

BlackRock Taxable Municipal Bond Trust
Form N-CSR
October 03, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-22426

Name of Fund: BlackRock Taxable Municipal Bond Trust (BBN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 07/31/2016

Date of reporting period: 07/31/2016

Item 1 Report to Stockholders

JULY 31, 2016

ANNUAL REPORT

BlackRock Taxable Municipal Bond Trust (BBN)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Uneven economic outlooks and the divergence of monetary policies across regions have been the overarching themes driving financial markets over the past couple of years. In the latter half of 2015, as U.S. growth outpaced other developed markets, investors were focused largely on the timing of the Federal Reserve's (the Fed) decision to end its near-zero interest rate policy. The Fed ultimately hiked rates in December, whereas the European Central Bank and the Bank of Japan took additional steps to stimulate growth, even introducing negative interest rates. The U.S. dollar had strengthened considerably ahead of these developments, causing profit challenges for U.S. companies that generate revenues overseas, and pressuring emerging market currencies and commodities prices.

Also during this time period, oil prices collapsed due to excess global supply. China, one of the world's largest consumers of oil, was another notable source of stress for financial markets as the country showed signs of slowing economic growth and took measures to devalue its currency. Declining confidence in the country's policymakers stoked investors' worries about the potential impact of China's weakness on the global economy. Global market volatility increased and risk assets (such as equities and high yield bonds) suffered in this environment.

The elevated market volatility spilled over into 2016, but as the first quarter wore on, fears of a global recession began to fade, allowing markets to calm and risk assets to rebound. Central bank stimulus in Europe and Japan, combined with a more tempered outlook for rate hikes in the United States, helped bolster financial markets. A softening in U.S. dollar strength brought relief to U.S. exporters and emerging market economies. Oil prices rebounded as the world's largest producers agreed to reduce supply.

Volatility spiked again in late June when the United Kingdom shocked investors with its vote to leave the European Union. Uncertainty around how the British exit might affect the global economy and political landscape drove investors to high-quality assets, pushing already low global yields to even lower levels. But markets recovered swiftly in July as economic data suggested that the negative impact had thus far been contained to the United Kingdom and investors returned to risk assets.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to adjust accordingly as market conditions change over time. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of July 31, 2016

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	13.29%	5.61%
U.S. small cap equities (Russell 2000® Index)	18.76	0.00
International equities (MSCI Europe, Australasia, Far East Index)	8.25	(7.53)
	19.52	(0.75)

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Emerging market equities

(MSCI Emerging
Markets Index)

3-month Treasury bills	0.17	0.22
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(BofA Merrill Lynch 3-Month
U.S. Treasury Bill Index)

U.S. Treasury securities	5.01	8.53
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(BofA Merrill Lynch 10-Year
U.S. Treasury Index)

U.S. investment grade	4.54	5.94
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bonds (Barclays

U.S. Aggregate Bond Index)

Tax-exempt municipal	3.27	7.06
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bonds (S&P Municipal
Bond Index)

U.S. high yield bonds	13.84	5.01
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(Barclays U.S.

Corporate High Yield 2%

Issuer Capped Index)

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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The Benefits and Risks of Leveraging

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

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

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

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to shareholders is lower than if the Trust had not used leverage. Furthermore, the value of the Trust's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Trust's obligations under its

respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAV positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Trust's intended leveraging strategy will be successful.

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

The Trust may utilize leverage through reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Trust is permitted to issue debt up to ~~33~~33% of its total managed assets. The Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act.

If the Trust segregates or designates on its books and records cash or liquid assets having a value not less than the value of the Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction is not considered a senior security and is not subject to the foregoing limitations and requirements under the 1940 Act. The Trust may use combined economic leverage of up to 100% of its net assets (50% of its Managed Assets).

Derivative Financial Instruments

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

may use combined economic leverage of up to 100% of its net assets (50% of its Managed Assets). The Trust's successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation the Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trust's investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Trust Summary as of July 31, 2016

Trust Overview

BlackRock Taxable Municipal Bond Trust s (BBN) (the Trust) investment objective is to seek high current income, with a secondary objective of capital appreciation. The Trust seeks to achieve its investment objectives by investing primarily in a portfolio of taxable municipal securities, including Build America Bonds (BABs), issued by state and local governments to finance capital projects such as public schools, roads, transportation infrastructure, bridges, ports and public buildings.

The Trust originally sought to achieve its investment objectives by investing primarily in a portfolio of BABs, which are taxable municipal securities issued pursuant to the American Recovery and Reinvestment Act of 2009. Given the uncertainty around the BABs program at the time of the Trust s launch in 2010, the Trust s initial public offering prospectus included a Contingent Review Provision. For any 24-month period, if there were no new issuances of BABs or other analogous taxable municipal securities, the Board of Trustees (the Board) would undertake an evaluation of potential actions with respect to the Trust. Under the Contingent Review Provision, such potential action may include changes to the Trust s non-fundamental investment policies to broaden its primary investment focus to include taxable municipal securities generally. The BABs program expired on December 31, 2010 and was not renewed. Accordingly, there have been no new issuances of BABs since that date.

Pursuant to the Contingent Review Provision, on June 12, 2015, the Board approved a proposal to amend the Trust s investment policy from Under normal market conditions, the Trust invests at least 80% of its managed assets in BABs to Under normal market conditions, the Trust invests at least 80% of its managed assets in taxable municipal securities, which include BABs , and to change the name of the Trust from BlackRock Build America Bond Trust to BlackRock Taxable Municipal Bond Trust. These changes became effective on August 25, 2015.

The Trust continues to maintain its other investment policies, including its ability to invest up to 20% of its managed assets in securities other than taxable municipal securities. Such other securities include tax-exempt securities, U.S. Treasury securities, obligations of the U.S. Government, its agencies and instrumentalities and corporate bonds issued by issuers that have, in the Manager s view, typically been associated with or sold in the municipal market. Bonds issued by private universities and hospitals, or bonds sold to finance military housing developments are examples of such securities. The Trust also continues to invest at least 80% of its managed assets in securities that at the time of purchase are investment grade quality.

As used herein, managed assets means the total assets of the Trust (including any assets attributable to money borrowed for investment purposes) minus the sum of the Trust s accrued liabilities (other than money borrowed for investment purposes).

As of July 31, 2016, 80% of the Trust s portfolio are BABs. Like other taxable municipal securities, interest received on BABs is subject to federal income tax and may be subject to state income tax. Issuers of direct pay BABs, however, are eligible to receive a subsidy from the U.S. Treasury of up to 35% of the interest paid on the BABs. This allowed such issuers to issue bonds that pay interest rates that were expected to be competitive with the rates typically paid by private bond issuers in the taxable fixed income market. While the U.S. Treasury subsidizes the interest paid on BABs, it does not guarantee the principal or interest payments on BABs, and there is no guarantee that the U.S. Treasury will not reduce or eliminate the subsidy for BABs in the future. As of the date of this report, the subsidy that issuers of direct pay BABs receive from the U.S. Treasury has been reduced from original level as the result of budgetary sequestration, which has resulted, and which may continue to result, in early redemptions of BABs at par value. Such early redemptions at par value may result in a potential loss in value for investors of such BABs, including the Trust, who may have purchased the securities at prices above par, and may require the Trust to reinvest redemption proceeds in lower-yielding securities, which could reduce the Trust s income and distributions.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BBN
Initial Offering Date	August 27, 2010
Current Distribution Rate on Closing Market Price as of July 31, 2016 (\$24.43) ¹	6.47%
Current Monthly Distribution per Common Share ²	\$0.1318
Current Annualized Distribution per Common Share ²	\$1.5816
Economic Leverage as of July 31, 2016 ³	35%

¹ Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a return of capital. Past performance does not guarantee future results.

² The distribution rate is not constant and is subject to change.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust, including any assets attributable to reverse repurchase agreements, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 4.

Taxable Municipal Bond Overview

Taxable municipal bonds typically trade at a spread (or extra yield) relative to U.S. Treasury bonds with similar maturities. During the period, yields on Treasuries fell (as prices rose), which led to a general improvement in the prices of taxable municipal bonds. Treasuries with maturities of ten years and above typically outpaced their short-term counterparts, which fueled corresponding strength in longer-term municipal issues. Given this positive interest rate backdrop, the Barclays Taxable Municipal: U.S. Aggregate Eligible Index returned 15.63% for the 12-month period ended July 31, 2016.

Although the market experienced periodic bouts of volatility, yield spreads on taxable municipals (including Build America Bonds) generally tightened. The overall supply of taxable municipals was about average despite the availability of low rates, but demand strengthened due to increased buying from investors not specifically focused on the asset class. Nevertheless, certain bonds in the taxable municipal sector experienced more meaningful changes in their individual yield spreads. For example, Illinois and Chicago general obligation bonds ended the period with wider spreads a notable divergence from the rest of the market. Illinois debt generally underperformed after being downgraded by rating agencies in June 2016, while Chicago suffered from ongoing concerns about pension funding.

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

Performance

Returns for the 12 months ended July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
BBN ^{1,2}	28.89%	19.55%
Lipper General Bond Funds ³	15.04%	4.04%
Barclays Taxable Municipal: U.S. Aggregate Eligible Index ⁴	N/A	15.63%

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

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

³ Average return.

⁴ An unleveraged index.

N/A Not applicable as the index does not have a market price.

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

The Trust's duration exposure made the largest contribution to absolute performance. (Duration is a measure of interest-rate sensitivity.)

The Trust benefited from the robust performance of its investments in the tax-backed (local), transportation, utilities and tobacco sectors. The use of leverage also contributed to results.

The Trust utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a negative impact on performance due to the strength in the Treasury market.

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

Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$ 24.43	\$ 20.36	19.99%	\$ 25.03	\$ 19.67
Net Asset Value	\$ 25.02	\$ 22.48	11.30%	\$ 25.02	\$ 21.81

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

Overview of the Trust's Total Investments*

Sector Allocation	7/31/16	7/31/15
Utilities	27%	29%
Transportation	22	21
County/City/Special District/School District	21	23
State	11	11
Education	11	10
Tobacco	4	3
Commercial Services & Supplies	1	
Health Care Providers & Services	1	
Housing	1	2
Corporate	1	1

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

Call/Maturity Schedule³

Calendar Year Ended December 31,

2016	3%
2017	
2018	
2019	6
2020	24

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

* Excludes short-term securities.

Credit Quality Allocation¹

	7/31/16	7/31/15
AAA/Aaa	4%	5%
AA/Aa	54	57

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A	29	33
BBB/Baa	7	4
BB/Ba	2	1
B	4	
N/R	²	

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

² Represents less than 1%.

Schedule of Investments July 31, 2016

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Commercial Services & Supplies 1.9%		
Massachusetts Institute of Technology, 3.89%, 7/01/16	\$ 12,200	\$ 12,656,463
Wesleyan University, 4.78%, 7/01/16	11,000	12,348,721
Worcester Polytechnic Institute, Series 2016, 4.34%, 9/01/56	2,500	2,670,250
		27,675,434
Diversified Financial Services 0.3%		
Western Group Housing LP, 6.75%, 3/15/57 (a)	2,500	3,494,500
Health Care Providers & Services 1.6%		
New York and Presbyterian Hospital:		
3.56%, 8/01/36	2,500	2,663,700
4.06%, 8/01/56	12,195	13,538,511
Ochsner Clinic Foundation, 5.90%, 5/15/45	5,000	6,524,300
		22,726,511
Total Corporate Bonds 3.8%		53,896,445

Municipal Bonds

Arizona 2.3%		
Salt River Project Agricultural Improvement & Power District, RB, Build America Bonds, Series A, 4.84%, 1/01/41 (b)	25,000	33,091,250
California 34.6%		
Bay Area Toll Authority, RB, Build America Bonds, San Francisco Toll Bridge:		
Series S-1, 6.92%, 4/01/40	13,700	20,658,093
Series S-1, 7.04%, 4/01/50	10,190	16,989,991
Series S-3, 6.91%, 10/01/50	14,000	23,357,740
City of Industry California, Refunding RB, Senior, Series A (AGM), 5.13%, 1/01/51	5,000	5,543,400
City of San Francisco California Public Utilities Commission Water Revenue, RB, Build America Bonds, Sub-Series E, 6.00%, 11/01/40 (b)	21,255	28,919,766
City of San Jose California, Refunding ARB, Series B (AGM), 6.60%, 3/01/41 (b)	10,000	11,759,200
County of Alameda California Joint Powers Authority, RB, Build America Bonds, Recovery Zone, Series A, 7.05%, 12/01/44 (b)	11,000	16,601,970
County of Orange California Local Transportation Authority, Refunding RB, Build America Bonds, Series A, 6.91%, 2/15/41	5,000	7,448,250
County of Sonoma California, Refunding RB, Pension Obligation, Series A, 6.00%, 12/01/29	14,345	17,928,524
Los Angeles Community College District California, GO, Build America Bonds, 6.60%, 8/01/42 (b)	10,000	15,672,700
Los Angeles Department of Water & Power, RB, Build America Bonds (b):		
6.17%, 7/01/40	37,500	43,561,125
7.00%, 7/01/41	17,225	20,175,470

Municipal Bonds

	Par (000)	Value
California (continued)		
Metropolitan Water District of Southern California, RB, Build America Bonds, Series A, 6.95%, 7/01/40 (b)	\$ 12,000	\$ 14,376,600
Palomar Community College District, GO, Build America Bonds, Series B-1, 7.19%, 8/01/45	7,500	8,982,750
Rancho Water District Financing Authority, RB, Build America Bonds, Series A, 6.34%, 8/01/40 (b)	20,000	23,164,000
Riverside Community College District Foundation, GO, Build America Bonds, Series D-1, 7.02%, 8/01/40 (b)	11,000	12,916,090
San Diego County Regional Airport Authority, ARB, Series B, 5.59%, 7/01/43	4,000	4,602,680
San Diego County Regional Airport Authority, Refunding ARB, Build America Bonds, Sub-Series C, 6.63%, 7/01/40	32,100	37,432,452
State of California, GO, Build America Bonds, Various Purposes (b):		
7.55%, 4/01/39	9,035	14,907,389
7.30%, 10/01/39	9,220	14,403,392
7.63%, 3/01/40	8,950	14,591,901
7.60%, 11/01/40	15,000	25,136,700
	18,145	28,671,640

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State of California Public Works Board, RB, Build America Bonds, Series G-2, 8.36%, 10/01/34 (b)		
University of California, RB, Build America Bonds (b):		
5.95%, 5/15/45	24,000	33,350,160
6.30%, 5/15/50	27,010	33,359,511
		494,511,494
Colorado 3.4%		
City & County of Denver Colorado School District No. 1, COP, Refunding, Denver Colorado Public Schools, Series B, 7.02%, 12/15/37 (b)		
	6,000	8,797,980
Regional Transportation District, COP, Build America Bonds, Series B, 7.67%, 6/01/40 (b)	23,000	33,263,750
State of Colorado, COP, Build America Bonds, Building Excellent Schools, Series E, 7.02%, 3/15/31	5,000	6,014,800
		48,076,530
Connecticut 1.1%		
Town of Stratford Connecticut, GO, Pension Funding, 6.00%, 8/15/38	12,000	15,908,280
District of Columbia 3.6%		
Metropolitan Washington Airports Authority Dulles Toll Road Revenue, ARB, Build America Bonds:		
7.46%, 10/01/46	11,500	18,406,900
Series D, 8.00%, 10/01/47	10,750	15,161,155
Washington Convention & Sports Authority, Refunding RB, Series C, 7.00%, 10/01/40	15,000	17,470,200
		51,038,255

Portfolio Abbreviations

AGM	Assured Guaranty Municipal Corp.	GO	General Obligation Bonds	M/F	Multi-Family
ARB	Airport Revenue Bonds	HFA	Housing Finance Agency	NPFGC	National Public Finance Guarantee Corp.
COP	Certificates of Participation	ISD	Independent School District	RB	Revenue Bonds
EDA	Economic Development Authority	LRB	Lease Revenue Bonds		

See Notes to Financial Statements.

Schedule of Investments (continued)

	Par (000)	Value
Municipal Bonds		
Florida 4.3%		
City of Sunrise Florida Utility System, Refunding RB, Build America Bonds, Series B, 5.91%, 10/01/35 (b)	\$ 23,000	\$ 26,395,720
County of Miami-Dade Florida Educational Facilities Authority, Refunding RB, Series B, 5.07%, 4/01/50	12,250	15,111,967
County of Pasco Florida Water & Sewer, RB, Build America Bonds, Series B, 6.76%, 10/01/39	1,500	1,738,410
Town of Davie Florida Water & Sewer, RB, Build America Bonds, Series B (AGM), 6.85%, 10/01/40	2,500	2,979,525
Village Center Community Development District, Refunding RB, 5.02%, 11/01/36 (a)	13,500	15,501,375
		61,726,997
Georgia 5.4%		
Municipal Electric Authority of Georgia Plant Vogtle Units 3 & 4, Refunding RB, Build America Bonds, Series A:		
6.64%, 4/01/57	26,084	36,031,133
6.66%, 4/01/57	20,665	28,181,274
7.06%, 4/01/57	10,000	12,590,000
		76,802,407
Hawaii 2.4%		
University of Hawaii, RB, Build America Bonds, Series B-1, 6.03%, 10/01/40 (b)	30,500	34,926,465
Illinois 18.3%		
Chicago Transit Authority, RB:		
Build America Bonds, Series B, 6.20%, 12/01/40	16,015	20,107,633
Pension Funding, Series A, 6.90%, 12/01/40 (b)	4,075	5,392,936
Pension Funding, Series B, 6.90%, 12/01/40	4,900	6,484,758
City of Chicago Illinois, GO:		
Build America Bonds, Series B, 7.52%, 1/01/40	10,000	10,639,600
Taxable Project, Recovery Zone, Series D, 6.26%, 1/01/40	17,725	16,464,221
City of Chicago Illinois, Refunding ARB, O Hare International Airport, General 3rd Lien, Build America Bonds, Series B:		
6.85%, 1/01/38 (b)	30,110	34,459,992
6.40%, 1/01/40	1,500	2,190,375
City of Chicago Illinois Wastewater Transmission, RB, Build America Bonds, Series B, 6.90%, 1/01/40 (b)	36,000	48,163,680
City of Chicago Illinois Waterworks Transmission, RB, Build America Bonds, 2nd Lien, Series B, 6.74%, 11/01/40	15,250	20,283,872
County of Cook Illinois, GO, Build America Bonds, Series D, 6.23%, 11/15/34	10,000	12,450,000
Illinois Finance Authority, RB, Carle Foundation, Series A, 5.75%, 8/15/34	5,000	5,953,600
Illinois Municipal Electric Agency, RB, Build America Bonds, Series A, 7.29%, 2/01/35 (b)	15,000	19,694,100
Northern Illinois Municipal Power Agency, RB, Build America Bonds, Prairie State Project, Series A, 7.82%, 1/01/40	5,000	7,136,950
	Par (000)	Value
Municipal Bonds		
Illinois (continued)		
State of Illinois, GO, Build America Bonds:		
6.63%, 2/01/35	\$ 4,000	\$ 4,336,880
6.73%, 4/01/35	6,320	6,916,166
7.35%, 7/01/35	35,855	40,963,979
		261,638,742
Indiana 1.7%		
Indiana Finance Authority, RB, Build America Bonds, Series B, 6.60%, 2/01/39	7,900	11,404,835
Indiana Municipal Power Agency, RB, Build America Bonds, Direct Payment, Series A, 5.59%, 1/01/42 (b)	10,000	13,187,900
		24,592,735
Kentucky 0.8%		
City of Wickliffe Kentucky, RB, MeadWestvaco Corp., 7.67%, 1/15/27 (a)	9,400	11,020,710
Maryland 0.7%		

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County of Baltimore Maryland, GO, Taxable, 3.30%, 7/01/46 (c)	9,000	9,452,610
Maryland Community Development Administration, RB, Residential Housing, Series I, 6.50%, 3/01/43	605	618,213
		10,070,823
Massachusetts 2.0%		
Commonwealth of Massachusetts Transportation Fund Revenue, RB, Build America Bonds, Recovery Zone, Series B, 5.73%, 6/01/40	5,000	7,035,900
Massachusetts Development Finance Agency, RB, Emmanuel College Issue, Series B, 3.98%, 10/01/30	16,050	16,422,360
Massachusetts HFA, Refunding RB, Series D, 7.02%, 12/01/42 (b)	4,040	4,497,005
		27,955,265
Michigan 1.8%		
Michigan State University, RB, Build America Bonds, General, Series A, 6.17%, 2/15/50	5,500	6,990,115
Michigan Tobacco Settlement Finance Authority, RB, Series A, 7.31%, 6/01/34	16,830	16,628,040
State of Michigan, RB, Build America Bonds, Series B, 7.63%, 9/15/27	2,000	2,265,040
		25,883,195
Minnesota 1.3%		
Southern Minnesota Municipal Power Agency, Refunding RB, Build America Bonds, Series A, 5.93%, 1/01/43	8,000	10,476,160
Western Minnesota Municipal Power Agency, RB, Build America Bonds, Series C, 6.77%, 1/01/46	5,000	7,319,450
		17,795,610
Mississippi 0.5%		
Mississippi Development Bank, RB, Build America Bonds, Garvee, Series B, 6.41%, 1/01/40	5,000	6,819,050
Missouri 1.8%		
Missouri Joint Municipal Electric Utility Commission, RB, Build America Bonds, Plum Point Project, Series A, 7.73%, 1/01/39	11,000	15,696,010

See Notes to Financial Statements.

Schedule of Investments (continued)

	Par (000)	Value
Municipal Bonds		
Missouri (continued)		
University of Missouri, RB, Build America Bonds, Curators of the University, Series A, 5.79%, 11/01/41 (b)	\$ 7,000	\$ 10,287,970
		25,983,980
Nevada 1.2%		
City of North Las Vegas Nevada, GO, Build America Bonds, 6.57%, 6/01/40	2,500	2,512,325
County of Clark Nevada Department of Aviation, ARB, Build America Bonds:		
Series B, 6.88%, 7/01/42 (b)	10,000	11,452,200
Series C, 6.82%, 7/01/45	2,000	3,183,060
		17,147,585
New Jersey 13.2%		
County of Camden New Jersey Improvement Authority, LRB, Build America Bonds, Cooper Medical School of Rowan University Project, Series A, 7.75%, 7/01/34	5,000	5,882,050
New Jersey EDA, RB:		
Build America Bonds, Series CC-1, 6.43%, 12/15/35	12,000	13,277,040
Series A (NPFGC), 7.43%, 2/15/29 (b)	20,974	26,478,836
New Jersey State Housing & Mortgage Finance Agency, RB, M/F Housing, Series C (AGM), 6.65%, 11/01/44	14,360	15,158,560
New Jersey State Turnpike Authority, RB, Build America Bonds:		
Series A, 7.10%, 1/01/41	34,000	53,120,580
Series F, 7.41%, 1/01/40	6,790	10,945,955
New Jersey Transportation Trust Fund Authority, RB, Build America Bonds:		
Series B, 6.88%, 12/15/39	8,500	9,150,420
Series C, 5.75%, 12/15/28	4,500	5,044,950
Series C, 6.10%, 12/15/28 (b)	42,500	46,376,850
South Jersey Port Corp., RB, Build America Bonds, Marine Terminal, Series P-3, 7.37%, 1/01/40	3,215	3,767,080
		189,202,321
New York 16.2%		
City of New York New York, GO, Build America Bonds, Sub-Series C-1, 5.82%, 10/01/31 (b)	15,000	17,410,950
City of New York New York Municipal Water Finance Authority, RB, Build America Bonds, 2nd General Resolution, Series DD, 6.45%, 6/15/41	6,300	7,334,145
City of New York New York Municipal Water Finance Authority, Refunding RB, Build America Bonds, 2nd General Resolution:		
Series AA, 5.79%, 6/15/41 (b)	25,000	28,489,500
Series CC, 6.28%, 6/15/42 (b)	20,000	23,382,400
Series EE, 6.49%, 6/15/42	2,000	2,329,080
Series GG, 6.12%, 6/15/42	2,445	2,798,963
City of New York New York Transitional Finance Authority, RB, Build America Bonds, Future Tax Secured:		
Sub-Series B-1, 5.57%, 11/01/38 (b)	19,000	25,534,860
Sub-Series C-2, 6.27%, 8/01/39	14,795	16,669,526
	Par (000)	Value
Municipal Bonds		
New York (continued)		
Metropolitan Transportation Authority, RB, Build America Bonds:		
Series A, 6.67%, 11/15/39	\$ 2,220	\$ 3,270,770
Series C, 7.34%, 11/15/39	13,245	21,634,383
Series C-1, 6.69%, 11/15/40	13,000	19,184,100
Nassau County Tobacco Settlement Corp., Refunding RB, Series A1, 6.83%, 6/01/21	9,238	9,237,233
Port Authority of New York & New Jersey, ARB, Consolidated:		
Series 160, 5.65%, 11/01/40	2,750	3,756,363
Series 192, 4.81%, 10/15/65	14,825	18,968,884
State of New York Dormitory Authority, RB, Build America Bonds, General Purpose, Series H, 5.39%, 3/15/40 (b)	15,000	20,423,550
State of New York Dormitory Authority, Refunding RB, Touro College & University, Series B, 5.75%, 1/01/29	10,300	10,834,158

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		231,258,865
Ohio 6.3%		
American Municipal Power, Inc., RB, Build America Bonds, Combined Hydroelectric Projects, Series B, 7.83%, 2/15/41	10,000	15,733,700
County of Franklin Ohio Convention Facilities Authority, RB, Build America Bonds, 6.64%, 12/01/42 (b)	30,575	42,183,410
County of Hamilton Ohio Sewer System Revenue, RB, Build America Bonds, Series B, 6.50%, 12/01/34	7,000	8,058,820
Mariemont City School District, GO, Refunding, Build America Bonds, Series B, 6.55%, 12/01/47 (b)	10,055	11,639,065
Ohio University, RB, General Receipts, Athens, 5.59%, 12/01/14	10,100	12,433,807
		90,048,802
Oklahoma 0.3%		
Oklahoma Municipal Power Authority, RB, Build America Bonds, 6.44%, 1/01/45	3,500	4,671,030
Oregon 0.6%		
Port of Morrow Oregon, RB, Bonneville Cooperation Project No. 4, 2.99%, 9/01/36	8,335	8,480,196
Pennsylvania 2.0%		
Pennsylvania Economic Development Financing Authority, RB, Build America Bonds, Series B, 6.53%, 6/15/39	23,050	28,482,885
South Carolina 1.2%		
South Carolina State Public Service Authority, RB, Build America Bonds, Series C, 6.45%, 1/01/50	11,290	17,016,288
Tennessee 3.5%		
Metropolitan Government of Nashville & Davidson County Convention Center Authority, RB, Build America Bonds, Series A2, 7.43%, 7/01/43	35,105	50,616,495
Texas 9.6%		
City of Austin Texas, RB, Travis, Williams and Hays Counties, Rental Car Specialty Facilities, 5.75%, 11/15/42	10,000	11,290,800

See Notes to Financial Statements.

Schedule of Investments (continued)

Municipal Bonds	Par (000)	Value
Texas (continued)		
City of San Antonio Texas Customer Facility Charge Revenue, RB, 5.87%, 7/01/45	\$ 7,500	\$ 8,115,225
City of San Antonio Texas Public Service Board, RB, Build America Bonds, Electric & Gas Revenue, Series A, 6.17%, 2/01/41	19,000	21,603,570
City of San Antonio Texas Public Service Board, Refunding RB, Build America Bonds, Electric & Gas Revenue, Series B, 6.31%, 2/01/37 (b)	35,000	40,272,400
County of Bexar Texas Hospital District, GO, Build America Bonds, 5.41%, 2/15/40 (b)	18,000	20,021,940
Cypress-Fairbanks ISD, GO, Build America Bonds, Schoolhouse, Series B, 6.63%, 2/15/38	14,000	15,821,820
Dallas Area Rapid Transit, RB, Build America Bonds, Senior Lien, Series B, 5.02%, 12/01/48	2,500	3,417,925
Katy Texas ISD, GO, Build America Bonds, School Building, Series D, 6.35%, 2/15/41 (b)	5,000	5,768,250
North Texas Municipal Water District, RB, Build America Bonds, Series A, 6.01%, 9/01/40	10,000	11,481,800
		137,793,730
Utah 3.4%		
County of Utah, RB, Build America Bonds, County Excise Tax Revenue, Recovery Zone, Series C, 7.13%, 12/01/39	11,800	13,751,484
Utah Transit Authority, RB, Build America Bonds, Subordinated, 5.71%, 6/15/40	26,405	34,574,179
		48,325,663
Municipal Bonds	Par (000)	Value
Virginia 1.8%		
Tobacco Settlement Financing Corp., Refunding RB, Series A-1, 6.71%, 6/01/46	\$ 29,965	\$ 25,783,984
Washington 1.9%		
Port of Seattle Washington, RB, Series B1, 7.00%, 5/01/36	5,000	5,684,550
Washington State Convention Center Public Facilities District, RB, Build America Bonds, Series B, 6.79%, 7/01/40	16,100	22,091,937
		27,776,487
West Virginia 2.3%		
West Virginia Tobacco Settlement Finance Authority, RB, Series A, 7.47%, 6/01/47	33,550	32,467,677
Total Municipal Bonds 149.5%		2,136,913,796
Total Long-Term Investments		
(Cost \$1,783,558,220) 153.3%		2,190,810,241
Short-Term Securities	Shares	
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.36% (d)(e)	10,067,354	10,067,354
Total Short-Term Securities		
(Cost \$10,067,354) 0.7%		10,067,354
Total Investments (Cost \$1,793,625,574) 154.0%		2,200,877,595
Liabilities in Excess of Other Assets (54.0)%		(771,953,317)
Net Assets 100.0%		\$ 1,428,924,278

Notes to Schedule of Investments

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.

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(c) When-issued security.

(d) During the year ended July 31, 2016, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	8,076,047	1,991,307	10,067,354	\$ 10,067,354	\$ 49,529

(e) Current yield as of period end.

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

Reverse Repurchase Agreements

Counterparty	Interest Rate	Trade Date	Maturity Date ¹	Face Value	Face Value Including Accrued Interest ¹	Type of Underlying Collateral	Remaining Contractual Maturity of the Agreements ²
Barclays Capital, Inc.	0.70%	12/17/15	Open	\$ 23,431,250	\$ 23,534,673	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	16,340,625	16,412,751	Municipal Bonds	Open/Demand

See Notes to Financial Statements.

Schedule of Investments (continued)

Counterparty	Interest Rate	Trade Date	Maturity Date ¹	Face Value	Face Value Including Accrued Interest ¹	Type of Underlying Collateral	Remaining Contractual Maturity of the Agreements ²
Barclays Capital, Inc.	0.70%	12/17/15	Open	\$ 27,428,175	\$ 27,549,240	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	20,900,000	20,992,250	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	5,212,500	5,235,507	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	8,006,250	8,041,589	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	12,887,500	12,944,384	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	12/17/15	Open	9,925,000	9,968,808	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.75%	12/17/15	Open	26,875,000	27,002,096	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.80%	12/17/15	Open	9,740,781	9,789,918	Municipal Bonds	Open/Demand
Deutsche Bank Securities, Inc.	0.80%	12/17/15	Open	4,222,000	4,243,298	Municipal Bonds	Open/Demand
Deutsche Bank Securities, Inc.	0.80%	12/17/15	Open	35,472,000	35,650,937	Municipal Bonds	Open/Demand
Deutsche Bank Securities, Inc.	0.80%	12/17/15	Open	29,386,000	29,534,236	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	22,015,000	22,132,994	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	12,960,000	13,031,028	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	11,948,250	12,012,289	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	7,110,000	7,148,108	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	12,900,000	12,969,140	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	10,375,000	10,430,607	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	12,039,137	12,103,664	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	36,225,000	36,419,156	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	16,537,500	16,626,136	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	15,037,500	15,118,097	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	11,687,500	11,750,142	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	38,812,500	39,020,524	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	20,175,000	20,283,132	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	23,380,500	23,505,813	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	12/17/15	Open	26,400,000	26,541,497	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	1/27/16	Open	29,445,000	29,575,008	Municipal Bonds	Open/Demand
Barclays Capital, Inc.	0.70%	1/29/16	Open	13,282,500	13,330,280	Municipal Bonds	Open/Demand
Deutsche Bank Securities, Inc.	0.80%	4/14/16	Open	15,883,000	15,921,120	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	5/23/16	Open	23,080,800	23,117,857	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	5/31/16	Open	11,250,000	11,266,469	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/2/16	Open	29,540,992	29,580,052	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/2/16	Open	26,534,121	26,569,205	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/2/16	Open	22,014,765	22,043,873	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/2/16	Open	10,949,975	10,964,453	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/2/16	Open	30,702,506	30,743,101	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/16/16	Open	12,834,190	12,848,129	Municipal Bonds	Open/Demand
MUFG Securities America, Inc.	0.85%	6/28/16	Open	22,815,879	22,834,196	Municipal Bonds	Open/Demand
RBC Capital Markets LLC	0.85%	7/1/16	Open	3,959,200	3,962,097	Municipal Bonds	Open/Demand
Total				\$ 759,722,896	\$ 762,747,854		

¹ The amount to be repurchased assumes the maturity will be the day after the period end.

² Certain agreements have no stated maturity and can be terminated by either party at any time.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts Short	Issue	Expiration	Notional Value	Unrealized Depreciation
(1,215)	5-Year U.S. Treasury Note	September 2016	\$ 148,248,984	\$ (2,621,666)
(640)	10-Year U.S. Treasury Note	September 2016	\$ 85,150,000	(2,076,328)
(807)	Long U.S. Treasury Bond	September 2016	\$ 140,771,063	(8,499,670)
(619)	Ultra U.S. Treasury Bond	September 2016	\$ 117,938,844	(8,715,637)
Total				\$ (21,913,301)

See Notes to Financial Statements.

BLACKROCK TAXABLE MUNICIPAL BOND TRUST

JULY 31, 2016

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Schedule of Investments (continued)

Derivative Financial Instruments Categorized by Risk Exposure

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

Liabilities	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Futures contracts	Net unrealized depreciation ¹					\$ 21,913,301		\$ 21,913,301

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

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statement of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (24,352,724)		\$ (24,352,724)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (19,061,481)		\$ (19,061,481)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:

Average notional value of contracts short \$ 449,913,707

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

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

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

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 2,190,810,241		\$ 2,190,810,241
Short-Term Securities	\$ 10,067,354			10,067,354
Total	\$ 10,067,354	\$ 2,190,810,241		\$ 2,200,877,595

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	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ²				
Liabilities:				
Interest rate contracts	\$ (21,913,301)			\$ (21,913,301)

¹ See above Schedule of Investments for values in each state or political sub-division.

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

See Notes to Financial Statements.

Schedule of Investments (concluded)

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

	Level 1	Level 2	Level 3	Total
Assets:				
Cash pledged for futures contracts	\$ 7,778,950			\$ 7,778,950
Liabilities:				
Cash received as collateral for reverse repurchase agreements		\$ (14,908,000)		(14,908,000)
Reverse repurchase agreements		(762,747,854)		(762,747,854)
Total	\$ 7,778,950	\$ (777,655,854)		\$ (769,876,904)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Statement of Assets and Liabilities

July 31, 2016

Assets		
Investments at value unaffiliated (cost \$1,783,558,220)		\$ 2,190,810,241
Investments at value affiliated (cost \$10,067,354)		10,067,354
Cash pledged for futures contracts		7,778,950
Receivables:		
Interest unaffiliated		25,180,167
Investments sold		1,112,447
Dividends affiliated		9,695
Prepaid expenses		27,607
Total assets		2,234,986,461
Liabilities		
Reverse repurchase agreements		762,747,854
Cash received as collateral for reverse repurchase agreements		14,908,000
Payables:		
Income dividends		196,522
Investment advisory fees		1,013,105
Investments purchased		24,052,760
Officers and Trustees fees		354,405
Other accrued expenses		328,671
Variation margin on futures contracts		2,460,866
Total liabilities		806,062,183
Net Assets		\$ 1,428,924,278
Net Assets Consist of		
Paid-in capital		\$ 1,088,955,926
Undistributed net investment income		6,322,121
Accumulated net realized loss		(51,692,489)
Net unrealized appreciation (depreciation)		385,338,720
Net Assets		\$ 1,428,924,278
Net Asset Value		
Based on net assets of \$1,428,924,278, and 57,111,530 shares outstanding, unlimited shares authorized, \$0.001 par value		\$ 25.02

See Notes to Financial Statements.

Statement of Operations

Year Ended July 31, 2016

Investment Income	
Interest unaffiliated	\$ 110,390,127
Dividends affiliated	49,529
Total income	110,439,656
Expenses	
Investment advisory	11,250,228
Professional	167,199
Accounting services	151,377
Officer and Trustees	151,115
Transfer agent	134,548
Custodian	113,958
Printing	28,454
Registration	20,340
Miscellaneous	82,392
Total expenses excluding interest expense	12,099,611
Interest expense	5,260,070
Total expenses	17,359,681
Less:	
Fees waived by the Manager	(10,901)
Fees paid indirectly	(763)
Total expenses after fees waived and paid indirectly	17,348,017
Net investment income	93,091,639
Realized and Unrealized Gain (Loss)	
Net realized gain (loss) from:	
Investments	10,061,489
Futures contracts	(24,352,724)
	(14,291,235)
Net change in unrealized appreciation (depreciation) on:	
Investments	175,641,329
Futures contracts	(19,061,481)
	156,579,848
Net realized and unrealized gain	142,288,613
Net Increase in Net Assets Resulting from Operations	\$ 235,380,252

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets:	Year Ended July 31,	
	2016	2015
Operations		
Net investment income	\$ 93,091,639	\$ 93,332,466
Net realized loss	(14,291,235)	(16,656,836)
Net change in unrealized appreciation (depreciation)	156,579,848	(14,743,490)
Net increase in net assets resulting from operations	235,380,252	61,932,140
Distributions to Shareholders¹		
From net investment income	(90,315,735)	(90,314,657)
Capital Share Transactions		
Net increase in net assets derived from capital share transactions	198,881	
Net Assets		
Total increase (decrease) in net assets	145,263,398	(28,382,517)
Beginning of year	1,283,660,880	1,312,043,397
End of year	\$ 1,428,924,278	\$ 1,283,660,880
Undistributed net investment income, end of year	\$ 6,322,121	\$ 3,546,217

¹ Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statement of Cash Flows

Year Ended July 31, 2016

Cash Provided by Operating Activities

Net increase in net assets resulting from operations	\$ 235,380,252
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Proceeds from sales of long-term investments and principal paydowns	195,347,434
Purchases of long-term investments	(206,010,777)
Net purchases of short-term securities	(1,991,307)
Amortization of premium and accretion of discount on investments	942,041
Net realized gain on investments	(10,061,489)
Net unrealized gain on investments	(175,641,329)
(Increase) decrease in assets:	
Cash pledged for futures contracts	(1,601,000)
Receivables:	
Interest unaffiliated	(309,715)
Dividends affiliated	(9,695)
Variation margin receivable on futures contracts	12,260
Prepaid expenses	(4,733)
Increase (decrease) in liabilities:	
Cash received as collateral for reverse repurchase agreements	14,017,000
Payables:	
Investment advisory fees	91,771
Interest expense	1,240,579
Officers and Trustees fees	57,233
Other accrued expenses	136,676
Variation margin payable on futures contracts	646,960
Net cash provided by operating activities	52,242,161

Cash Used for Financing Activities

Net borrowing of reverse repurchase agreements	37,927,653
Cash dividends paid to Common Shareholders	(90,169,814)
Net cash used for financing activities	(52,242,161)

Cash

Net decrease in cash	
Cash at beginning of year	

Cash at end of year

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for interest expense	\$ 4,019,491
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Non-Cash Financing Activities

Capital shares issued in reinvestment of distributions paid to Common Shareholders	\$ 198,881
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See Notes to Financial Statements.

Financial Highlights

	2016	Year Ended July 31,			2012
		2015	2014	2013	
Per Share Operating Performance					
Net asset value, beginning of year	\$ 22.48	\$ 22.98	\$ 21.29	\$ 23.95	\$ 20.38
Net investment income ¹	1.63	1.63	1.59	1.58	1.54
Net realized and unrealized gain (loss)	2.49	(0.55)	1.68	(2.66)	3.57
Net increase (decrease) from investment operations	4.12	1.08	3.27	(1.08)	5.11
Distributions from net investment income ²	(1.58)				