

BLACKROCK INCOME TRUST INC
Form N-CSR
November 05, 2009

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES**

Investment Company Act file number 811-05542

Name of Fund: BlackRock Income Trust, Inc. (BKT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock Income Trust, Inc., 40 East 52nd Street, New York, NY 10022.

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

Date of fiscal year end: 08/31/2009

Date of reporting period: 08/31/2009

Item 1 – Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

AUGUST 31, 2009

BlackRock Core Bond Trust (BHK)

BlackRock Corporate High Yield Fund V, Inc. (HYV)

BlackRock Corporate High Yield Fund VI, Inc. (HYT)

BlackRock High Income Shares (HIS)

BlackRock High Yield Trust (BHY)

BlackRock Income Opportunity Trust, Inc. (BNA)

BlackRock Income Trust, Inc. (BKT)

BlackRock Strategic Bond Trust (BHD)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past 12 months reveal two distinct economic and market backdrops – one of extreme investor pessimism and decided weakness, and another of increased optimism amid growing signs of recovery. The start of the period was characterized by the former. September through December 2008 saw the surge of the economic storm that sparked the worst recession in decades. The months featured, among others, the infamous collapse of Lehman Brothers, uniformly poor economic data and plummeting investor confidence that resulted in massive government intervention (on a global scale) in the financial system and the economy. The tide turned dramatically in March 2009, however, on the back of new US government initiatives, as well as better-than-expected economic data and upside surprises in corporate earnings.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March before embarking on a rally that resulted in strong year-to-date returns for all major indexes. June saw a brief correction, though it appeared to be induced more by profit-taking and portfolio rebalancing than by a change in the economic outlook. The experience in international markets was similar to that in the United States. Notably, emerging markets staged a strong comeback in 2009 as these areas of the globe have generally seen a stronger acceleration in economic activity.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, but more recently, ongoing concerns about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields higher. At the same time, relatively attractive yields and distressed valuations among non-Treasury assets, coupled with a more favorable macro environment, drew in sidelined investors and triggered a sharp recovery in these sectors. This was particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. The municipal bond market enjoyed strong returns in 2009 as well, buoyed by a combination of attractive valuations, robust retail investor demand and a slowdown in forced selling. Moreover, the Build America Bond program has alleviated supply pressures, creating a more favorable technical environment. In particular, August marked the municipal market's best monthly performance in more than 20 years, as the asset class has regained year-to-date all that was lost during 2008.

Overall, results for the major benchmark indexes were mixed. Higher-risk assets (i.e., equities and high yield bonds) and Treasuries reflected a bifurcated market, while less-risky fixed income investments posted stable, modest returns.

Total Returns as of August 31, 2009	6-month	12-month
US equities (S&P 500 Index)	40.52%	(18.25)%
Small cap US equities (Russell 2000 Index)	48.25	(21.29)
International equities (MSCI Europe, Australasia, Far East Index)	53.47	(14.95)
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(1.61)	6.77
Taxable fixed income (Barclays Capital US Aggregate Bond Index)	5.95	7.94
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)	5.61	5.67
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	36.31	7.00

* Formerly a Merrill Lynch Index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. We invite you to visit www.blackrock.com/funds for our most current views on the economy and financial markets. As always, we thank you for entrusting

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BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Announcement to Shareholders

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays Board of Directors had accepted BlackRock's offer to acquire Barclays Global Investors (BGI). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of August 31, 2009

BlackRock Core Bond Trust

Investment Objective

BlackRock Core Bond Trust (BHK) (the Trust) seeks to provide high current income with the potential for capital appreciation.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 11.76% based on market price and 5.28% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 11.92% on a market price basis and 5.72% on a NAV basis. All returns reflect reinvestment of dividends. 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. The Trust's longer duration compared to its Lipper peers detracted from performance as rates rose (prices decreased) during the 12 months. The Trust benefited from its allocation to both spread index sectors, including investment-grade credit and high yield, as well as non-index sectors, such as commercial mortgage-backed and asset-backed securities, which collectively outperformed government sectors during 2009. The Trust also benefited from an increase in leverage during the second half of the year. The Trust employed leverage during the period, which generally detracted from performance in 2008 when markets declined sharply, but helped in the rising market of 2009.

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.

Trust Information

Symbol on New York Stock Exchange (NYSE)	BHK
Initial Offering Date	November 27, 2001
Yield on Closing Market Price as of August 31, 2009 (\$11.98) ¹	6.21%
Current Monthly Distribution per Common Share ²	\$0.062
Current Annualized Distribution per Common Share ²	\$0.744
Leverage as of August 31, 2009 ³	18%

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

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

³ Represents reverse repurchase agreements and the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

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	8/31/09	8/31/08	Change	High	Low
Market Price	\$11.98	\$11.51	4.08%	\$12.07	\$ 7.66
Net Asset Value	\$12.56	\$12.81	(1.95)%	\$13.08	\$ 10.41

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond and US Government securities:

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	42%	47%
U.S. Government Sponsored Agency Securities	20	20
Non-Agency Mortgage-Backed Securities	17	13
U.S. Treasury Obligations	12	8
Asset-Backed Securities	4	9
Foreign Agency Obligations	2	1
Taxable Municipal Bonds	2	
Preferred Securities	1	2

Credit Quality Allocations⁴

	8/31/09	8/31/08
AAA/Aaa ⁵	43%	54%
AA/Aa	9	9
A	17	13
BBB/Baa	12	12
BB/Ba	8	3
B	5	6
CCC/Caa	5	2
Not Rated	1	1

⁴ Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

⁵ Includes U.S. Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of August 31, 2009

BlackRock Corporate High Yield Fund V, Inc.**Investment Objective**

BlackRock Corporate High Yield Fund V, Inc. (HYV) (the Trust) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 8.59% based on market price and (3.83)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. All returns reflect reinvestment of dividends. 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. The Trust maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Trust relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Trust maintained a higher leverage balance. The Trust maintains a 17% position in floating rate loan interests; this detracted from results as these securities underperformed high yield corporate bonds over the last 12 months. During the period, the Trust moved from a larger cash and short-term investment balance to a balance of less than 2%, which has benefited performance in the rising market of 2009.

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Trust Information

Symbol on NYSE	HYV
Initial Offering Date	November 30, 2001
Yield on Closing Market Price as of August 31, 2009 (\$9.32) ¹	11.27%
Current Monthly Distribution per Common Share ²	\$0.0875
Current Annualized Distribution per Common Share ²	\$1.0500
Leverage as of August 31, 2009 ³	14%

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

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$9.32	\$10.15	(8.18)%	\$10.29	\$4.56
Net Asset Value	\$9.71	\$11.94	(18.68)%	\$11.94	\$6.52

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

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	81%	83%
Floating Rate Loan Interests	17	14
Common Stocks	2	2
Preferred Securities		1

Credit Quality Allocations⁴

	8/31/09	8/31/08
AA/Aa	1%	1%
BBB/Baa	5	4
BB/Ba	31	26
B	37	54
CCC/Caa	20	13
CC/Ca	3	
D	1	
Not Rated	2	2

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2009

BlackRock Corporate High Yield Fund VI, Inc.**Investment Objective**

BlackRock Corporate High Yield Fund VI, Inc. (HYT) (the Trust) seeks to provide shareholders with current income by investing primarily in a diversified portfolio of fixed income securities that are rated in the lower rating categories of the established rating services (Ba or lower by Moody's or BB or lower by S&P) or are unrated securities of comparable quality.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 10.09% based on market price and (4.03)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. All returns reflect reinvestment of dividends. 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. The Trust maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Trust relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Trust maintained a higher leverage balance. The Trust maintains a 16% position in floating rate loan interests; this detracted from results as these securities underperformed high yield corporate bonds over the last 12 months. During the period, the Trust moved from a larger cash and short-term investment balance to a balance of less than 1%, which has benefited performance in the rising market of 2009.

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Trust Information

Symbol on NYSE	HYT
Initial Offering Date	May 30, 2003
Yield on Closing Market Price as of August 31, 2009 (\$9.47) ¹	11.09%
Current Monthly Distribution per Common Share ²	\$0.0875
Current Annualized Distribution per Common Share ²	\$1.0500
Leverage as of August 31, 2009 ³	15%

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

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$9.47	\$10.14	(6.61)%	\$10.28	\$4.50
Net Asset Value	\$9.68	\$11.89	(18.59)%	\$11.89	\$6.48

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

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	82%	83%
Floating Rate Loan Interests	16	14
Common Stocks	2	2
Preferred Securities		1

Credit Quality Allocations⁴

	8/31/09	8/31/08
A	1%	
BBB/Baa	5	5%
BB/Ba	27	26
B	41	54
CCC/Caa	25	13
Not Rated	1	2

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2009

BlackRock High Income Shares**Investment Objective**

BlackRock High Income Shares (HIS) (the Trust) seeks to provide high current income and to a lesser extent capital appreciation, by investing in a diversified portfolio of below investment grade securities.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 4.47% based on market price and (3.01)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. All returns reflect reinvestment of dividends. 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. The Trust maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Trust relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Trust maintained a higher leverage balance. The Trust maintains a 13% position in floating rate loan interests; this detracted from results as these securities underperformed high yield over the last 12 months. During the period, the Trust moved from a larger cash and short-term investment balance to a balance of less than 2%, which has benefited performance in the rising market of 2009.

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Trust Information

Symbol on NYSE	HIS
Initial Offering Date	August 10, 1988
Yield on Closing Market Price as of August 31, 2009 (\$1.68) ¹	9.43%
Current Monthly Distribution per Common Share ²	\$0.0132
Current Annualized Distribution per Common Share ²	\$0.1584
Leverage as of August 31, 2009 ³	15%

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

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$1.68	\$1.88	(10.64)%	\$1.92	\$0.83
Net Asset Value	\$1.85	\$2.23	(17.04)%	\$2.24	\$1.27

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

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	85%	86%
Floating Rate Loan Interests	13	11
Preferred Stocks	1	3
Common Stocks	1	

Credit Quality Allocations⁴

	8/31/09	8/31/08
BBB/Baa	4%	4%
BB/Ba	33	23
B	32	52
CCC/Caa	24	16
C	2	
D	1	
Not Rated	4	5

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2009

BlackRock High Yield Trust

Investment Objective

BlackRock High Yield Trust (BHY) (the Trust) seeks to provide high current income and to a lesser extent capital appreciation, by investing in a diversified portfolio of below investment grade securities.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 9.81% based on market price and (5.30)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. All returns reflect reinvestment of dividends. The Trust moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The Trust maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Trust relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Trust maintained a higher leverage balance. The Trust maintains a 13% position in floating rate loan interests; this detracted from results as these securities underperformed high yield over the last 12 months. During the period, the Trust moved from a larger cash and short-term investment balance to a balance of less than 6%, which has benefited performance in the rising market of 2009.

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Trust Information

Symbol on NYSE	BHY
Initial Offering Date	December 23, 1998
Yield on Closing Market Price as of August 31, 2009 (\$5.84) ¹	8.94%
Current Monthly Distribution per Common Share ²	\$0.0435
Current Annualized Distribution per Common Share ²	\$0.5220
Leverage as of August 31, 2009 ³	10%

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

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

³ Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$5.84	\$5.96	(2.01)%	\$6.03	\$3.11
Net Asset Value	\$5.78	\$6.84	(15.50)%	\$6.86	\$4.06

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

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	86%	88%
Floating Rate Loan Interests	13	11
Common Stocks	1	
Preferred Securities		1

Credit Quality Allocations⁴

	8/31/09	8/31/08
BBB/Baa	4%	6%
BB/Ba	38	24
B	29	52
CCC/Caa	24	15
CC/Ca	1	
D	1	
Not Rated	3	3

⁴ Using the higher of S&P's or Moody's ratings.

Trust Summary as of August 31, 2009

BlackRock Income Opportunity Trust, Inc.

Investment Objective

BlackRock Income Opportunity Trust, Inc. (BNA) (the Trust) seeks to provide current income and capital appreciation in a portfolio of primarily U.S. dollar-denominated securities.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 5.46% based on market price and 3.90% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds BBB-Rated category posted an average return of 11.92% on a market price basis and 5.72% on a NAV basis. All returns reflect reinvestment of dividends. 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. The Trust's longer duration compared to its Lipper peers detracted from performance as rates rose (prices decreased) during the 12 months. The Trust benefited from its allocation to both spread index sectors, including investment-grade credit and high yield corporate bonds, as well as non-index sectors, such as commercial mortgage-backed and asset-backed securities, which collectively outperformed government sectors during 2009. The Trust employed leverage during the period, which generally detracted from performance in 2008 when markets declined sharply, but helped in the rising market of 2009.

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.

Trust Information

Symbol on NYSE	BNA
Initial Offering Date	December 20, 1991
Yield on Closing Market Price as of August 31, 2009 (\$9.65) ¹	6.34%
Current Monthly Distribution per Common Share ²	\$0.051
Current Annualized Distribution per Common Share ²	\$0.612
Leverage as of August 31, 2009 ³	18%

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

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

³ Represents reverse repurchase agreements and the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$ 9.65	\$ 9.82	(1.73)%	\$ 10.00	\$ 5.00
Net Asset Value	\$ 10.02	\$ 10.35	(3.19)%	\$ 10.57	\$ 8.55

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond and US Government securities:

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	36%	42%
U.S. Government Sponsored Agency Securities	21	18
Non-Agency Mortgage-Backed Securities	19	14
U.S. Treasury Obligations	14	11
Asset-Backed Securities	4	10
Capital Trusts	2	4
Taxable Municipal Bonds	2	
Foreign Agency Obligations	2	1

Credit Quality Allocations⁴

	8/31/09	8/31/08
AAA/Aaa ⁵	43%	55%
Aa/Aa	9	9
A	17	13
BBB/Baa	12	12
BB/Ba	8	3
B	5	6
CCC/Caa	5	2
Not Rated	1	

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes U.S. Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of August 31, 2009

BlackRock Income Trust, Inc.

Investment Objective

BlackRock Income Trust, Inc. (BKT) (the Trust) seeks to provide high monthly income while preserving capital by investing in a portfolio of mortgage-backed securities.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 12.87% based on market price and 7.64% based on NAV. For the same period, the closed-end Lipper US Mortgage Funds category posted an average return of 6.61% on a market price basis and 1.66% on a NAV basis. All returns reflect reinvestment of dividends. 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. As mortgage markets sold off during the first half of the reporting period, leverage generally detracted from performance, although the Trust's low levels of leverage benefited performance relative to its Lipper peers. The Trust's low leverage position subsequently became a relative detractor as spread sectors rallied during the second quarter of 2009. In most cases, cash in the portfolio is held for pending trade settlements, and therefore does not affect performance. During the second half of the reporting period, the Trust's large allocation to US government sponsored agency mortgage-backed securities (MBS) helped performance. Allocations to non-agency MBS and commercial MBS also added to returns, as those sectors rallied during the second quarter of 2009.

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Trust Information

Symbol on NYSE	BKT
Initial Offering Date	July 22, 1988
Yield on Closing Market Price as of August 31, 2009 (\$6.53) ¹	4.41%
Current Monthly Distribution per Common Share ²	\$0.024
Current Annualized Distribution per Common Share ²	\$0.288
Leverage as of August 31, 2009 ³	3%

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

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

³

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Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see the Benefits and Risks of Leveraging on page 12.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$ 6.53	\$ 6.07	7.58%	\$ 6.54	\$ 4.32
Net Asset Value	\$ 7.12	\$ 6.94	2.59%	\$ 7.13	\$ 6.38

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

Portfolio Composition

	8/31/09	8/31/08
U.S. Government Sponsored Agency Securities	83%	74%
Non-Agency Mortgage-Backed Securities	9	18
U.S. Treasury Obligations	6	6
Asset-Backed Securities	2	2

Credit Quality Allocations⁴

	8/31/09	8/31/08
AAA/Aaa ⁵	100%	100%

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes U.S. Government Sponsored Agency Securities which are deemed AAA/Aaa by the investment advisor.

Trust Summary as of August 31, 2009

BlackRock Strategic Bond Trust

Investment Objective

BlackRock Strategic Bond Trust (BHD) (the Trust) seeks total return through high current income and capital appreciation.

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

Performance

For the 12 months ended August 31, 2009, the Trust returned 15.34% based on market price and 3.99% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. All returns reflect reinvestment of dividends. 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. Unlike most other funds in its Lipper category, the Trust typically invests about 20% to 30% of its portfolio in investment-grade credit. This contributed to performance, particularly early in the period, when investment-grade issues outperformed high yield. Relatively conservative sector and credit positioning also were beneficial, as was a lack of leverage. The Trust maintains a 11% position in floating rate loan interests; this detracted from results as these securities underperformed high yield and corporate bonds over the last 12 months. During the period, the Trust moved from a larger cash and short-term investment balance to a balance of approximately 5%. Cash holdings generally helped performance in 2008 when markets declined sharply, but detracted in the rising market of 2009.

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.

Trust Information

Symbol on NYSE	BHD
Initial Offering Date	February 26, 2002
Yield on Closing Market Price as of August 31, 2009 (\$11.43) ¹	7.30%
Current Monthly Distribution per Common Share ²	\$0.0695
Current Annualized Distribution per Common Share ²	\$0.8340

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

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

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$ 11.43	\$ 10.85	5.35%	\$ 11.48	\$ 6.25
Net Asset Value	\$ 12.12	\$ 12.76	(5.02)%	\$ 12.81	\$ 9.38

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

Portfolio Composition

	8/31/09	8/31/08
Corporate Bonds	87%	88%
Floating Rate Loan Interests	11	5
U.S. Treasury Obligations		4
Common Stocks	1	
Preferred Securities	1	3

Credit Quality Allocations³

	8/31/09	8/31/08
AAA/Aaa	1%	
AA/Aa	1	4%
A	18	18
BBB/Baa	16	18
BB/Ba	26	14
B	17	36
CCC/Caa	15	8
CC/Ca	3	
D	1	
Not Rated	2	2

³ Using the higher of S&P's or Moody's ratings.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

The Trusts may utilize leverage through borrowings, including participation in the Term Asset-Backed Securities Loan Facility (TALF), or through entering into reverse repurchase agreements and dollar rolls. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's shareholders will 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. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Trusts had not used leverage.

To illustrate these concepts, assume a Trust's capitalization is \$100 million and it borrows an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with assets received from the borrowings earn the income based on long-term interest rates. In this case, the borrowing costs and interest expense is significantly lower than the income earned on the Trust's long-term investments, and therefore each Trust's shareholders is the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Trust pays interest expense on the higher short-term interest rates whereas the Trust's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Trusts' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Trusts' borrowings do not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAV positively or negatively in addition to the impact on Trust performance from leverage from borrowings.

The use of leverage may enhance opportunities for increased income to the Trusts and shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes to each Trust's NAV, market price and dividend rate than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Trust's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Trust's net income will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders will be reduced. Each Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause a Trust to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Trust will incur expenses in connection with the use of leverage, all of which are borne by shareholders of each Trust and may reduce income.

Under the Investment Company Act of 1940, the Trusts are permitted to borrow through a credit facility up to 33 $\frac{1}{3}$ % of their total managed assets. As of August 31, 2009, the Trusts had outstanding leverage from borrowings and/or reverse repurchase agreements as a percentage of their total managed assets as follows:

	Percent of Leverage
BHK	18%
HYV	14%
HYT	15%
HIS	15%

BHY	10%
BNA	18%
BKT	3%

Derivative Financial Instruments

The Trusts may invest in various derivative instruments, including financial futures contracts, swaps and foreign currency exchange contracts, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the other party to the transaction and illiquidity of the derivative instrument. A Trust's ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require the Trusts to sell or purchase portfolio securities at inopportune times or distressed values, may limit the amount of appreciation the Trusts can realize on an investment or may cause the Trusts to hold a security that they might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments August 31, 2009

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Asset-Backed Securities		Par (000)	Value
Countrywide Asset Backed Certificates, Series 2006-13 Class 3AV2, 0.42%, 1/25/37 (a)	USD	1,566	\$ 1,022,789
Ford Credit Auto Owner Trust, Series 2009-A Class A3B, 2.77%, 5/15/13 (a)		5,780	5,930,714
Harley-Davidson Motorcycle Trust, Series 2005-2 Class A2, 4.07%, 2/15/12		731	740,793
Home Equity Asset Trust, Series 2007-2 Class 2A1, 0.38%, 7/25/37 (a)		457	420,228
JPMorgan Mortgage Acquisition Corp., Series 2007-CH5 Class A3, 0.38%, 6/25/37 (a)		2,400	1,154,976
Nissan Auto Receivables Owner Trust, Series 2009-A Class A2, 2.94%, 7/15/11		1,730	1,751,895
SLM Student Loan Trust, Series 2008-5 (a):			
Class A2, 1.60%, 10/25/16		3,200	3,228,897
Class A3, 1.80%, 1/25/18		810	820,085
Class A4, 2.20%, 7/25/23		2,180	2,225,080
Small Business Administration, Series 2003-P10B Class 1:			
5.14%, 8/10/13		622	648,980
4.75%, 8/10/14		374	386,875
			18,331,312
Interest Only 0.4%			
Sterling Bank Trust, Series 2004-2 Class Note, 2.08%, 3/30/30 (b)		6,160	475,491
Sterling Coofs Trust, Series 1, 2.36%, 4/15/29		8,668	723,222
			1,198,713
Total Asset-Backed Securities 5.8%			19,530,025
Corporate Bonds			
Aerospace & Defense 1.3%			
Honeywell International, Inc., 5.70%, 3/15/37		975	1,045,918
Northrop-Grumman Corp., 7.88%, 3/01/26		960	1,204,555
United Technologies Corp.:			
4.88%, 5/01/15 (c)		1,125	1,224,285
6.13%, 7/15/38		700	787,085
			4,261,843
Air Freight & Logistics 0.6%			
Park-Ohio Industries, Inc., 8.38%, 11/15/14		120	75,750
United Parcel Service, Inc., 6.20%, 1/15/38		1,650	1,866,523
			1,942,273
Airlines 0.2%			
American Airlines Pass Through Trust:			
Series 1999-1, 7.32%, 4/15/11		115	113,275

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Series 2001-02, 7.86%, 4/01/13	380	362,900
United Air Lines, Inc., 12.75%, 7/15/12	340	326,400
		802,575

Auto Components 0.0%

Lear Corp., 8.75%, 12/01/16 (d)(e)	120	64,800
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Automobiles 0.2%

Ford Capital BV, 9.50%, 6/01/10	600	594,000
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Beverages 0.6%

Anheuser-Busch InBev Worldwide, Inc., 8.20%, 1/15/39 (b)	1,475	1,871,430
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Corporate Bonds	Par (000)	Value
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Building Materials 0.4%

Centex Corp., 5.13% due 10/01/2013	USD	1,490	\$	1,422,950
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Building Products 0.1%

CPG International I, Inc., 10.50%, 7/01/13	200	143,000
Masco Corp., 7.13%, 8/15/13	225	217,858
		360,858

Capital Markets 1.1%

The Bank of New York Mellon Corp, 4.30%, 5/15/14	1,505	1,583,412
Credit Suisse:		
5.50%, 5/01/14	575	617,982
5.30%, 8/13/19	300	303,541
Morgan Stanley:		
0.79%, 1/09/12 (a)	190	183,685
6.25%, 8/28/17	875	902,184
Series F, 5.55%, 4/27/17	140	139,451
		3,730,255

Chemicals 0.8%

American Pacific Corp., 9.00%, 2/01/15	250	225,625
Ames True Temper, Inc., 4.51%, 1/15/12 (a)	650	572,000
Huntsman International LLC, 7.88%, 11/15/14	265	235,850
Innophos, Inc., 8.88%, 8/15/14	885	858,450
NOVA Chemicals Corp.:		
6.50%, 1/15/12	115	111,694
4.54%, 11/15/13 (a)	300	264,000
Olin Corp., 8.88%, 8/15/19	450	454,500
		2,722,119

Commercial Banks 1.4%

DEPFA ACS Bank, 5.13%, 3/16/37 (b)	3,775	2,509,933
Eksportfinans A/S, 5.50%, 6/26/17	950	998,457
HSBC Bank USA NA, 5.88%, 11/01/34	775	768,222
HSBC Finance Corp., 6.50%, 5/02/36	300	309,376
		4,585,988

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Commercial Services & Supplies 1.2%

DI Finance Series B, 9.50%, 2/15/13	598	606,222
RSC Equipment Rental, Inc., 10%, 7/15/17 (b)	955	997,975
Scientific Games International, Inc., 9.25%, 6/15/19 (b)	925	948,125
Waste Services, Inc., 9.50%, 4/15/14	590	584,100
West Corp., 11%, 10/15/16	1,100	1,014,750

4,151,172

Consumer Finance 0.2%

Ford Motor Credit Co. LLC:		
3.26%, 1/13/12 (a)	125	104,062
7.80%, 6/01/12	340	314,516
SLM Corp. Series A, 0.80%, 1/27/14 (a)	550	349,208

767,786

Containers & Packaging 1.6%

Ball Corp.:		
7.13%, 9/01/16	270	270,000
7.38%, 9/01/19	270	269,325
Crown Americas LLC, 7.75%, 11/15/15	150	148,500
Graphic Packaging International, Inc.:		
9.50%, 8/15/13	45	45,112
9.50%, 6/15/17 (b)	1,435	1,470,875
Impress Holdings BV, 3.63%, 9/15/13 (a)(b)	300	274,125

Portfolio Abbreviations

To simplify the listings of portfolio holdings in each Trust's Schedule of Investments, the names of many of the securities have been abbreviated according to the following list:

- GO** General Obligation Bonds
- RB** Revenue Bonds

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Containers & Packaging (concluded)			
Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13	USD	1,500	\$ 1,515,000
Pregis Corp., 12.38%, 10/15/13		545	490,500
Solo Cup Co., 10.50%, 11/01/13 (b)		770	808,500
			5,291,937
Diversified Financial Services 2.8%			
Bank of America Corp., 6.00%, 9/01/17 (c)		1,590	1,580,023
CIT Group, Inc.:			
4.25%, 2/01/10		85	52,636
4.75%, 12/15/10		95	57,530
5.80%, 7/28/11		110	65,516
5.40%, 2/13/12		85	49,334
FCE Bank Plc, 7.13%, 1/16/12	EUR	650	843,321
General Electric Capital Corp.:			
6.15%, 8/07/37	USD	4,150	3,799,881
5.88%, 1/14/38		177	157,124
6.88%, 1/10/39		135	133,890
JPMorgan Chase & Co.:			
6.00%, 1/15/18		125	134,337
6.30%, 4/23/19		2,000	2,192,556
Structured Asset Repackaged Trust, 1.00%, 1/21/10		532	516,492
			9,582,640
Diversified Telecommunication Services 6.3%			
AT&T Inc.:			
6.45%, 6/15/34		780	826,563
6.30%, 1/15/38		600	629,908
6.55%, 2/15/39		3,375	3,682,601
BellSouth Telecommunications, Inc., 7.62%, 12/15/95 (f)		1,700	990,383
Cincinnati Bell, Inc., 7.25%, 7/15/13		200	194,000
Comcast Cable Holdings LLC, 7.88%, 8/01/13		10	11,386
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		770	781,550
Qwest Communications International, Inc.:			
7.50%, 2/15/14		60	57,900
Series B, 7.50%, 2/15/14		30	28,950
Qwest Corp., 3.88%, 6/15/13 (a)		470	434,750
Telecom Italia Capital SA:			
4.95%, 9/30/14		1,075	1,109,488
6.00%, 9/30/34		1,550	1,475,958
Telefonica Emisiones SAU, 7.05%, 6/20/36		1,975	2,342,350
Telefonica Europe BV, 7.75%, 9/15/10		725	768,728
Verizon Communications, Inc.:			
6.40%, 2/15/38		2,125	2,297,151
8.95%, 3/01/39		900	1,224,876

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Verizon Global Funding Corp., 7.75%, 12/01/30	70	84,267
Verizon Maryland, Inc., Series B, 5.13%, 6/15/33	125	103,482
Verizon New Jersey, Inc.:		
5.88%, 1/17/12	335	359,062
7.85%, 11/15/29	230	251,355
Verizon Virginia, Inc., Series A, 4.63%, 3/15/13 (c)	3,150	3,246,692
Windstream Corp.:		
8.13%, 8/01/13	310	310,000
8.63%, 8/01/16	210	210,788
		21,422,188

Corporate Bonds	Par (000)	Value
Electric Utilities 5.2%		
Alabama Power Co., 6.00%, 3/01/39	USD 1,275	\$ 1,410,659
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	315	347,266
6.00%, 1/15/38	825	917,794
E.ON International Finance BV, 6.65%, 4/30/38 (b)	1,525	1,739,134
EDP Finance BV, 6.00%, 2/02/18 (b)	1,125	1,213,377
Electricité de France SA, 6.95%, 1/26/39 (b)	1,400	1,709,711
Elwood Energy LLC, 8.16%, 7/05/26	107	94,000
Florida Power & Light Co., 4.95%, 6/01/35	950	931,763
Florida Power Corp.:		
6.35%, 9/15/37	1,325	1,541,107
6.40%, 6/15/38	875	1,025,782
PacifiCorp., 6.25%, 10/15/37	575	655,820
Public Service Co. of Colorado, 6.25%, 9/01/37	1,200	1,378,094
Southern California Edison Co.:		
5.63%, 2/01/36	625	664,376
Series 05-E, 5.35%, 7/15/35	125	127,929
Series 08-A, 5.95%, 2/01/38	1,075	1,200,126
The Toledo Edison Co., 6.15%, 5/15/37	350	355,393
Virginia Electric and Power Co., Series A, 6.00%, 5/15/37	2,000	2,182,218
		17,494,549
Electronic Equipment, Instruments & Components 0.1%		
Sanmina-SCI Corp., 8.13%, 3/01/16	270	232,875
Energy Equipment & Services 0.0%		
North American Energy Partners, Inc., 8.75%, 12/01/11	45	41,400
Food & Staples Retailing 1.2%		
CVS Caremark Corp., 6.25%, 6/01/27	775	837,492
Wal-Mart Stores, Inc.:		
6.50%, 8/15/37	1,900	2,190,573
6.20%, 4/15/38	850	948,454
		3,976,519
Food Products 0.7%		
Kraft Foods, Inc., 7.00%, 8/11/37	1,455	1,683,831
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)	800	816,000
		2,499,831

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Gas Utilities 0.1%		
El Paso Natural Gas Co., 8.63%, 1/15/22	265	312,297
Health Care Equipment & Supplies 0.2%		
DJO Finance LLC, 10.88%, 11/15/14	860	825,600
Health Care Providers & Services 0.2%		
Tenet Healthcare Corp. (b):		
9.00%, 5/01/15	410	420,250
10.00%, 5/01/18	170	183,175
		603,425
Hotels, Restaurants & Leisure 1.6%		
American Real Estate Partners LP:		
8.13%, 6/01/12	3,165	3,117,525
7.13%, 2/15/13	320	304,000
Circus and Eldorado Joint Venture, 10.13%, 3/01/12	1,000	825,000
Gaylord Entertainment Co., 6.75%, 11/15/14	150	126,375
Greektown Holdings, LLC, 10.75%, 12/01/13 (b)(d)(e)	315	67,725
Harrah s Operating Co., Inc., 10.00%, 12/15/18 (b)	117	81,900
McDonald s Corp., 5.70%, 2/01/39	825	872,576
		5,395,101

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Household Durables 2.0%		
Beazer Homes USA, Inc.:		
8.38%, 4/15/12	USD 1,470	\$ 1,109,850
8.13%, 6/15/16	210	130,200
4.63%, 6/15/24 (g)	205	169,125
Belvoir Land LLC, Series A-1, 5.27%, 12/15/47 (b)	350	234,962
D.R. Horton, Inc., 6.13%, 1/15/14	1,040	985,400
Irwin Land LLC (b):		
Series A-1, 5.03%, 12/15/25	525	432,374
Series A-2, 5.40%, 12/15/47	1,500	1,010,760
KB Home:		
6.38%, 8/15/11	95	94,050
9.10%, 9/15/17	545	555,900
Lennar Corp., Series B, 5.60%, 5/31/15	400	352,000
Ohana Military Communities LLC, Series 04I, 6.19%, 4/01/49 (b)	350	272,584
Pulte Homes, Inc., 5.20%, 2/15/15	310	282,100
Standard Pacific Corp.:		
6.25%, 4/01/14	160	125,600
7.00%, 8/15/15	320	251,200
Toll Brothers Finance Corp.:		
4.95%, 3/15/14	250	243,276
8.91%, 10/15/17	406	452,023
		6,701,404
Household Products 0.3%		
Kimberly-Clark, Corp., 6.63%, 8/01/37	850	1,031,612
IT Services 1.1%		
First Data Corp.:		
9.88%, 9/24/15	260	222,300
11.25%, 3/31/16 (b)	4,210	3,220,650
iPayment, Inc., 9.75%, 5/15/14	240	154,800
iPayment Investors LP, 12.75%, 7/15/14 (b)(h)	1,023	255,713
		3,853,463
Independent Power Producers & Energy Traders 0.8%		
AES Eastern Energy LP, Series 99-B, 9.67%, 1/02/29	1,015	872,900
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	1,610	1,601,950
NRG Energy, Inc.:		
7.25%, 2/01/14	50	48,625
7.38%, 2/01/16	10	9,562
TXU Corp., 5.55%, 11/15/14	195	125,355
		2,658,392

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Industrial Conglomerates 0.4%

Sequa Corp. (b):		
11.75%, 12/01/15	690	434,700
13.50%, 12/01/15 (h)	1,877	980,754
		1,415,454

Insurance 2.2%

Chubb Corp., 6%, 5/11/37	1,100	1,172,740
Hartford Life Global Funding Trusts (a):		
0.80%, 9/15/09	925	924,706
0.81%, 6/16/14	425	314,891
MetLife, Inc., 5.70%, 6/15/35	1,525	1,520,022
Metropolitan Life Global Funding I, 5.13%, 6/10/14 (b)	775	807,616
Monument Global Funding Ltd., 0.42%, 6/16/10 (a)(b)(c)	1,810	1,742,271
Prudential Financial, Inc.:		
5.70%, 12/14/36	675	592,387
Series D, 5.90%, 3/17/36	500	442,249
		7,516,882

Corporate Bonds

		Par (000)		Value
Leisure Equipment & Products 0.5%				
Brunswick Corp., 11.25%, 11/01/16 (b)	USD	1,750	\$	1,833,125

Machinery 0.3%

AGY Holding Corp., 11.00%, 11/15/14		360		284,400
Accuride Corp., 8.50% due 2/01/2015 (d)(e)		265		53,000
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (b)		950		712,500
				1,049,900

Marine 0.5%

Horizon Lines, Inc., 4.25%, 8/15/12 (g)		900		654,750
Nakilat, Inc., Series A, 6.07%, 12/31/33 (b)		1,050		874,303
Navios Maritime Holdings, Inc., 9.50%, 12/15/14		141		123,375
				1,652,428

Media 4.1%

Affinion Group, Inc.:				
10.13%, 10/15/13		695		690,656
10.13%, 10/15/13 (b)		615		611,156
Belo Corp., 6.75%, 5/30/13		190		165,300
CMP Susquehanna Corp., 4.75%, 5/15/14 (b)		52		1,040
Charter Communications Holdings II, LLC (d)(e):				
10.25%, 9/15/10		590		655,637
Series B, 10.25%, 9/15/10		120		133,350
Charter Communications, Inc., 6.50%, 10/01/27 (d)(e)(g)		760		326,800
Comcast Cable Holdings LLC, 7.13%, 2/15/28		200		212,201
Comcast Corp.:				
6.50%, 1/15/17		1,625		1,780,777
6.45%, 3/15/37		790		842,704
6.95%, 8/15/37		10		11,318
Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17 (a)		823		312,740

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Network Communications, Inc., 10.75%, 12/01/13	155	31,387
News America Holdings, Inc.:		
7.70%, 10/30/25	825	862,951
8.45%, 8/01/34	625	693,731
News America, Inc., 7.63%, 11/30/28	985	1,021,018
Nielsen Finance LLC, 10.00%, 8/01/14	935	883,575
Rainbow National Services LLC (b):		
8.75%, 9/01/12	200	202,000
10.38%, 9/01/14	943	985,435
TCI Communications, Inc., 7.88%, 2/15/26	610	697,303
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	1,200	1,092,000
Time Warner Cable, Inc., 7.30%, 7/01/38	930	1,052,266
Time Warner Cos., Inc.:		
6.95%, 1/15/28	70	71,945
6.63%, 5/15/29	90	89,411
Time Warner, Inc.:		
7.625%, 4/15/31	205	225,124
7.70%, 5/01/32	85	94,251
		<hr/>
		13,746,076

Metals & Mining 2.1%

Anglo American Capital Plc, 9.38%, 4/08/19 (b)	685	801,450
Drummond Co., Inc., 7.38%, 2/15/16 (b)	375	330,000
Falconbridge Ltd.:		
6.00%, 10/15/15	825	784,832
6.20%, 6/15/35	1,250	1,025,045
Freeport-McMoRan Copper & Gold, Inc., 8.38%, 4/01/17	400	417,000
Novelis, Inc., 11.50%, 2/15/15 (b)	1,070	1,035,225
Steel Dynamics, Inc., 7.38%, 11/01/12	80	78,600
Teck Resources Ltd.:		
10.25%, 5/15/16	510	563,550
10.75%, 5/15/19	1,970	2,243,337
		<hr/>
		7,279,039

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)		Value
Multi-Utilities 0.5%				
Energy East Corp., 6.75%, 7/15/36	USD	1,500	\$	1,652,479
Multiline Retail 0.2%				
Macy's Retail Holdings, Inc., 5.88%, 1/15/13		410		386,595
The May Department Stores Co., 5.75%, 7/15/14		150		135,716
				522,311
Oil, Gas & Consumable Fuels 6.6%				
Arch Coal, Inc., 8.75%, 8/01/16 (b)		485		485,000
Atlas Energy Operating Co. LLC, 12.13%, 8/01/17		1,655		1,746,025
Atlas Energy Resources LLC, 10.75%, 2/01/18 (b)		365		368,650
BP Capital Markets Plc, 3.13%, 3/10/12		1,270		1,310,423
Berry Petroleum Co., 8.25%, 11/01/16		140		124,600
Bill Barrett Corp., 9.88%, 7/15/16		395		410,800
Burlington Resources Finance Co., 7.40%, 12/01/31		875		1,018,273
Canadian Natural Resources Ltd.:				
6.50%, 2/15/37		410		443,580
6.25%, 3/15/38		375		392,788
6.75%, 2/01/39		1,025		1,142,177
Conoco Funding Co., 7.25%, 10/15/31		125		147,939
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36		535		572,623
ConocoPhillips Holding Co., 6.95%, 4/15/29		650		749,367
Devon Energy Corp., 7.95%, 4/15/32		625		776,519
EXCO Resources, Inc., 7.25%, 1/15/11		120		117,600
EnCana Corp.:				
6.50%, 8/15/34		670		722,689
6.63%, 8/15/37		700		758,514
Encore Acquisition Co., 6.00%, 7/15/15		40		34,400
Forest Oil Corp., 7.25%, 6/15/19		220		206,800
Kinder Morgan, Inc., 6.50%, 9/01/12		190		193,325
MidAmerican Energy Co., 5.80%, 10/15/36		700		736,082
MidAmerican Energy Holdings Co.:				
5.95%, 5/15/37		800		827,156
6.50%, 9/15/37		1,900		2,110,296
OPTI Canada, Inc., 8.25%, 12/15/14		410		266,500
Sabine Pass LNG LP, 7.50%, 11/30/16		330		267,300
Shell International Finance BV, 6.38%, 12/15/38		1,700		2,008,916
TEPPCO Partners LP, 6.13%, 2/01/13		695		745,849
Valero Energy Corp., 6.63%, 6/15/37		495		430,253
Whiting Petroleum Corp., 7.25%, 5/01/13		335		331,650
XTO Energy, Inc.:				
6.75%, 8/01/37		1,925		2,110,926
6.375%, 6/15/38		900		942,075
				22,499,095

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Paper & Forest Products 1.9%

Clearwater Paper Corp., 10.63%, 6/15/16 (b)	620	664,175
Georgia-Pacific LLC, 8.25%, 5/01/16 (b)	2,725	2,752,250
International Paper Co., 9.38%, 5/15/19	890	1,000,098
MeadWestvaco Corp., 6.85%, 4/01/12	670	716,808
NewPage Corp., 10.00%, 5/01/12	1,555	843,587
Verso Paper Holdings LLC, 11.50%, 7/01/14 (b)	555	543,900
		6,520,818

Pharmaceuticals 2.6%

Eli Lilly & Co.:		
3.55%, 3/06/12	600	627,948
5.55%, 3/15/37	2,275	2,395,848
Roche Holdings, Inc., 7.00%, 3/01/39 (b)	850	1,059,875
Schering-Plough Corp., 6.55%, 9/15/37	1,125	1,335,763
Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36	1,445	1,557,178
Wyeth:		
6.00%, 2/15/36	675	736,691
5.95%, 4/01/37	925	1,007,328
		8,720,631

Corporate Bonds

	Par (000)	Value
Professional Services 0.0%		
FTI Consulting, Inc., 7.75%, 10/01/16	USD 100	\$ 97,500

Real Estate Investment Trusts (REITs) 0.0%

iStar Financial, Inc., 5.65%, 9/15/11	260	148,200
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Road & Rail 0.2%

Canadian National Railway Co., 6.25%, 8/01/34	350	396,513
The Hertz Corp., 8.88%, 1/01/14	130	124,475
		520,988

Software 0.7%

BMS Holdings, Inc., 8.35%, 2/15/12 (a)(b)(h)	118	1,867
Oracle Corp., 5.75%, 4/15/18 (c)	2,225	2,441,711
		2,443,578

Specialty Retail 0.7%

General Nutrition Centers, Inc.:		
6.40%, 3/15/14 (a)	500	440,000
10.75%, 3/15/15	360	340,200
Lazydays RV Center, Inc., 11.75%, 5/15/12 (d)(e)	310	3,100
Michaels Stores, Inc., 11.38%, 11/01/16	90	77,400
Sonic Automotive, Inc., Series B, 8.63%, 8/15/13	1,800	1,521,000
		2,381,700

Textiles, Apparel & Luxury Goods 0.0%

Quiksilver, Inc., 6.88%, 4/15/15	175	111,125
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Wireless Telecommunication Services 1.6%		
Cricket Communications, Inc., 9.38%, 11/01/14	100	94,250
Digicel Group Ltd. (b):		
8.88%, 1/15/15	240	214,200
9.13%, 1/15/15 (h)	560	493,500
MetroPCS Wireless, Inc., 9.25%, 11/01/14	60	58,875
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	770	689,150
Rogers Communications, Inc., 7.50%, 8/15/38	1,150	1,431,365
Sprint Capital Corp., 6.88%, 11/15/28	515	374,663
Vodafone Group Plc, 4.15%, 6/10/14 (c)	2,050	2,099,819
		5,455,822

Total Corporate Bonds 57.4%		194,768,433
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Foreign Agency Obligations

Israel Government AID Bond:		
5.50%, 4/26/24	825	894,170
5.50%, 9/18/33	845	893,440
Italy Government International Bond, 5.38%, 6/15/33	455	469,924
Japan Finance Corp., 2.00%, 6/24/11	860	870,217
Kreditanstalt fuer Wiederaufbau, 3.50%, 3/10/14 (c)	2,775	2,871,240
Landwirtschaftliche Rentenbank:		
4.13%, 7/15/13	115	121,626
Series E, 5.25%, 7/02/12	395	430,990
Series E, 4.38%, 1/15/13	250	264,538
Series E, 4.00%, 2/02/15	230	237,830
Province of Ontario Canada, 4.10%, 6/16/14	1,280	1,344,042
Royal Bank of Scotland Group Plc, 2.63%, 5/11/12 (b)	295	299,210

Total Foreign Agency Obligations 2.6%		8,697,227
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See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Non-Agency Mortgage-Backed Securities		Par (000)		Value
Collateralized Mortgage Obligations 6.0%				
Banc of America Funding Corp., Series 2007-2 Class 1A2, 6.00%, 3/25/37	USD	1,100	\$	495,295
Bear Stearns Adjustable Rate Mortgage, Series 2004-8 Class 14A1, 5.47%, 11/25/34 (a)		676		562,191
CS First Boston Mortgage Securities Corp., Series 2005-12 Class 6A1, 6.00%, 1/25/36		1,161		873,593
Countrywide Alternative Loan Trust: Series 2005-64CB Class 1A15, 5.50%, 12/25/35		1,600		1,216,852
Series 2006-0A19 Class A1, 0.45%, 2/20/47 (a)		506		253,093
Series 2006-0A21 Class A1, 0.46%, 3/20/47 (a)		939		439,268
Series 2007-HY4 Class 4A1, 5.90%, 6/25/47 (a)		1,118		649,035
Countrywide Home Loan Mortgage Pass-Through Trust: Series 2006-0A5 Class 2A1, 0.47%, 4/25/46 (a)		391		193,773
Series 2007-10 Class A22, 6.00%, 7/25/37		970		737,444
Credit Suisse Mortgage Capital Certificates, Series 2007-1 Class 5A14, 6.00%, 2/25/37		817		613,873
Deutsche Alt-A Securities, Inc. Alternate Loan Trust, Series 2006-0A1 Class A1, 0.47%, 2/25/47 (a)		327		161,245
GSR Mortgage Loan Trust: Series 2005-AR4 Class 6A1, 5.25%, 7/25/35 (a)		616		548,436
Series 2006-4F Class 1A1, 5.00%, 5/25/36		1,040		859,376
Series 2006-AR1 Class 2A1, 5.17%, 1/25/36 (a)		942		637,293
Series 2007-4F Class 3A1, 6.00%, 7/25/37		1,162		955,774
Homebanc Mortgage Trust, Series 2006-2 Class A1, 0.45%, 12/25/36 (a)		912		444,452
IndyMac IMJA Mortgage Loan Trust, Series 2007-A1 Class A4, 6.00%, 8/25/37		1,100		636,691
JPMorgan Mortgage Trust: Series 2006-S3 Class 1A12, 6.50%, 8/25/36		1,145		849,878
Series 2007-S1 Class 2A22, 5.75%, 3/25/37		937		742,315
Series 2007-S2 Class 1A15, 6.75%, 6/25/37		1,110		894,503
Maryland Insurance Backed Securities Trust, Series 2006-1A Class, 5.55%, 12/10/65		2,500		875,000
Merrill Lynch Mortgage Investors, Inc., Series 2006-A3 Class 3A1, 5.80%, 5/25/36 (a)(i)		923		568,355
Residential Funding Mortgage Securities I, Series 2007-S6 Class 1A16, 6.00%, 6/25/37		778		635,988
Structured Asset Securities Corp., Series 2002-AL1 Class A2, 3.45%, 2/25/32		1,902		1,367,226
WaMu Mortgage Pass-Through Certificates (a): Series 2005-AR10 Class 1A3, 4.83%, 9/25/35		1,800		1,209,361
Series 2007-0A4 Class 1A, 1.82%, 5/25/47		474		225,109
Series 2007-0A5 Class 1A, 1.80%, 6/25/47		411		183,530
Wells Fargo Mortgage Backed Securities Trust: Series 2006- Class 1A29, 6.00%, 8/25/36		792		668,267
Series 2006-3 Class A9, 5.50%, 3/25/36		723		629,601
Series 2007-10 Class 1A21, 6.00%, 7/25/37		745		574,495
Series 2007-8 Class 2A9, 6.00%, 7/25/37		783		651,740
				20,353,052

Non-Agency Mortgage-Backed Securities		Par (000)		Value
Commercial Mortgage-Backed Securities 16.4%				
Bank of America Commercial Mortgage, Inc., Series 2005-1 Class 4A, 5.14%, 11/10/42 (a)	USD	2,180	\$	2,211,104
Bear Stearns Commercial Mortgage Securities, Series 2005-PWR9 Class A2, 4.74%, 9/11/42		4,895		4,901,187

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CS First Boston Mortgage Securities Corp., Series 2002-CP5 Class A2, 4.94%, 12/15/35	2,720	2,812,557
Citigroup Commercial Mortgage Trust, Series 2008-C7 Class A4, 6.30%, 12/10/49 (a)	1,370	1,209,935
Commercial Mortgage Pass-Through Certificates, Series 2004-LB3A Class A3, 5.09%, 7/10/37 (a)	960	937,595
First Union National Bank Commercial Mortgage:		
Series 2001-C3 Class A3, 6.42%, 8/15/33	2,804	2,951,080
Series 2001-C4 Class A2, 6.22%, 12/12/33	2,265	2,376,207
GMAC Commercial Mortgage Securities, Inc., Series 2002-C3 Class A2, 4.93%, 7/10/39	2,350	2,405,810
JPMorgan Chase Commercial Mortgage Securities Corp.:		
Series 2001-C1 Class A3, 5.86%, 10/12/35	2,140	2,246,905
Series 2004-CB8 Class A1A, 4.16%, 1/12/39 (b)	844	810,124
Series 2004-CBX Class A4, 4.53%, 1/12/37	2,180	2,171,186
JPMorgan Commercial Mortgage Finance Corp., Series 2000-C10 Class A2, 7.37%, 8/15/32 (a)	1,133	1,143,278
LB-UBS Commercial Mortgage Trust:		
Series 2005-C5 Class A4, 4.95%, 9/15/30	4,375	3,989,109
Series 2007-C6 Class A4, 5.86%, 7/15/40 (a)	931	740,971
Merrill Lynch Mortgage Trust, Series 2004BPC1 Class A3, 4.47%, 10/12/41 (a)(i)	4,200	4,251,415
Morgan Stanley Capital I, Series 2005-T17 Class A4, 4.52%, 12/13/41	2,555	2,538,782
Salomon Brothers Mortgage Securities VII, Inc., Series 2000-C1 Class A2, 7.52%, 12/18/09 (a)	1,281	1,288,343
Wachovia Bank Commercial Mortgage Trust:		
Series 2005-C21 Class A3, 5.38%, 10/15/44 (a)	910	911,335
Series 2006-C25 Class A4, 5.93%, 5/15/43 (a)	1,190	1,106,287
Series 2006-C28 Class A2, 5.50%, 10/15/48 (k)	14,000	13,982,577
Series 2007-C33 Class A4, 6.10%, 2/15/51 (a)	995	794,461
		55,780,248
Total Non-Agency Mortgage-Backed Securities 22.4%		76,133,300

Other Interests (l)	Beneficial Interest (000)	
Health Care Providers & Services 0.0%		
Critical Care Systems International, Inc.	2	381
Total Other Interests 0.0%		381

Preferred Securities

Capital Trusts

Capital Markets 0.1%		
Credit Suisse Guernsey Ltd., 5.86% (a)(m)	494	350,740
Commercial Banks 0.4%		
Barclays Bank Plc, 7.43% (a)(b)(m)	1,500	1,215,000
Electric Utilities 0.2%		
PECO Energy Capital Trust IV, 5.75%, 6/15/33	790	564,400

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Capital Trusts		Beneficial Interest (000)	Value
Insurance 1.0%			
The Allstate Corp., 6.50%, 5/15/57 (a)	USD	1,950	\$ 1,560,000
Lincoln National Corp., 6.05%, 4/20/67 (a)		675	421,875
Progressive Corp., 6.70%, 6/15/67 (a)		605	486,271
The Travelers Cos., Inc., 6.25%, 3/15/67 (a)		675	575,608
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(b)		675	526,500
			3,570,254
Total Capital Trusts 1.7%			5,700,394

Preferred Stocks	Shares
Media 0.0%	
CMP Susquehanna Radio Holdings Corp., 0% (a)(b)(d)	12,033
Total Preferred Stocks 0.0%	
Total Preferred Securities 1.7%	5,700,394

Taxable Municipal Bonds	Par (000)	
County/City/Special District/School District 0.4%		
Dallas Area Rapid Transit, RB, Build America Bonds, 6.00%, 12/01/44	255	276,247
Leland Stanford Junior University, 4.25%, 5/01/16	435	441,795
Princeton University, 5.70%, 3/01/39	575	609,115
		1,327,157
State 1.3%		
New York State Dormitory Authority, RB, Build America Bonds, 5.63%, 3/15/39	550	566,263
State of California, GO, Taxable, Various Purpose 3, 5.45%, 4/01/15	2,300	2,408,008
State of Texas, GO, Build America Bonds Taxable (Municipal Government Guaranteed), 5.52%, 4/01/39	1,290	1,323,695
		4,297,966

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Transportation 0.3%

Metropolitan Transportation Authority, RB, Build America Bonds, 7.34%, 11/15/39	625	760,250
Port Authority of New York & New Jersey, RB, Consolidated, 159, 6.04%, 12/01/29	385	421,090
		1,181,340

Utilities 0.1%

Chicago Metropolitan Water Reclamation District, GO, Build America Bonds, 5.72%, 12/01/38	485	521,884
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Total Taxable Municipal Bonds 2.1%

7,328,347

U.S. Government Sponsored Agency Securities

Agency Obligations 11.2%

Fannie Mae:

1.75%, 8/10/12 (n)	5,650	5,652,983
3.00%, 9/16/14 (n)	7,000	7,110,670
6.35%, 10/09/19 (n)(o)	5,875	3,244,880
7.13%, 1/15/30	2,775	3,662,345
5.63%, 7/15/37 (j)	775	841,371

U.S. Government Sponsored Agency Securities

**Par
(000) Value**

Agency Obligations (concluded)

Federal Home Loan Banks:

5.38%, 9/30/22 (j)(n)	USD	5,400	\$	6,059,054
5.25%, 12/09/22 (j)		675		717,543
5.37%, 9/09/24		1,075		1,164,482
Federal Housing Administration, Hebre Home Hospital, 6.25%, 9/01/28		982		972,386

Freddie Mac:

3.00%, 7/28/14 (j)		565		573,220
5.50%, 8/23/17 (n)		2,425		2,726,665

Resolution Funding Corp. (o):

6.29%, 7/15/18		525		365,102
6.30%, 10/15/18		525		360,532

U.S. Treasury Bonds (n):

6.13%, 11/15/27		1,440		1,806,525
5.25%, 11/15/28		2,400		2,748,749

38,006,507

Collateralized Mortgage Obligations 0.9%

Fannie Mae Trust, Series 2005-5 Class PK, 5.00%, 12/25/34	1,745	1,842,822
Freddie Mac Multiclass Certificates, Series 2825 Class VP, 5.50%, 6/15/15	1,041	1,114,315

2,957,137

Federal Deposit Insurance Corp. Guaranteed 2.7%

Citibank NA, 1.38%, 8/10/11 (n)	5,100	5,109,221
Citigroup Funding, Inc., 2.13%, 7/12/12 (c)	1,415	1,426,907
General Electric Capital Corp., 2.63%, 12/28/12	2,400	2,454,816

8,990,944

Interest Only Collateralized Mortgage Obligations 0.6%

Fannie Mae Trust, Series 2004-90 Class JH, 6.43%, 11/25/34 (a)	17,290	1,718,209
Freddie Mac Multiclass Certificates:		
Series 2579 Class HI, 5.00%, 8/15/17	1,262	101,485
Series 2611 Class QI, 5.50%, 9/15/32	4,044	521,478
		2,341,172

Mortgage-Backed Securities 11.2%

Fannie Mae Guaranteed Pass-Through Certificates:		
4.50%, 4/01/39 9/01/39 (n)	9,991	10,059,075
5.00%, 1/01/23 10/15/39 (n)(p)	22,699	23,334,765
5.50%, 9/15/24 (p)	300	315,656
6.00%, 8/01/29 7/01/36 (c)	335	353,502
Freddie Mac Mortgage Participation Certificates:		
5.00%, 2/01/22 9/15/39 (p)	1,941	2,028,410
6.00%, 2/01/13 12/01/18 (c)	1,680	1,793,833
Ginnie Mae MBS Certificates, 5.50%, 8/15/33 (c)	144	151,904
		38,037,145

Total U.S. Government Sponsored Agency Securities 26.6% 90,332,905

U.S. Treasury Obligations

U.S. Treasury Notes:		
3.63%, 8/15/19 (n)	39,060	39,792,375
5.25%, 2/15/29 (n)	2,400	2,748,374
4.25%, 5/15/39	3,410	3,447,831
4.50%, 8/15/39	2,250	2,371,289
U.S. Treasury Strips, 4.57%, 8/15/20 (n)(o)	6,150	3,944,622
Total U.S. Treasury Obligations 15.4%		52,304,491

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Warrants (q)	Shares	Value
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b)	13,751	
Total Warrants 0.0%		
Total Long-Term Investments		
(Cost \$453,373,605) 134.0%		\$ 454,795,503

Short-Term Securities

BlackRock Liquidity Funds, TempFund, 0.22% (r)(s)	1,735,485	1,735,485
Total Short-Term Securities		
(Cost \$1,735,485) 0.5%		1,735,485

Options Purchased

Options Purchased	Contracts (t)	
Over-the-Counter Call Swaptions Purchased		
Receive a fixed rate of 2.25% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank NA	7	442
Receive a fixed rate of 3.12% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker Barclays Bank Plc	9	36,962
Receive a fixed rate of 2.37% and pay a floating rate based on 3-month LIBOR, expiring November 2009, Broker Goldman Sachs Bank USA	7	2,359
Receive a fixed rate of 2.50% and pay a floating rate based on 3-month LIBOR, expiring November 2009, Broker JPMorgan Chase Bank, NA	5	2,446
Receive a fixed rate of 2.75% and pay a floating rate based on 3-month LIBOR, expiring November 2009, Broker Morgan Stanley Capital Services, Inc.	16	66,160
Receive a fixed rate of 2.75% and pay a floating rate based on 3-month LIBOR, expiring November 2009, Broker UBS AG	9	13,022
Receive a fixed rate of 2.75% and pay a floating rate based on 3-month LIBOR, expiring December 2009, Broker Morgan Stanley Capital Services, Inc.	13	59,623
Receive a fixed rate of 2.50% and pay a floating rate based on 3-month LIBOR, expiring March 2010, Broker Barclays Bank Plc	3	5,498
Receive a fixed rate of 3.40% and pay a floating rate based on 3-month LIBOR, expiring April 2010, Broker Deutsche Bank AG	7	141,463
Receive a fixed rate of 3.41% and pay a floating rate based on 3-month LIBOR, expiring April 2010, Broker Deutsche Bank AG	3	64,768
Receive a fixed rate of 3.71% and pay a floating rate based on 3-month LIBOR, expiring April 2011, Broker JPMorgan Chase Bank, NA	4	134,725

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Receive a fixed rate of 4.88% and pay a floating rate based on 3-month LIBOR, expiring September 2013, Broker Goldman Sachs Bank USA	25	1,263,305
		<u>1,790,773</u>

Over-the-Counter Put Swaptions Purchased

Pay a fixed rate of 3.12% and receive a floating rate based on 3-month LIBOR, expiring October 2009, Broker Barclays Bank Plc	9	462,346
Pay a fixed rate of 3.40% and receive a floating rate based on 3-month LIBOR, expiring April 2010, Broker Deutsche Bank AG	7	434,217

Options Purchased	Contracts (t)	Value
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Over-the-Counter Put Swaptions Purchased (concluded)

Pay a fixed rate of 3.41% and receive a floating rate based on 3-month LIBOR, expiring April 2010, Broker Deutsche Bank AG	3	\$ 196,902
Pay a fixed rate of 3.71% and receive a floating rate based on 3-month LIBOR, expiring April 2011, Broker JPMorgan Chase Bank, NA	4	307,633
Pay a fixed rate of 4.88% and receive a floating rate based on 3-month LIBOR, expiring September 2013, Broker Goldman Sachs Bank USA	25	941,135
Pay a fixed rate of 4.71% and receive a floating rate based on the 3-month LIBOR, expiring November 2013, Broker JPMorgan Chase Bank, NA	12	498,211
		<u>2,840,444</u>

Total Options Purchased (Cost \$4,458,405) 1.3%		4,631,217
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Total Investments Before TBA Sale Commitments and Options Written (Cost \$459,567,495*) 135.8%		461,162,205
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TBA Sale Commitments (p)	Par (000)
Fannie Mae Guaranteed Pass-Through Certificates:	
4.50%, 4/01/39 9/01/39	USD (9,900) (9,952,589)
5.00%, 1/01/23 10/15/39	(12,200) (12,566,470)
6.00%, 8/01/29 7/01/36	(300) (315,656)
Freddie Mac Mortgage Participation Certificates 5.00%, 2/01/22 9/15/39	(1,800) (1,874,250)
Ginnie Mae MBS Certificates 5.50%, 8/15/33	(100) (104,531)
Total TBA Sale Commitments (Proceeds \$24,594,668) (7.3)%	(24,813,496)

Options Written	Contracts (t)
Over-the-Counter Call Swaptions Written	
Pay a fixed rate of 5.49% and receive a floating rate based on 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank, NA	5 (689,980)
Pay a fixed rate of 2.45% and receive a floating rate based on 3-month LIBOR, expiring December 2009, Broker Barclays Bank Plc	11 (10,469)

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Pay a fixed rate of 3.50% and receive a floating rate based on 3-month LIBOR, expiring January 2010, Broker Deutsche Bank AG	8	(152,706)
Pay a fixed rate of 3.58% and receive a floating rate based on 3-month LIBOR, expiring January 2010, Broker Deutsche Bank AG	11	(238,309)
Pay a fixed rate of 5.67% and receive a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank, NA	12	(1,861,643)
Pay a fixed rate of 3.14% and receive a floating rate based on 3-month LIBOR, expiring April 2010, Broker Barclays Bank Plc	4	(44,933)
Pay a fixed rate of 3.80% and receive a floating rate based on 3-month LIBOR, expiring May 2010, Broker Morgan Stanley Capital Services, Inc.	12	(408,434)
Pay a fixed rate of 4.10% and receive a floating rate based on 3-month LIBOR, expiring May 2010, Broker Barclays Bank Plc	4	(176,839)

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)
 (Percentages shown are based on Net Assets)

Options Written	Contracts (t)	Value
Over-the-Counter Call Swaptions Written (concluded)		
Pay a fixed rate of 4.28% and receive a floating rate based on 3-month LIBOR, expiring May 2010, Broker Barclays Bank Plc	8	\$ (473,680)
Pay a fixed rate of 4.92% and receive a floating rate based on 3-month LIBOR, expiring November 2010, Broker Barclays Bank Plc	15	(1,387,905)
Pay a fixed rate of 5.05% and receive a floating rate based on 3-month LIBOR, expiring May 2011, Broker Citibank, NA	10	(965,320)
Pay a fixed rate of 5.08% and receive a floating rate based on 3-month LIBOR, expiring May 2011, Broker Goldman Sachs Bank USA	6	(600,118)
Pay a fixed rate of 5.33% and receive a floating rate based on 3-month LIBOR, expiring July 2013, Broker JPMorgan Chase Bank, NA	9	(551,916)
Pay a fixed rate of 4.12% and receive a floating rate based on 3-month LIBOR, expiring August 2010, Broker Goldman Sachs Bank USA	3	(144,756)
Pay a fixed rate of 4.12% and receive a floating rate based on 3-month LIBOR, expiring August 2010, Broker Morgan Stanley Capital Services, Inc.	3	(149,199)
Pay a fixed rate of 4.80% and receive a floating rate based on 3-month LIBOR, expiring June 2010, Broker Citibank, NA	5	(464,589)
		<u>(8,320,796)</u>
Over-the-Counter Put Swaptions Written		
Receive a fixed rate of 4.80% and pay a floating rate based on 3-month LIBOR, expiring June 2010, Broker Citibank, NA	5	(110,973)
Receive a fixed rate of 4.12% and pay a floating rate based on 3-month LIBOR, expiring August 2010, Broker Goldman Sachs Bank USA	3	(130,680)
Receive a fixed rate of 4.12% and pay a floating rate based on 3-month LIBOR, expiring August 2010, Broker Morgan Stanley Capital Services, Inc.	3	(135,984)
Receive a fixed rate of 5.49% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank, NA	5	(1,202)
Receive a fixed rate of 2.45% and pay a floating rate based on 3-month LIBOR, expiring December 2009, Broker Barclays Bank Plc	11	(1,175,769)
Receive a fixed rate of 4.00% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Deutsche Bank AG	8	(185,485)
Receive a fixed rate of 4.08% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Deutsche Bank AG	11	(226,681)
Receive a fixed rate of 5.67% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank, NA	12	(22,989)
Receive a fixed rate of 4.50% and pay a floating rate based on 3-month LIBOR, expiring March 2010, Broker Barclays Bank Plc	3	(157,651)
Receive a fixed rate of 3.14% and pay a floating rate based on 3-month LIBOR, expiring April 2010, Broker Barclays Bank Plc	4	(266,753)
Receive a fixed rate of 4.10% and pay a floating rate based on 3-month LIBOR, expiring May 2010, Broker Barclays Bank	4	(136,624)
Receive a fixed rate of 4.28% and pay a floating rate based on 3-month LIBOR, expiring May 2010, Broker Barclays Bank Plc	8	(261,889)
Receive a fixed rate of 4.50% and pay a floating rate based on 3-month LIBOR, expiring May 2010, Broker Morgan Stanley Capital Services, Inc.	12	(305,486)
Options Written	Contracts (t)	Value

Over-the-Counter Put Swaptions Written (concluded)

Receive a fixed rate of 4.92% and pay a floating rate based on 3-month LIBOR, expiring November 2010, Broker Barclays Bank Plc	15	\$	(436,890)
Receive a fixed rate of 5.05% and pay a floating rate based on 3-month LIBOR, expiring May 2011, Broker Citibank, NA	10		(370,240)
Receive a fixed rate of 5.08% and pay a floating rate based on 3-month LIBOR, expiring May 2011, Broker Goldman Sachs Bank USA	6		(218,758)
Receive a fixed rate of 5.33% and pay a floating rate based on 3-month LIBOR, expiring July 2013, Broker JPMorgan Chase Bank, NA	9		(271,005)
			(4,415,059)

Total Options Written

(Premiums Received \$10,860,550) (3.7)% (12,735,855)

Total Investments, Net of TBA Sale Commitments and Options Written 124.8%

423,612,854

Liabilities in Excess of Other Assets (24.8)%

(84,088,654)

Net Assets 100.0%

\$ 339,524,200

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2009, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 459,654,221
Gross unrealized appreciation	\$ 23,486,061
Gross unrealized depreciation	(21,978,077)
Net unrealized appreciation	\$ 1,507,984

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) All or a portion of the security has been pledged as collateral for swaps.
- (d) Non-income producing security.
- (e) Issuer filed for bankruptcy and/or is in default of interest payments.
- (f) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the effective yield as of report date.
- (g) Convertible security.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Investments in companies considered to be an affiliate of the Trust, during the period September 1, 2008 to December 31, 2008 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

