President and Chief Executive Officer of Empire Federal Savings Bank of America and Banc PLUS Savings Association, former Chairman of the Board, President and Chief Executive Officer of Northeast Savings.</p>	<p>58</p>	<p>Former Director of ISFA (the owner of INVEST, a national securities brokerage service designed for banks and thrift institutions).</p>
<p>Frank J. Fabozzi P.O. Box 4546 New York, NY 10163-4546 Age: 58</p>	<p>Trustee Audit Committee Member⁵</p>	<p>3 years⁴/since inception</p>	<p>Consultant. Editor of THE JOURNAL OF PORTFOLIO MANAGEMENT and Adjunct Professor of Finance at the School of Management at Yale University. Author and editor of several books on fixed income portfolio management.</p>	<p>58</p>	<p>Director, Guardian Mutual Funds Group (18 portfolios).</p>

DIRECTORS/TRUSTEES INFORMATION (Unaudited) (Continued)

Name, address, age	Current positions held with the Trusts	Term of office and length of time served	Principal occupations during the past five years	Number of portfolios overseen within the fund complex ¹	Other Directorships held outside the fund complex
Independent Trustees (continued)					
Kathleen F. Feldstein P.O. Box 4546 New York, NY 10163-4546 Age: 65	Trustee	3 years ⁴ /since January 19, 2005	President of Economics Studies, Inc., a Belmont, MA-based private economic consulting firm, since 1987; Chair, Board of Trustees, McLean Hospital in Belmont, MA.	58	Director of BellSouth Inc. and McClatchy Company; Trustee of the Museum of Fine Arts, Boston, and of the Committee for Economic Development; Corporation Member, Partners HealthCare and Sherrill House; Member of the Visiting Committee of the Harvard University Art Museums and of the Advisory Board to the International School of Business at Brandeis University.
R. Glenn Hubbard P.O. Box 4546 New York, NY 10163-4546 Age: 48	Trustee	3 years ⁴ /since November 16, 2004	Dean of Columbia Business School since July 1, 2004. Columbia faculty member since 1988. Co-director of Columbia Business School's Entrepreneurship Program 1994-1997. Visiting professor at the John F. Kennedy School of Government at Harvard and the Harvard Business School, as well as the University of Chicago. Visiting scholar at the American Enterprise Institute in Washington and member of International Advisory Board of the MBA Program of Ben-Gurion University. Deputy assistant secretary of the U.S. Treasury Department for Tax Policy 1991-1993. Chairman of the U.S. Council of Economic Advisers under the President of the United States 2001-2003.	58	Director of ADP, R.H. Donnelly, Duke Realty, KKR Financial Corporation, and Ripplewood Holdings, the Council on Competitiveness, the American Council on Capital Formation, the Tax Foundation and the Center for Addiction and Substance Abuse. Trustee of Fifth Avenue Presbyterian Church of New York.

Edgar Filing: POPULAR INC - Form 10-Q

The Fund Complex means two or more registered investments companies that: (1) hold themselves out to investors as related companies for purposes of investment and investor services; or (2) have a common investment advisor or have an investment advisor that is an affiliated person of the investment advisor of any of the other registered investment companies.

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

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

4 The Board is classified into three classes of which one class is elected annually. Each Director/Trustee serves a three-year term concurrent with the class from which they are elected.

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

[This Page Intentionally Left Blank]

[This Page Intentionally Left Blank]

BlackRock Closed-End Funds

Trustees

Ralph L. Schlosstein, *Chairman*
Andrew F. Brimmer, *Lead Trustee*
Richard E. Cavanagh
Kent Dixon
Frank J. Fabozzi
Kathleen F. Feldstein
R. Glenn Hubbard
Robert S. Kapito

Officers

Robert S. Kapito, *President*
Donald C. Burke, *Treasurer*
Bartholomew Battista, *Chief Compliance Officer*
Anne Ackerley, *Vice President*
Neal Andrews, *Assistant Treasurer*
Jay Fife, *Assistant Treasurer*
Spencer Fleming, *Assistant Treasurer*
James Kong, *Assistant Treasurer*
Robert Mahar, *Assistant Treasurer*
Vincent B. Tritto, *Secretary*
Brian P. Kindelan, *Assistant Secretary*

Investment Advisor

BlackRock Advisors, LLC
100 Bellevue Parkway
Wilmington, DE 19809
(800) 227-7BFM

Sub-Advisor

BlackRock Financial Management, Inc.
40 East 52nd Street
New York, NY 10022

Accounting Agent and Custodian

State Street Bank and Trust Company
2 Avenue De Lafayette
Boston, MA 02111

Transfer Agent

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
(800) 699-1BFM

Auction Agent¹

Bank of New York
101 Barclay Street, 7 West
New York, NY 10286

Auction Agent²

Deutsche Bank Trust Company Americas
60 Wall Street, 8th Floor
New York, NY 10286

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116

Legal Counsel

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

Legal Counsel Independent Trustees

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

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

BlackRock Closed-End Funds
c/o BlackRock Advisors, LLC
100 Bellevue Parkway
Wilmington, DE 19809
(800) 227-7BFM

¹ For the Income Trusts.

² For the Investment Quality Trusts.

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Trusts at (800) 699-1BFM.

Edgar Filing: POPULAR INC - Form 10-Q

The Trusts have delegated to the Advisor the voting of proxies relating to their voting securities pursuant to the Advisor's proxy voting policies and procedures. You may obtain a copy of these proxy voting policies and procedures, without charge, by calling (800) 699-1BFM. These policies and procedures are also available on the website of the Securities and Exchange Commission (the Commission) at <http://www.sec.gov>.

Information on how proxies relating to the Trusts' voting securities were voted (if any) by the Advisor during the most recent 12-month period ended June 30th is available without charge, upon request, by calling (800) 699-1BFM or on the website of the Commission at <http://www.sec.gov>.

The Trusts file their complete schedule of portfolio holdings for the first and third quarters of their respective fiscal years with the Commission on Form N-Q. Each Trust's Form N-Q will be available on the Commission's website at <http://www.sec.gov>. Each Trust's Form N-Q, may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C. Information regarding the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Trust's Form N-Q, may also be obtained upon request without charge by calling (800) 699-1BFM.

Edgar Filing: POPULAR INC - Form 10-Q

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

CEF-ANN-2-1006

Item 2. Code of Ethics.

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

(b) Not applicable.

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

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

(e) Not applicable.

(f) The Registrant's Code of Ethics is available without charge at www.blackrock.com.

Item 3. Audit Committee Financial Expert.

The Registrant's Board of Trustees has determined that it has three audit committee financial experts serving on its audit committee, each of whom is an "independent" Trustee: Dr. Andrew F. Brimmer, Kent Dixon and Frank Fabozzi. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification. Dr. Brimmer retired from the Board of Trustees as of December 31, 2006.

Item 4. Principal Accountant Fees and Services.

(a) Audit Fees. The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$26,500 for the fiscal year ended October 31, 2006 and \$31,100 for the fiscal year ended October 31, 2005.

(b) Audit-Related Fees. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Registrant's financial statements and are not reported above in Item 4(a) were \$2,000 for the fiscal year ended October 31, 2006 and \$2,400 for the fiscal year ended October 31, 2005. The nature of the service includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

(c) Tax Fees. The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning were \$8,000 for the fiscal year ended October 31, 2006 and \$7,700 for the fiscal year ended October 31, 2005. The nature of the services was federal, state and local income and excise tax return preparation and related advice and planning and miscellaneous tax advice.

(d) All Other Fees. The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported above in Items 4(a) through (c) were \$4,300 for the fiscal year ended October 31, 2006 and \$4,300 for the fiscal year ended October 31, 2005. The nature of the service includes a review of compliance procedures and provide an attestation regarding such review.

(e) Audit Committee Pre-Approval Policies and Procedures.

(1) The Registrant has polices and procedures (the "Policy") for the pre-approval by the Registrant's Audit Committee of Audit, Audit-Related, Tax and Other Services (as each is defined in the Policy) provided by the Trust's independent auditor (the "Independent Auditor") to the Registrant and other "Covered Entities" (as defined below). The term of any such pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period. The amount of any such pre-approval is set forth in the appendices to the Policy (the "Service Pre-Approval Documents"). At its first meeting of each calendar year, the Audit Committee will review and re-approve the Policy and approve or re-approve the Service Pre-Approval Documents for that year, together with any changes deemed necessary or desirable by the Audit Committee. The Audit Committee may, from time to time, modify the nature of the services pre-approved, the aggregate level of fees pre-approved or both.

For the purposes of the Policy, "Covered Services" means (A) all engagements for audit and non-audit services to be provided by the Independent Auditor to the Trust and (B) all engagements for non-audit services related directly to the operations and financial reporting or the Trust to be provided by the Independent Auditor to any Covered Entity, "Covered Entities" means (1) the Adviser or (2) any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Trust.

In the intervals between the scheduled meetings of the Audit Committee, the Audit Committee delegates pre-approval authority under this Policy to the Chairman of the Audit Committee (the "Chairman"). The Chairman shall report any pre-approval decisions under this Policy to the Audit Committee at its next scheduled meeting. At each scheduled meeting, the Audit Committee will review with the Independent Auditor the

Covered Services pre-approved by the Chairman pursuant to delegated authority, if any, and the fees related thereto. Based on these reviews, the Audit Committee can modify, at its discretion, the pre-approval originally granted by the Chairman pursuant to delegated authority. This modification can be to the nature of services pre-approved, the aggregate level of fees approved, or both. Pre-approval of Covered Services by the Chairman pursuant to delegated authority is expected to be the exception rather than the rule and the Audit Committee may modify or withdraw this delegated authority at any time the Audit Committee determines that it is appropriate to do so.

Fee levels for all Covered Services to be provided by the Independent Auditor and pre-approved under this Policy will be established annually by the Audit Committee and set forth in the Service Pre-Approval Documents. Any increase in pre-approved fee levels will require specific pre-approval by the Audit Committee (or the Chairman pursuant to delegated authority).

The terms and fees of the annual Audit services engagement for the Trust are subject to the specific pre-approval of the Audit Committee. The Audit Committee (or the Chairman pursuant to delegated authority) will approve, if necessary, any changes in terms, conditions or fees resulting from changes in audit scope, Trust structure or other matters.

In addition to the annual Audit services engagement specifically approved by the Audit Committee, any other Audit services for the Trust not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Audit-Related services are assurance and related services that are not required for the audit, but are reasonably related to the performance of the audit or review of the financial statements of the Registrant and, to the extent they are Covered Services, the other Covered Entities (as defined in the Joint Audit Committee Charter) or that are traditionally performed by the Independent Auditor. Audit-Related services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

The Audit Committee believes that the Independent Auditor can provide Tax services to the Covered Entities such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the Independent Auditor in connection with a transaction initially recommended by the Independent Auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. Tax services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

All Other services that are covered and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Requests or applications to provide Covered Services that require approval by the Audit Committee (or the Chairman pursuant to delegated authority) must be submitted to the Audit Committee or the Chairman, as the case may be, by both the Independent Auditor and the Chief Financial Officer of the respective Covered Entity, and must

include a joint statement as to whether, in their view, (a) the request or application is consistent with the rules of the Securities and Exchange Commission ("SEC") on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request or application submitted to the Chairman between scheduled meetings of the Audit Committee should include a discussion as to why approval is being sought prior to the next regularly scheduled meeting of the Audit Committee.

(2) None of the services described in each of Items 4(b) through (d) were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the Registrant's accountant for services rendered to the Registrant, the Adviser (except for any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) or any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Registrant for each of the last two fiscal years were \$286,200 for the fiscal year ended October 31, 2006 and \$286,200 for the fiscal year ended October 31, 2005.

(h) The Registrant's Audit Committee of the Board of Trustees has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee of the Registrant is comprised of: Dr. Andrew F. Brimmer; Richard E. Cavanagh; Kent Dixon and Frank Fabozzi. Dr. Brimmer retired from the Board of Trustees as of December 31, 2006.

Item 6. Schedule of Investments.

The Registrant's Schedule of Investments is included as part of the Report to Shareholders filed under Item 1 of this Form.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Registrant has delegated the voting of proxies relating to its voting securities to its investment adviser, BlackRock Advisers, LLC (the "Adviser") and its sub-adviser,

BlackRock Financial Management, Inc. (the "Sub-Adviser"). The Proxy Voting Policies and Procedures of the Adviser and Sub-Adviser (the "Proxy Voting Policies") are attached as an Exhibit 99.PROXYPOL hereto.

Item 8. Portfolio Managers of Closed-End Management Investment Companies

(a)(1) The Registrant is managed by a team of investment professionals comprised of Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock and Walter O'Connor, Managing Director at BlackRock. Each is a member of BlackRock's municipal tax-exempt management group. Messrs. Jaeckel and O'Connor have been members of the Fund's management team since 2006.

Mr. Jaeckel joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of Merrill Lynch Investment Managers, L.P. ("MLIM") from 2005 to 2006 and a Director of MLIM from 1997 to 2005. He has been a portfolio manager with BlackRock or MLIM since 1991.

Mr. O'Connor joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of MLIM from 2003 to 2006 and was a Director of MLIM from 1997 to 2002. He has been a portfolio manager with BlackRock or MLIM since 1991.

(a)(2) As of October 31, 2006, Theodore Jaeckel managed or was a member of the management team for the following client accounts:

Type of Account	Number of Accounts	Assets of Accounts	Number of Accounts Subject to a Performance Fee	Assets Subject to a Performance Fee
Registered Investment Companies	82	30,229,677,447	0	0
Pooled Investment Vehicles Other Than Registered Investment Companies	0	0	0	0
Other Accounts	0	0	0	0

As of October 31, 2006, Walter O'Connor managed or was a member of the management team for the following client accounts:

Type of Account	Number of Accounts	Assets of Accounts	Number of Accounts Subject to a Performance Fee	Assets Subject to a Performance Fee
-----------------	--------------------	--------------------	---	-------------------------------------

Registered Investment Companies	82	30,229,677,447	0	0
Pooled Investment Vehicles Other Than Registered Investment Companies	0	0	0	0
Other Accounts	0	0	0	0

efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) The elements of total compensation for portfolio managers on BlackRock's municipal team include a fixed base salary, annual performance-based cash and stock compensation (cash and stock bonus) and other benefits. BlackRock has balanced these components of pay to provide these portfolio managers with a powerful incentive to achieve consistently superior investment performance. By design, compensation levels for these portfolio managers fluctuate—both up and down—with the relative investment performance of the portfolios that they manage.

Base compensation. Like that of many asset management firms, base salaries represent a relatively small portion of a portfolio manager's total compensation. This approach serves to enhance the motivational value of the performance-based (and therefore variable) compensation elements of the compensation program.

Performance-Based Compensation. BlackRock believes that the best interests of investors are served by recruiting and retaining exceptional asset management talent and managing their compensation within a consistent and disciplined framework that emphasizes pay for performance in the context of an intensely competitive market for talent. To that end, BlackRock and its affiliates portfolio manager incentive compensation is based on a formulaic compensation program. BlackRock's formulaic portfolio manager compensation program includes: investment performance relative to a subset of general closed-end, leveraged, municipal debt funds over 1-, 3- and 5-year performance periods and a measure of operational efficiency. Portfolio managers are compensated based on the pre-tax performance of the products they manage. If a portfolio manager's tenure is less than 5 years, performance periods will reflect time in position. Portfolio managers are compensated based on products they manage. A discretionary element of portfolio manager compensation may include consideration of: financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, capital allocation, compliance and risk control, leadership, workforce diversity, supervision, technology and innovation. All factors are considered collectively by BlackRock management.

Cash Bonus

Performance-based compensation is distributed to portfolio managers in a combination of cash and stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for portfolio managers.

Stock Bonus

A portion of the dollar value of the total annual performance-based bonus is paid in restricted shares of BlackRock stock. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year "at risk" based on the

company's ability to sustain and improve its performance over future periods. The ultimate value of stock bonuses is dependent on future BlackRock stock price performance. As such, the stock bonus aligns each portfolio manager's financial interests with those of the BlackRock shareholders and encourages a balance between short-term goals and long-term strategic objectives. Management strongly believes that providing a significant portion of competitive performance-based compensation in stock is in the best interests of investors and shareholders. This approach ensures that portfolio managers participate as shareholders in both the "downside risk" and "upside opportunity" of the company's performance. Portfolio managers therefore have a direct incentive to protect BlackRock's reputation for integrity.

Other Compensation Programs

Portfolio managers who meet relative investment performance and financial management objectives during a performance year are eligible to participate in a deferred cash program. Awards under this program are in the form of deferred cash that may be benchmarked to a menu of BlackRock mutual funds (including their own fund) during a five-year vesting period. The deferred cash program aligns the interests of participating portfolio managers with the investment results of BlackRock products and promotes continuity of successful portfolio management teams.

Other Benefits

Portfolio managers are also eligible to participate in broad-based plans offered generally to employees of BlackRock and its affiliates, including broad-based retirement, 401(k), health, and other employee benefit plans.

(a)(4) As of October 31, 2006, the end of the Registrant's most recently completed fiscal year, the dollar range of securities beneficially owned by each portfolio manager in the Registrant is shown below:

Theodore Jaeckel: None
Walter O'Connor: None

(b) Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Companies and Affiliated Purchasers.

Not applicable.

Item 10. Submission of Matters to a Vote of Security Holders.

The Registrant's Governance Committee will consider nominees to the Board of Trustees recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical

information and sets forth the qualifications of the proposed nominee to the Registrant's Secretary. There have been no material changes to these procedures.

Item 11. Controls and Procedures.

(a) The Registrant's principal executive and principal financial officers have evaluated the Registrant's disclosure controls and procedures within 90 days of this filing and have concluded, as of that date, that the Registrant's disclosure controls and procedures were reasonably designed to ensure that information required to be disclosed by the Registrant in this Form N-CSR was recorded, processed, summarized, and reported within the required time periods and that information required to be disclosed by the Registrant in this Form N-CSR was accumulated and communicated to the Registrant's management, including its principle executive and principle financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a -3(d)) that occurred during the Registrant's last fiscal half-year that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. Exhibits.

(a) (2) Separate certifications of Principal Executive and Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 attached as EX-99.CERT.

(a) (3) Not applicable.

(b) Certification of Principal Executive and Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 furnished as EX-99.906CERT.

Proxy Voting Policies attached as EX-99.PROXYPOL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) BlackRock Municipal Income Trust, Inc.

By: /s/ Donald C. Burke
Name: Donald C. Burke
Title: Treasurer
Date: January 11, 2007

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

By: /s/ Robert S. Kapito
Name: Robert S. Kapito
Title: Principal Executive Officer
Date: January 11, 2007

By: /s/ Donald C. Burke
Name: Donald C. Burke
Title: Principal Financial Officer
Date: January 11, 2007
