

BANK OF NOVA SCOTIA /
Form 424B2
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Pricing Supplement dated March 25, 2013 to the

Prospectus dated December 28, 2012,

Prospectus Supplement dated December 28, 2012 and Product Prospectus Supplement (Equity Linked Index Notes, Series A) dated December 28, 2012

The Bank of Nova Scotia

\$2,000,000

Callable Index-Linked Contingent Interest Notes, Series A

Linked to the Russell 2000® Index

Due March 28, 2017

The Callable Index-Linked Contingent Interest Notes, Series A Linked to the Russell 2000® Index ("Reference Asset") Due March 28, 2017 (the "Notes") are senior unsecured obligations of The Bank of Nova Scotia (the "Bank"). The Notes do not provide for the regular payment of interest or guarantee the return of any principal at maturity. The Notes are subject to investment risks including possible loss of the Principal Amount invested due to the negative performance of the Reference Asset and the credit risk of The Bank of Nova Scotia. As used in this pricing supplement, the "Bank," "we," "us" or "our" refers to The Bank of Nova Scotia.

The Notes will not be listed on any U.S. securities exchange or automated quotation system.

The amount that you will be paid on your Notes at maturity will depend on the performance of the Reference Asset and will be calculated as follows:

If the Closing Level of the Reference Asset on the Final Valuation Date is greater than or equal to 75% of the Initial Level (the "Barrier Level"): (i) the stated Principal Amount plus (ii) the Contingent Interest Payment with respect to the Final Valuation Date

If the Closing Level of the Reference Asset on the Final Valuation Date is less than the Barrier Level (i) the stated Principal Amount plus (ii) Principal Amount multiplied by the Percentage Change

A Contingent Interest Payment will be paid on the Notes on each monthly Contingent Interest Payment Date but only if the Closing Level of the Reference Asset is at or above 75% of the Initial Level (the "Trigger Level") on the related Valuation Date. Each Contingent Interest Payment, if any, will be paid at an annual rate of 6.75% from the Original Issue Date up to but excluding the Maturity Date. If on any Valuation Date, the Closing Level is less than the Trigger Level, no Contingent Interest Payment will be paid for the applicable monthly period. It is possible that the Reference

Asset will remain below the Trigger Level for extended periods of time or even throughout the entire term of the Notes, which means you will receive no Contingent Interest Payments, and/or that the Reference Asset will remain below the Barrier Level for extended periods of time or even throughout the entire term of the Notes, which means you will receive no Contingent Interest Payments and that you may not receive your Principal Amount at Maturity. **Accordingly, you may lose your entire initial investment in the Notes.**

The Notes may be called by us in whole, but not in part, on each stated Quarterly Call Date, from and including the First Call Date, upon notice by us to DTC on or before the corresponding Quarterly Call Notice Date, at an amount that will equal the Principal Amount of your Notes plus the Contingent Interest Payment, if any. If the Notes are called prior to the Maturity Date you will lose the opportunity to continue to be paid Contingent Interest Payments.

You will not participate in any appreciation of the Reference Asset. The Notes do not constitute a direct investment in any of the shares, units or other securities represented by the Reference Asset. By acquiring Notes, you will not have a direct economic or other interest in, claim or entitlement to, or any legal or beneficial ownership of any such share, unit or security and will not have any rights as a shareholder, unitholder or other security holder of any of the issuers including, without limitation, any voting rights or rights to receive dividends or other distributions. See “Additional Risks - You will not Participate in Any Appreciation in the Value of the Reference Asset and Your Return on the Notes is Expected to be Limited to the Contingent Interest Payments Paid on the Notes” in this pricing supplement.

Assuming no changes in market conditions or our creditworthiness and other relevant factors, the value of your notes on trade date (“estimated value”) (as determined by reference to pricing models used by Scotia Capital (USA) Inc. and taking into account credit spreads of The Bank of Nova Scotia) is, and the price you receive for your notes may be, significantly less than the original issue price. The difference between the estimated value of your Notes and the original issue price reflects costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the Notes. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the Notes. As a result, you may experience an immediate and substantial decline in the market value of your Notes on the Trade Date and you may lose all or a substantial portion of your initial investment. The Bank’s profit in relation to the Notes will vary based on the difference between (i) the amounts received by the Bank in connection with the issuance and the reinvestment return received by the Bank in connection with those funds and (ii) the costs incurred by the Bank in connection with the issuance of the Notes and any hedging transactions. The Bank’s affiliates may also realize a profit that will be based on the (i) cost of creating and maintaining the hedging transactions minus (ii) the payments received on the hedging transactions.

Neither the United States Securities and Exchange Commission (“SEC”), nor any state securities commission has approved or disapproved of the Notes or passed upon the accuracy or the adequacy of this document, the accompanying prospectus, prospectus supplement or product prospectus supplement. Any representation to the contrary is a criminal offense. The NOTES ARE NOT INSURED BY THE Canada Deposit Insurance Corporation pursuant to the *Canada Deposit Insurance Corporation Act*, the United States Federal Deposit Insurance Corporation, or any other governmental agency of Canada, the United States or any other jurisdiction.

Scotia Capital (USA) Inc., our affiliate, will purchase the Notes from us for distribution to other registered broker dealers or will offer the Notes directly to investors. Scotia Capital (USA) Inc. or any of its affiliates or agents may use this pricing supplement in market-making transactions in Notes after their initial sale. Unless we, Scotia Capital (USA) Inc. or another of its affiliates or agents selling such Notes to you informs you otherwise in the confirmation of sale, the final pricing supplement to which this pricing supplement relates is being used in a market-making transaction. See “Supplemental Plan of Distribution (Conflicts of Interest)” in this pricing supplement and “Supplemental Plan of Distribution” on page PS-30 of the accompanying product prospectus supplement.

	Per Note Total	
Price to public	100.00%	\$2,000,000.00
Underwriting commissions ¹	2.425%	\$48,500.00
Proceeds to The Bank of Nova Scotia ²	97.575%	\$1,951,500.00

Investment in the Notes involves certain risks. You should refer to “Additional Risks” in this pricing supplement and “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the accompanying product prospectus supplement and “Risk Factors” beginning on page S-2 of the accompanying prospectus supplement and page 6 of the accompanying prospectus.

We may decide to sell additional Notes after the date of this pricing supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above.

We will deliver the Notes in book-entry form through the facilities of The Depository Trust Company (“DTC”) on or about March 28, 2013 against payment in immediately available funds.

Scotia Capital (USA) Inc.

¹ Scotia Capital (USA) Inc. or one of our affiliates will purchase the Notes at the Principal Amount and as part of the distribution of the Notes may pay varying discounts and underwriting commissions of up to \$24.25 per \$1,000 Principal Amount of Notes in connection with the distribution of the Notes. Scotia Capital (USA) Inc. may also receive a structuring and development fee of up to \$0.50 per \$1,000 Principal Amount of Notes. See “Supplemental Plan of Distribution (Conflicts of Interest)” in this pricing supplement and "Supplemental Plan of Distribution" on page PS-30 of the accompanying product prospectus supplement.

² Excludes profits from hedging. For additional considerations relating to hedging activities see “Additional Risks—The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices” in this pricing supplement.

Summary

The information in this “Summary” section is qualified by the more detailed information set forth in this pricing supplement, the prospectus, the prospectus supplement, and the product prospectus supplement, each filed with the SEC. See “Additional Terms of Your Notes” in this pricing supplement.

Issuer:	The Bank of Nova Scotia (the "Bank")
Type of Notes:	Callable Index-Linked Contingent Interest Notes, Series A
CUSIP/ISIN:	CUSIP 064159BT2 / ISIN US064159BT27
Reference Asset:	The Russell 2000 [®] Index (Bloomberg Ticker: RTY)
Minimum Investment and Denominations:	\$1,000 and integral multiples of \$1,000 in excess thereof
Principal Amount:	\$1,000 per Note
Original Issue Price:	100% of the Principal Amount of each Note
Currency:	U.S. Dollars
Pricing Date:	March 25, 2013
Trade Date:	March 25, 2013
Original Issue Date:	March 28, 2013
Valuation Dates:	Four Business Days prior to the related Contingent Interest Payment Date, except that the Valuation Date immediately preceding the Maturity Date, which we refer to as the “Final Valuation Date,” shall be the fourth Business Day prior to the Maturity Date.
Maturity Date:	The Valuation Dates could be delayed by the occurrence of a market disruption event. See “General Terms of the Notes—Market Disruption Events” beginning on page PS-19 in the accompanying product prospectus supplement. March 28, 2017, as may be postponed upon the occurrence of a market disruption event as described “General Terms of the Notes – Maturity Date” on page PS-17 in the accompanying product prospectus supplement.
Principal at Risk:	You may lose all or a substantial portion of your initial investment at maturity if the Final Level is below the Barrier Level.
Fees and Expenses:	Scotia Capital (USA) Inc. or one of our affiliates will purchase the Notes at the Principal Amount and as part of the distribution of the Notes will reoffer the Notes to third party dealers at varying discounts and underwriting commissions of up to \$24.25 per \$1,000 Principal Amount of Notes in connection with the distribution of the Notes. Scotia Capital (USA) Inc. may also receive a structuring and development fee of up to \$0.50 per \$1,000

Principal Amount of Notes.

The price at which you purchase the Notes includes costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the Notes, as set forth above. These costs and profits

will likely reduce the secondary market price, if any secondary market develops, for the Notes. As a result, you may experience an immediate and substantial decline in the market value of your Notes on the Trade Date. See “Additional Risks – The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices” in this pricing supplement.

Contingent Interest Payment Dates:

The 28th day of each month, commencing April 28, 2013 and up to and including the Maturity Date, or if such day is not a Business Day, the next following Business Day.

The annual rate of:

Contingent Interest Rate:

· From the Original Issue Date up to but excluding the Maturity Date, 6.75%

We cannot assure you that the Closing Level will be greater than the Trigger Level for any Valuation Date. If the Closing Level remains below the Trigger Level on each Valuation Date over the term of the Notes then there will not be any Contingent Interest Payable.

Contingent Interest Payment:

The Contingent Interest Payment will be based on the performance of the Reference Asset and will be calculated as follows:

If, on any Valuation Date, the Closing Level on such date is greater than or equal to the Trigger Level, the Contingent Interest Payment will be an amount equal to the product of (i) the applicable Contingent Interest Rate multiplied by (ii) the Principal Amount multiplied by (iii) the Day Count Fraction on the related Contingent Interest Payment Date.

If, on any Valuation Date, the Closing Level on such date is less than the Trigger Level, no Contingent Interest Payment will be made with respect to that Contingent Interest Payment Date.

30/360, unadjusted, following business day convention (all as more fully described below)

We describe payments as being based on a “day count fraction” of “30/360, unadjusted, following business day convention”.

Day Count Fraction

This means that the number of days in the interest period will be based on a 360-day year of twelve 30-day months (“30/360”) and that the number of days in the interest period will be based on the days on which interest would have been paid if each such day was a Business Day, not on the actual days on which payment is made (“unadjusted”).

If any Contingent Interest Payment Date falls on a day that is not a Business Day (including any Contingent Interest Payment Date that is also the Maturity Date), the relevant payment of interest will be made on the next Business Day under the following business day convention.

Payment at Maturity:

The Payment at Maturity will be based on the performance of the Reference Asset and will be calculated as follows:

If the Final Level is greater than or equal to the Barrier Level, then the Payment at Maturity will equal:

Principal Amount + Contingent Interest Payment

If the Final Level is less than the Barrier Level, then the Payment at Maturity will equal:

Principal Amount + (Principal Amount × Percentage Change)

In this case you will suffer a loss on your initial investment in an amount equal to the negative Percentage Change. Accordingly, you could lose up to 100% of your initial investment.

Initial Level: 945.85

Final Level: The Closing Level of the Reference Asset on the Final Valuation Date

Closing Level For any date of determination, the closing level of the Reference Asset published on the Bloomberg page “RTY<Index>” or any successor page on Bloomberg or any successor service, as applicable. In certain special circumstances, the Closing Level will be determined by the Calculation Agent, in its discretion, and such determinations will, under certain circumstances, be confirmed by an independent calculation expert. See “General Terms of the Notes – Unavailability of the Level of the Reference Asset on a Valuation Date” and “General Terms of the Notes – Market Disruption Events” beginning on page PS-19 and “Appointment of Independent Calculation Experts” on page PS-22, in the accompanying product prospectus supplement.

The Percentage Change, expressed as a percentage, with respect to the Payment at Maturity, is calculated as follows:

Percentage Change:
$$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$$

Initial Level

For the avoidance of doubt, the Percentage Change may be a negative value.

Barrier Event: Applicable

Trigger Level: 709.3875 (75.00% of the Initial Level)

Barrier Level: 709.3875 (75.00% of the Initial Level)

Monitoring Period: Final Valuation Date Monitoring

Call Provision: The Notes may be called by us in whole, but not in part, on each stated Quarterly Call Date, from and including the First Call Date, upon notice by us to DTC on or before the corresponding Quarterly Call Notice Date, at an amount that will equal the Principal Amount of your Notes plus the Contingent Interest Payment, if any. If the Notes are called prior to the Maturity Date you will lose the opportunity to continue to be paid Contingent Interest Payments, if any, on the Notes.

Quarterly Call Dates: Quarterly, on the 28th of each March, June, September, and December, commencing on the First Call Date and ending on December 28, 2016; provided that if any such day is not a Business Day, the Call

Payment will be made on the next succeeding Business Day

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and no adjustment will be made to any early Call Payment made on that succeeding Business Day.

- Call Payment:** Call payment will be made in an amount equal to (i) the Principal Amount per Note *plus* (ii) the Contingent Interest Payment, if any.
- First Call Date:** March 28, 2014
- Quarterly Call Notice Dates:** 10 Business Days prior to the corresponding Quarterly Call Date
- Form of Notes:** Book-entry
- Calculation Agent:** Scotia Capital Inc., an affiliate of the Bank
- Status:** The Notes will constitute direct, unsubordinated and unsecured obligations of the Bank ranking *pari passu* with all other direct, unsecured and unsubordinated indebtedness of the Bank from time to time outstanding (except as otherwise prescribed by law). **Holders will not have the benefit of any insurance under the provisions of the *Canada Deposit Insurance Corporation Act*, the *U.S. Federal Deposit Insurance Act* or under any other deposit insurance regime.**
- Tax Redemption:** The Bank (or its successor) may redeem the Notes, in whole but not in part, at a redemption price determined by the Calculation Agent in a manner reasonably calculated to preserve your and our relative economic position, if it is determined that changes in tax laws or their interpretation will result in the Bank (or its successor) becoming obligated to pay additional amounts with respect to the Notes. See “Tax Redemption” below.
- Listing:** The Notes will not be listed on any securities exchange or quotation system.
- Use of Proceeds:** General corporate purposes
- Clearance and Settlement:** Depository Trust Company
- Business Day:** New York and Toronto
- Terms Incorporated:** All of the terms appearing above the item under the caption “General Terms of the Notes” beginning on page PS-14 in the accompanying product prospectus supplement, as modified by this pricing supplement.

INVESTING IN THE NOTES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE YOUR ENTIRE PRINCIPAL AMOUNT. ANY PAYMENT ON THE NOTES, INCLUDING ANY REPAYMENT OF PRINCIPAL OR ANY CONTINGENT INTEREST PAYMENT, IS SUBJECT TO THE CREDITWORTHINESS OF THE BANK. IF THE BANK WERE TO DEFAULT ON ITS PAYMENT OBLIGATIONS YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE NOTES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.

Additional Terms Of Your Notes

You should read this pricing supplement together with the prospectus dated December 28, 2012, as supplemented by the prospectus supplement dated December 28, 2012 and the product prospectus supplement (Equity Linked Index Notes, Series A) dated December 28, 2012, relating to our Senior Note Program, Series A, of which these Notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this pricing supplement will control. ***The Notes may vary from the terms described in the accompanying product prospectus supplement in several important ways. You should read this pricing supplement carefully.***

This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors Specific to the Notes” in the accompanying product prospectus supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the SEC website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website at

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000009631>):

Prospectus dated December 28, 2012:

<http://www.sec.gov/Archives/edgar/data/9631/000119312512518291/d459446d424b3.htm>

Prospectus Supplement dated December 28, 2012:

<http://www.sec.gov/Archives/edgar/data/9631/000119312512518324/d457877d424b3.htm>

Product Prospectus Supplement (Equity Linked Notes, Series A), dated December 28, 2012

<http://www.sec.gov/Archives/edgar/data/9631/000119312512518388/d457883d424b5.htm>

The Bank of Nova Scotia has filed a registration statement (including a prospectus, a prospectus supplement, and a product prospectus supplement) with the SEC for the offering to which this pricing supplement relates. Before you invest, you should read those documents and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, The Bank of Nova Scotia, any agent or any dealer participating in this offering will arrange to send you the prospectus, the prospectus supplement and the product prospectus supplement if you so request by calling 1-416-866-3672.

Investor Suitability

The Notes may be suitable for you if:

You fully understand the risks inherent in an investment in the Notes, including the risk of losing your entire initial investment.

You can tolerate a loss of all or a substantial portion of your initial investment and are willing to make an investment that has the downside market risk of an investment in the Reference Asset or in the Reference Asset constituent stocks.

You do not believe that the Closing Level will be below the Trigger Level or that the Final Level will decline below the Barrier Level.

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You understand and accept that you will not participate in any appreciation in the Reference Asset and that your potential return at maturity is limited to the aggregate amount of the Contingent Interest Payments, if any, on the Notes.

You can tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Reference Asset.

You seek current income from your investment but understand that the interest on the Notes is contingent on the performance of the Reference Asset.

You are willing to hold the Notes to maturity, a term of approximately four years, and accept that there may be little or no secondary market for the Notes.

You are willing to tolerate the possibility of having the Notes called prior to the Maturity Date on a Quarterly Call Date beginning on the First Call Date, eliminating any opportunity thereafter for receiving any Contingent Interest Payments.

You are willing to assume the credit risk of the Bank for all payments under the Notes, and understand that if the Bank defaults on its obligations you may not receive any amounts due to you including any repayment of principal or Contingent Interest Payment.

The Notes may not be suitable for you if:

You do not fully understand the risks inherent in an investment in the Notes, including the risk of losing your entire initial investment.

You require an investment designed to guarantee a full return of principal at maturity.

You cannot tolerate a loss of all or a substantial portion of your initial investment and are not willing to make an investment that has the downside market risk as an investment in the Reference Asset or in the Reference Asset constituent stocks.

You believe that the level of the Reference Asset will decline during the term of the Notes and the Closing Level will likely be below the Trigger Level and the Final Level will likely decline below the Initial Level and below the Barrier Level, or you believe the Reference Asset will appreciate over the term of the Notes by an amount in excess of the aggregate amount of Contingent Interest Payments received prior to and at maturity.

You seek an investment that participates in the appreciation in the level of the Reference Asset or has unlimited return potential.

You cannot tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Reference Asset.

You do not seek current income from your investment or you are unwilling to receive interest that is contingent on the performance of the Reference Asset.

You prefer to receive dividends paid on the stocks included in the Reference Asset.

You are unwilling to hold the Notes to maturity, a term of approximately four years, or you seek an investment for which there will be a secondary market.

You are not willing to tolerate the possibility of having the Notes called prior to the Maturity Date on a Quarterly Call Date beginning on the First Call Date, eliminating any opportunity thereafter for receiving any Contingent Interest Payments.

You are not willing to assume the credit risk of the Bank for all payments under the Notes.

The investor suitability considerations identified above are not exhaustive. Whether or not the Notes are a suitable investment for you will depend on your individual circumstances and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the Notes in light of your particular circumstances. You should also review “Additional Risks” in

this pricing supplement and the “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the Product Prospectus Supplement for Equity Linked Index Notes, Series A for risks related to an investment in the Notes.

EVENTS OF DEFAULT AND ACCELERATION

If the Notes have become immediately due and payable following an event of default (as defined in the accompanying prospectus) with respect to the Notes, the Calculation Agent will determine the default amount as described below.

Default Amount

The default amount for your Notes on any day (except as provided in the last sentence under “Default Quotation Period” below) will be an amount, in the specified currency for the principal of your Notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to your Notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to your Notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus the reasonable expenses, including reasonable attorneys’ fees, incurred by the trustees of your Notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for your Notes, described below, the trustees and/or the Bank may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest — or, if there is only one, the only — quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period is the period beginning on the day the default amount first becomes due (the “due date”) and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or

·every quotation of that kind obtained is objected to within five business days after the due date as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of an objection is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and that is, or whose securities are, rated either:

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A-1 or higher by Standard & Poor's Ratings Services, or any successor, or any other comparable rating then used by that rating agency, or
P-1 or higher by Moody's Investors Service or any successor, or any other comparable rating then used by that rating agency.

If the Notes have become immediately due and payable following an event of default, you will not be entitled to any additional payments with respect to the Notes. For more information, see "Description of the Debt Securities We May Offer — Events of Default" beginning on page 21 of the accompanying prospectus.

Tax Redemption

The Bank (or its successor) may redeem the Notes, in whole but not in part, at a redemption price determined by the Calculation Agent in a manner reasonably calculated to preserve your and our relative economic position, upon the giving of a notice as described below, if:

as a result of any change (including any announced prospective change) in or amendment to the laws (or any regulations or rulings promulgated thereunder) of Canada (or the jurisdiction of organization of the successor to the Bank) or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment is announced or becomes effective on or after the Pricing Date (or, in the case of a successor to the Bank, after the date of succession), and which in the written opinion to the Bank (or its successor) of legal counsel of recognized standing has resulted or will result (assuming, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which a payment is due, additional amounts with respect to the Notes; or

on or after the Pricing Date (or, in the case of a successor to the Bank, after the date of succession), any action has been taken by any taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, Canada (or the jurisdiction of organization of the successor to the Bank) or any political subdivision or taxing authority thereof or therein, including any of those actions specified in the paragraph immediately above, whether or not such action was taken or decision was rendered with respect to the Bank (or its successor), or any change, amendment, application or interpretation shall be officially proposed, which, in any such case, in the written opinion to the Bank (or its successor) of legal counsel of recognized standing, will result (assuming, that such change, amendment or action is applied to the Notes by the taxing authority and that, in the case of any announced prospective change, that such announced change will become effective as of the date specified in such announcement and in the form announced) in the Bank (or its successor) becoming obligated to pay, on the next succeeding date on which a payment is due, additional amounts with respect to the Notes;

and, in any such case, the Bank (or its successor), in its business judgment, determines that such obligation cannot be avoided by the use of reasonable measures available to it (or its successor).

The redemption price will be determined by the Calculation Agent in its discretion and such determination will, under certain circumstances, be confirmed by an independent calculation expert. See “Appointment of Independent Calculation Experts” on page PS-22 in the accompanying product prospectus supplement.

In the event the Bank elects to redeem the Notes pursuant to the provisions set forth in the preceding paragraph, it shall deliver to the trustees a certificate, signed by an authorized officer, stating that the Bank is entitled to redeem such Notes pursuant to their terms in whole only.

The Bank will give notice of intention to redeem such Notes to holders of the Notes not more than 45 nor less than 30 days prior to the date fixed for redemption specifying, among other things, the date fixed for redemption, and promptly after the redemption date, it will give notice of the redemption price.

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Hypothetical Payments On the Notes

The examples set out below are included for illustration purposes only. The hypothetical Percentage Changes of the Reference Asset used to illustrate the calculation of the Payment at Maturity (rounded to two decimal places) are not estimates or forecasts of the Initial Level, the Final Level or the Closing Level of the Reference Asset on any Valuation Date or on any trading day prior to the Maturity Date. All examples assume that a holder purchased Notes with an aggregate Principal Amount of \$1,000.00, Initial Level of 945.85, the Trigger Level of 709.3875 (75% of the Initial Level), the Barrier Level of 709.3875 (75% of the Initial Level), 48 Valuation Dates and that no market disruption event occurs on any Valuation Date. Amounts below may have been rounded for ease of analysis.

Example 1. On three Valuation Dates prior to the Final Valuation Date, the Closing Level is greater than or equal to the Trigger Level, and the Closing Level on each other Valuation Date prior to the Final Valuation Date is less than the Trigger Level. Therefore, on each Contingent Interest Payment Date with respect to those three Valuation Dates you would receive the monthly Contingent Interest Payment calculated as follows:

$$= (\text{Principal Amount} \times \text{Contingent Interest Rate} \times \text{Day Count Fraction})$$

$$= (\$1,000.00 \times 6.75\% \times 30/360)$$

$$= \$5.63 \text{ (for a total of } \$16.89 \text{ for all three Valuation Dates).}$$

On the Final Valuation Date, the Closing Level is 900.00, which is greater than Barrier Level. As the Final Level is greater than the Trigger Level, on the Maturity Date you would receive a payment equal to the Principal Amount plus the Contingent Interest Payment calculated as follows:

$$= \text{Principal Amount} + (\text{Principal Amount} \times \text{Contingent Interest Rate} \times \text{Day Count Fraction})$$

$$= \$1,000.00 + (\$1,000.00 \times 6.75\% \times 30/360)$$

$$= \$1,000.00 + \$5.63 = \$1,005.63$$

The total payment over the term of Notes is $\$16.89 + \$1,005.63 = \$1,022.52$. per Note.

Example 2. On forty Valuation Dates prior to the Final Valuation Date, the Closing Level is greater than or equal to the Trigger Level, and the Closing Level on each other Valuation Date prior to the Final Valuation Date is less than the Trigger Level. Therefore, on each Contingent Interest Payment Date with respect to those 40 Valuation Dates you would receive the monthly Contingent Interest Payment calculated as follows:

= (Principal Amount x Contingent Interest Rate x Day Count Fraction)

= (\$1,000.00 x 6.75% x 30/360)

= \$5.63(for a total of \$225.20 for all forty Valuation Dates).

On the Final Valuation Date, the Closing Level is 300.00, which is less than both the Trigger Level and the Barrier Level. As the Final Level is less than the Barrier Level, on the Maturity Date you would receive a payment equal to the Principal Amount plus the product of the Principal Amount and Percentage Change, calculated as follows:

$= \$1,000.00 + [\$1,000.00 \times [(Final\ Level - Initial\ Level) / Initial\ Level]] = \$1,000.00 + [\$1,000.00 \times [(300.00 - 945.85)/945.85]] = \317.18

The total payment over the term of Notes is $\$225.20 + \$317.18 = \$542.38$ per Note.

Example 3. On five Valuation Dates after the Issue Date, the Closing Level is greater than or equal to the Trigger Level, and the Bank calls the Note on a Quarterly Call Date which occurs on the sixth Valuation Date. Therefore, on each Contingent Payment Date with respect to the first five Valuation Dates you would receive the monthly Contingent Interest Payment of \$5.63, totalling $\$5.63 \times 5 = \28.15 . On the sixth Valuation Date, the Closing Level is greater than the Trigger

Level. As the Closing Level is greater than or equal to the Barrier Level, on the applicable Quarterly Call Date you would receive the stated Principal Amount plus a monthly Contingent Interest Payment, calculated as follows:

$$\text{Principal Amount} + \text{Contingent Interest Payment} = \$1,000.00 + \$5.63 = \$1,005.63$$

The total payment over the term of Notes is $\$1,005.63 + \$28.15 = \$1,033.78$ per Note.

Example 4. On each Valuation Date prior to the Final Valuation Date, the Closing Level is less than the Trigger Level. Therefore, on each Contingent Payment Date with respect to each such Valuation Date you would not receive any monthly Contingent Interest Payment. On the Final Valuation Date, the Closing Level is 300.00, which is less than the Barrier Level. As the Final Level is less than the Trigger Level and the Barrier Level, on the Maturity Date you would receive a payment equal to the Principal Amount plus the product of the Principal Amount and the Percentage Change, calculated as follows:

$$=\$1,000.00 + [\$1,000.00 \times [(\text{Final Level} - \text{Initial Level}) / \text{Initial Level}]] = \$1,000.00 + [\$1,000.00 \times [(300.00 - 945.85)/945.85]] = \$317.18$$

The total payment over the term of Notes is \$317.18 per Note.

Any payment on the Notes, including any repayment of principal and Contingent Interest Payments, is subject to the creditworthiness of the Bank. If the Bank were to default on its payment obligations, you may not receive any amounts owed to you under the Notes and you could lose your entire investment.

ADDITIONAL RISKS

An investment in the Notes involves significant risks. In addition to the following risks included in this pricing supplement, we urge you to read “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the accompanying product prospectus supplement and “Risk Factors” beginning on page S-2 of the accompanying prospectus supplement and on page 6 of the accompanying prospectus.

You should understand the risks of investing in the Notes and should reach an investment decision only after careful consideration, with your advisors, of the suitability of the Notes in light of your particular financial circumstances and the information set forth in this pricing supplement and the accompanying prospectus, prospectus supplement and

product prospectus supplement.

Your Investment is Subject to a Reinvestment Risk in the Event We Elect to Call the Notes.

We have the ability to call the Notes prior to the Maturity Date. In the event we decide to exercise the Call Provision, the amount of interest payable would be less than the amount of interest payable if you held the Notes until the Maturity Date. There is no guarantee that you would be able to reinvest the proceeds from an investment in the Notes at a comparable return for a similar level of risk following our exercise of the Call Provision. We may choose to call the Notes early or choose not to call the Notes early, in our sole discretion. In addition, it is more likely that we will call the Notes prior to maturity if a significant decrease in U.S. interest rates or a significant decrease in the volatility of U.S. interest rates would result in greater interest payments on the Notes than on instruments of comparable maturity, terms and credit worthiness then trading in the market.

The Inclusion of Dealer Spread and Projected Profit from Hedging in the Original Issue Price is Likely to Adversely Affect Secondary Market Prices

Assuming no change in market conditions or any other relevant factors, the price, if any, at which Scotia Capital (USA) Inc. or any other party is willing to purchase the Notes at any time in secondary market transactions will likely be significantly lower than the original issue price, since secondary market prices are likely to exclude commissions paid with respect to the Notes and the cost of hedging our obligations under the Notes that are included in the original issue price. The cost of hedging includes the projected profit that we and/or our subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding

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the related hedging transactions. In addition, any secondary market prices may differ from values determined by pricing models used by Scotia Capital (USA) Inc. as a result of dealer discounts, mark-ups or other transaction costs.

Risk of Loss at Maturity

Any payment on the Notes at maturity depends on the Final Level of the Reference Asset. The Bank will only repay you the full Principal Amount of your Notes if the value of the Reference Asset on the Maturity Date is at or above the Barrier Level. If the level of the Reference Asset declines below the Barrier Level, you will lose all or a substantial portion of your initial investment in an amount equal to the negative Percentage Change. *Accordingly, you may lose your entire investment in the Notes if the Closing Level on the Final Valuation Date is below the Barrier Level.*

You will not Receive Any Contingent Interest Payment for Any Monthly Period Where the Closing Level on the

Related Valuation Date is less than the Trigger Level

You are entitled to receive a Contingent Interest Payment on a monthly basis but only if the Closing Level on the Valuation Date for a particular month is greater than or equal to the Trigger Level. If the Closing Level is below the Trigger Level on any Valuation Date, you will not receive any Contingent Interest Payment for that Contingent Interest Payment Date, and if the Closing Level remains below the Trigger Level on each Valuation Date over the term of the securities, you will not receive any Contingent Interest Payments.

The Downside Market Exposure to the Reference Asset is Subject to the Barrier Level Only at Maturity

You should be willing to hold your Notes to maturity. If you are able to sell your Notes prior to maturity in the secondary market, you may have to sell them at a loss relative to your initial investment even if the level of the Reference Asset at such time is not below the Barrier Level.

Higher Interest Rates are Generally Associated with a Greater Risk of Loss

Greater volatility with respect to a Note's Reference Asset reflects a higher expectation as of the Trade Date that the price of the Reference Asset could decline below the Trigger Level on any Valuation Date and/or the Barrier Level on the Final Valuation Date. This greater expected risk will generally be reflected in a higher Contingent Interest Rate on that Note. However, while the Contingent Interest Rate is set on the Trade Date, the Reference Asset's volatility can change significantly over the term of the Notes. The level of the Reference Asset could fall sharply, which could result

in a significant loss of principal and little or no Contingent Interest Payments.

The Notes Differ from Conventional Debt Instruments

The Notes are not conventional notes or debt instruments. The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you would have earned if you bought a conventional senior interest bearing debt security of the Bank.

You will not Participate in Any Appreciation in the Value of the Reference Asset and Your Return on the Notes is Expected to be Limited to the Contingent Interest Payments Paid on the Notes

You will not participate in any appreciation in the value of the Reference Asset from the Initial Index Level, and the return of the Notes will be limited to the Contingent Interest Payments, if any, that are paid on the Notes. For example, if on the Final Valuation Date, the Reference Asset has appreciated 25% from the Initial Level, the payment at maturity would be limited to the stated Principal Amount of \$1,000 and the Contingent Interest Payments, if any per Note. Under this scenario, although the value of the Reference Asset has substantially increased, your payment at maturity does not correspondingly increase and, at maturity, the Notes only provide for the payment of your initial investment and the final Contingent Interest Payment.

Your Investment is Subject to the Credit Risk of The Bank of Nova Scotia

The Notes are senior unsecured debt obligations of the Bank, and are not, either directly or indirectly, an obligation of any third party. As further described in the accompanying prospectus, prospectus supplement and product prospectus supplement, the Notes will rank on par with all of the other unsecured and unsubordinated debt obligations of the Bank, except such obligations as may be preferred by operation of law. Any payment to be made on the Notes, including the Payment at Maturity, depends on the ability of the Bank to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the Notes and, in the event the Bank were to default on its obligations, you may not receive the amounts owed to you under the terms of the Notes. If you sell the Notes prior to maturity, you may receive substantially less than the Principal Amount of your Notes.

The Notes are Subject to Market Risk

The return on the Notes is directly linked to the performance of the Reference Asset and indirectly linked to the value of the Reference Asset constituent stocks, and the extent to which the Percentage Change is positive or negative. The levels of the Reference Asset can rise or fall sharply due to factors specific to the Reference Asset constituent stocks, as well as general market factors, such as general market volatility and levels, interest rates and economic and political conditions.

The Contingent Interest Payment, if Any, is Paid on a Monthly Basis and is Based Solely on the Closing Level of the Reference Asset on the Specified Valuation Dates

Whether the monthly Contingent Interest Payment will be made with respect to a Valuation Date will be based on the Closing Level on such date or the Final Level, as applicable. As a result, you will not know whether you will receive the monthly Contingent Interest Payment until the related Valuation Date. Moreover, because the monthly Contingent Interest Payment is based solely on the Closing Level on a specified Valuation Date, if such Closing Level is less than the Trigger Level, you will not receive any monthly Contingent Interest Payment, with respect to such Valuation Date, even if the Closing Level of the Reference Asset was higher on all the other days during the term of the Notes.

The Payment at Maturity Is Not Linked to the Level of the Reference Asset at Any Time Other Than the Final Valuation Date

The Payment at Maturity will be based on the Final Level (subject to adjustments as described). For example, if the closing level of the Reference Asset declined substantially as of the Final Valuation Date compared to the Trade Date, the Payment at Maturity may be significantly less than it would otherwise have been had the Payment at Maturity been linked to the closing levels of the Reference Asset prior to the final Valuation Date. Although the actual level of the Reference Asset at maturity or at other times during the term of the Notes may be higher than the Final Level, you will not benefit from the closing levels of the Reference Asset at any time other than the Valuation Dates.

If the Levels of the Reference Asset or the Reference Asset Constituent Stocks Change, the Market Value of Your Notes May Not Change in the Same Manner

Your Notes may trade quite differently from the performance of the Reference Asset or the Reference Asset constituent stocks. Changes in the levels of the Reference Asset or the Reference Asset constituent stocks may not result in a comparable change in the market value of your Notes. We discuss some of the reasons for this disparity under “—The Price at Which the Notes may be Sold prior to Maturity will Depend on a Number of Factors and May Be Substantially Less Than the Amount for Which They Were Originally Purchased” below.

Holding the Notes is Not the Same as Holding the Reference Asset Constituent Stocks

Holding the Notes is not the same as holding the Reference Asset constituent stocks. As a holder of the Notes, you will not be entitled to the voting rights or rights to receive dividends or other distributions or other rights that holders of the Reference Asset constituent stocks would enjoy.

No Assurance that the Investment View Implicit in the Notes Will Be Successful

It is impossible to predict with certainty whether and the extent to which the level of the Reference Asset will rise or fall. There can be no assurance that the level of the Reference Asset will remain above the Trigger Level and/or the Barrier Level. The Final Level may be influenced by complex and interrelated political, economic, financial and other factors that affect the Reference Asset constituent stocks. You should be willing to accept the risks of the price performance of equity securities in general and the Reference Asset constituent stocks in particular, and the risk of losing some or all of your initial investment.

Furthermore, we cannot give you any assurance that the future performance of the Reference Asset or the Reference Asset constituent stocks will result in your receiving an amount greater than or equal to the Principal Amount of your Notes. Certain periods of historical performance of the Reference Asset or the Reference Asset constituent stocks would have resulted in you receiving less than the Principal Amount of your Notes if you had owned notes with terms similar to these Notes in the past. See “Information Regarding The Reference Asset” in this pricing supplement for further information regarding the historical performance of the Reference Asset.

The Reference Asset Reflects Price Return Only and Not Total Return

The return on your Notes is based on the performance of the Reference Asset, which reflects the changes in the market prices of the Reference Asset constituent stocks. It is not, however, linked to a “total return” index or strategy, which, in addition to reflecting those price returns, would also reflect dividends paid on the Reference Asset constituent stocks. The return on your Notes will not include such a total return feature or dividend component.

Past Performance is Not Indicative of Future Performance

The actual performance of the Reference Asset over the life of the Notes, as well as the amount payable at maturity, may bear little relation to the historical performance of the Reference Asset or to the hypothetical return examples set forth elsewhere in this pricing supplement. We cannot predict the future performance of the Reference Asset.

Changes Affecting the Reference Asset Could Have an Adverse Effect on the Value of the Notes

The policies of Frank Russell Company, the sponsor of the Reference Asset (the “Sponsor”), concerning additions, deletions and substitutions of the Reference Asset constituent stocks and the manner in which the Sponsor takes account of certain changes affecting those Reference Asset constituent stocks may adversely affect the level of the Reference Asset. The policies of the Sponsor with respect to the calculation of the Reference Asset could also adversely affect the level of the Reference Asset. The Sponsor may discontinue or suspend calculation or dissemination of the Reference Asset. Any such actions could have a material adverse effect on the value of the Notes.

The Bank Cannot Control Actions by the Sponsor and the Sponsor Has No Obligation to Consider Your Interests

The Bank and its affiliates are not affiliated with the Sponsor and have no ability to control or predict its actions, including any errors in or discontinuation of public disclosure regarding methods or policies relating to the calculation of the Reference Asset. The Sponsor is not involved in the Notes offering in any way and has no obligation to consider your interest as an owner of the Notes in taking any actions that might negatively affect the market value of your Notes.

The Price at Which the Notes May Be Sold Prior to Maturity will Depend on a Number of Factors and May Be Substantially Less Than the Amount for Which They Were Originally Purchased

The price at which the Notes may be sold prior to maturity will depend on a number of factors. Some of these factors include, but are not limited to: (i) actual or anticipated changes in the level of the Reference Asset over the full term of the Note, (ii) volatility of the level of the Reference Asset and the market's perception of future volatility of the level of the Reference Asset, (iii) changes in interest rates generally, (iv) any actual or anticipated changes in our credit ratings or credit spreads, and (v) time remaining to maturity. In particular, because the provisions of the Note relating to the Payment at Maturity behave like options, the value of the Note will vary in ways which are non-linear and may not be intuitive.

Depending on the actual or anticipated level of the Reference Asset and other relevant factors, the market value of the Notes may decrease and you may receive substantially less than 100% of the issue price if you sell your Notes prior to maturity.

The Notes Lack Liquidity

The Notes will not be listed on any securities exchange or automated quotation system. Therefore, there may be little or no secondary market for the Notes. Scotia Capital (USA) Inc. or any other dealer may, but is not obligated to, make a market in the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which Scotia Capital (USA) Inc. is willing to purchase the Notes from you. If at any time Scotia Capital (USA) Inc. or any other dealer was not to make a market in the Notes, it is likely that there would be no secondary market for the Notes. Accordingly, you should be willing to hold your Notes to maturity.

Hedging Activities by the Bank May Negatively Impact Investors in the Notes and Cause Our Respective Interests and Those of Our Clients and Counterparties to Be Contrary to Those of Investors in the Notes

The Bank or one or more of our affiliates has hedged or expects to hedge the obligations under the Notes by purchasing futures and/or other instruments linked to the Reference Asset. The Bank or one or more of our affiliates also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the Reference Asset or one or more of the Reference Asset constituent stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the final Valuation Date.

The Bank or one or more of our affiliates may also enter into, adjust and unwind hedging transactions relating to other basket- or index-linked Notes whose returns are linked to changes in the level or price of the Reference Asset or the Reference Asset constituent stocks. Any of these hedging activities may adversely affect the level of the Reference Asset—directly or indirectly by affecting the price of the Reference Asset constituent stocks—and therefore the market value of the Notes and the amount you will receive, if any, on the Notes. In addition, you should expect that these transactions will cause the Bank or our affiliates or our respective clients or counterparties, to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the Notes. The Bank or our affiliates will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the Notes, and may receive substantial returns with respect to these hedging activities while the value of the Notes may decline.

The Calculation Agent Can Postpone the Valuation Dates for the Notes if a Market Disruption Event with Respect to the Reference Asset Occurs

If the Calculation Agent determines, in its sole discretion, that, on a day that would otherwise be a Valuation Date, a market disruption event with respect to the Reference Asset has occurred or is continuing for the Reference Asset, the Valuation Date will be postponed until the first following trading day on which no market disruption event occurs or is continuing, although the Valuation Date will not be postponed by more than seven scheduled trading days. Moreover, if a Valuation Date is postponed to the last possible day, but a market disruption event occurs or is

continuing on that day, that day will nevertheless be a Valuation Date, and the Calculation Agent will determine the applicable Closing Level or Final Level that must be used to determine the Contingent Interest Payment and or Payment at Maturity. Under certain circumstances, the determinations of the Calculation Agent will be confirmed by an independent expert. See “General Terms of the Notes – Unavailability of the Level of the Reference Asset on a Valuation Date” beginning on page PS-18, “General Terms of the Notes – Market Disruption Events” beginning on page PS-19 and “Appointment of Independent Calculation Experts” on page PS-22, in the accompanying product prospectus supplement.

Uncertain Tax Treatment

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Significant aspects of the tax treatment of the Notes are uncertain. You should consult your tax advisor about your own tax situation. See “Certain Canadian Income Tax Consequences” and “Certain U.S. Federal Income Tax Considerations” in this pricing supplement.

Information Regarding The Reference Asset

The Russell 2000[®] Index, which we refer to as the Russell 2000[®] Index, is an index calculated, published and disseminated by Russell Investment Group (“Russell”), and measures the composite price performance of stocks of 2,000 companies in the U.S. equity market. Additional information about the Russell 2000[®] Index is available on the following website: www.russell.com/Indexes/data/fact_sheets/us/Russell_2000_Index.asp. We are not incorporating by reference the website or any material it includes in this prospectus supplement.

As of March 12, 2013, the 2,000 companies included in the Russell 2000[®] Index were divided into nine Russell Global Sectors. The Russell Global Sectors include (with the approximate percentage currently included in such sectors indicated in parentheses): Consumer Discretionary (14.71%), Consumer Staples (3.04%), Financial Services (23.97%), Health Care (12.53%), Materials & Processing (7.85%), Other Energy (6.06%), Producer Durables (14.30%), Technology (13.46%) and Utilities (4.08%). (Sector designations are determined by the index sponsor using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.)

The index includes approximately 2,000 of the smallest securities that form the Russell 3000[®] Index. The Russell 3000[®] Index is comprised of the 3,000 largest companies, or 98% based on market capitalization, of the investable U.S. equity market. The Russell 2000 Index represents approximately 10% of the total market capitalization of the Russell 3000[®] Index. The Russell 2000[®] Index is designed to track the performance of the small capitalization segment of the U.S. equity market.

Selection of Constituent Stocks of the Russell 2000[®] Index

The Russell 2000[®] Index is a sub-index of the Russell 3000[®] Index. To be eligible for inclusion in the Russell 3000[®] Index, and, consequently, the Russell 2000[®] Index, a company’s stocks must be listed on the last trading day of May of a given year and Russell must have access to documentation verifying the company’s eligibility for inclusion. Eligible initial public offerings are added to Russell U.S. Indices at the end of each calendar quarter, based on total market capitalization rankings within the market-adjusted capitalization breaks established during the most recent reconstitution. To be added to any Russell U.S. index during a quarter outside of reconstitution, initial public offerings must meet additional eligibility criteria.

A company is included in the U.S. equity markets and is eligible for inclusion in the Russell 3000[®] Index, and consequently, the Russell 2000[®] Index, if that company incorporates in, has its headquarters in and also trades with the highest liquidity (as defined by a two-year average daily dollar trading volume from all exchanges) in the United States or its territories. If a company satisfies any one of these criteria and the primary location of that company’s assets or its revenue, based on an average of two years of assets or revenues data, is also in the United States, that company will also be considered part of the U.S. equity market. In addition, if there is insufficient information to

assign a company to the U.S. equity markets based on its assets or revenue, the company may nonetheless be assigned to the U.S. equity markets if the headquarters of the company is located in certain “benefit-driven incorporation countries”, or “BDIs”, and that company’s most liquid stock exchange is also in the United States. The BDI countries are Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Channel Islands, Cook Islands, Curacao, Faroe Islands, Gibraltar, Isle of Man, Liberia, Marshall Islands, Panama, Saba, Sint Eustatius, Sint Maarten and Turks and Caicos Islands. ADRs and ADSs are not eligible for inclusion in the Russell 2000[®] Index.

Exclusions from the Russell 2000[®] Index

Russell specifically excludes the following companies and securities from the Russell 2000[®] Index: (i) preferred and convertible preferred stock, redeemable shares, participating preferred stock, warrants, rights and trust receipts; (ii) royalty trusts, limited liability companies, closed-end investment companies (business development companies are eligible), blank check companies, special purpose acquisition companies and limited partnerships; (iii) companies with a total market capitalization less than \$30 million; (iv) companies with only a small portion of their shares available in the marketplace (companies with 5% or less float); (v) bulletin board, pink sheets or over-the-counter traded securities; and (vi) real estate

investment trusts and publicly traded partnerships that generate, or have historically generated, unrelated business taxable income and have not taken steps to block their unrelated business taxable income to equity holders.

Initial List of Eligible Securities

The primary criterion Russell uses to determine the initial list of securities eligible for the Russell 3000[®] Index and consequently, the Russell 2000[®] Index, is total market capitalization, which is calculated by multiplying the total outstanding shares for a company times the market price as of the last trading day in May. All common stock share classes are combined in determining market capitalization. If multiple share classes have been combined, the price of the primary vehicle (usually the most liquid) is used in the calculations. In cases where the common stock share classes act independently of each other (e.g., tracking stocks), each class is considered for inclusion separately. Stocks must trade at or above \$1.00 on their primary exchange on the last trading day of May of each year to be eligible for inclusion in the Russell 2000[®] Index. In order to reduce unnecessary turnover, if an existing member's closing price is less than \$1.00 on the last trading day of May, it will be considered eligible if the average of the daily closing prices from their primary exchange during the month of May is equal to or greater than \$1.00.

Annual Reconstitution

The Russell 2000[®] Index is reconstituted annually by Russell to reflect changes in the marketplace. The list of companies is ranked based on total market capitalization on the last trading day in May, with the actual reconstitution effective on the first trading day following the final Friday of June each year, unless the final Friday in June is the 28th, 29th or 30th, in which case reconstitution will be effective on the preceding Friday. Changes in the constituents are preannounced and subject to change if any corporate activity occurs or if any new information is received prior to release.

Index Calculation and Capitalization Adjustments

As a capitalization-weighted index, the Russell 2000[®] Index reflects changes in the capitalization, or market value, of the underlier stocks relative to the capitalization on a base date. This discussion describes the "price return" calculation of the Russell 2000[®] Index. The current Russell 2000 Index value is the compounded result of the cumulative daily (or monthly) return percentages, where the starting value of the index is equal to the base value (100) and base date (December 31, 1978). Returns between any two dates can then be derived by dividing the ending period index value (IV_1) by the beginning period (IV_0) index value, so that the return equals $[(IV_1 / IV_0) - 1] * 100$. The ending period index value, for purposes of calculating the Russell 2000[®] Index value, on any date is determined by adding the market values of the underlier stocks, which are derived by multiplying the price of each stock by the number of available shares, to arrive at the total market capitalization of the 2,000 stocks. To calculate the Russell 2000 Index, last sale prices will be used for exchange-traded and NASDAQ stocks. In the event of a market disruption resulting in any underlier stock price to be unavailable, Russell will generally use the last reported price for such underlier stock for the purpose of performance calculation.

Constituent stocks of the index are weighted in the Russell 2000[®] Index by their free-float market capitalization, which is calculated by multiplying the primary closing price by the number of free-float shares. Free-float shares are shares that are available to the public for purchase as determined by Russell. Russell determines shares available to the public for purchase based on information recorded in corporate filings with the Securities and Exchange Commission and other reliable sources in the event of missing or questionable data. Russell removes the following types of shares from total market capitalization to arrive at free-float market capitalization:

Corporate cross-owned shares — shares of a company in the index that are held by another company that is included in any other Russell index;

Large private and corporate holdings — shares held by an individual, a group of individuals acting together or a corporation (that is included in the index) if such shareholdings constitute 10% or more of the shares outstanding. Institutional holdings, including investment companies, partnerships, insurance companies, mutual funds, banks or venture capital firms, are not excluded unless the firm has a direct relationship to the company, such as board representation, in which case they are considered strategic holdings and excluded;

ESOP or LESOP shares — shares held by employee stock ownership plans and leveraged employee stock ownership plans that comprise 10% or more of a company's outstanding shares;

Unlisted share classes — classes of common stock that are not traded on a U.S. securities exchange;

Initial public offering lock-ups — shares locked-up during an initial public offering are not available to the public and will be excluded from the market value at the time the initial public offering enters the index; and

Government holdings — shareholdings listed as “government of”. Shares held by government investment boards and/or investment arms are treated like shares held by large private shareholdings and are excluded if the number of shares is

greater than 10% of outstanding shares. Shares held by a government pension plan are considered institutional holdings and will not be excluded.

Corporate Actions Affecting the Index

Russell adjusts the index on a daily basis in response to certain corporate actions and events. Therefore, a company's membership in the index and its weight in the index can be impacted by these corporate actions. The adjustment is applied based on sources of public information, including press releases and Securities and Exchange Commission filings. Prior to the completion of a corporate action or event, Russell estimates the effective date. Russell will then adjust the anticipated effective date based on public information until the date is considered final. Depending on the time on a given day that an action is determined to be final, Russell will generally either (1) apply the action before the open on the ex-date or (2) apply the action after providing appropriate notice to its clients regarding the impact of the action and the effective date. Russell applies the following methodology guidelines when adjusting the index in response to corporate actions and events:

No Replacement" Rule — Securities that are deleted from the Index between reconstitution dates, for any reason (e.g., mergers, acquisitions or other similar corporate activity) are not replaced. Thus, the number of securities in the Index over the past year will fluctuate according to corporate activity.

Mergers and Acquisitions —

Between constituents: When mergers and acquisitions take place between companies that are both constituents of a Russell index, the target company is deleted and its market capitalization simultaneously moves to the acquiring company's stock. Russell categorizes the surviving entity based on a weighted average of the market value of the two companies prior to the merger using market values as of the day immediately before Russell determines that the action or event is final. Given sufficient market hours after confirmation, Russell effects this action after the close on the last day of trade of the target company.

Between a constituent and a non-constituent: If the target company is a member of the Russell 2000 Index, it is deleted from the index after Russell determines that the action or event is final. If the acquiring company is a member of the Russell 2000 Index, its shares are adjusted by adding the target company's market capitalization. If the target company is not a member of a Russell index, Russell will also analyze the transaction to determine whether it constitutes a reverse merger. A reverse merger occurs when the acquiring company is a private, non-publicly traded company or OTC company, and the acquisition results in a transaction whereby a new publicly traded company is created that meets all of the requirements for inclusion in a Russell index based on market capitalization using the opening price on the day after the merger or acquisition is considered final. In such a case, the newly formed entity will be placed in the Russell 2000® Index, if appropriate, and the target company simultaneously removed from the Russell 2000® Index, after the close of the market on the day after the merger is considered final. If the event does not qualify as a reverse merger, the target company is deleted after the action is determined to be final.

Reincorporation — Members of a Russell U.S. index, like the Russell 2000 Index, that reincorporate to another country and continue to trade in the United States and companies that reincorporate to the United States during the year are analyzed for assignment by Russell during annual reconstitution. Members that reincorporate in another country and no longer trade in the United States are immediately deleted from the Russell U.S. indices.

Rights Offerings — Rights offered to shareholders are reflected in the index only if the subscription price of the rights is at a discount to the market price. Provided that Russell has been alerted to the rights offer prior to the ex-date, it will adjust the price of the stock for the value of the rights and increased shares according to the terms of the offering before the open on the ex-date. If Russell is unable to provide prior notice, it will delay the price adjustment until the appropriate notice has been given. This treatment applies for both transferable and non-transferable rights. Rights issued as part of a poison pill arrangement or entitlements that give shareholders the right to purchase ineligible

securities such as convertible debt are excluded from this treatment.

Spin-offs and Initial Public Offerings — Spun-off companies are added to the parent company's index if the spun-off company meets all the eligibility requirements of the index and its total market capitalization is greater than the market-adjusted total market capitalization of the smallest security in the Russell 3000E™ Index at the latest reconstitution. Spun-off companies are added to the index at the same time as they are spun-off from their parent company, which is on the completion date of the spin-off. The parent company's market value will be reduced simultaneously on the Russell effective date.

Initial Public Offerings — Eligible initial public offerings are added to the Russell 2000 Index at the end of each calendar quarter, except that fourth quarter IPO additions will be processed after the close on the third Friday of each December.

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Tender Offers — A company acquired as a result of a tender offer is removed if (i) the tender offer period ends; (ii) shareholders have validly tendered, not withdrawn, and the shares have been accepted for payment; (iii) all regulatory requirements have been fulfilled; and (iv) the acquiring company is able to finalize the acquisition via a short-form merger, top-up option or other compulsory mechanism. In the case where all the above requirements have been fulfilled except for the acquiring company being able to finalize the acquisition through a compulsory mechanism, Russell will make a share adjustment to the target company's shares, on a date pre-announced by Russell, in cases where the float-adjusted shares have decreased by 30% or more and the tender offer has fully completed and closed.

Delisted and Halted Stocks — When stocks are deleted from the index as a result of exchange de-listing or reconstitution, the price used will be the closing primary exchange price on the day the action is final (t), or the following day (t+1) using the closing OTC bulletin board price. Halted securities are not removed from the index until the time they are actually delisted from the exchange. If a security is halted, it remains in the index at the most recent closing price until the security resumes trading or is officially delisted. If, however, a stock is (i) halted due to financial difficulty/debt or cash flow issues for a period longer than 40 calendar days or (ii) suspended due to exchange listing rules or legal regulatory issues longer than one calendar quarter, Russell will review for removal on a case-by-case basis. Determinations will be made based upon reasonable likelihood of trade resumption and likelihood of residual value returned to equity holders. If removal is deemed appropriate, Russell will remove the stock at zero value at the end of the month. Stocks that are scheduled for removal but suspended or not trading through reconstitution due to low liquidity or those suspended by the exchange or other governing body due to liquidity issues will be monitored for trade resumption. Once trading resumes, the securities will be removed from the index using the closing price on the primary exchange of the securities.

Bankruptcy and Voluntary Liquidations — Companies that file for a Chapter 7 liquidation bankruptcy or have filed a liquidation plan will be removed from the index at the time of the bankruptcy filing; whereas companies filing for a Chapter 11 reorganization bankruptcy will remain a member of the index, unless the company is de-listed from the primary exchange, in which case normal de-listing rules apply. If a company files for bankruptcy, is delisted and it can be confirmed that it will not trade OTC, Russell may remove the stock at a nominal price of \$0.0001.

Change of Company Structure — If a company changes its corporate designation from that of a Business Development Company, Russell will remove the company from the index after giving two days' notice of its removal.

Stock Distributions — A price adjustment for stock distributions is applied on the ex-date of the distribution. When the number of shares for the distribution is fixed, Russell increases the number of shares on the ex-date. When the number of shares is an undetermined amount based on future earnings and profits, Russell increases the number of shares on the pay-date.

Dividends — Russell includes gross dividends in the daily total return calculation of the index on the basis of their ex-dates. If a dividend is payable in stock and cash and the stock rate cannot be determined by the ex-date, the dividend is treated as all cash. Regular cash dividends are reinvested across the index at the close on the dividend ex-date, while special cash dividends are subtracted from the price of the stock before the open on the ex-date.

Updates to Share Capital — Changes to shares outstanding due to buybacks (including Dutch auctions), secondary offerings, merger activity with a non-index member and other potential changes are generally updated at the end of the month in which the change is reflected in vendor-supplied updates. Russell verifies this information using publicly available information filed with the Securities and Exchange Commission. Russell only applies such changes if the aggregate change in the number of shares outstanding is greater than 5%. The float factor determined during the most recent annual reconstitution is applied to this figure, and only the available shares will be added to the index. No such changes are made in June due to the most recent annual reconstitution. Month-end changes in November and December will be processed as one event after the close on the third Friday of each December due to low liquidity in the financial markets at the end of the year.

License Agreement

Frank Russell Company and The Bank of Nova Scotia (the “Bank”) have entered into a non-exclusive license agreement, granting The Bank, and certain of its affiliates, in exchange for a fee, permission to use the Russell 2000 Index in connection with the offer and sale of the Notes. The Bank is not affiliated with Russell; the only relationship between Russell and The Bank is the licensing of the use of the Russell 2000® Index (a trademark of Russell) and trademarks relating to the Russell

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2000® Index. The Bank does not accept any responsibility for the calculation, maintenance or publication of the Russell 2000 Index or any successor index.

The Notes are not sponsored, endorsed, sold or promoted by Russell. Russell makes no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Russell 2000® Index to track general stock market performance or a segment of the same.

Russell's publication of the Russell 2000® Index in no way suggests or implies an opinion by Russell as to the advisability of investment in any or all of the securities upon which the Russell 2000® Index is based. Russell's only relationship to The Bank is the licensing of certain trademarks and trade names of Russell and of the Russell 2000® Index which is determined, composed and calculated by Russell without regard to The Bank or the notes. Russell is not responsible for and has not reviewed the notes nor any associated literature or publications and Russell makes no representation or warranty express or implied as to their accuracy or completeness, or otherwise. Russell reserves the right, at any time and without notice, to alter, amend, terminate or in any way change the Russell 2000® Index. Russell has no obligation or liability in connection with the administration, marketing or trading of the notes.

RUSSELL DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE RUSSELL 2000® INDEX OR ANY DATA INCLUDED THEREIN AND RUSSELL SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. RUSSELL MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE BANK, INVESTORS, OWNERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE RUSSELL 2000® INDEX OR ANY DATA INCLUDED THEREIN. RUSSELL MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE RUSSELL 2000® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL RUSSELL HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES

Historical Information

The following table sets forth the quarterly high and low closing levels for the Reference Asset, based on daily closing levels. The closing level of the Reference Asset on March 25, 2013 was 945.85. *Past performance of the Reference Asset is not indicative of the future performance of the Reference Asset.*

Quarter Begin	Quarter End	Quarterly High	Quarterly Low	Quarterly Close
1/4/2010	3/31/2010	690.30	586.49	678.64
4/1/2010	6/30/2010	741.92	609.49	609.49
7/1/2010	9/30/2010	677.64	590.03	676.14
10/1/2010	12/31/2010	792.35	669.45	783.65
1/3/2011	3/31/2011	843.55	773.18	843.55
4/1/2011	6/30/2011	865.29	777.20	827.43
7/1/2011	9/30/2011	858.11	643.42	644.16
10/3/2011	12/30/2011	765.43	609.49	740.92
1/3/2012	3/30/2012	846.13	747.28	830.30
4/2/2012	6/29/2012	840.63	737.24	798.49
7/2/2012	9/28/2012	864.70	767.75	837.45
10/1/2012	12/31/2012	852.49	769.48	849.35
1/2/2013*	3/25/2013	953.07	872.60	945.85

Available information for the first calendar quarter of 2013 includes data for the period from January 2, 2013

*through March 25, 2013. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the first calendar quarter of 2013.

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The graph below illustrates the performance of the Reference Asset from January 2, 2002 through March 25, 2013. The blue dotted line represents the Barrier Level of 709.3875, which is equal to 75% of the Closing Level of the Reference Asset on March 25, 2013, as well as the Trigger Level of 709.3875, which is also equal to 75% of the Closing Level of the Reference Asset on March 25, 2013. ***Past performance of the Reference Asset is not indicative of the future performance of the Reference Asset.***

We have not undertaken an independent review or due diligence of the information obtained from Bloomberg Financial Markets. The historical performance of the Reference Asset should not be taken as an indication of its future performance, and no assurance can be given as to the Final Level of the Reference Asset. We cannot give you assurance that the performance of the Reference Asset will result in any positive return on your initial investment.

Supplemental Plan of Distribution (Conflicts of Interest)

Scotia Capital (USA) Inc. or one of our affiliates will purchase the Notes at the Principal Amount and, as part of the distribution of the Notes, will reoffer the Notes to third-party distributors at a discount and with an underwriting commission of \$24.25 per \$1,000 Principal Amount of Notes in connection with the distribution of the Notes. Scotia Capital (USA) Inc. will also receive a structuring and development fee of up to \$0.50 per \$1,000 Principal Amount of Notes.

In addition, Scotia Capital (USA) Inc. or another of its affiliates or agents may use the product prospectus supplement to which this pricing supplement relates in market-making transactions after the initial sale of the Notes. While Scotia Capital (USA) Inc. may make markets in the Notes, it is under no obligation to do so and may discontinue any market-making activities at any time without notice. See the sections titled “Supplemental Plan of Distribution” in the accompanying prospectus supplement and product prospectus supplement.

The price at which you purchase the Notes includes costs that the Bank or its affiliates expect to incur and profits that the Bank or its affiliates expect to realize in connection with hedging activities related to the Notes, as set forth above. These costs and profits will likely reduce the secondary market price, if any secondary market develops, for the Notes. As a result, you may experience an immediate and substantial decline in the market value of your Notes on the Issue Date.

Conflicts of Interest

Each of Scotia Capital (USA) Inc., and Scotia Capital Inc. is an affiliate of the Bank and, as such, has a “conflict of interest” in this offering within the meaning of FINRA Rule 5121. In addition, the Bank will receive the gross proceeds from the initial public offering of the Notes, thus creating an additional conflict of interest within the meaning of Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of Rule 5121. Neither Scotia Capital (USA) Inc. nor Scotia Capital Inc. is permitted to sell Notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

Scotia Capital (USA) Inc. and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Scotia Capital (USA) Inc. and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Bank, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, Scotia Capital (USA) Inc., and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Bank. Scotia Capital (USA) Inc.

and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain Canadian Income Tax Consequences

See “Canadian Taxation ” at page 37 of the accompanying prospectus.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The U.S. federal income tax consequences of your investment in the Notes are uncertain. No statutory, judicial or administrative authority directly discusses how the Notes should be treated for U.S. federal income tax purposes. We intend to treat the Notes as pre-paid cash-settled derivative contracts. Pursuant to the terms of the Notes, you agree to treat the Notes in this manner for all U.S. federal income tax purposes. If your Notes are so treated, any Contingent Interest Payment that is paid by us (including on the maturity date or upon call) should be included in your income as ordinary income in accordance with your regular method of accounting for U.S. federal income tax purposes. Additionally, you should generally recognize capital gain or loss upon the sale, exchange, redemption or payment on maturity in an amount equal to the

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difference between the amount you receive at such time (excluding the amount attributable to any Contingent Interest Payment) and the amount that you paid for your Notes. Such gain or loss should generally be long-term capital gain or loss if you have held your Notes for more than one year.

For a more detailed discussion of the United States federal income tax consequences with respect to your Notes, you should carefully consider the discussion set forth in “Supplemental Discussion of U.S. Federal Income Tax Consequences” in the accompanying product prospectus supplement and the discussion set forth in “United States Taxation” of the accompanying prospectus. In particular, U.S. holders (as defined in the prospectus) should review the discussion set forth in “Supplemental Discussion of U.S. Federal Income Tax Consequences—Supplemental U.S. Tax Considerations—U.S. Holders” in the product prospectus supplement and non-U.S. holders (as defined in the prospectus) should review the discussion set forth in “Supplemental Discussion of U.S. Federal Income Tax Consequences—Supplemental U.S. Tax Considerations—Non-U.S. Holders” in the product prospectus supplement. U.S. holders should also review the discussion under “—Treasury Regulations Requiring Disclosure of Reportable Transactions”, “—Information With Respect to Foreign Financial Assets” and “—Backup Withholding and Information Reporting” under “United States Taxation” in the prospectus.

We will not attempt to ascertain whether the issuer of any of the Reference Asset constituent stocks would be treated as a “passive foreign investment company” within the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended (the “Code”) or a “United States real property holding corporation” within the meaning of Section 897 of the Code. If the issuer of one or more of such stocks were so treated, certain adverse U.S. federal income tax consequences could possibly apply. You should refer to any available information filed with the SEC by the issuers of the Reference Asset constituent stocks and consult your tax advisor regarding the possible consequences to you in this regard.

In this regard and in regard to a potential application of the “constructive ownership” rules, U.S. holders should review the discussion set forth in “Supplemental Discussion of U.S. Federal Income Tax Consequences—Supplemental U.S. Tax Considerations—U.S. Holders” in the product prospectus supplement.

Because other characterizations and treatments are possible the timing and character of income in respect of the Notes might differ from the treatment described above. You should carefully review the discussion set forth in “Alternative Treatments” in the product prospectus supplement for the possible tax consequences of different characterizations or treatment of your Notes for U.S. federal income tax purposes. It is possible, for example, that the Internal Revenue Service (“IRS”) might treat the Notes as a single debt instrument subject to the special tax rules governing contingent payment debt instruments.

The IRS has also issued a notice that may affect the taxation of the Notes. According to the notice, the IRS and the Treasury Department are actively considering whether the holder of an instrument such as the Notes should be required to accrue ordinary income on a current basis, and they are seeking comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the Notes will ultimately be required to accrue ordinary income currently and this could be applied on a retroactive basis. Holders are urged to consult their tax advisors concerning the significance, and the potential impact,

of the above considerations. We intend to treat the Notes for U.S. federal income tax purposes in accordance with the treatment described above unless and until such time as the Treasury Department and the IRS determine that some other treatment is more appropriate.

Non-U.S. Holders. The U.S. federal income tax treatment of the Contingent Interest Payment is unclear. We currently do not intend to withhold any tax on any Contingent Interest Payment made to a non-U.S. holder that provides us with a fully completed and validly executed applicable IRS Form W-8BEN. However, it is possible that the IRS could assert that such payments are subject to U.S. withholding tax, or that we or another withholding agent may otherwise determine that withholding is required, in which case we or the other withholding agent may withhold up to 30% on such payments (subject to reduction or elimination of such withholding tax pursuant to an applicable income tax treaty).

Section 871(m) of the Code requires withholding (up to 30%, depending on the applicable treaty) on certain financial instruments to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under proposed U.S. Treasury Department regulations, certain payments that are contingent upon or determined by reference to U.S.-source dividends, including payments or adjustments for extraordinary U.S.- source dividends, with respect to equity-linked instruments, including the Notes, may be treated as

dividend equivalents subject to U.S. withholding tax. To the extent any final regulations may impose a withholding tax on payments or adjustment made on the Notes on or after January 1, 2014 that are treated as U.S.-source dividend equivalents, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld. Further, non-U.S. holders may be required to provide certifications prior to or upon the sale, redemption or maturity of the Notes in order to minimize or avoid U.S. withholding taxes.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Internal Revenue Code (which are commonly referred to as “FATCA”) generally impose a 30% withholding tax on certain payments, including “pass-thru” payments to certain persons if the payments are attributable to assets that give rise to U.S.-source income or gain. However, the IRS has issued final regulations extending the FATCA “grandfathering” date such that FATCA withholding tax would not apply to any payment made under obligations outstanding on January 1, 2014 (and not materially modified after December 31, 2013). If the Notes are not materially modified, FATCA withholding generally is not expected to be required on the Notes. If, however, withholding is required as a result of future guidance, we (and any paying agent) will not be required to pay additional amounts with respect to the amounts so withheld.

Significant aspects of the application of FATCA are not currently clear. Investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules.

PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES TO THEM OF ACQUIRING, HOLDING AND DISPOSING OF NOTES AND RECEIVING PAYMENTS UNDER THE NOTES.

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4/30/08

10/31/07

Change

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High

Low

Market Price

\$

15.73

\$

16.68

(5.70%)

\$

16.99

\$

13.98

Net Asset Value

\$

17.20

\$

18.52

45

(7.13%)

\$

18.52

\$

16.59

The following 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

	4/30/08	10/31/07
Floating Rate Loan Interests	47%	42%
Corporate Bonds	31	37
U.S. Government Agency Mortgage Backed Securities	15	16
U.S. Government and Agency Obligations	5	3
Foreign Government Obligations	2	2

Corporate Bond Breakdown⁴

Credit Rating	4/30/08	10/31/07
AAA/Aaa	20%	1%
A/A	1	4
BBB/Baa	5	8
BB/Ba	28	23
B/B	27	43
CCC/Caa	6	18
Not Rated	13	3

⁴ Using the higher of Standard & Poor's or Moody's Investor Services ratings.

Trust Summary as of April 30, 2008

BlackRock Preferred and Equity Advantage Trust

Investment Objective

BlackRock Preferred and Equity Advantage Trust (BTZ) (the Trust) seeks high current income, current gains and capital appreciation.

Performance

For the six months ended April 30, 2008, the Trust returned -7.43% based on market price, with dividends reinvested. The Trust's return based on NAV was -11.98%, with dividends reinvested. For the same period, the Lipper Income & Preferred Stock Funds (closed-end) category posted an average return of -10.71% on a NAV basis. The Trust's Lipper category contains both preferred bond and equity funds, which came under pressure as a result of adverse financial market conditions and concerns about credit quality. Financial issuers, which constitute a majority of the preferred market, were especially affected.

Trust Information

Symbol on New York Stock Exchange	BTZ
Initial Offering Date	December 27, 2006
Yield on Closing Market Price as of April 30, 2008 (\$16.34) ¹	11.47%
Current Monthly Distribution per Share ²	\$0.15625
Current Annualized Distribution per Share ²	\$1.875
Leverage as of April 30, 2008 ³	33%

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 A change in the distribution rate was declared on June 2, 2008. The Monthly Distribution per Common Share was decreased to \$0.130. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Shares (Preferred Shares)) minus the sum of accrued liabilities (other than debt representing financial leverage).

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

	4/30/08	10/31/2007	Change	High	Low
Market Price	\$ 16.34	\$ 18.65	(12.39%)	\$ 18.65	\$ 14.71
Net Asset Value	\$ 17.82	\$ 21.39	(16.69%)	\$ 21.39	\$ 17.38

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

Portfolio Composition⁴

4/30/08 10/31/07

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Financials	66%	66%
Energy	6	4
Information Technology	5	6
Utilities	5	4
Consumer Discretionary	4	5
Health Care	4	4
Industrials	4	4
Consumer Staples	3	3
Telecommunication Services	2	2
Materials	1	2

- ⁴ For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Preferred, Trust Preferred and Corporate Bond Breakdown⁵

Credit Rating	4/30/08	10/31/07
AA/Aa	20%	20%
A	44	42
BBB/Baa	27	29
BB/Ba	2	1
B	7	6
CCC/Caa		1
Not Rated		1

- ⁵ Using the higher of Standard and Poor's, Moody's or Fitch ratings.

Trust Summary as of April 30, 2008

BlackRock Strategic Bond Trust

Investment Objective

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

Performance

For the six months ended April 30, 2008, the Trust returned +2.25% based on market price, with dividends reinvested. The Trust's return based on NAV was +0.31%, with dividends reinvested. For the same period, the Lipper General Bond Funds (closed-end) category posted an average return of +1.06% on a NAV basis. The Trust's relatively low credit quality (allocations to high yield and corporate issues exceeded 60% and 30% of net assets, respectively) hindered the comparative performance for most of the period. However, this positioning aided performance in April 2008, as corporate securities rebounded and the high yield market recorded one of the best monthly performances in its history.

Trust Information

Symbol on New York Stock Exchange	BHD
Initial Offering Date	February 26, 2002
Yield on Closing Market Price as of April 30, 2008 (\$11.68) ¹	7.91%
Current Monthly Distribution per Share ²	\$0.077
Current Annualized Distribution per Share ²	\$0.924

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. A portion of the distribution may be deemed a tax return of capital or net realized gain.

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

	4/30/08	10/31/07	Change	High	Low
Market Price	\$ 11.68	\$ 11.88	(1.68%)	\$ 12.10	\$ 10.81
Net Asset Value	\$ 13.31	\$ 13.80	(3.55%)	\$ 13.82	\$ 12.97

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

Corporate Portfolio Composition³

	4/30/08	10/31/07
Media	17%	22%
Diversified Telecommunications Services	10	8
Aerospace & Defense	8	8
Oil, Gas & Consumable Fuels	6	6
Diversified Financial Services	5	2
Commercial Services & Supplies	5	5
Specialty Retail	4	4

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Electric Utilities	4	4
Wireless Telecommunications Services	3	3
Hotels, Restaurants & Leisure	3	2

³ For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Corporate Bond Breakdown⁴

Credit Rating	4/30/08	10/31/07
AAA/Aaa	5%	1%
AA/Aa	4	4
A	19	17
BBB/Baa	18	15
BB/Ba	12	12
B	32	37
CCC/Caa	8	12
Not Rated	2	2

⁴ Using the higher of Standard & Poor's or Moody's Investor Services ratings.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage through borrowings or issuance of short-term debt securities or Preferred Shares. 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 on borrowings or dividend rates on the Preferred Shares, 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 Common Shareholders will be the beneficiaries of the incremental yield.

As of April 30, 2008, the Trusts had the following leverage amounts of managed assets:

	Percent of Leverage
Core Bond	30%
High Yield	10%
Income Opportunity	30%
Income Trust	15%
Limited Duration	17%
Preferred and Equity	33%

Leverage creates risks for holders of Common Shares including the likelihood of greater net asset value and market price volatility. In addition, there is the risk that fluctuations in interest rates on borrowings or in the dividend rates on any Preferred Shares may reduce the Common Shares' yield and negatively impact its net asset value and market price. 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 Common Shareholders will be reduced.

Swap Agreements

The Trusts may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Trust has entered into the swap will default on its obligation to pay the Trust and the risk that the Trust will not be able to meet its obligations to pay the other party to the agreement.

Schedule of Investments April 30, 2008 (Unaudited)

BlackRock Broad Investment Grade 2009 Term Trust
Inc. (BCT)

(Percentages shown are based on Net Assets)

Asset-Backed Securities	Par (000)	Value
Global Rated Eligible Asset Trust Series 1998-A Class 1, 7.45%, 9/15/07 (a)(b)(i)	\$ 234	\$ 23
Structured Mortgage Asset Residential Trust Series 2, 8.24%, 11/07/07 (a)(i)	567	57
Total Asset-Backed Securities 0.0%		80

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass-Through Certificates:		
5.50%, 1/01/17 - 2/01/17	287	293,589
6.50%, 7/01/29	14	14,759

Total U.S. Government Agency Mortgage-Backed Securities 0.8%		308,348
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U.S. Government Agency Mortgage-Backed
Securities Collateralized Mortgage Obligations

Fannie Mae Trust:		
Series G-21 Class L, 0.95%, 7/25/21 (c)	245	5,221
Series 1992-174 Class S, 0.098%, 9/25/22 (c)	2,488	9,163
Series 1993-49 Class H, 7%, 4/25/13	584	611,030
Series 1993-49 Class L, 0.445%, 4/25/13 (c)	1,887	11,963
Series 1993-192 Class SC, 7.334%, 10/25/08 (d)	45	44,805
Series 1993-214 Class SH, 10.773%, 12/25/08 (d)	17	17,832
Series 1993-214 Class SK, 10%, 12/25/08 (d)	24	24,762
Series 1994-13 Class SJ, 8.75%, 2/25/09	2	1,781
Series 1996-20 Class SL, 10.475%, 9/25/08 (c)(d)	10	161
Series 2003-70 Class ID, 5%, 4/25/22 (c)	1,739	12,798
Series 2004-13 Class IG, 5%, 10/25/22 (c)	665	14,036
Freddie Mac Multiclass Certificates:		
Series 65 Class I, 0.50%, 8/15/20 (c)	730	15,052
Series 141 Class H, 1.06%, 5/15/21 (c)	145	3,683
Series 1506 Class S, 12.012%, 5/15/08 (d)	0	253
Series 1510 Class G, 7.05%, 5/15/13	1,443	1,512,949
Series 1515 Class S, 11.505%, 5/15/08 (d)	11	11,028
Series 1598 Class J, 6.50%, 10/15/08 (e)	399	398,920
Series 1618 Class SA, 8.25%, 11/15/08 (d)	64	65,816
Series 1661 Class SB, 12.415%, 1/15/09 (d)	3	3,004
Series 2412 Class SE, 10.745%, 2/15/09 (d)	87	87,394
Series 2517 Class SE, 9.46%, 10/15/09 (d)	238	253,599
Series 2523 Class EH, 5.50%, 4/15/20 (c)	1,080	43,179
Series 2564 Class NC, 5%, 2/15/33	81	75,262
Series 2739 Class PI, 5%, 3/15/22 (c)	2,368	44,149
Series 2976 Class KI, 5.50%, 11/15/34 (c)	1,226	152,409
Series 3189 Class KI, 6%, 1/15/35 (c)	1,496	185,678

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Series 3207 Class QI, 6%, 2/15/35 (c)	2,385	225,052
Total U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations 9.6%		3,830,979
Corporate Bonds	Par (000)	Value
Capital Markets 2.8%		
Morgan Stanley Group, Inc., 10%, 6/15/08	\$ 1,000	\$ 1,005,188
Total Corporate Bonds 2.5%		1,005,188
Municipal Bonds		
Fresno, California, Taxable Pension Obligation Revenue Bonds, 7.80%, 6/01/14 (f)	500	560,075
Kern County, California, Taxable Pension Obligation Revenue Bonds, 6.98%, 8/15/09 (g)	500	518,700
Los Angeles County, California, Taxable Pension Obligation Revenue Bonds, Series D, 6.97%, 6/30/08 (g)	500	503,165
Total Municipal Bonds 4.0%		1,581,940
Non-Government Agency Mortgage Backed-Securities		
Citicorp Mortgage Securities, Inc. Series 1993-14 Class A-4, 15.904%, 11/25/23 (d)	121	136,635
JPMorgan Alternative Loan Trust Series 2006-S1 Class 3A1A, 5.35%, 3/25/36 (d)	2,266	2,275,016
JPMorgan Mortgage Trust Series 2006-A7 Class 2A2, 5.816%, 1/25/37 (d)	1,619	1,596,228
Nomura Asset Acceptance Corp. Series 2004-AR4 Class 2A3, 3.23%, 12/25/34 (d)	94	79,494
Residential Accredit Loans, Inc. Series 2002-QS16 Class A3, 10.569%, 10/23/17 (d)	549	597,748
Salomon Brothers Mortgage Securities VI, Inc. Series 1987-3 Class A, 12.50%, 10/23/17 (h)	11	10,889
Structured Adjustable Rate Mortgage Loan Trust Series 2004-11 Class A, 6.571%, 8/25/34 (d)	458	459,349
Vendee Mortgage Trust Series 2002-1 Class 1IO, 0.043%, 10/15/31 (c)(d)	11,059	24,294
WaMu Mortgage Pass-Through Certificates (d): Series 2003-AR10 Class A6, 4.054%, 10/25/33	1,000	998,896
Series 2005-AR4 Class A3, 4.585%, 4/25/35	1,000	999,133
Wells Fargo Mortgage Backed Securities Trust Series 2004-N Class A6, 4%, 8/25/34 (d)	500	482,950
Total Non-Government Agency Mortgage-Backed Securities 19.2%		7,660,632
Total Long-Term Investments (Cost \$14,190,237) 36.1%		14,387,167

Short-Term Securities**U.S. Government Agency Obligations**

Federal Home Loan Bank, 1.75%, 5/01/08	25,200	25,200,000
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Total Short-Term Securities (Cost \$25,200,000) 63.2%		25,200,000
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Total Investments (Cost \$39,390,237*) 99.3%		39,587,167
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Liabilities in Excess of Other Assets (10.9%)		280,349
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Net Assets 100.0%	\$	39,867,516
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Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, we have abbreviated the names and descriptions of many of the securities according to the list on the right.

ADR	American Depositary Receipt
LIBOR	London Interbank Offered Rate
PRIME	Prime Rate
REIT	Real Estate Investment Trust
TBA	To Be Announced
TBD	To Be Determined

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2008

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Schedule of Investments (concluded)

BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 39,390,282
Gross unrealized appreciation	\$ 612,508
Gross unrealized depreciation	(415,623)
Net unrealized appreciation	\$ 196,885

- (a) Non-income producing security.
 (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. Unless otherwise indicated, these securities are not considered to be illiquid.
 (c) Represents the interest-only portion of a mortgage-backed security and has either a nominal or notional amount of principal.
 (d) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
 (e) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.
 (f) Security is collateralized by municipal or U.S. Treasury obligations.
 (g) MBIA Insured.
 (h) Represents the principal only portion of a mortgage-backed security.
 (i) Issuer filed for bankruptcy or is in default of interest payments.
 Swaps outstanding as of April 30, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation
Receive (pay) a variable return based on the change in the since inception return of the Bank of America CMBS AAA 10 year Index and pay a fixed rate of 1.8613% Broker, Barclays Bank, PLC Expires July 2008	\$ 5,000	

Financial futures contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation
87	2-Year U.S. Treasury Bond	June 2008	\$ 18,677,345	\$ 173,533

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

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

Asset-Backed Securities	Par (000)	Value
Chase Issuance Trust Series 2007-A17 Class A, 5.12%, 10/15/14	USD 2,300	\$ 2,316,231
Chase Manhattan Auto Owner Trust Series 2005-B Class A4, 4.88%, 6/15/12	2,800	2,820,042
Citibank Credit Card Issuance Trust Series 2006-A2 Class A2, 4.85%, 2/10/11	2,825	2,853,039
Citibank Omni Master Trust Series 2007-A9A Class A9, 3.90%, 12/23/13 (a)	2,720	2,698,219
Daimler Chrysler Auto Trust Series 2006-A Class A3, 5%, 5/08/10	1,439	1,448,467
Ford Credit Auto Owner Trust Series 2006-A Class A4, 5.07%, 12/15/10	2,850	2,880,359
Harley-Davidson Motorcycle Trust Series 2005-2 Class A2, 4.07%, 2/15/12	1,885	1,889,210
Home Equity Asset Trust Series 2007-2 Class 2A1, 3.005%, 7/25/37 (a)	1,014	958,048
MBNA Credit Card Master Note Trust Series 2006-A1 Class A1, 4.90%, 7/15/11	2,825	2,855,490
SLM Student Loan Trust (a):		
Series 2005-5 Class A1, 2.92%, 1/25/18	384	382,849
Series 2008-5 Class A2, 3.973%, 10/25/16	3,200	3,200,000
Series 2008-5 Class A3, 4.173%, 1/25/18	810	810,000
Series 2008-5 Class A4, 4.573%, 7/25/23	2,180	2,180,000
Small Business Administration Class 1:		
Series 2003-P10B, 5.136%, 8/10/13	1,128	1,138,078
Series 2004-P10B, 4.754%, 8/10/14	629	624,763
Sterling Bank Trust Series 2004-2 Class Note, 2.081%, 3/30/30 (b)	8,108	263,517
Sterling Coofs Trust Series 1, 2.362%, 4/15/29 (b)	10,445	473,309
USAA Auto Owner Trust Series 2006-1 Class A4, 5.04%, 12/15/11	2,725	2,757,297
Total Asset-Backed Securities 9.0%		32,548,918

Corporate Bonds

Aerospace & Defense 1.1%

CHC Helicopter Corp., 7.375%, 5/01/14	405	409,050
DRS Technologies, Inc.:		
6.875%, 11/01/13	70	69,475
7.625%, 2/01/18	80	81,600
Hexcel Corp., 6.75%, 2/01/15	140	139,125
Honeywell International, Inc., 5.70%, 3/15/37	975	946,725
Northrop-Grumman Corporation, 7.875%, 3/01/26	960	1,151,904
TransDigm, Inc., 7.75%, 7/15/14	120	122,700
United Technologies Corp., 4.875%, 5/01/15	1,125	1,133,894

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4,054,473

Air Freight & Logistics 0.5%

Park-Ohio Industries, Inc., 8.375%, 11/15/14	120	103,350
United Parcel Service, Inc., 6.20%, 1/15/38 (c)	1,650	1,735,534

1,838,884

Airlines 0.0%

American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	115	110,331
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Auto Components 0.1%

Lear Corp., 8.75%, 12/01/16	360	338,400
Metaldyne Corp., 10%, 11/01/13	250	160,625

499,025

Automobiles 0.2%

Ford Capital BV, 9.50%, 6/01/10	600	568,500
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Biotechnology 0.3%

Amgen, Inc. Series WI, 3.17%, 11/28/08 (a)	1,205	1,200,285
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Corporate Bonds	Par (000)	Value
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Building Products 0.1%

CPG International I, Inc., 10.50%, 7/01/13	USD 200	\$ 171,000
Momentive Performance Materials, Inc., 11.50%, 12/01/16	405	355,388

526,388

Capital Markets 5.4%

The Bear Stearns Cos., Inc., 6.95%, 8/10/12	1,270	1,331,956
Credit Suisse Guernsey Ltd., 5.86% (a)(d)	1,550	1,311,936
The Goldman Sachs Group, Inc.:		
5.45%, 11/01/12 (c)	4,885	4,940,025
6.75%, 10/01/37	975	955,402
Lehman Brothers Holdings, Inc.:		
4.50%, 9/15/22 (a)	525	509,427
Series MTN, 7%, 9/27/27	1,250	1,224,890
Morgan Stanley:		
2.96%, 1/09/12 (a)(c)	3,300	3,096,502
6.25%, 8/28/17	1,700	1,703,444
6.25%, 8/09/26	525	500,205
Series F, 5.55%, 4/27/17	1,375	1,312,389
UBS AG Series DPNT, 5.875%, 12/20/17	2,575	2,625,563

19,511,739

Chemicals 0.7%

American Pacific Corp., 9%, 2/01/15	250	246,250
Ames True Temper, Inc., 6.713%, 1/15/12 (a)	650	535,438
Hemtura Corp., 6.875%, 6/01/16	30	26,700
Huntsman LLC, 11.50%, 7/15/12	66	70,595
Ineos Group Holdings Plc, 7.875%, 2/15/16 (e)	EUR 285	332,648
Innophos, Inc., 8.875%, 8/15/14	USD 885	880,575
Key Plastics LLC, 11.75%, 3/15/13 (e)	515	206,000
Terra Capital, Inc. Series B, 7%, 2/01/17	80	79,600

2,377,806

Commercial Banks 4.9%

Barclays Bank Plc, 7.434%, (a)(d)(e)	1,975	1,893,000
Credit Agricole SA, 6.637% (a)(d)(e)	250	204,994
Depfa ACS Bank, 5.125%, 3/16/37 (e)	3,775	3,650,048
HBOS Treasury Services Plc, 3.75%, 9/30/08 (e)	825	827,856
HSBC Bank USA NA, 5.875%, 11/01/34	775	710,060
HSBC Finance Corp., 6.50%, 5/02/36	300	295,063
Royal Bank of Scotland Group Plc Series MTN, 7.64% (a)(d)	2,200	2,070,783
SunTrust Bank Inc.:		
4%, 10/15/08	995	996,838
Series CD, 4.415%, 6/15/09	1,265	1,272,278
Wachovia Bank NA, 6.60%, 1/15/38	1,925	1,861,458
Wells Fargo & Co.:		
3.12%, 8/15/08	1,031	1,027,745
4.20%, 1/15/10	355	357,986
4.625%, 8/09/10	1,665	1,690,809
4.875%, 1/12/11	435	441,151
Wells Fargo Bank NA, 5.95%, 8/26/36	540	529,340

17,829,409

Commercial Services & Supplies 0.7%

DI Finance Series B, 9.50%, 2/15/13	768	792,000
FTI Consulting, Inc., 7.75%, 10/01/16	100	104,000
Sally Holdings LLC, 10.50%, 11/15/16	281	279,595
Waste Services, Inc., 9.50%, 4/15/14	590	578,200
West Corp., 11%, 10/15/16	1,100	977,625

2,731,420

Communications Equipment 0.3%

Nortel Networks Ltd., 6.963%, 7/15/11 (a)	1,120	1,055,600
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Computers & Peripherals 0.9%

International Business Machines Corp., 5.70%, 9/14/17 (c)	3,125	3,255,850
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Consumer Finance 0.1%

SLM Corp. Series A, 3.631%, 1/27/14 (a)	550	448,342
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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)

Corporate Bonds	Par (000)	Value
Containers & Packaging 0.8%		
Berry Plastics Holding Corp.:		
6.675%, 9/15/14 (a)	USD 180	\$ 153,000
8.875%, 9/15/14	270	252,450
Crown Americas LLC, 7.75%, 11/15/15	150	158,250
Impress Holdings BV, 5.838%, 9/15/13 (a)(e)	300	250,875
Owens-Brockway Glass Container, Inc., 8.25%, 5/15/13	1,500	1,560,000
Pregis Corp., 12.375%, 10/15/13	545	528,650
		2,903,225
Diversified Financial Services 9.7%		
Bank of America Corp.:		
6%, 9/01/17	1,590	1,655,774
5.75%, 12/01/17 (c)	2,355	2,399,604
Series K, 8%, 12/29/49 (a)	1,360	1,383,634
Bank of America NA, 6.10%, 6/15/17 (c)	1,975	2,072,233
Citigroup, Inc.:		
3.625%, 2/09/09 (f)	3,950	3,945,845
4.25%, 7/29/09	1,020	1,016,360
4.125%, 2/22/10 (f)	4,790	4,702,319
5.875%, 2/22/33	425	378,614
5.875%, 5/29/37	580	521,103
8.30%, 12/21/77 (a)	2,225	2,271,580
6.875%, 2/15/98	525	497,811
Ford Motor Credit Co. LLC:		
5.46%, 1/13/12 (a)	125	105,113
7.80%, 6/01/12	340	304,033
General Electric Capital Corp.:		
6.15%, 8/07/37 (c)	6,855	6,753,580
5.875%, 1/14/38	1,525	1,453,975
JPMorgan Chase & Co., 6%, 1/15/18	125	129,563
JPMorgan Chase Capital XXV, 6.80%, 10/01/37 (c)	3,950	3,743,356
Structured Asset Repackaged Trust, 4.394%, 1/21/10	1,749	1,722,940
		35,057,437
Diversified Telecommunication Services 5.9%		
AT&T, Inc.:		
6.45%, 6/15/34	780	772,063
6.50%, 9/01/37 (c)	2,875	2,927,475
6.30%, 1/15/38	600	599,050
Bellsouth Telecommunications, Inc., 6.027%, 12/15/95 (g)	1,700	882,507
Cincinnati Bell, Inc., 7.25%, 7/15/13	210	211,050
Comcast Cable Holdings LLC, 7.875%, 8/01/13	10	10,871
Deutsche Telekom International Finance BV, 5.75%, 3/23/16 (c)	3,000	3,026,061
Qwest Communications International, Inc.:		
7.50%, 2/15/14	120	117,900
7.50%, 2/15/14	60	58,950
Qwest Corp., 6.05%, 6/15/13 (a)	470	450,025
Telecom Italia Capital SA:		
4.95%, 9/30/14 (c)	1,075	1,001,524
6%, 9/30/34	1,550	1,384,685

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Telefonica Emisiones SAU, 7.045%, 6/20/36	1,975	2,158,944
Telefonica Europe BV, 7.75%, 9/15/10	725	777,599
Verizon Communications, Inc., 6.40%, 2/15/38 (c)	2,125	2,164,395
Verizon Global Funding Corp., 7.75%, 12/01/30	70	79,546
Verizon Maryland, Inc. Series B, 5.125%, 6/15/33	125	102,119
Verizon New Jersey, Inc.:		
5.875%, 1/17/12	335	342,606
7.85%, 11/15/29	230	260,458
Verizon Virginia, Inc. Series A, 4.625%, 3/15/13 (c)	3,150	3,047,949
Wind Acquisition Finance SA, 10.75%, 12/01/15 (e)	350	377,125
Windstream Corp.:		
8.125%, 8/01/13	500	517,500
8.625%, 8/01/16	230	240,925
		21,511,327

Corporate Bonds	Par (000)	Value
Electric Utilities 4.0%		
DTE Energy Co., 6.35%, 6/01/16	USD 725	\$ 740,496
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	315	311,557
6%, 1/15/38	825	827,079
E .On International Finance B.V., 6.65%, 4/30/38 (e)	1,525	1,569,127
EDP Finance BV, 6%, 2/02/18 (e)	1,125	1,144,713
Edison Mission Energy, 7.50%, 6/15/13	115	119,600
Elwood Energy LLC, 8.159%, 7/05/26	118	113,662
Energy East Corp., 6.75%, 7/15/36	1,500	1,448,387
Florida Power & Light Co., 4.95%, 6/01/35	950	835,536
Midwest Generation LLC Series B, 8.56%, 1/02/16	75	81,143
PacifiCorp., 6.25%, 10/15/37	575	588,215
Progress Energy Florida, Inc., 6.35%, 9/15/37	1,325	1,397,835
Public Service Co. of Colorado, 6.25%, 9/01/37	1,200	1,244,257
Southern California Edison Co.:		
5.625%, 2/01/36	625	603,181
Series 05-E, 5.35%, 7/15/35	125	116,036
Series 08-A, 5.95%, 2/01/38	1,075	1,085,247
The Toledo Edison Co., 6.15%, 5/15/37	350	312,429
Virginia Electric and Power Co. Series A, 6%, 5/15/37 (c)	2,000	1,948,760
		14,487,260
Electrical Equipment 0.3%		
Superior Essex Communications LLC, 9%, 4/15/12	945	933,188
Electronic Equipment & Instruments 0.3%		
Sanmina-SCI Corp.:		
6.75%, 3/01/13	130	117,650
8.125%, 3/01/16	1,060	975,200
		1,092,850
Energy Equipment & Services 0.7%		
Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	55	56,788
7.75%, 5/15/17	90	92,925
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	80	81,200
North American Energy Partners, Inc., 8.75%, 12/01/11	85	85,425
SemGroup LP, 8.75%, 11/15/15 (e)	315	298,463
Transocean, Inc., 6.80%, 3/15/38	1,100	1,170,243
Weatherford International, Inc., 6.80%, 6/15/37	625	658,618

2,443,662

Food & Staples Retailing 1.4%

CVS Caremark Corp., 6.25%, 6/01/27	775	768,143
The Pantry, Inc., 7.75%, 2/15/14	1,000	750,000
Rite Aid Corp., 7.50%, 3/01/17	775	718,813
Wal-Mart Stores, Inc.:		
6.50%, 8/15/37 (c)	1,900	2,016,415
6.20%, 4/15/38	850	865,128

5,118,499

Food Products 0.4%

Kraft Foods, Inc., 7%, 8/11/37	1,455	1,531,745
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Gas Utilities 0.2%

El Paso Natural Gas Co.:		
8.625%, 1/15/22	265	299,204
8.375%, 6/15/32	225	259,854
Targa Resources, Inc., 8.50%, 11/01/13	320	305,600

864,658

Health Care Equipment & Supplies 0.4%

ReAble Therapeutics Finance LLC, 10.875%, 11/15/14 (e)	1,380	1,386,900
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Health Care Providers & Services 0.5%

Tenet Healthcare Corp., 6.50%, 6/01/12	1,020	946,050
UnitedHealth Group, Inc., 5.80%, 3/15/36	870	729,758
WellPoint, Inc., 5.95%, 12/15/34	85	72,837

1,748,645

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
Hotels, Restaurants & Leisure 1.6%		
American Real Estate Partners LP:		
8.125%, 6/01/12	USD 3,165	\$ 3,093,788
7.125%, 2/15/13	320	298,400
Circus and Eldorado Joint Venture, 10.125%, 3/01/12	1,000	1,007,500
Gaylord Entertainment Co., 6.75%, 11/15/14	150	133,125
Greektown Holdings, LLC, 10.75%, 12/01/13 (e)	315	289,800
Harrah's Operating Co., Inc., 10.75%, 2/01/18 (e)(h)	880	674,005
Seneca Gaming Corp. Series B, 7.25%, 5/01/12	260	251,225
Universal City Florida Holding Co. I, 7.623%, 5/01/10 (a)	25	24,719
Wynn Las Vegas LLC, 6.625%, 12/01/14	40	39,000
		5,811,562
Household Durables 0.6%		
Belvoir Land LLC Series A-1, 5.27%, 12/15/47	350	284,004
Irwin Land LLC:		
Series A-1, 5.03%, 12/15/25	525	461,018
Series A-2, 5.40%, 12/15/47	1,500	1,226,235
Ohana Military Communities LLC Series 04I (d)	350	325,973
		2,297,230
Household Products 0.3%		
Kimberly-Clark, Corp., 6.625%, 8/01/37	850	926,456
IT Services 0.3%		
iPayment, Inc., 9.75%, 5/15/14	240	206,400
iPayment Investors LP, 12.75%, 7/15/14 (e)(h)	850	851,885
SunGard Data Systems, Inc., 9.125%, 8/15/13	205	214,225
		1,272,510
Independent Power Producers & Energy Traders 0.1%		
NRG Energy, Inc.:		
7.25%, 2/01/14	50	51,375
7.375%, 2/01/16	285	293,550
		344,925
Insurance 4.0%		
The Allstate Corp., 6.50%, 5/15/57 (a)	1,950	1,788,872
Berkshire Hathaway Finance Corp., 4.75%, 5/15/12	1,075	1,097,223
Chubb Corp., 6%, 5/11/37	1,100	1,029,948
Hartford Life Global Funding Trusts, 2.97%, 9/15/09 (a)	925	923,926
Lincoln National Corp., 6.05%, 4/20/67 (a)	675	579,876
MetLife, Inc., 5.70%, 6/15/35	1,525	1,382,208
Metropolitan Life Global Funding I, 4.25%, 7/30/09 (e)	1,150	1,150,429
Monument Global Funding Ltd., 2.685%, 6/16/10 (a)	1,810	1,742,650
New York Life Global Funding, 3.875%, 1/15/09 (e)	850	853,001
Progressive Corp., 6.70%, 6/15/37 (a)	605	541,014
Prudential Financial, Inc.:		

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5.70%, 12/14/36	675	603,598
Series D, 5.90%, 3/17/36	500	442,910
Prudential Funding LLC, 6.60%, 5/15/08 (e)	1,000	1,000,727
The Travelers Cos., Inc., 6.25%, 3/15/67 (a)	675	590,795
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(e)	675	594,622
		14,321,799

Leisure Equipment & Products 0.0%

Quiksilver, Inc., 6.875%, 4/15/15	175	145,250
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Machinery 0.4%

AGY Holding Corp., 11%, 11/15/14 (e)	360	325,800
Accuride Corp., 8.50%, 2/01/15	265	235,850
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (e)	950	798,000
		1,359,650

Marine 0.3%

Nakilat, Inc. Series A, 6.067%, 12/31/33 (e)	1,050	909,867
Navios Maritime Holdings, Inc., 9.50%, 12/15/14	141	145,230
		1,055,097

Corporate Bonds	Par (000)	Value
Media 5.8%		
Affinion Group, Inc.:		
10.125%, 10/15/13	USD 515	\$ 520,150
11.50%, 10/15/15	180	176,625
American Media Operations, Inc., Series B:		
10.25%, 5/01/09	100	74,604
10.25%, 5/01/09 (e)	4	2,713
CMP Susquehanna Corp., 9.875%, 5/15/14	645	461,175
Cablevision Systems Corp. Series B, 7.133%, 4/01/09 (a)	180	181,350
Charter Communications Holdings, LLC I, 11%, 10/01/15	650	505,375
Charter Communications Holdings, LLC II, 10.25%, 9/15/10	1,450	1,395,300
Comcast Cable Holdings LLC, 7.125%, 2/15/28	200	203,486
Comcast Corp.:		
6.50%, 1/15/17	1,750	1,825,138
6.50%, 11/15/35	625	624,108
6.45%, 3/15/37	790	785,718
6.95%, 8/15/37	25	26,424
Dex Media West LLC, 9.875%, 8/15/13	75	70,688
DirecTV Holdings LLC, 8.375%, 3/15/13	125	128,438
EchoStar DBS Corp.:		
5.75%, 10/01/08	175	175,000
7%, 10/01/13	43	42,893
7.125%, 2/01/16	75	73,688
Historic TW, Inc., 6.95%, 1/15/28	70	70,132
Intelsat Bermuda Ltd., 9.25%, 6/15/16	500	504,375
Network Communications, Inc., 10.75%, 12/01/13	155	115,669
News America Holdings, Inc.:		
7.70%, 10/30/25	825	905,178
8.45%, 8/01/34	625	737,317
News America, Inc., 7.625%, 11/30/28	985	1,069,359
Nielsen Finance LLC, 10%, 8/01/14	965	1,003,600
Paxson Communications Corp., 5.963%, 1/15/12 (a)(e)	600	485,250
R.H. Donnelley Corp. Series A-3, 8.875%, 1/15/16	2,440	1,586,000
Rainbow National Services LLC (e):		
8.75%, 9/01/12	200	205,750
10.375%, 9/01/14	943	1,013,725
Sirius Satellite Radio, Inc., 9.625%, 8/01/13	70	58,975

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TCI Communications, Inc., 7.875%, 2/15/26	610	670,951
TL Acquisitions, Inc., 10.50%, 1/15/15 (e)	1,000	905,000
Time Warner Cos., Inc., 7.57%, 2/01/24 (c)	3,040	3,179,220
Time Warner Inc.:		
6.625%, 5/15/29	90	86,972
7.625%, 4/15/31	205	219,981
7.70%, 5/01/32	85	92,065
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (e)	823	551,410
Young Broadcasting, Inc., 10%, 3/01/11	635	412,750
		21,146,552

Metals & Mining 2.0%

AK Steel Corp., 7.75%, 6/15/12	995	1,016,144
Falconbridge Ltd.:		
6%, 10/15/15	825	806,087
6.20%, 6/15/35	1,250	1,093,641
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (a)	490	494,900
8.375%, 4/01/17	815	900,575
Teck Cominco Ltd., 6.125%, 10/01/35	1,430	1,242,380
Xstrata Finance Canada Ltd., 5.80%, 11/15/16 (e)	1,775	1,702,310
		7,256,037

Oil, Gas & Consumable Fuels 5.5%

Amerada Hess Corp., 7.125%, 3/15/33	425	471,570
Anadarko Petroleum Corp., 6.45%, 9/15/36	2,350	2,411,838
Berry Petroleum Co., 8.25%, 11/01/16	140	145,250
Burlington Resources Finance Co., 7.40%, 12/01/31	875	1,024,734

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
Oil, Gas & Consumable Fuels (concluded)		
Canadian Natural Resources, Ltd.:		
6.25%, 3/15/38	USD 375	\$ 366,003
6.75%, 2/01/39	1,025	1,046,031
Chaparral Energy, Inc., 8.50%, 12/01/15	320	291,200
Chesapeake Energy Corp.:		
6.375%, 6/15/15	150	147,750
6.875%, 11/15/20	20	19,900
Compton Petroleum Finance Corp., 7.625%, 12/01/13	115	113,563
Conoco Funding Co., 7.25%, 10/15/31	125	145,924
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36	535	544,591
ConocoPhillips Holding Co., 6.95%, 4/15/29	650	744,242
Devon Energy Corp., 7.95%, 4/15/32	325	399,690
EXCO Resources, Inc., 7.25%, 1/15/11	130	129,350
EnCana Corp.:		
6.50%, 8/15/34	670	674,892
6.625%, 8/15/37	700	714,916
6.50%, 2/01/38	325	333,158
Encore Acquisition Co., 6%, 7/15/15	40	36,800
Midamerican Energy Co., 5.80%, 10/15/36	700	668,961
Midamerican Energy Holdings Co.:		
5.95%, 5/15/37	800	780,455
6.50%, 9/15/37	1,525	1,601,049
Nexen, Inc., 6.40%, 5/15/37	550	537,863
OPTI Canada, Inc., 8.25%, 12/15/14	450	464,625
Pemex Project Funding Master Trust, 9.375%, 12/02/08	833	870,485
Sabine Pass LNG LP, 7.50%, 11/30/16	330	301,950
Suncor Energy, Inc., 6.50%, 6/15/38	645	642,322
TransCanada PipeLines Ltd., 5.85%, 3/15/36	550	505,457
Valero Energy Corp., 6.625%, 6/15/37	495	482,198
Whiting Petroleum Corp.:		
7.25%, 5/01/12	40	40,100
7.25%, 5/01/13	335	335,838
XTO Energy, Inc.:		
6.75%, 8/01/37	1,925	2,037,154
6.375%, 6/15/38	900	907,901
		19,937,760
Paper & Forest Products 0.6%		
Abitibi-Consolidated, Inc., 6%, 6/20/13	430	178,450
Bowater, Inc., 5.80%, 3/15/10 (a)	80	54,000
Domtar Corp., 7.125%, 8/15/15	60	57,900
NewPage Corp., 10%, 5/01/12	1,625	1,734,688
		2,025,038
Pharmaceuticals 2.2%		
Bristol-Myers Squibb Co., 5.875%, 11/15/36	340	333,765
Eli Lilly & Co., 5.55%, 3/15/37 (c)	2,275	2,199,070
Johnson & Johnson, 5.95%, 8/15/37	1,125	1,211,914
Schering-Plough Corp., 6.55%, 9/15/37	1,125	1,120,373
Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36	1,445	1,438,924
Wyeth:		

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6%, 2/15/36	675	655,404
5.95%, 4/01/37	925	916,118
		7,875,568

Real Estate Investment Trusts (REITs) 0.8%

AvalonBay Communities, Inc.:		
8.25%, 7/15/08	775	780,109
6.625%, 9/15/11	350	359,603
Rouse Co. LP:		
3.625%, 3/15/09	325	308,989
5.375%, 11/26/13	1,650	1,386,983
		2,835,684

Corporate Bonds	Par (000)	Value
Road & Rail 0.1%		
Avis Budget Car Rental LLC, 5.176%, 5/15/14 (a)	USD 30	\$ 25,950
Canadian National Railway Co., 6.25%, 8/01/34	350	349,465
		375,415

Semiconductors & Semiconductor Equipment 0.2%

Amkor Technology, Inc.:		
7.75%, 5/15/13	80	76,600
9.25%, 6/01/16	85	84,788
Freescale Semiconductor, Inc., 6.675%, 12/15/14 (h)	545	448,263
		609,651

Software 0.7%

BMS Holdings, Inc., 9.954%, 2/15/12 (a)(e)(h)	192	119,397
Oracle Corp., 5.75%, 4/15/18	2,225	2,265,330
		2,384,727

Specialty Retail 1.1%

AutoNation, Inc.:		
4.713%, 4/15/13 (a)	150	129,563
7%, 4/15/14	150	140,625
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (a)(h)	500	430,000
10.75%, 3/15/15	400	342,608
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	314	229,220
Michaels Stores, Inc.:		
10%, 11/01/14	470	455,900
11.375%, 11/01/16	110	98,725
Sonic Automotive, Inc. Series B, 8.625%, 8/15/13	2,100	1,995,000
		3,821,641

Tobacco 0.1%

Reynolds American, Inc., 7.625%, 6/01/16	250	264,843
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Wireless Telecommunication Services 1.5%

Cricket Communications, Inc., 9.375%, 11/01/14	100	98,125
Digicel Group Ltd. (e):		
8.875%, 1/15/15	240	205,800
9.125%, 1/15/15 (h)	560	451,179
MetroPCS Wireless, Inc., 9.25%, 11/01/14	80	78,600

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Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (e)	770	787,325
Sprint Capital Corp., 6.875%, 11/15/28	1,715	1,333,413
Vodafone Group Plc, 7.75%, 2/15/10 (c)	2,504	2,642,434
		5,596,876
Total Corporate Bonds 68.1%		246,751,719

Foreign Government Obligations

Bundesrepublik Deutschland:		
Series 05, 4%, 1/04/37	EUR 800	1,126,331
Series 07, 4.25%, 7/04/39	500	731,516
Israel Government AID Bond:		
5.50%, 4/26/24	USD 825	907,261
5.50%, 9/18/33	845	931,052
Total Foreign Government Obligations 1.0%		3,696,160

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Non-Government Agency Mortgage-Backed Securities	Par (000)	Value
Collateralized Mortgage Obligations 4.1%		
American Home Mortgage Assets Series 2006-6 Class A1A, 3.085%, 12/25/46 (a)	USD 359	\$ 279,701
Citigroup Commercial Mortgage Trust Series 2008-C7 Class A4, 6.095%, 12/10/49 (a)	1,370	1,401,467
Citigroup Mortgage Loan Trust, Inc. Series 2005-4 Class A, 5.343%, 8/25/35 (a)	732	661,859
Countrywide Alternative Loan Trust: Series 2005-64CB Class 1A15, 5.50%, 12/25/35	1,600	1,304,396
Series 2006-01A0 Class 1A1, 5.036%, 8/25/46 (a)	372	310,886
Series 2006-0A21 Class A1, 2.99%, 3/20/47 (a)	1,009	784,824
Countrywide Home Loans Series 2006-0A5 Class 2A1, 3.095%, 4/25/46 (a)	430	337,003
Deutsche Alt-A Securities, Inc. Series 2006-0A1 Class A1, 3.095%, 2/25/47 (a)	532	415,594
GSR Mortgage Loan Trust (a): Series 2005-AR4 Class 6A1, 5.25%, 7/25/35	735	646,778
Series 2006-0A1 Class 2A1, 3.085%, 8/25/46	1,181	1,008,085
Harborview Mortgage Loan Trust Series 2006-9 Class 2A1A, 2.708%, 11/19/36 (a)	757	594,883
Maryland Insurance Backed Securities Trust Series 2006-1A, 5.55%, 12/10/65	2,500	2,100,000
Residential Accredited Loans, Inc. Series 2007-Q02 Class A1, 3.045%, 2/25/47 (a)	648	453,452
Structured Asset Securities Corp. Series 2002-AL1 Class A2, 3.45%, 2/25/32	2,175	1,716,489
WaMu Mortgage Pass Through Certificates (a): Series 2005-AR10 Class 1A3, 4.835%, 9/25/35	1,800	1,642,288
Series 2007-0A4 Class 1A, 4.846%, 5/25/47	522	360,959
Series 2007-0A5 Class 1A, 4.826%, 6/25/47	888	720,676
		14,739,340
Commercial Mortgage-Backed Securities 13.9%		
Banc of America Commercial Mortgage, Inc. Series 2005-1 Class 4A, 4.885%, 11/10/42 (a)	2,180	2,173,944
CS First Boston Mortgage Securities Corp. Series 2002-CP5 Class A2, 4.94%, 12/15/35	2,720	2,671,611
CW Capital Cobalt Ltd. Series 2007-C3 Class A4, 5.82%, 5/15/46 (a)	1,375	1,373,593
Citigroup/Deutsche Bank Commercial Mortgage Trust Series 2007-CD5 Class A4, 5.886%, 11/15/44 (a)	2,500	2,497,363
Commercial Mortgage Loan Trust Series 2008-LS1 Class A4B, 6.02%, 12/10/49 (a)	1,380	1,330,610
Credit Suisse Mortgage Capital Certificates Series 2007-C2 Class A3, 5.542%, 1/15/49 (a)	2,170	2,119,206
First Union National Bank Commercial Mortgage: Series 2001-C3 Class A3, 6.423%, 8/15/33	2,972	3,072,298
Series 2001-C4 Class A2, 6.223%, 12/12/33	2,265	2,336,798
GMAC Commercial Mortgage Securities, Inc. Class A2: Series 1999-C3, 7.179%, 8/15/36 (a)	1,341	1,374,783
Series 2002-C3, 4.93%, 7/10/39	2,350	2,335,548
GS Mortgage Securities Corp. II Series 1998-C1 Class A3, 6.135%, 10/18/30	1,314	1,314,048
Heller Financial Commercial Mortgage Asset Series 1999-PH1 Class A2, 6.847%, 5/15/31 (a)	1,340	1,351,566

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JPMorgan Chase Commercial Mortgage Securities Corp.:		
Series 2001-C1 Class A3, 5.857%, 10/12/35	2,140	2,203,270
Series 2004-CBX Class A4, 4.529%, 1/12/37	2,180	2,143,302
Series 2006-LDP9 Class A3, 5.336%, 5/15/47	960	930,697
JPMorgan Commercial Mortgage Finance Corp.		
Series 2000-C10 Class A2, 7.371%, 8/15/32 (a)	1,634	1,690,745
LB-UBS Commercial Mortgage Trust (a):		
Series 2007-C6 Class A4, 5.858%, 7/15/40	1,816	1,811,413
Series 2007-C7 Class A3, 5.866%, 9/15/45	5,000	4,904,000
Merrill Lynch Mortgage Trust Series 2007-C1 Class AM, 6.022%, 6/12/50 (a)(i)	925	861,491

Non-Government Agency Mortgage-Backed Securities	Par (000)	Value
Commercial Mortgage-Backed Securities (concluded)		
Morgan Stanley Capital I:		
Series 1998-HF2 Class A2, 6.48%, 11/15/30 (a)	USD 988	\$ 987,874
Series 2005-HQ6 Class A4A, 4.989%, 8/13/42	1,475	1,443,869
Series 2007-IQ16 Class A4, 5.809%, 12/12/49	1,235	1,225,221
Series 2007-T27 Class A4, 5.65%, 6/13/42 (a)	995	985,132
Series 2008-T29 Class A4, 6.28%, 1/11/43 (a)	1,370	1,414,251
Salomon Brothers Mortgage Securities VII, Inc.		
Series 2000-C1 Class A2, 7.52%, 12/18/09 (a)	3,436	3,544,171
Wachovia Bank Commercial Mortgage Trust Class A-4 (a):		
Series 2006-C25, 5.742%, 5/15/43	1,190	1,198,616
Series 2007-C33, 5.903%, 2/15/51	995	1,002,675
		50,298,095
Total Non-Government Agency Mortgage-Backed Securities 18.0%		65,037,435

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass Through Certificates:		
5.00%, 11/01/17 7/01/36 (c)(j)	7,597	7,510,112
5.50%, 5/15/23 5/15/38 (c)(j)	57,196	57,587,674
6.00%, 8/01/29 5/15/38 (c)(j)	17,408	17,805,708
7.00%, 1/01/31 7/01/32	229	243,612
Freddie Mac Mortgage Participation Certificates:		
5.00%, 8/01/33	72	70,895
5.50%, 11/01/34 5/01/36	4,670	4,707,546
6.00%, 2/01/13 12/01/18	2,243	2,316,386
6.886%, 5/01/32	59	59,249
7.00%, 9/01/31	21	22,133
Ginnie Mae MBS Certificate:		
5.50%, 8/15/33	191	194,271
6.50%, 5/15/38 (j)	200	207,000
Total U.S. Government Agency Mortgage-Backed Securities 25.1%		90,724,586

U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations

Fannie Mae Trust:

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Series 378 Class 5, 5%, 7/01/36 (b)	4,097	881,322
Series 2003-118 Class FD, 3.295%, 12/25/33 (a)	1,575	1,554,003
Series 2004-90 Class JH, 1.828%, 11/25/34 (a)(b)	21,921	1,861,321
Series 2005-5 Class PK, 5%, 12/25/34	2,424	2,443,018
Freddie Mac Multiclass Certificates:		
Series 2562 Class PG, 5%, 1/15/18	1,200	1,217,491
Series 2579 Class HI, 5%, 8/15/17 (b)	1,888	232,463
Series 2611 Class QI, 5.50%, 9/15/32	5,410	953,492
Series 2806 Class VC, 6%, 12/15/19	2,875	2,955,563
Series 2825 Class VP, 5.50%, 6/15/15	1,236	1,267,746
Series 2883 Class DR, 5%, 11/15/19	1,300	1,302,249
Total U.S. Government Agency Mortgage-Backed Securities		
Collateralized Mortgage Obligations 4.1%		14,668,668

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)

U.S. Government Obligations	Par (000)	Value
Federal Housing Administration, Hebre Home Hospital, 6.25%, 9/01/28	USD 1,016	\$ 1,036,393
Resolution Funding Corp. (g): 6.30%, 7/15/18	525	337,207
6.196%, 10/15/18	525	332,233
U.S. Treasury Inflation Indexed Bonds, 2.375%, 1/15/27	1,485	1,561,808
U.S. Treasury Notes (c): 2.75%, 2/28/13	2,075	2,048,415
2.50%, 3/31/13	44,870	43,790,317
3.50%, 2/15/18	2,140	2,094,525
Total U.S. Government Obligations 14.1%		51,200,898

Preferred Securities

Capital Trusts

Commercial Banks 1.3%

BAC Capital Trust XI, 6.625%, 5/23/36	545	531,035
RBS Capital Trust IV, 3.496% (a)(c)(d)	475	368,212
Wachovia Corp., Series K, 7.98% (a)(c)(d)	3,850	3,787,784

4,687,031

Diversified Financial Services 0.8%

Bank of America Corp., Series M, 8.125% (a)(d)	1,050	1,073,079
JPMorgan Chase & Co. (a)(d)	1,925	1,960,998

3,034,077

Electric Utilities 0.2%

PECO Energy Capital Trust IV, 5.75%, 6/15/33	790	675,495
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Total Capital Trusts 2.3%

8,396,603

Preferred Stocks

Shares

Commercial Banks 0.6%

Wachovia Corp., Series J, 8%	85,000	2,138,600
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Diversified Financial Services 0.2%

Citigroup, Inc., Series AA, 8.125%	25,500	646,425
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Electrical Equipment 0.0%

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Superior Essex Holding Corp. Series A, 9.50%	45,000	33,750
Thriffs & Mortgage Finance 0.8%		
Fannie Mae, 8.25%	67,850	1,698,964
Freddie Mac Series Z, 8.375%	50,700	1,297,920
		2,996,884
Total Preferred Stocks 1.6%		5,815,659
Total Preferred Securities 3.9%		14,212,262

Other Interests (k)	Beneficial Interest (000)	
Health Care Providers & Services 0.0%		
Critical Care Systems International, Inc.	USD 1,895	637
Total Other Interests 0.0%		637
Total Long-Term Investments (Cost \$526,887,246) 143.3%		518,841,283

Short-Term Securities	Par (000)	Value
U.S. Government Agency Obligations 0.1%		
Federal Home Loan Bank, 1.50%, 5/01/08	USD 600	\$ 600,000
Total Short-Term Securities (Cost \$600,000) 0.1%		600,000

Options Purchased	Contracts*	
Interest Rate Swaps		
Receive a fixed rate of 5.12% and pay a floating rate based on 3-month USD LIBOR, expiring November 2010, Broker Lehman Brothers Special Financing (I)	11	414,942
Receive a fixed rate of 5.39% and pay a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Financing (I)	6	433,600
Receive a fixed rate of 5.47% and pay a floating rate based on 3-month LIBOR, expiring May 2012, Broker Bank of America NA (I)	11	722,299
Receive a fixed rate of 5.79% and pay a floating rate based on 3-month LIBOR, expiring August 2010, Broker Goldman Sachs Capital Markets, L.P. (I)	7	658,221
Receive a fixed rate of 6.025% and pay a floating rate based on 3-month LIBOR, expiring June 2012, Broker Lehman Brothers Special Financing (I)	7	643,342
Pay a fixed rate of 5.12% and receive a floating rate based on 3-month USD LIBOR, expiring November 2010, Broker Lehman Brothers Special Financing (I)	11	248,325

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Pay a fixed rate of 5.39% and receive a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Financing (I)	6	343,345
Pay a fixed rate of 5.47% and receive a floating rate based 3-month LIBOR, expiring May 2012, Broker Bank of America NA (I)	11	481,040
Pay a fixed rate of 5.79% and received a floating rate based 3-month LIBOR, expiring August 2010, Broker Goldman Sachs Capital Markets (I)	7	172,049
Pay a fixed rate of 6.025% and receive a floating rate based on 3-month LIBOR, expiring June 2012, Broker Lehman Brothers Special Financing (I)	7	237,173
Total Options Purchased (Cost \$3,186,823) 1.2%		4,354,336
Total Investments Before TBA Sale Commitments and Options Written (Cost \$530,674,069**) 144.6%		523,795,619

TBA Sale Commitments	Par	(000)
Fannie Mae Guaranteed Pass Through Certificates:		
5.00%, 11/01/17 7/01/36	USD (4,100)	(4,031,063)
5.50%, 5/15/23 5/15/38	(56,800)	(57,165,508)
6.00%, 8/01/29 5/15/38	(16,800)	(17,185,660)
Freddie Mac Mortgage Participation Certificates,		
5.50%, 9/15/32	(4,600)	(4,633,907)
Ginnie Mae MBS Certificates, 5.50%, 8/15/33	(100)	(101,031)
Total TBA Sale Commitments (Proceeds Received \$81,362,807) (22.9%)		(83,117,169)

See Notes to Financial Statements.

Schedule of Investments (continued)

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

Options Written	Contracts	Value
Interest Rate Swaps		
Pay a fixed rate of 5.01% and receive a floating rate based on 3-month USD LIBOR, expiring November 2008, Broker Union Bank of Switzerland, A.G. (I)	4*	\$ (216,208)
Pay a fixed rate of 5.485% and receive a floating rate based on 3-month LIBOR, expiring October 2009. Broker JPMorgan Chase Bank (I)	5*	(336,344)
Pay a fixed rate of 5.67% and receive a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank NA (I)	11*	(981,031)
Receive a fixed rate of 3.10% and pay a floating rate based on 3-month USD LIBOR, expiring October 2008, Broker Citibank NA (I)	20*	(190,573)
Receive a fixed rate of 5.01% and pay a floating rate based on 3-month USD LIBOR, expiring November 2008, Broker Union Bank of Switzerland, A.G. (I)	4*	(62,428)
Options Written		
Interest Rate Swaps (concluded)		
Receive a fixed rate of 5.485% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank (I)	5*	\$ (88,582)
Receive a fixed rate of 5.67% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank NA (I)	11*	(204,171)
		(2,079,337)
Put Options Written		
10 Year U.S. Treasury Bonds, Expiring May 2008 at USD 112	6	(375)
Total Options Written (Premiums Received \$1,842,109) (0.6%)		(2,079,712)
Total Investments, Net of TBA Sale Commitments and Options Written 121.1%		438,598,738
Liabilities in Excess of Other Assets (21.1%)		(76,438,630)
Net Assets 100.0%		\$ 362,160,108

* One contract represents a notional amount of \$1,000,000.

** The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

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Aggregate cost	\$ 531,562,644
Gross unrealized appreciation	\$ 8,710,470
Gross unrealized depreciation	(16,477,495)
Net unrealized depreciation	\$ (7,767,025)

- (a) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (b) Represents the interest only portion of a mortgage-backed security and has either a nominal or a notional amount of principal.
- (c) All or a portion of the security has been pledged as collateral in connection with reverse repurchase agreements.
- (d) Security is perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.
- (e) 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. Unless otherwise indicated, these securities are not considered to be illiquid.
- (f) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.
- (g) Represents a zero coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (h) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (i) Investments in companies considered to be an affiliate of the Trust, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Purchase Cost	Sale Cost	Realized Gain	Interest Income
Merrill Lynch Mortgage Trust Series 2007-C1 Class AM, 6.022%, 6/12/50				\$ 34,747

- (j) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing securities for which all specific information is not available at this time.
- (k) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (l) This European style swaption, which can be exercised only on the expiration date, represents a standby commitment whereby the writer of the option is obligated to enter into a predetermined interest rate swap contract upon exercise of the swaption. Reverse repurchase agreements outstanding as of April 30, 2008 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Credit Suisse Securities LLC	3.25%	2/29/08	TBD	\$ 30,284,859	\$ 30,116,292
Credit Suisse Securities LLC	3.75%	3/17/08	TBD	\$ 3,764,174	3,747,000
Credit Suisse Securities LLC	2.95%	3/26/08	TBD	\$ 4,092,315	4,080,945
Lehman Brothers International	1.97%	4/01/08	TBD	\$ 29,730,787	29,682,056
Lehman Brothers International	2.40%	4/11/08	TBD	\$ 51,140,681	51,042,000
Lehman Brothers International	3.00%	4/17/08	TBD	\$ 15,152,041	15,135,644
JPMorgan Securities Inc.	TBD	4/23/08	TBD	\$ 14,939,531	14,939,531
JPMorgan Securities Inc.	1.90%	4/30/08	TBD	\$ 2,051,765	2,051,657
JPMorgan Securities Inc.	0.45%	4/30/08	TBD	\$ 2,099,901	2,099,875
Total				\$ 153,256,054	\$ 152,895,000

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

Forward foreign exchange contracts as of April 30, 2008 were as follows:

Currency Purchased	Currency Sold	Settlement Date	Unrealized Appreciation (Depreciation)
JPY 409,641,661	USD 4,017,706	7/11/08	\$ (61,439)
USD 2,220,408	EUR 1,411,040	7/23/08	25,828
Total Unrealized Depreciation on Forward Foreign Exchange Contracts Net			\$ (35,611)

Financial futures contracts purchased as of April 30, 2008 were as follows:

Contracts	Issue	Exchange	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
190	10-Year U.S. Treasury Bond	Chicago	June 2008	\$ 22,214,334	\$ (209,959)
1,241	30-Year U.S. Treasury Bond	Chicago	June 2008	\$ 144,775,254	286,011
73	Euro-BOBL Future	Eurex	June 2008	\$ 12,670,243	(262,876)
35	Euro-BUND Future	Eurex	June 2008	\$ 6,388,653	(154,638)
59	Euro Dollar	Chicago	December 2008	\$ 14,405,106	(82,856)
114	Euro Dollar	Chicago	June 2009	\$ 27,654,791	(58,241)
Total Unrealized Depreciation Net					\$ (482,559)

Financial futures contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Exchange	Expiration Date	Face Value	Unrealized Appreciation
461	2-Year U.S. Treasury Bond	Chicago	June 2008	\$ 98,968,461	\$ 919,524
1,699	5-Year U.S. Treasury Bond	Chicago	June 2008	\$ 191,559,506	1,298,053
114	Euro-BOBL Future	Eurex	June 2008	\$ 27,464,129	59,954
Total Unrealized Appreciation Net					\$ 2,277,531

Swaps outstanding as of April 30, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 4.88% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires August 2009	USD 40,200	\$ 998,978
Receive a fixed rate of 4.7709% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires August 2009	USD 27,800	651,173
Receive a fixed rate of 4.62377% and pay a floating rate based on 3-month USD LIBOR Broker, Credit Suisse First Boston Expires September 2009	USD 50,000	1,157,963
Receive a fixed rate of 4.1% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires December 2009	USD 11,300	190,956
Receive a fixed rate of 4.055% and pay a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC Expires December 2009	USD 11,400	183,204
Pay a fixed rate of 3.565% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC Expires January 2010	USD 11,100	(98,113)
Pay a fixed rate of 3.6625% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC Expires January 2010	USD 10,600	(110,557)
Receive a fixed rate of 5% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires November 2010	USD 4,600	189,681
Pay a fixed rate of 4.922% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires March 2011	USD 13,500	(580,582)
Receive a fixed rate of 5.496% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America NA Expires July 2011	USD 25,100	1,561,777
Receive a fixed rate of 4.95% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires November 2011	USD 2,200	103,766
See Notes to Financial Statements.		

Schedule of Investments (continued)

BlackRock Core Bond Trust (BHK)

		Notional Amount (000)		Unrealized Appreciation (Depreciation)
Receive a fixed rate of 5.025% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires November 2011	USD	3,000	\$	148,660
Pay a fixed rate of 5.0016% and receive a floating rate based on 3-month LIBOR Broker, UBS Warburg Expires January 2012	USD	8,300		(415,800)
Pay a fixed rate of 5.58875% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires July 2012	USD	42,000		(3,156,955)
Receive a fixed rate of 5.07625% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires August 2012	USD	82,500		4,565,782
Receive a fixed rate of 5.10531% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires August 2012	USD	19,500		1,100,897
Receive a fixed rate of 5.0565% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America NA Expires August 2012	USD	49,300		2,401,099
Receive a fixed rate of 4.9034% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America NA Expires September 2012	USD	30,000		1,554,441
Receive a fixed rate of 4.856% and pay a floating rate based on 3-month LIBOR Broker, Deutsche Bank AG London Expires October 2012	USD	9,400		444,618
Receive a fixed rate of 4.32% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires November 2012	USD	10,500		257,155
Receive a fixed rate of 4.25% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires November 2012	USD	2,625		56,572
Receive a fixed rate of 4.4062% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires November 2012	USD	39,700		1,120,610
Pay a fixed rate of 4.2424% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires December 2012	USD	45,000		(894,296)
Receive a fixed rate of 3.66375% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires April 2013	USD	7,300		(39,494)
Receive a fixed rate of 3.665% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires April 2013	USD	12,600		(67,429)

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			Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 5.29375% and pay a floating rate based on 6-month USD LIBOR Broker, Deutsche Bank AG London Expires April 2013	GBP	2,000		(15,358)
Receive a fixed rate of 5.14% and pay a floating rate based on 6-month British Pound Sterling LIBOR Broker, Deutsche Bank AG London Expires April 2013	GBP	2,000	\$	(28,230)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index Series 10 and pay 1.55% Broker, Lehman Brothers Special Financing Expires June 2013	USD	2,864		(15,341)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index Series 10 and pay 1.55% Broker, Deutsche Bank AG London Expires June 2013	USD	2,761		(14,791)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index 10 Series V1 and pay 1.55% Broker, Morgan Stanley Capital services Expires June 2013	USD	2,724		(51,656)
Pay a fixed rate of 4.51% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires October 2014	USD	41,205		(1,124,897)
Receive a fixed rate of 5.005% and pay a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires October 2014	USD	9,500		529,394
Pay a fixed rate of 4.5% and receive a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires May 2015	USD	2,800		(100,039)
Receive a fixed rate of 4.3715% and pay a floating rate based on 3-month LBR Muni Swap Index Broker, UBS Warburg Expires June 2015	USD	4,800		78,601
Receive a fixed rate of 4.725% and pay a floating rate based on 3-month USD LIBOR Broker, Morgan Stanley Capital services Expires August 2015	USD	6,200		233,272
Receive a fixed rate of 4.87% and pay a floating rate based on 3-month LBR Muni Swap Index Broker, Goldman Sachs & Co. Expires January 2016	USD	5,000		228,809
Receive a fixed rate of 5.723% and pay a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires July 2016	USD	4,800		502,934
Receive a fixed rate of 5.295% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires February 2017	USD	11,300		843,864
Receive a fixed rate of 5.25% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires April 2017 See Notes to Financial Statements.	USD	700		50,409

Schedule of Investments (concluded)

BlackRock Core Bond Trust (BHK)

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 5.85% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	USD 900	\$ (105,324)
Pay a fixed rate of 5.5451% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	USD 1,600	(149,853)
Pay a fixed rate of 5.74% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	USD 1,200	(130,390)
Pay a fixed rate of 5.6425% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires July 2017	USD 6,500	(662,353)
Pay a fixed rate of 5.155% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires September 2017	USD 10,900	(702,693)
Pay a fixed rate of 5.04015% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires September 2017	USD 12,500	(690,575)
Pay a fixed rate of 5.26054% and receive a floating rate based on 3-month USD LIBOR Broker, Morgan Stanley Capital services Expires September 2017	USD 5,100	(371,522)
Pay a fixed rate of 5.307% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires October 2017	USD 5,400	(413,711)
Pay a fixed rate of 5.3075% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires October 2017	USD 13,800	(1,057,455)
Pay a fixed rate of 5.01387% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires November 2017	USD 5,000	(264,950)
Pay a fixed rate of 5.115% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires March 2018	USD 6,600	(404,243)
Pay a fixed rate of 5.135% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC Expires April 2018	USD 5,532	(98,158)
Receive a fixed rate of 5.411% and pay a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires August 2022	USD 8,545	717,087
Receive a fixed rate of 5.411% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires April 2027	USD 1,400	119,539

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 5.365% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires September 2027	USD 8,000	\$ (635,967)
Pay a fixed rate of 5.09% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires December 2027	USD 3,200	(139,528)
Pay a fixed rate of 5.0605% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires November 2037	USD 6,200	(224,491)
Pay a fixed rate of 5.06276% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires December 2037	USD 1,300	(47,388)
Pay a fixed rate of 5.0639% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires December 2037	USD 1,300	(47,616)
Pay a fixed rate for 4.785% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires January 2038	USD 2,000	15,589
Pay a fixed rate of 4.601% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires January 2038	USD 5,000	185,584
Pay a fixed rate of 4.8325% and receive a floating rate based on the 3-month USD LIBOR Broker, Morgan Stanley Capital services Expires January 2038	USD 6,000	(3,689)
Receive a fixed rate of 5.29750% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires February 2038	USD 700	52,103
Total		\$ 7,381,073

Currency
abbreviations:

EUR Euro
GBP British
Pound
JPY Japanese
Yen
USD U.S. Dollar

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

BlackRock High Yield Trust (BHY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Aerospace & Defense 1.1%		
CHC Helicopter Corp., 7.375%, 5/01/14	\$ 170	\$ 171,700
DRS Technologies, Inc.:		
6.875%, 11/01/13	40	39,700
7.625%, 2/01/18	100	102,000
Hexcel Corp., 6.75%, 2/01/15	80	79,500
L-3 Communications Corp., 5.875%, 1/15/15	20	19,400
TransDigm, Inc., 7.75%, 7/15/14	100	102,250
		514,550
Air Freight & Logistics 0.2%		
Park-Ohio Industries, Inc., 8.375%, 11/15/14	85	73,206
Airlines 0.2%		
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	95	91,143
Auto Components 2.6%		
Allison Transmission (a):		
11%, 11/01/15	45	44,212
11.25%, 11/01/15 (b)	285	251,334
Goodyear Tire & Rubber Co.:		
7.875%, 8/15/11	40	41,700
8.625%, 12/01/11	156	167,700
Lear Corp., 8.75%, 12/01/16	195	183,300
Metaldyne Corp., 10%, 11/01/13	255	163,837
Stanadyne Corp. Series 1.10%, 8/15/14	350	337,750
		1,189,833
Automobiles 1.3%		
Ford Capital BV, 9.50%, 6/01/10	520	492,700
Ford Motor Co., 8.90%, 1/15/32	125	94,062
		586,762
Building Products 1.0%		
CPG International I, Inc., 10.50%, 7/01/13	150	128,250
Masonite International Corp., 11%, 4/06/15	100	67,500
Momentive Performance Materials, Inc., 11.50%, 12/01/16	285	250,088
		445,838
Capital Markets 0.5%		
Marsico Parent Co., LLC, 10.625%, 1/15/16	174	156,600
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(b)	63	56,268
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(b)	42	37,754
		250,622
Chemicals 3.4%		
American Pacific Corp., 9%, 2/01/15	140	137,900

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Ames True Temper, Inc., 6.713%, 1/15/12 (c)	265	218,294
Chemtura Corp., 6.875%, 6/01/16	50	44,500
Hexion U.S. Finance Corp.:		
7.176%, 11/15/14 (c)	100	93,750
9.75%, 11/15/14	75	81,469
Huntsman LLC, 11.50%, 7/15/12	95	101,614
Innophos, Inc., 8.875%, 8/15/14	545	542,275
Key Plastics LLC, 11.75%, 3/15/13 (a)	70	28,000
MacDermid, Inc., 9.50%, 4/15/17 (a)	265	253,075
NOVA Chemicals Corp., 5.953%, 11/15/13 (c)	45	38,925
Terra Capital, Inc. Series B, 7%, 2/01/17	40	39,800

1,579,602

Commercial Services & Supplies 3.6%

Aramark Corp., 8.50%, 2/01/15	95	99,037
DI Finance Series B, 9.50%, 2/15/13	261	269,156
FTI Consulting, Inc., 7.75%, 10/01/16	100	104,000
PNA Intermediate Holding Corp., 9.676%, 2/15/13 (b)(c)	220	181,225
Sally Holdings LLC (a):		
9.25%, 11/15/14	35	35,350
10.50%, 11/15/16	179	178,105
US Investigations Services, Inc., 10.50%, 11/01/15 (a)	100	88,500
Waste Services, Inc., 9.50%, 4/15/14	185	181,300

Corporate Bonds

Par
(000)

Value

Commercial Services & Supplies (concluded)

West Corp.:		
9.50%, 10/15/14	\$ 125	\$ 119,375
11%, 10/15/16	475	422,156

1,678,204

Communications Equipment 0.5%

Nortel Networks Ltd., 6.963%, 7/15/11 (c)	245	230,913
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Containers & Packaging 2.9%

Berry Plastics Holding Corp.:	100	85,000
6.675%, 9/15/14 (c)		
8.875%, 9/15/14	340	317,900
Crown Americas LLC, 7.75%, 11/15/15	85	89,675
Graphic Packaging International Corp., 9.50%, 8/15/13	30	29,850
Impress Holdings BV, 5.838%, 9/15/13 (a)(c)	270	225,787
Pregis Corp., 12.375%, 10/15/13	310	300,700
Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17	375	316,875

1,365,787

Diversified Financial Services 3.2%

CDX North America High Yield Series 6-T1, 8.625%, 6/29/11	500	516,250
Ford Motor Credit Co. LLC:		
5.46%, 1/13/12 (c)	110	92,499
7.80%, 6/01/12	500	447,108
GMAC LLC:		
6.75%, 12/01/14	135	103,158
8%, 11/01/31	170	128,619
Leucadia National Corp., 8.125%, 9/15/15	200	204,000

1,491,634

Diversified Telecommunication Services 5.0%

Asia Global Crossing Ltd., 13.375%, 10/15/10 (d)	2,000	85,000
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Cincinnati Bell, Inc., 7.25%, 7/15/13	405	407,025
Qwest Communications International, Inc., 7.50%, 2/15/14	875	859,689
Qwest Corp., 6.05%, 6/15/13 (c)	230	220,225
Wind Acquisition Finance SA, 10.75%, 12/01/15 (a)	375	404,062
Windstream Corp.:		
8.125%, 8/01/13	200	207,000
8.625%, 8/01/16	120	125,700

2,308,701

Electric Utilities 1.6%

Elwood Energy LLC, 8.159%, 7/05/26	458	440,439
Homer City Funding LLC Series B, 8.734%, 10/01/26	97	99,282
Midwest Generation LLC Series B, 8.56%, 1/02/16	96	103,683
NSG Holdings LLC, 7.75%, 12/15/25 (a)	70	68,250
Sithe/Independence Funding Corp. Series A, 9%, 12/30/13	38	40,629

752,283

Electrical Equipment 0.9%

Coleman Cable, Inc., 9.875%, 10/01/12	155	141,825
Superior Essex Communications LLC, 9%, 4/15/12	305	301,188

443,013

Electronic Equipment & Instruments 0.7%

NXP BV, 5.463%, 10/15/13 (c)	125	115,000
Sanmina-SCI Corp.:		
6.75%, 3/01/13	30	27,150
8.125%, 3/01/16	225	207,000

349,150

Energy Equipment & Services 1.6%

Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	50	51,625
7.75%, 5/15/17	80	82,600
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	50	50,750
Hornbeck Offshore Services, Inc., Series B, 6.125%, 12/01/14	5	4,862
North American Energy Partners, Inc., 8.75%, 12/01/11	335	336,675
SemGroup LP, 8.75%, 11/15/15 (a)	210	198,975

725,487

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock High Yield Trust (BHY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Food & Staples Retailing 1.2%		
The Pantry, Inc., 7.75%, 2/15/14	\$ 265	\$ 198,750
Rite Aid Corp., 7.50%, 3/01/17	400	371,000
		569,750
Gas Utilities 1.4%		
Targa Resources, Inc., 8.50%, 11/01/13	200	191,000
Transcontinental Gas Pipe Line Corp. Series B, 8.875%, 7/15/12	400	441,000
		632,000
Health Care Equipment & Supplies 2.9%		
Catalent Pharma Solutions, Inc., 9.50%, 4/15/15 (a)(b)	150	130,500
LVB Acquisition Merger Sub, Inc. (a):		
10%, 10/15/17	75	80,437
10.375%, 10/15/17 (b)	120	126,956
11.625%, 10/15/17	100	106,250
Norcross Safety Products LLC, Series B, 9.875%, 8/15/11	135	142,004
ReAble Therapeutics Finance LLC, 10.875%, 11/15/14 (a)	760	763,800
		1,349,947
Health Care Providers & Services 2.6%		
Accellent, Inc., 10.50%, 12/01/13	165	141,075
Community Health Systems, Inc., Series WI, 8.875%, 7/15/15	40	41,600
Tenet Healthcare Corp.:		
6.375%, 12/01/11	45	42,300
6.50%, 6/01/12	615	570,413
United Surgical Partners International, Inc., 8.875%, 5/01/17	230	230,000
Universal Hospital Services, Inc.:		
8.288%, 6/01/15 (c)	50	47,250
8.50%, 6/01/15 (b)	50	49,297
Viant Holdings, Inc., 10.125%, 7/15/17 (a)	115	94,300
		1,216,235
Hotels, Restaurants & Leisure 6.6%		
American Real Estate Partners LP:		
8.125%, 6/01/12	300	293,250
7.125%, 2/15/13	185	172,512
Gaylord Entertainment Co.		
8%, 11/15/13	40	37,900
6.75%, 11/15/14	280	248,500
Great Canadian Gaming Corp., 7.25%, 2/15/15 (a)	320	307,200
Greektown Holdings, LLC, 10.75%, 12/01/13 (a)	174	160,080
Harrah's Operating Co., Inc. (a):		
10.75%, 2/01/16	525	451,500
10.75%, 2/01/18 (b)	702	537,674
Pinnacle Entertainment, Inc., 7.50%, 6/15/15 (a)	200	165,500
Seneca Gaming Corp., Series B, 7.25%, 5/01/12	140	135,275
Shingle Springs Tribal Gaming Authority, 9.375%, 6/15/15 (a)	40	35,400
Station Casinos, Inc., 6.625%, 3/15/18	5	3,000

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Travelport LLC, 7.701%, 9/01/14 (c)	60	51,900
Tropicana Entertainment LLC Series WI, 9.625%, 12/15/14 (d)	75	36,938
Universal City Florida Holding Co. I, 7.623%, 5/01/10 (c)	30	29,663
Virgin River Casino Corp., 9%, 1/15/12	445	329,300
Wynn Las Vegas LLC, 6.625%, 12/01/14	70	68,250

3,063,842

Household Durables 0.4%

Jarden Corp., 7.50%, 5/01/17	150	138,000
The Yankee Candle Co., Inc., 9.75%, 2/15/17	50	40,125

178,125

IT Services 1.8%

First Data Corp., 9.875%, 9/24/15 (a)	175	159,250
iPayment Investors LP, 12.75%, 7/15/14 (a)(b)	470	471,271
iPayment, Inc., 9.75%, 5/15/14	120	103,200
SunGard Data Systems, Inc., 9.125%, 8/15/13	85	88,825

822,546

Corporate Bonds	Par (000)	Value
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Independent Power Producers & Energy Traders 4.0%

AES Red Oak LLC:		
Series A, 8.54%, 11/30/19	\$ 128	\$ 128,181
Series B, 9.20%, 11/30/29	500	501,250
Energy Future Holding Corp., 11.25%, 11/01/17 (b)(a)	475	470,844
NRG Energy, Inc.:		
7.25%, 2/01/14	130	133,575
7.375%, 2/01/16	385	396,550
Texas Competitive Electric Holdings Co. LLC (a):		
10.25%, 11/01/15	70	72,975
10.50%, 11/01/16 (b)	160	157,233

1,860,608

Insurance 0.7%

Alliant Holdings I, Inc., 11%, 5/01/15 (a)	300	246,000
USI Holdings Corp., 6.551%, 11/15/14 (a)(c)	100	79,000

325,000

Leisure Equipment & Products 0.4%

Easton-Bell Sports, Inc., 8.375%, 10/01/12	115	96,025
Quiksilver, Inc., 6.875%, 4/15/15	100	83,000

179,025

Machinery 2.2%

AGY Holding Corp., 11%, 11/15/14 (a)	200	181,000
Accuride Corp., 8.50%, 2/01/15	85	75,650
RBS Global, Inc., 8.875%, 9/01/16	85	81,388
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (a)	510	428,400
Terex Corp.:		
7.375%, 1/15/14	55	56,100
8%, 11/15/17	215	219,838

1,042,376

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Marine 0.2%

Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (a)	106	109,180
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Media 13.0%

Affinion Group, Inc.:		
10.125%, 10/15/13	215	217,150
11.50%, 10/15/15	175	171,719
American Media Operations, Inc., Series B, 10.25%, 5/01/09	36	27,069
Bonten Media Acquisition Co., 9%, 6/01/15 (a)(b)	80	61,810
CMP Susquehanna Corp., 9.875%, 5/15/14 (a)	290	207,350
CSC Holdings, Inc., Series B, 7.625%, 4/01/11	45	45,337
Cablevision Systems Corp., Series B, 7.133%, 4/01/09 (c)	175	176,312
Charter Communications Holdings I, LLC, 11%, 10/01/15	340	263,050
Charter Communications Holdings II, LLC, 10.25%, 9/15/10	740	712,062
Dex Media West LLC, 9.875%, 8/15/13	50	47,125
DirecTV Holdings LLC, 8.375%, 3/15/13	125	128,437
EchoStar DBS Corp.:		
7%, 10/01/13	30	29,925
7.125%, 2/01/16	260	255,450
Harland Clarke Holdings Corp.:		
7.426%, 5/15/15 (c)	50	36,000
9.50%, 5/15/15 (a)	60	48,450
Intelsat Bermuda Ltd., 9.25%, 6/15/16	150	151,312
Intelsat Corp., 6.875%, 1/15/28	210	169,575
Intelsat Intermediate Holding Co. Ltd., 9.08%, 2/01/15 (e)	40	34,200
Network Communications, Inc., 10.75%, 12/01/13	245	182,831
Nielsen Finance LLC:		
10%, 8/01/14	445	462,800
10%, 8/01/14 (a)	340	354,450
Paxson Communications Corp., 5.963%, 1/15/12 (a)(c)	125	101,094
ProtoStar I Ltd., 12.50%, 10/15/12 (a)(c)(f)	401	396,941
R.H. Donnelley Corp.:		
8.875%, 10/15/17 (a)	100	64,500
Series A-3, 8.875%, 1/15/16	525	341,250
Rainbow National Services LLC (a):		
8.75%, 9/01/12	310	318,913
10.375%, 9/01/14	318	341,850

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock High Yield Trust (BHY)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Media (concluded)		
TL Acquisitions, Inc., 10.50%, 1/15/15 (a)	\$ 590	\$ 533,950
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (a)	150	100,500
Young Broadcasting, Inc., 10%, 3/01/11	105	68,250
		6,049,662
Metals & Mining 3.8%		
AK Steel Corp., 7.75%, 6/15/12	85	86,806
Aleris International, Inc.:		
9%, 12/15/14	195	135,734
10%, 12/15/16	150	93,000
Blaze Recycling & Metals LLC, 10.875%, 7/15/12 (a)	30	27,600
FMG Finance Pty Ltd. (a):		
10%, 9/01/13	85	91,587
10.625%, 9/01/16	205	233,187
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (c)	240	242,400
8.375%, 4/01/17	440	486,200
Russel Metals, Inc., 6.375%, 3/01/14	125	116,875
Ryerson, Inc.:		
10.248%, 11/01/14 (a)(c)	60	54,600
12%, 11/01/15 (a)	100	99,000
Steel Dynamics, Inc., 7.375%, 11/01/12 (a)	80	81,400
		1,748,389
Multiline Retail 0.3%		
Neiman Marcus Group, Inc., 9%, 10/15/15 (b)	115	119,289
Oil, Gas & Consumable Fuels 8.4%		
Atlas Energy Resources LLC, 10.75%, 2/01/18 (a)	90	95,850
Berry Petroleum Co., 8.25%, 11/01/16	80	83,000
Chaparral Energy, Inc., 8.50%, 12/01/15	100	91,000
Chesapeake Energy Corp.:		
6.375%, 6/15/15	90	88,650
6.625%, 1/15/16	250	250,000
6.875%, 11/15/20	20	19,900
Compton Petroleum Finance Corp., 7.625%, 12/01/13	100	98,750
Corral Finans AB, 4.213%, 4/15/10 (a)(b)	415	376,165
Denbury Resources, Inc., 7.50%, 12/15/15	30	30,900
EXCO Resources, Inc., 7.25%, 1/15/11	370	368,150
East Cameron Gas Co., 11.25%, 7/09/19	238	137,948
Encore Acquisition Co., 6%, 7/15/15	40	36,800
Forest Oil Corp., 7.25%, 6/15/19	190	196,175
Frontier Oil Corp., 6.625%, 10/01/11	65	64,675
KCS Energy, Inc., 7.125%, 4/01/12	200	194,000
Newfield Exploration Co., 6.625%, 9/01/14	30	29,775
OPTI Canada, Inc., 8.25%, 12/15/14	440	454,300
Overseas Shipholding Group, Inc., 7.50%, 2/15/24	350	316,750
Range Resources Corporation, 7.375%, 7/15/13	185	187,313
Sabine Pass LNG LP, 7.50%, 11/30/16	130	118,950
Tennessee Gas Pipeline Co., 8.375%, 6/15/32	160	184,785
Whiting Petroleum Corp.:		
7.25%, 5/01/12	125	125,313

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7.25%, 5/01/13	370	370,925
		3,920,074

Paper & Forest Products 3.1%

Abitibi-Consolidated, Inc.:		
6%, 6/20/13	145	60,175
8.85%, 8/01/30	35	13,300
Ainsworth Lumber Co. Ltd., 6.446%, 10/01/10 (c)	40	23,800
Bowater Canada Finance Corp., 7.95%, 11/15/11	115	71,300
Bowater, Inc.:		
9%, 8/01/09	60	49,500
5.80%, 3/15/10 (c)	130	87,750
Cascades, Inc., 7.25%, 2/15/13	175	161,000
Domtar Corp., 7.125%, 8/15/15	40	38,600

Corporate Bonds	Par (000)	Value
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Paper & Forest Products (concluded)

NewPage Corp.:		
10%, 5/01/12	\$ 440	\$ 469,700
12%, 5/01/13	160	169,600
Norske Skog Canada Ltd., 7.375%, 3/01/14	120	90,600
Verso Paper Holdings LLC Series B:		
6.623%, 8/01/14 (c)	40	37,400
9.125%, 8/01/14	165	170,363
		1,443,088

Pharmaceuticals 0.4%

Angiotech Pharmaceuticals, Inc., 6.826%, 12/01/13 (c)	230	202,400
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Real Estate Management & Development 0.9%

Realty Corp.:		
10.50%, 4/15/14	240	176,400
11%, 4/15/14	280	183,400
12.375%, 4/15/15	105	57,225
		417,025

Road & Rail 0.0%

Avis Budget Car Rental LLC, 5.176%, 5/15/14 (c)	20	17,300
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Semiconductors & Semiconductor Equipment 1.4%

Amkor Technology, Inc.:		
7.75%, 5/15/13	40	38,300
9.25%, 6/01/16	125	124,687
Freescale Semiconductor, Inc., 6.675%, 12/15/14 (b)	440	361,900
Spansion, Inc., 6.201%, 6/01/13 (a)(c)	190	142,500
		667,387

Software 0.2%

BMS Holdings, Inc., 9.954%, 2/15/12 (a)(b)(c)	118	73,899
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Specialty Retail 3.9%

Asbury Automotive Group, Inc., 7.625%, 3/15/17	60	49,800
AutoNation, Inc.:		
4.713%, 4/15/13 (c)	80	69,100
7%, 4/15/14	90	84,375
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (c)	280	237,221

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10.75%, 3/15/15	250	218,125
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	475	346,750
Michaels Stores, Inc.:		
10%, 11/01/14	260	252,200
11.375%, 11/01/16	160	143,600
Rent-A-Center, Inc., Series B, 7.50%, 5/01/10	250	245,000
United Auto Group, Inc., 7.75%, 12/15/16	180	163,800
		1,809,971

Thriffs & Mortgage Finance 0.1%

Residential Capital Corp., 8.125%, 11/21/08	40	33,200
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Tobacco 0.3%

Reynolds American, Inc., 7.625%, 6/01/16	120	127,124
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Wireless Telecommunication Services 5.2%

Centennial Communications Corp.:		
8.448%, 1/01/13 (c)	220	209,550
8.125%, 2/01/14	455	452,725
Cricket Communications, Inc.:		
9.375%, 11/01/14	40	39,250
10.875%, 11/01/14 (a)	180	176,625
Digicel Group Ltd. (a):		
8.875%, 1/15/15	130	111,475
9.125%, 1/15/15 (b)	294	236,869
iPCS, Inc., 4.998%, 5/01/13 (c)	90	74,925
MetroPCS Wireless, Inc., 9.25%, 11/01/14	415	407,737
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (a)	445	455,013
Sprint Capital Corporation, 7.625%, 1/30/11	265	251,088
		2,415,257

Total Corporate Bonds		44,469,427
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See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock High Yield Trust (BHY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Senior Floating Rate Loan Interests		
Auto Components 0.2%		
Delphi Automotive Systems Term Loan, 8.5%, 12/31/08	\$ 100	\$ 100,321
Commercial Services & Supplies 0.7%		
Service Master Bridge Loan, 8.72%, 6/19/08	430	307,450
Health Care Providers & Services 0.5%		
Rotech Healthcare, Inc., Term Loan B, 10.832%, 9/26/11	259	225,927
Hotels, Restaurants & Leisure 0.7%		
Travelport, Inc. Term Loan, 9.913%, 3/22/12	435	308,988
Household Products 0.2%		
Spectrum Brands, Inc.:		
Letter of Credit, 4.45%, 4/15/13	4	3,670
Term Loan B-1, 7.096%, 4/15/13	79	72,861
		76,531
IT Services 1.0%		
Alliance Data Systems Term Loan, 5.85%, 12/15/14	500	465,000
Independent Power Producers & Energy Traders 1.5%		
TXU Corp. Term Loan:		
B-2, 6.596%, 10/14/29	248	238,008
B-3, 6.477%, 10/10/14	497	475,605
		713,613
Machinery 0.1%		
Rexnord Corp. Payment In Kind Term Loan, 10.058%, 3/02/13	57	39,634
Media 3.3%		
Affinion Group, Inc. Term Loan, 9.267%, 3/01/12	325	260,000
Education Media and Publishing:		
First Lien Term Loan, 6.901%, 5/15/09	61	57,955
First Lien Term Loan B, 6.901%, 11/14/14	439	404,242
Second Lien Term Loan, 9.50%, 11/14/14	1,011	829,328
		1,551,525
Paper & Forest Products 0.8%		
Verso Paper Holdings LLC Term Loan B, 9.489%, 2/01/13	400	371,667
Total Senior Floating Rate Loan Interests		4,160,656

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Common Stocks	Shares		
Specialty Retail 0.0% Mattress Discounters Corp. (g)	14,992		0
Capital Trusts	Par (000)		
Diversified Financial Services 0.7% Citigroup, Inc., 8.40%, 4/29/49 (c)(h)	\$ 350		354,228
Preferred Stocks	Shares	Value	
Capital Markets 0.0% Marsico Parent Superholdco, LLC, 16.75% (a)	12	\$	10,680
Electrical Equipment 0.1% Superior Essex Holding Corp. Series A, 9.50%	40,000		30,000
Total Preferred Stocks			40,680
Total Preferred Securities			394,908
Warrants	Par (000)		
Communications Equipment 0.0% NEON Communications, Inc. (expires 12/02/12) (i)	\$ 53,622		1
PF Net Communications, Inc. (expires 5/15/10) (a)(i)	600		
			1
Total Warrants			1
Other Interests	Shares		
Health Care Providers & Services 0.0% Critical Care Systems International, Inc. (j)	4,737		1,592
Total Long-Term Investments (Cost \$55,607,948)			49,026,584

Short-Term Securities	Par (000)	
U.S. Government and Agency Discount Notes 2.6%		
Federal Home Loan Bank, 1.75%, 5/01/08	\$ 1,200	1,200,000
Total Short-Term Securities (Cost \$1,200,000)		1,200,000

Options Purchased	Contracts	
Call Options Purchased		
Marsico Parent Superholdco LLC, expiring December 2009 at \$942.86	3	5,175
Total Options Purchased (Cost \$2,933)		5,175
Total Investments (Cost \$56,810,881*) 108.1%		50,231,759
Liabilities in Excess of Other Assets (8.1%)		(3,775,144)
Net Assets 100.0%	\$	46,456,615
Aerospace & Defense 0.8%		

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 56,814,509
Gross unrealized appreciation	\$ 429,679
Gross unrealized depreciation	(7,012,429)
Net unrealized depreciation	\$ (6,582,750)

- (a) 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. Unless otherwise indicated, these securities are not considered to be illiquid.
- (b) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (c) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (d) Issuer filed for bankruptcy or is in default of interest payments.
- (e) Represents a step bond. Rate shown reflects the effective yield at the time of purchase.
- (f) Convertible security.
- (g) Non-income producing security.
- (h) Security is perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.
- (i) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (j) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Aerospace & Defense 0.8%		
CHC Helicopter Corp., 7.375%, 5/01/14	\$ 450	\$ 454,500
DRS Technologies, Inc.:		
6.875%, 11/01/13	80	79,400
7.625%, 2/01/18	80	81,600
Hexcel Corp., 6.75%, 2/01/15	150	149,063
Honeywell International, Inc., 5.70%, 3/15/37	915	888,465
TransDigm, Inc., 7.75%, 7/15/14	140	143,150
United Technologies Corp., 4.875%, 5/01/15 (k)	1,250	1,259,883
		3,056,061
Air Freight & Logistics 0.5%		
Park-Ohio Industries, Inc., 8.375%, 11/15/14	165	142,106
United Parcel Service, Inc., 6.20%, 1/15/38 (k)	1,710	1,798,645
		1,940,751
Airlines 0.0%		
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	120	115,128
Auto Components 0.2%		
Lear Corp., 8.75%, 12/01/16	410	385,400
Metaldyne Corp., 10%, 11/01/13	295	189,537
		574,937
Biotechnology 0.3%		
Amgen, Inc. Series WI, 3.17%, 11/28/08 (a)(k)	1,325	1,319,815
Building Products 0.2%		
CPG International I, Inc., 10.50%, 7/01/13	230	196,650
Momentive Performance Materials, Inc., 11.50%, 12/01/16	440	386,100
		582,750
Capital Markets 6.5%		
The Bear Stearns Cos., Inc., 6.95%, 8/10/12 (k)	1,400	1,468,298
Credit Suisse First Boston Inc., 6.125%, 11/15/11 (b)	700	728,682
Credit Suisse (USA) Inc., 7.125%, 7/15/32	1,000	1,106,949
The Goldman Sachs Group, Inc.:		
5.45%, 11/01/12 (k)	5,390	5,450,713
6.60%, 1/15/12	1,000	1,049,333
6.75%, 10/01/37	850	832,914
Lehman Brothers Holdings, Inc.:		
6%, 7/19/12	1,500	1,514,596
4.80%, 3/13/14	100	93,129
6.50%, 7/19/17	225	221,029
4.50%, 9/15/22 (a)	575	557,944
Series MTN, 7%, 9/27/27	550	538,952
Morgan Stanley Capital I:		
Morgan Stanley, 2.96%, 1/09/12 (a)(k)	3,620	3,396,769
Morgan Stanley, 6.25%, 8/28/17	1,200	1,202,431

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Morgan Stanley, 6.25%, 8/09/26 (k)	2,100	2,000,821
UBS AG Series DPNT, 5.875%, 12/20/17	1,925	1,962,799
UBS Preferred Funding Trust I, 8.622%, (c)(k)	2,000	2,010,338
		24,135,697

Chemicals 0.6%

American Pacific Corp., 9%, 2/01/15	280	275,800
Ames True Temper, Inc., 6.713%, 1/15/12 (a)	720	593,100
Chemtura Corp., 6.875%, 6/01/16	30	26,700
Huntsman LLC, 11.50%, 7/15/12	72	77,013
Innophos, Inc., 8.875%, 8/15/14	975	970,125
Key Plastics LLC, 11.75%, 3/15/13 (d)	565	226,000
		2,168,738

Commercial Banks 4.3%

Barclays Bank Plc, 7.434%, (a)(c)(d)(k)	2,175	2,084,696
Credit Agricole SA, 6.637%, (a)(c)(d)	330	270,591
Depfa ACS Bank, 5.125%, 3/16/37 (d)	4,150	4,012,635
HSBC Finance Corp., 6.50%, 5/02/36	1,275	1,254,016
Royal Bank of Scotland Group Plc Series MTN, (a)(c)(k)	2,600	2,447,289
Wachovia Bank NA, 6.60%, 1/15/38 (k)	2,125	2,054,856

Corporate Bonds	Par (000)	Value
Commercial Banks (concluded)		
Wells Fargo Bank NA: 7.55%, 6/21/10 (k)	\$ 2,000	\$ 2,144,350
5.95%, 8/26/36	610	597,958
Wells Fargo & Co., 4.625%, 8/09/10	1,000	1,015,501
		15,881,892

Commercial Services & Supplies 1.4%

Casella Waste Systems, Inc., 9.75%, 2/01/13	2,250	2,205,000
DI Finance Series B, 9.50%, 2/15/13	869	896,156
FTI Consulting, Inc., 7.75%, 10/01/16	125	130,000
Sally Holdings LLC, 10.50%, 11/15/16	136	135,320
Waste Services, Inc., 9.50%, 4/15/14	600	588,000
West Corp., 11%, 10/15/16	1,210	1,075,388
		5,029,864

Communications Equipment 0.4%

Nortel Networks Ltd., 6.963%, 7/15/11 (a)	1,435	1,352,487
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Computers & Peripherals 1.0%

International Business Machines Corp., 5.70%, 9/14/17 (k)	3,450	3,594,458
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Consumer Finance 0.1%

SLM Corp. Series A, 3.631%, 1/27/14 (a)	600	489,101
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Containers & Packaging 0.4%

Berry Plastics Holding Corp.:		
6.675%, 9/15/14 (a)	190	161,500
8.875%, 9/15/14	290	271,150
Crown Americas LLC, 7.75%, 11/15/15	150	158,250
Impress Holdings BV, 5.838%, 9/15/13 (a)(d)	330	275,963
Pregis Corp., 12.375%, 10/15/13	535	518,950
		1,385,813

Diversified Financial Services 9.2%

Bank of America Corp.:	1,400	1,424,329
7.80%, 2/15/10 (k)	2,450	2,589,241
5.75%, 12/01/17 (k)	2,005	2,042,975
6%, 9/01/17	1,795	1,869,254
Bank of America NA, Series K, 8%, (a)(c)(k):		
5.30%, 3/15/17	600	592,152
6.10%, 6/15/17	1,975	2,072,233
Citigroup, Inc.:		
4.125%, 2/22/10 (b)(k)	5,230	5,134,265
5.875%, 2/22/33	600	534,514
5.875%, 5/29/37	555	498,642
8.30%, 12/21/77 (a)	1,500	1,531,402
6.875%, 2/15/98	550	521,516
Ford Motor Credit Co. LLC:		
5.46%, 1/13/12 (a)	120	100,908
7.80%, 6/01/12	380	339,802
General Electric Capital Corp. (k):		
6.75%, 3/15/32	3,000	3,176,712
6.15%, 8/07/37	7,610	7,497,410
JPMorgan Chase Capital XXV, 6.80%, 10/01/37 (k)	4,375	4,146,122
		34,071,477

Diversified Telecommunication Services 4.8%

AT&T, Inc., 6.50%, 9/01/37 (k)	4,075	4,149,377
Bellsouth Telecommunications, Inc., 6.207%, 12/15/95 (e)	1,700	882,507
Cincinnati Bell, Inc., 7.25%, 7/15/13	470	472,350
Deutsche Telekom International Finance BV, 5.75%, 3/23/16	325	327,823
Qwest Communications International, Inc., 7.50%, 2/15/14	55	54,038
Qwest Corp., 6.05%, 6/15/13 (a)	375	359,062
Telecom Italia Capital SA, 4.95%, 9/30/14 (k)	4,375	4,075,969
Telefonica Emisiones SAU, 7.045%, 6/20/36	1,000	1,093,136
Verizon Communications, Inc., 6.40%, 2/15/38 (k)	2,100	2,138,932
Verizon Global Funding Corp., 7.75%, 6/15/32	575	651,841
See Notes to Financial Statements.		

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Diversified Telecommunication Services (concluded)		
Verizon Maryland, Inc.:		
Series A, 6.125%, 3/01/12	\$ 1,355	\$ 1,395,930
Series B, 5.125%, 6/15/33	540	441,154
Verizon Virginia, Inc., Series A, 4.625%, 3/15/13	750	725,702
Wind Acquisition Finance SA, 10.75%, 12/01/15 (d)	360	387,900
Windstream Corp.:		
8.125%, 8/01/13	410	424,350
8.625%, 8/01/16	250	261,875
		17,841,946
Electric Utilities 4.0%		
DTE Energy Co., 6.35%, 6/01/16	450	459,618
Duke Energy Carolinas LLC:		
6.10%, 6/01/37	325	321,448
6%, 1/15/38	850	852,142
E.On International Finance B.V., 6.65%, 4/30/38 (d)	1,575	1,620,574
EDP Finance BV, 6%, 2/02/18 (d)	1,250	1,271,904
Edison Mission Energy, 7.50%, 6/15/13	130	135,200
Elwood Energy LLC, 8.159%, 7/05/26	174	166,941
Energy East Corp., 6.75%, 7/15/36	1,675	1,617,365
Florida Power & Light Co., 4.95%, 6/01/35	575	505,719
Midwest Generation LLC Series B, 8.56%, 1/02/16	83	90,159
PacifiCorp., 6.25%, 10/15/37	650	664,938
Progress Energy Florida, Inc., 6.35%, 9/15/37 (k)	1,450	1,529,706
Public Service Co. of Colorado, 6.25%, 9/01/37	1,350	1,399,789
Southern California Edison Co.:		
5.625%, 2/01/36	675	651,435
Series 05-E, 5.35%, 7/15/35	150	139,243
Series 08-A, 5.95%, 2/01/38	1,100	1,110,485
The Toledo Edison Co. 6.15%, 5/15/37	350	312,429
Virginia Electric and Power Co. Series A, 6%, 5/15/37 (k)	2,200	2,143,636
		14,992,731
Electrical Equipment 0.3%		
Superior Essex Communications LLC, 9%, 4/15/12	950	938,125
Electronic Equipment & Instruments 0.3%		
Sanmina-SCI Corp.:		
6.75%, 3/01/13	140	126,700
8.125%, 3/01/16	1,140	1,048,800
		1,175,500
Energy Equipment & Services 0.7%		
Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	60	61,950
7.75%, 5/15/17	100	103,250
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	90	91,350
North American Energy Partners, Inc., 8.75%, 12/01/11	85	85,425
SemGroup LP, 8.75%, 11/15/15 (d)	350	331,625
Transocean, Inc., 6.80%, 3/15/38	1,175	1,250,032

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Weatherford International, Inc., 6.80%, 6/15/37 (d)	625	658,618
		2,582,250

Food & Staples Retailing 1.2%

CVS/Caremark Corp., 6.25%, 6/01/27	850	842,479
Rite Aid Corp., 7.50%, 3/01/17	860	797,650
Wal-Mart Stores, Inc.:		
6.50%, 8/15/37 (k)	1,975	2,096,010
6.20%, 4/15/38	850	865,128
		4,601,267

Food Products 0.5%

Kraft Foods, Inc., 7%, 8/11/37 (k)	1,670	1,758,086
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Gas Utilities 0.1%

El Paso Natural Gas Co., 8.375%, 6/15/32	150	173,236
Targa Resources, Inc., 8.50%, 11/01/13	360	343,800
		517,036

Corporate Bonds

**Par
(000) Value**

Health Care Equipment & Supplies 0.4%

ReAble Therapeutics Finance LLC, 10.875%, 11/15/14 (d)	\$ 1,530	\$ 1,537,650
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Health Care Providers & Services 0.4%

Tenet Healthcare Corp., 6.50%, 6/01/12	1,640	1,521,100
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Hotels, Restaurants & Leisure 0.3%

American Real Estate Partners LP, 7.125%, 2/15/13	350	326,375
Gaylord Entertainment Co., 6.75%, 11/15/14	250	221,875
Greektown Holdings, LLC, 10.75%, 12/01/13 (d)	305	280,600
Seneca Gaming Corp. Series B, 7.25%, 5/01/12	290	280,212
Universal City Florida Holding Co. I, 7.623%, 5/01/10 (a)	25	24,719
Wynn Las Vegas LLC, 6.625%, 12/01/14	25	24,375
		1,158,156

Household Durables 0.3%

Irwin Land LLC:		
Series A-1, 5.03%, 12/15/25	575	504,925
Series A-2, 5.30%, 12/15/35	780	671,954
		1,176,879

Household Products 0.3%

Kimberly-Clark, Corp., 6.625%, 8/01/37	975	1,062,699
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IT Services 0.4%

iPayment, Inc., 9.75%, 5/15/14	270	232,200
iPayment Investors LP, 12.75%, 7/15/14 (d)(f)	934	965,089
SunGard Data Systems, Inc., 9.125%, 8/15/13	195	203,775
		1,401,064

Independent Power Producers & Energy Traders 0.1%

NRG Energy, Inc.:

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7.25%, 2/01/14	50	51,375
7.375%, 2/01/16	285	293,550
		344,925

Insurance 3.5%

The Allstate Corp. 6.50%, 5/15/57 (a)(k)	2,150	1,972,345
Berkshire Hathaway Finance Corp., 3.375%, 10/15/08 (k)	2,525	2,526,861
Chubb Corp., 6%, 5/11/37	1,415	1,324,887
Hartford Life Global Funding Trusts, 2.97%, 9/15/09 (a)	1,020	1,018,816
Lincoln National Corp., 6.05%, 4/20/67 (a)	750	644,307
MetLife, Inc., 5.70%, 6/15/35	1,200	1,087,639
Monument Global Funding Ltd., 2.685%, 6/16/10 (a)	1,990	1,915,952
Progressive Corp., 6.70%, 6/15/37 (a)	665	594,668
Prudential Financial, Inc., 5.70%, 12/14/36	950	849,508
The Travelers Cos., Inc. 6.25%, 3/15/67 (a)	750	656,439
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(d)	575	506,530
		13,097,952

Leisure Equipment & Products 0.1%

Quiksilver, Inc., 6.875%, 4/15/15	250	207,500
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Machinery 0.4%

AGY Holding Corp., 11%, 11/15/14 (d)	400	362,000
Accuride Corp., 8.50%, 2/01/15	305	271,450
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (d)	1,050	882,000
		1,515,450

Marine 0.3%

Nakilat, Inc. Series A, 6.067%, 12/31/33 (d)	1,100	953,194
Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (d)	188	193,640
		1,146,834

Media 6.9%

Affinion Group, Inc.:		
10.125%, 10/15/13	540	545,400
11.50%, 10/15/15	200	196,250
American Media Operations, Inc. Series B, 10.25%, 5/01/09	130	96,673
CMP Susquehanna Corp., 9.875%, 5/15/14 (d)	690	493,350
Cablevision Systems Corp. Series B, 7.133%, 4/01/09 (a)	161	162,207
Charter Communications Holdings I, LLC, 11%, 10/01/15	715	555,912
See Notes to Financial Statements.		

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Media (concluded)		
Charter Communications Holdings II, LLC, 10.25%, 9/15/10	\$ 1,375	\$ 1,322,987
Comcast Cable Communications Holdings, Inc., 8.375%, 3/15/13	1,415	1,585,039
Comcast Cable Communications LLC, 6.75%, 1/30/11	1,000	1,037,920
Comcast Corp., 6.95%, 8/15/37 (k)	1,805	1,907,805
Dex Media West LLC, 9.875%, 8/15/13	85	80,112
DirecTV Holdings LLC, 8.375%, 3/15/13	140	143,850
EchoStar DBS Corp.:		
5.75%, 10/01/08	180	180,000
7%, 10/01/13	48	47,880
7.125%, 2/01/16	75	73,687
Intelsat Bermuda Ltd., 9.25%, 6/15/16	450	453,937
Network Communications, Inc., 10.75%, 12/01/13	195	145,519
News America Holdings, Inc.:		
8.45%, 8/01/34 (k)	2,475	2,919,775
8.15%, 10/17/36	145	160,806
Nielsen Finance LLC, 10%, 8/01/14	1,100	1,144,000
Paxon Communications Corp., 5.963%, 1/15/12 (a)(b)	500	404,375
R.H. Donnelley Corp. Series A-3, 8.875%, 1/15/16	950	617,500
Rainbow National Services LLC:		
8.75%, 9/01/12 (d)	225	231,469
10.375%, 9/01/14 (d)	1,070	1,150,250
Sirius Satellite Radio, Inc., 9.625%, 8/01/13	70	58,975
TCI Communications, Inc., 8.75%, 8/01/15	1,495	1,695,432
TL Acquisitions, Inc., 10.50%, 1/15/15 (d)	1,100	995,500
Time Warner Cable, Inc., 6.55%, 5/01/37	800	794,750
Time Warner Cos., Inc.:		
9.125%, 1/15/13 (k)	3,000	3,372,969
7.57%, 2/01/24	1,635	1,709,876
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (d)	977	654,590
Young Broadcasting, Inc., 10%, 3/01/11	709	460,850
		25,399,645
Metals & Mining 2.2%		
AK Steel Corp., 7.75%, 6/15/12	1,115	1,138,694
Falconbridge Ltd.:		
6%, 10/15/15	600	586,245
6.20%, 6/15/35	1,550	1,356,115
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (a)	660	666,600
8.375%, 4/01/17	1,275	1,408,875
Teck Cominco Ltd., 6.125%, 10/01/35	1,570	1,364,011
Xstrata Finance Canada Ltd., 5.80%, 11/15/16 (d)	1,875	1,798,215
		8,318,755
Oil, Gas & Consumable Fuels 5.7%		
Anadarko Petroleum Corp., 6.45%, 9/15/36	2,625	2,694,074
Berry Petroleum Co., 8.25%, 11/01/16	160	166,000
Burlington Resources Finance Co., 7.40%, 12/01/31	950	1,112,569
Canadian Natural Resources, Ltd.:		
6.25%, 3/15/38	500	488,003

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6.75%, 2/01/39	950	969,492
Chaparral Energy, Inc., 8.50%, 12/01/15	380	345,800
Chesapeake Energy Corp.:		
6.375%, 6/15/15	175	172,375
6.875%, 11/15/20	20	19,900
Compton Petroleum Finance Corp., 7.625%, 12/01/13	90	88,875
Conoco Funding Co., 7.25%, 10/15/31	150	175,109
ConocoPhillips Australia Funding Co., 2.81%, 4/09/09 (a)	1,497	1,496,117
ConocoPhillips Canada Funding Co., 5.95%, 10/15/36	150	152,689
ConocoPhillips Holding Co., 6.95%, 4/15/29	700	801,491
Devon Energy Corp., 7.95%, 4/15/32	350	430,436
EXCO Resources, Inc., 7.25%, 1/15/11	435	432,825

Corporate Bonds	Par (000)	Value
Oil, Gas & Consumable Fuels (concluded)		
EnCana Corp.:		
6.50%, 2/01/38	\$ 675	\$ 691,945
6.50%, 8/15/34	70	70,511
6.625%, 8/15/37	775	791,514
Encore Acquisition Co., 6%, 7/15/15	50	46,000
Midamerican Energy Co., 5.80%, 10/15/36	800	764,526
Midamerican Energy Holdings Co.:		
5.95%, 5/15/37	950	926,791
6.50%, 9/15/37	1,725	1,811,022
Nexen, Inc., 6.40%, 5/15/37	600	586,760
OPTI Canada, Inc., 8.25%, 12/15/14	490	505,925
Sabine Pass LNG LP, 7.50%, 11/30/16	350	320,250
Suncor Energy, Inc., 6.50%, 6/15/38	400	398,339
TransCanada PipeLines Ltd., 5.85%, 3/15/36	600	551,408
Valero Energy Corp., 6.625%, 6/15/37	550	535,776
Whiting Petroleum Corp.:		
7.25%, 5/01/12	40	40,100
7.25%, 5/01/13	375	375,938
XTO Energy, Inc.:		
6.75%, 8/01/37 (k)	2,125	2,248,807
6.375%, 6/15/38	925	933,121
		21,144,488

Paper & Forest Products 0.2%		
Abitibi-Consolidated, Inc., 6%, 6/20/13	415	172,225
Bowater, Inc., 5.80%, 3/15/10 (a)	90	60,750
Domtar Corp., 7.125%, 8/15/15	80	77,200
NewPage Corp., 10%, 5/01/12	485	517,737
		827,912

Pharmaceuticals 2.5%		
Bristol-Myers Squibb Co., 5.875%, 11/15/36	1,135	1,114,186
Eli Lilly & Co., 5.55%, 3/15/37 (k)	2,495	2,411,727
Johnson & Johnson, 5.95%, 8/15/37	1,200	1,292,708
Schering-Plough Corp., 6.55%, 9/15/37 (k)	1,250	1,244,859
Teva Pharmaceutical Finance LLC, 6.15%, 2/01/36	1,475	1,468,798
Wyeth, 5.95%, 4/01/37 (k)	1,775	1,757,956
		9,290,234

Real Estate Investment Trusts (REITs) 0.8%		
AvalonBay Communities, Inc., 6.625%, 9/15/11	1,000	1,027,442
Rouse Co. LP:		
3.625%, 3/15/09	550	522,904
5.375%, 11/26/13	1,715	1,441,622

2,991,968

Road & Rail 0.3%

Avis Budget Car Rental LLC, 5.176%, 5/15/14 (a)	30	25,950
Canadian National Railway Co., 6.375%, 10/15/11	1,000	1,056,566

1,082,516

Semiconductors & Semiconductor Equipment 0.2%

Amkor Technology, Inc.:		
7.75%, 5/15/13	90	86,175
9.25%, 6/01/16	75	74,812
Freescale Semiconductor, Inc., 6.675%, 12/15/14 (f)	595	489,387

650,374

Software 0.7%

BMS Holdings, Inc., 9.954%, 2/15/12 (a)(d)(f)	214	133,789
Oracle Corp., 5.75%, 4/15/18	2,300	2,341,690

2,475,479

Specialty Retail 0.5%

AutoNation, Inc.:		
4.713%, 4/15/13 (a)	160	138,200
7%, 4/15/14	170	159,375
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (a)(f)	500	395,317
10.75%, 3/15/15	450	392,625
See Notes to Financial Statements.		

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Specialty Retail (concluded)		
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	\$ 362	\$ 264,260
Michaels Stores, Inc.:		
10%, 11/01/14	530	514,100
11.375%, 11/01/16	150	134,625
		1,998,502
Tobacco 0.1%		
Reynolds American, Inc., 7.625%, 6/01/16	250	264,843
Wireless Telecommunication Services 1.2%		
Cricket Communications, Inc., 9.375%, 11/01/14	105	103,031
Digicel Group Ltd., 8.875%, 1/15/15 (d)	270	231,525
MetroPCS Wireless, Inc., 9.25%, 11/01/14	80	78,600
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (a)	935	956,037
Sprint Capital Corp.:		
6.875%, 11/15/28	1,205	936,888
8.75%, 3/15/32	1,250	1,103,125
Vodafone Group Plc, 7.75%, 2/15/10	1,000	1,055,285
		4,464,491
Total Corporate Bonds		
(Cost \$248,495,717) 65.6%		243,185,326

Asset-Backed Securities

Ameritrust Mortgage Securities, Inc. Series 2004-R11		
Class A1, 3.198%, 11/25/34 (a)	USD 1,103	860,537
Capital Auto Receivables Asset Trust Series 2006-1		
Class A3, 5.03%, 10/15/09	1,517	1,522,675
Chase Issuance Trust Series 2006-A3		
Class A3, 2.504%, 7/15/11 (a)	2,650	2,630,724
Chase Issuance Trust Series 2007-A17		
Class A, 5.12%, 10/15/14	2,600	2,618,348
Chase Manhattan Auto Owner Trust Series 2005-B		
Class A4, 4.88%, 6/15/12	3,100	3,122,189
Citibank Credit Card Issuance Trust Series 2006-A2		
Class A2, 4.85%, 2/10/11	3,125	3,156,017
Citibank Omni Master Trust Series 2007-A9A		
Class A9, 3.90%, 12/23/13 (a)	2,795	2,772,618
Daimler Chrysler Auto Trust Series 2006-A		
Class A3, 5%, 5/08/10	1,605	1,615,105
Ford Credit Auto Owner Trust Series 2006-A		
Class A3, 5.05%, 3/15/10	1,582	1,591,002
Harley-Davidson Motorcycle Trust Series 2005-2		
Class A2, 4.07%, 2/15/12	2,090	2,094,559
Home Equity Asset Trust Series 2007-2		
Class 2A1, 2.503%, 7/25/37 (a)	1,098	1,037,597

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MBNA Credit Card Master Note Trust:

Series 2006-A1 Class A1, 4.90%, 7/15/11	3,075	3,108,188
Series 2006-A4 Class A4, 2.504%, 9/15/11 (a)	4,050	4,023,558
Morgan Stanley ABS Capital I:		
Series 2006-HE5 Class A2A, 2.965%, 8/25/36 (a)	997	979,362
Series 2006-NC4 Class A2A, 2.925%, 6/25/36 (a)	552	540,330
SLM Student Loan Trust Series 2008-5 (a):		
Class A2, 3.973%, 10/25/16	3,300	3,300,000
Class A3, 4.173%, 1/25/18	840	840,000
Class A4, 4.573%, 7/25/23	2,250	2,250,000
Small Business Administration Participation Certificates		
Series 1996-20K Class 1, 6.95%, 11/01/16	707	733,109
Sterling Bank Trust Series 2004-2 Class Note, 2.081%, 3/30/30	8,801	286,048
Sterling Coofs Trust Series 1, 2.362%, 4/15/29	10,445	473,309
USAA Auto Owner Trust Series 2006-1 Class A3, 5.01%, 9/15/10	1,529	1,538,539

Asset-Backed Securities	Par (000)	Value
Wachovia Auto Owner Trust Series 2006-A Class A4, 5.38%, 3/20/13	\$ 2,275	\$ 2,244,554
Total Asset-Backed Securities 11.7%		43,338,368

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass Through Certificates		
5.00%, 7/01/35 (k)	12,612	12,411,588
5.50%, 12/01/13 5/15/38 (b)(k)	48,037	48,455,314
6.00%, 3/01/16 5/15/38	2,400	2,460,343
7.00%, 2/01/24 8/01/36	84	88,796
Freddie Mac Mortgage Participation Certificates		
5.067% 1/01/35	1,454	1,462,397
6.148% 1/01/35	281	281,275
Ginnie Mae MBS Certificates		
8.00%, 4/15/24 6/15/25	96	104,810
Total U.S. Government Agency Mortgage-Backed Securities 17.6%		65,264,523

U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations

Fannie Mae Trust Series:

G-7 Class S, 116.20%, 3/25/21 (a)	(l)	2,686
G-10 Class S, 0.575%, 5/25/21 (a)	429	7,997
G-12 Class S, 0.608%, 5/25/21 (a)	368	7,295
G-17 Class S, 0.58%, 6/25/21 (a)	222	3,955
G-33 Class PV, 1.078%, 10/25/21	285	7,477
G-46 Class H, 1.043%, 12/25/09	1,123	6,595
G-49 Class S, 732.55%, 12/25/21 (a)	(l)	1,453
G92-5 Class H, 9%, 1/25/22	70	17,107
7 Class 2, 8.50%, 4/01/17	4	902

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89 Class 2, 8%, 10/01/18	9	1,595
94 Class 2, 9.50%, 8/01/21	3	789
203 Class 1, 0%, 2/01/23 (g)	18	14,457
228 Class 1, 0%, 6/01/23 (g)	13	10,917
378 Class 19, 5%, 6/01/35	4,177	997,710
1990-123 Class M, 1.01%, 10/25/20	18	425
1990-136 Class S, 0.015%, 11/25/20 (a)	10,721	14,111
1991-38 Class N, 1.009%, 4/25/21	15	118
1991-46 Class S, 1.403%, 5/25/21 (a)	80	2,470
1991-87 Class S, 18.981%, 8/25/21	51	64,719
1991-99 Class L, 0.93%, 8/25/21 (a)	100	1,996
1991-139 Class PT, 0.648%, 10/25/21	192	2,985
1991-167 Class D, 0%, 10/25/17	17	16,805
1993-51 Class E, 0%, 2/25/23 (g)	59	48,354
1993-70 Class A, 0%, 5/25/23 (g)	10	8,761
1994-23 Class PS, 11.108%, 4/25/23 (a)	718	747,480
1997-50 Class SI, 1.20%, 4/25/23 (a)	310	11,145
2003-118 Class FD, 3.295%, 12/25/33 (a)	1,488	1,467,908
2004-90 Class JH, 1.828%, 11/25/34 (a)	21,921	1,861,321
2005-5 Class PK, 5%, 12/25/34	2,574	2,594,133
Freddie Mac Multiclass Certificates Series:		
19 Class R, 9.757%, 3/15/20	8	1,285
75 Class R, 9.50%, 1/15/21	(l)	2
75 Class RS, 18.277%, 1/15/21	(l)	2
173 Class R, 9%, 11/15/21	10	10
173 Class RS, 9.096%, 11/15/21	(l)	10
176 Class M, 1.01%, 7/15/21	22	473
192 Class U, 1.009%, 2/15/22 (a)	23	516
200 Class R, 98.523%, 12/15/22	1	12
1043 Class H, 0.022%, 2/15/21 (a)	5,973	10,530
1054 Class I, 0.435%, 3/15/21 (a)	64	851
1056 Class KD, 1.085%, 3/15/21	52	1,315

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations	Par (000)	Value
1057 Class J, 1.008%, 3/15/21	\$ 71	\$ 1,495
1148 Class E, 0.593%, 10/15/21 (a)	181	3,061
1179 Class O, 1.009%, 11/15/21	29	192
1254 Class Z, 8.50%, 4/15/22	139	92
1611 Class JC, 10%, 8/15/23 (a)	333	351,774
1739 Class B, 0%, 2/15/24 (g)	72	68,182
1831 Class PG, 6.50%, 3/15/11	161	9,280
2611 Class QI, 5.50%, 9/15/32	5,410	953,492
2806 Class VC, 6%, 12/15/19	3,066	3,152,031
2874 Class BC, 5%, 10/15/19	6,000	6,038,848
2883 Class DR, 5%, 11/15/19	1,390	1,392,405
3174 Class PZ, 5%, 1/15/36	7,364	6,076,364
Ginnie Mae Trust Series 2004-65 Class VA, 6%, 6/20/15	1,445	1,490,709
Total U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations 7.4%		27,476,597

Non-Government Agency Mortgage-Backed Securities**Collateralized Mortgage Obligations 6.8%**

American Home Mortgage Assets Series 2006-6 Class A1A, 2.583%, 12/25/46 (a)	376	293,021
Citigroup Mortgage Loan Trust, Inc. Series 2005-4 Class A, 5.343%, 8/25/35 (a)	4,918	4,445,360
Collateralized Mortgage Obligation Trust Series 40 Class R, 0.58%, 4/01/18	137	136
Collateralized Mortgage Obligation Trust Series 42 Class R, 6%, 10/01/14	21	1,387
Countrywide Alternative Loan Trust Series 2005-64CB Class 1A15, 5.50%, 12/25/35	1,700	1,385,920
Countrywide Alternative Loan Trust Series 2006-01A0 Class 1A1, 5.036%, 8/25/46 (a)	392	328,157
Countrywide Alternative Loan Trust Series 2006-0A21 Class A1, 2.669%, 3/20/47 (a)	1,086	845,196
Countrywide Home Loans Series 2006-0A5 Class 2A1, 2.593%, 4/25/46 (a)	448	351,655
Deutsche Alt-A Securities, Inc. Series 2006-0A1 Class A1, 2.593%, 2/25/47 (a)	553	431,845
GSMPS Mortgage Loan Trust Series 1998-5 Class IO, 0.97%, 6/19/27	3,584	70,568
GSR Mortgage Loan Trust Series 2005-AR4 Class 6A1, 5.25%, 7/25/35 (a)	5,000	4,398,093
GSR Mortgage Loan Trust Series 2006-0A1 Class 2A1, 2.583%, 8/25/46 (a)	1,215	1,037,910
Harborview Mortgage Loan Trust Series 2006-9 Class 2A1A, 2.708%, 11/19/36 (a)	775	609,392
Maryland Insurance Backed Securities Trust Series 2006-1A Class 5.55%, 12/10/65	2,500	2,100,000
Painwebber CMO Trust Series 88M, 13.80%, 9/01/18	6	0
Residential Accredited Loans, Inc. Series 2007-Q02 Class A1, 3.045%, 2/25/47 (a)	648	453,452

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Residential Funding Securities LLC Series 2003-RM2 Class A15, 8.50%, 5/25/33	6,721	7,233,750
Salomon Brothers Mortgage Securities VII, Inc. Series 2000-1 Class IO, 0.492%, 3/25/22	1,131	28
Summit Mortgage Trust Series 2000-1 Class B1, 6.68%, 12/28/12	1	1,298
WaMu Mortgage Pass Through Certificates Series 2007-0A4 Class 1A, 4.564%, 5/25/47 (a)	522	360,959
WaMu Mortgage Pass Through Certificates Series 2007-0A5 Class 1A, 4.544%, 6/25/47 (a)	911	739,641
Wells Fargo Mortgage Backed Securities Trust Series 2006-AR4 Class 2A4, 5.774%, 4/25/36 (a)	300	278,937
		25,366,705

Non-Government Agency Mortgage-Backed Securities	Par (000)	Value
Commercial Mortgage-Backed Securities 13.6%		
Bear Stearns Commercial Mortgage Securities Series 2005-PWR7 Class A2, 4.945%, 2/11/41	\$ 2,320	\$ 2,300,355
CS First Boston Mortgage Securities Corp. Series 2002-CP5 Class A2, 4.94%, 12/15/35	2,970	2,917,164
CW Capital Cobalt Ltd. Series 2007-C3 Class A4, 5.82%, 5/15/46 (a)	755	754,227
Citigroup Commercial Mortgage Trust Series 2008-C7 Class A4, 6.095% due 12/10/2049, 6.095%, 12/10/2049 (a)	2,020	2,054,194
Citigroup/Deutsche Bank Commercial Mortgage Trust Series 2007-CD5 Class A4, 5.886%, 11/15/44 (a)	3,075	3,071,756
Commercial Mortgage Loan Trust Series 2008-LS1 Class A4B, 6.02%, 12/10/49 (a)	1,515	1,460,778
Credit Suisse Mortgage Capital Certificates Series 2007-C2 Class A3, 5.542%, 1/15/49 (a)	2,400	2,343,822
DLJ Commercial Mortgage Corp. Series 2000-CKP1 Class A1B, 7.18%, 11/10/33	2,307	2,406,694
First Union National Bank Commercial Mortgage Series 2000-C2 Class A2, 7.202%, 10/15/32	2,050	2,139,716
First Union-Lehman Brothers-Bank of America Series 1998-C2 Class D, 6.778%, 11/18/35	2,630	2,763,258
GE Capital Commercial Mortgage Corp. Series 2002-1A Class A3, 6.269%, 12/10/35	2,310	2,389,288
GMAC Commercial Mortgage Securities, Inc.: Series 2002-C3 Class A2, 4.93%, 7/10/39	2,580	2,564,134
Series 2004-C3 Class A4, 4.547%, 12/10/41	2,475	2,424,102
JPMorgan Chase Commercial Mortgage Securities Corp.: Series 2001-C1 Class A3, 5.857%, 10/12/35	1,990	2,048,835
Series 2004-CBX Class A4, 4.529%, 1/12/37	2,380	2,339,935
Series 2006-LDP9 Class A3, 5.336%, 5/15/47	1,065	1,032,492
LB-UBS Commercial Mortgage Trust: Series 2004-C4 Class A3, 5.155%, 6/15/29 (a)	2,530	2,546,548
Series 2007-C7 Class A3, 5.866%, 9/15/45 (a)	5,000	4,904,000
Morgan Stanley Capital I: Series 1997-HF1 Class X, 3.438%, 7/15/29	22	1
Series 2005-HQ6 Class A4A, 4.989%, 8/13/42	1,520	1,487,919
Series 2007-IQ16 Class A4, 5.809%, 12/12/49	1,360	1,349,231
Series 2007-T27 Class A4, 5.65%, 6/13/42 (a)	1,105	1,094,041
Series 2008-T29 Class A4, 6.28%, 1/11/43 (a)	1,520	1,569,096
Wachovia Bank Commercial Mortgage Trust (a): Series 2006-C25 Class A4, 5.742%, 5/15/43	1,305	1,314,449
2007-C33 Class A4, 5.903%, 2/15/51	1,105	1,113,523
		50,389,558
		75,756,263

Total Non-Government Agency Mortgage-Backed Securities 20.4%**U.S. Government Obligations**

Federal Housing Administration, General Motors Acceptance Corp. Projects:		
Series 37, 7.43%, 5/01/22	185	186,795
Series 44, 7.43%, 8/01/22	75	76,035
Federal Housing Administration, Merrill Projects:		
Series 29, 7.43%, 10/01/20	49	49,753
Series 42, 7.43%, 9/25/22	49	49,248
Federal Housing Administration, Reilly Project, Series B-11, 7.40%, 4/01/21	1,675	1,708,640
Federal Housing Administration, Westmore Project, 7.25%, 4/01/21	1,664	1,697,515

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

U.S. Government Obligations	Par (000)	Value
U.S. Government Obligations (concluded)		
Overseas Private Investment Corp.:		
4.09%, 5/29/12	\$ 365	\$ 366,990
4.30%, 5/29/12 (a)	1,022	1,077,744
4.64%, 5/29/12	769	822,552
4.68%, 5/29/12	435	440,985
4.87%, 5/29/12	3,299	3,563,307
5.40%, 5/29/12 (a)	395	403,424
Resolution Funding Corp., 0%, 4/15/30 (g)(k)	6,055	2,125,983
U.S. Treasury Note (k):		
2.50%, 3/31/13	46,155	45,044,396
2.75%, 2/28/13	2,115	2,087,903
3.50%, 2/15/18	3,785	3,704,569
5%, 5/15/37	400	433,500
Total U.S. Government Obligations 17.2%		63,839,339

Capital Trusts

Commercial Banks 1.1%		
RBS Capital Trust IV, 3.496%, (a)(c)	525	406,971
Wachovia Corp. Series K, 7.98%, (a)(c)(k)	3,775	3,713,996
		4,120,967
Diversified Financial Services 0.8%		
Bank of America Corp.: Series M, 8.125%, 12/29/49 (a)(c)	1,125	1,149,728
JPMorgan Chase & Co., 7.90%, 4/29/49 (a)(c)	1,600	1,629,920
		2,779,648
Total Capital Trusts 1.9%		6,900,615

Preferred Stocks

	Shares	
Commercial Banks 0.6%		
Wachovia Corp. Series J, 8%	85,000	2,138,600
Diversified Financial Services 0.2%		
Citigroup, Inc. Series AA, 8.125%	26,000	659,100
Thriffs & Mortgage Finance 0.8%		
Fannie Mae, 8.25%	69,325	1,735,898

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Freddie Mac Series Z, 8.375%	51,200	1,310,720
		3,046,618
Total Preferred Stocks 1.6%		5,844,318
Total Preferred Securities 3.5%		12,744,933

Other Interests	Beneficial Interest	
Health Care Providers & Services 0.0%		
Critical Care Systems International, Inc. (h)	1,895	637
Total Other Interests		637
Total Long-Term Investments (Cost \$541,593,906) 143.4%		531,605,986

Short-Term Securities	Par (000)	
Government Agency Note ST 0.1%		
Federal Home Loan Bank, 1.50%, 5/01/08	\$ 500	500,000
Total Short-Term Securities (Cost \$500,000) 0.1%		500,000

Options Purchased	Contracts**		Value
Interest Rate Swaps			
Receive a fixed rate of 5.12% and pay a floating rate based on 3-month USD LIBOR, expiring November 2010, Broker Lehman Brothers Special Financing (i)	14	\$	528,108
Receive a fixed rate of 5.39% and pay a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Financing (i)	7		479,588
Receive a fixed rate of 5.47% and pay a floating rate based on 3-month LIBOR, expiring May 2012, Broker Bank of America NA (i)	12		793,239
Receive a fixed rate of 5.79% and pay a floating rate based on 3-month LIBOR, expiring August 2010, Goldman Sachs Capital Markets, L.P. (i)	8		727,507
Receive a fixed rate of 6.025% and pay a floating rate based on 3-month LIBOR, expiring June 2012, broker Lehman Brothers Special Financing (i)	8		706,209
Pay a fixed rate of 5.12% and receive a floating rate based on 3-month USD LIBOR, expiring November 2010, Broker Lehman Brothers Special Financing, (i)	14		316,050

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Pay a fixed rate of 5.39% and receive a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Financing, (i)	7	379,761
Pay a fixed rate of 5.47% and receive a floating rate based 3-month LIBOR, expiring May 2012, Broker Bank of America NA, (i)	12	528,285
Pay a fixed rate of 5.79% and received a floating rate based on 3-month LIBOR expiring August 2010, Goldman Sachs Capital Markets L.P. (i).	8	190,159
Pay a fixed rate of 6.025% and receive a floating rate based on 3-month LIBOR, expiring June 2012, broker Lehman Brothers Special Financing (i)	8	260,349

Total Options Purchased
(Cost \$3,608,978) 1.4% 4,909,255

Total Investments before Options Written and TBA Sale Commitments
(Cost \$545,702,884*) 144.9% 537,015,241

Par
(000)

TBA Sale Commitments (16.4%)

Fannie Mae:		
5.00%	\$ (10,800)	(10,618,409)
5.50%	(5,262)	(5,363,022)
6.00%	(1,800)	(1,841,321)
6.00%	(42,800)	(43,075,418)

Total TBA Sale Commitments
(Proceeds \$60,651,057) (16.4%) (60,898,170)

Options Written

Interest Rate Swaps

Pay a fixed rate of 5.01% and receive a floating rate based on 3-month USD LIBOR, expiring November 2008, Broker Union Bank of Switzerland, A.G. (i)	4	(237,829)
Pay a fixed rate of 5.485% and receive a floating rate based on expiring 3-month LIBOR, expiring October 2009 Broker JPMorgan Chase Bank (i)	5	(396,138)
Pay a fixed rate of 5.67% and receive a floating rate based on 3-month LIBOR, expiring April 2010, Broker Citibank NA (i)	12	(1,057,807)
Receive a fixed rate of 5.01% and pay a floating rate based on 3-month USD LIBOR, expiring November 2008, Broker Union Bank of Switzerland, A.G. (i)	4	(68,671)
Receive a fixed rate of 5.485% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank (i)	5	(104,330)

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)
(Percentages shown are based on Net Assets)

Options Written	Contracts**	Value
Interest Rate Swaps (concluded)		
Receive a fixed rate of 5.67% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank NA (i)	12	\$ (220,150)
Receive a fixed rate of 3.10% and pay a floating rate based on 3-month USD LIBOR, expiring October 2008, Broker Citibank (i)	20	(195,460)
		(2,280,385)
Options Written	Contracts**	Value
Put Options Written		
Euro-Dollar Future, expiring June 2008 at USD 97.625	22	\$ (17,737)
10 Year U.S. Treasury Bonds, expiring May 2008 at USD 112	6	(375)
		(18,112)
Total Options Written (Premiums Received \$2,027,576) (0.7%)		(2,298,497)
Total Investments, Net of Options Written and TBA		
Sale Commitments 127.8%		\$ 473,818,574
Liabilities in Excess of Other Assets (27.8%)		(103,121,119)
Net Assets 100.0%		\$ 370,697,455

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 546,668,437
Gross unrealized appreciation	\$ 8,068,835
Gross unrealized depreciation	(17,722,031)
Net unrealized depreciation	\$ (9,653,196)

** One contract represents a notional amount of \$1,000,000.

- (a) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
 (b) All or portion of security, has been pledged as collateral in connection with open financial future contract.
 (c)

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Security is perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.

- (d) 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. Unless otherwise indicated, these securities are not considered illiquid.
- (e) Represents a step bond. Rate shown reflects the effective yield at the time of purchase.
- (f) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (g) Represents a zero-coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (h) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (i) This European style swaption, which can be exercised only on the expiration date, represents a stand by commitment whereby the writer of the option is obligated to enter into a predetermined interest rate swap contract upon exercise of swaption.
- (j) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing securities for which all specific information is not available at this time.
- (k) All or a portion of security has been pledged as collateral for reverse repurchase agreements. Reverse repurchase agreements outstanding as of April 30, 2008 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Lehman Brothers, Inc.	4.40%	12/14/07	TBD	\$ 2,108,309	\$ 2,073,837
Credit Suisse Securities LLC	3.25	2/12/08	TBD	3,797,895	3,771,000
Credit Suisse Securities LLC	3.25	2/12/08	TBD	1,525,805	1,515,000
Credit Suisse Securities LLC	3.25	2/12/08	TBD	1,425,812	1,415,715
Credit Suisse Securities LLC	3.25	2/12/08	TBD	511,623	508,000
Credit Suisse Securities LLC	3.25	2/19/08	TBD	2,585,698	2,569,000
Credit Suisse Securities LLC	3.25	2/19/08	TBD	1,197,926	1,190,190
Lehman Brothers, Inc.	2.25	2/29/08	TBD	2,818,837	2,807,956
Credit Suisse Securities LLC	3.75	3/17/08	TBD	1,995,103	1,986,000
Credit Suisse Securities LLC	3.75	3/17/08	TBD	4,018,333	4,000,000

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Credit Suisse Securities LLC	3.75%	3/17/08	TBD	\$ 1,783,136	\$ 1,775,000
Credit Suisse Securities LLC	3.10	3/28/08	TBD	2,015,691	2,010,325
Credit Suisse Securities LLC	3.10	3/28/08	TBD	1,860,954	1,856,000
Credit Suisse Securities LLC	3.10	3/28/08	TBD	2,151,854	2,146,125
Credit Suisse Securities LLC	3.10	3/28/08	TBD	1,758,682	1,754,000
Credit Suisse Securities LLC	3.10	3/28/08	TBD	3,158,484	3,150,075
Credit Suisse Securities LLC	3.10	3/28/08	TBD	1,250,329	1,247,000
Credit Suisse Securities LLC	3.10	3/28/08	TBD	1,280,409	1,277,000
Credit Suisse Securities LLC	3.10	3/28/08	TBD	1,719,578	1,715,000
Lehman Brothers, Inc.	1.97	4/01/08	TBD	30,427,795	30,377,925
Lehman Brothers, Inc.	1.50	4/11/08	TBD	2,531,242	2,529,450
Lehman Brothers, Inc.	1.90	4/11/08	TBD	2,132,774	2,130,862
Lehman Brothers, Inc.	1.35	4/11/08	TBD	1,854,526	1,853,344
Lehman Brothers, Inc.	2.40	4/15/08	5/13/08	371,693	371,000
Lehman Brothers, Inc.	2.40	4/16/08	5/13/08	453,815	453,000
Lehman Brothers International	3.00	4/17/08	TBD	3,219,484	3,216,000
Lehman Brothers International	3.00	4/17/08	TBD	3,880,543	3,876,344
Lehman Brothers International	3.00	4/17/08	TBD	1,937,847	1,935,750
Lehman Brothers International	3.00	4/17/08	TBD	2,407,667	2,405,062
Lehman Brothers International	3.00	4/17/08	TBD	3,528,669	3,524,850
Lehman Brothers International	3.00	4/17/08	TBD	1,779,851	1,777,925
Lehman Brothers International	3.00	4/17/08	TBD	7,265,900	7,258,037
Lehman Brothers International	3.00	4/17/08	TBD	3,049,487	3,046,187
Lehman Brothers International	3.00	4/17/08	TBD	3,440,786	3,437,063
Lehman Brothers International	3.00	4/17/08	TBD	3,969,139	3,964,844
Lehman Brothers International	3.00	4/17/08	TBD	1,232,834	1,231,500
Lehman Brothers International	3.00	4/17/08	TBD	1,653,002	1,651,213
Lehman Brothers International	3.00	4/17/08	TBD	2,310,375	2,307,875
Lehman Brothers International	3.00	4/17/08	TBD	3,152,812	3,149,400
Lehman Brothers International	3.00	4/17/08	TBD	2,874,110	2,871,000
Lehman Brothers International	3.00	4/17/08	TBD	2,270,958	2,268,500

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Lehman Brothers International	3.00	4/17/08	TBD	2,081,252	2,079,000
Lehman Brothers International	3.00	4/17/08	TBD	1,951,800	1,949,688
Lehman Brothers International	3.00	4/17/08	TBD	2,201,758	2,199,375
Lehman Brothers International	3.00	4/17/08	TBD	1,978,141	1,976,000
JPMorgan Securities, Inc.	1.05	4/22/08	TBD	1,978,019	1,977,500
JPMorgan Securities, Inc.	1.30347	4/23/08	TBD	13,692,403	13,688,438
JPMorgan Securities, Inc.	1.92	4/24/08	TBD	1,197,897	1,197,450
JPMorgan Securities, Inc.	0.90	4/29/08	TBD	1,337,767	1,337,700
Credit Suisse Securities LLC	2.30	4/29/08	5/1/08	574,037	574,000
Credit Suisse Securities LLC	2.30	4/30/08	5/13/08	8,662,188	8,655,000

Total \$ 160,365,029 \$ 160,038,505

(l) Amount is less than \$1,000.

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)

Swaps outstanding as of April 30, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index Series 10 and pay 1.55% Broker, Lehman Brothers Inc. Expires June 2013	USD 2,864	\$ (15,341)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index Series 10 and pay 1.55% Broker, Deutsche Bank Securities Inc. Expires June 2013	USD 2,864	(15,339)
Bought credit default protection on Dow Jones CDX North America Investment Grade Index 10 Series VI and pay 1.55% Broker, Morgan Stanley Capital Services Inc. Expires June 2013	USD 2,825	(53,569)
Receive a fixed rate of 4.88% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires August 2009	USD 44,500	1,103,879
Receive a fixed rate of 4.7709% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires August 2009	USD 30,700	717,849
Receive a fixed rate of 4.62377% and pay a floating rate based on 3-month USD LIBOR Broker, Credit Suisse First Boston International Expires September 2009	USD 50,000	1,157,828
Receive a fixed rate of 4.1% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires December 2009	USD 12,400	212,821
Receive a fixed rate of 4.055% and pay a floating rate based on 3-months USD LIBOR Broker, Barclays Bank, PLC-London Expires December 2009	USD 12,600	206,184
Pay a fixed rate of 3.565% and receive a floating rate based on 3-month USD LIBOR Broker, Barclay Bank Expires January 2010	USD 12,600	(112,460)
Pay a fixed rate of 3.6625% and receive a floating rate based on 3-month USD LIBOR Broker, Barclay Bank Expires January 2010	USD 12,100	(127,248)
Receive a fixed rate of 5% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires November 2010	USD 5,000	208,065
Pay a fixed rate of 4.922% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires March 2011	USD 14,800	(636,657)
	USD 27,900	1,737,730

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Receive a fixed rate of 5.496% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America BISD Dealer Expires July 2011				
Receive a fixed rate of 4.95% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires, November 2011	USD	3,100		147,052
Receive a fixed rate of 5.025% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, November 2011	USD	3,200		159,152
			Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 4.897% and pay a floating rate based on 3-month LIBOR Broker, JP Morgan Chase Expires, December 2011	USD	10,000	\$	581,022
Pay a fixed rate of 5.0016% and receive a floating rate based on 3-month LIBOR Broker, UBS Warburg Expires, January 2012	USD	12,000		(599,221)
Pay a fixed rate of 5.58875% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, July 2012	USD	46,800		(3,520,817)
Receive a fixed rate of 5.07625% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, August 2012	USD	91,000		5,027,200
Receive a fixed rate of 5.10531% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, August 2012	USD	21,600		1,217,893
Receive a fixed rate of 5.0565% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America BISD Dealer Expires, August 2012	USD	54,600		2,973,687
Receive a fixed rate of 4.9034% and pay a floating rate based on 3-month USD LIBOR Broker, Barclay Bank Expires, September 2012	USD	35,000		1,696,003
Receive a fixed rate of 4.32% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, November 2012	USD	11,700		289,242
Receive a fixed rate of 4.25% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, November 2012	USD	2,925		63,707
Receive a fixed rate of 4.4062% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires, November 2012	USD	44,100		1,254,251
Pay a fixed rate of 4.2424% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires, December 2012	USD	50,000		(1,065,442)
Pay a fixed rate of 3.46125% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, March 2013	USD	5,900		81,717
Pay a fixed rate of 3.48375% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co.	USD	5,900		75,850

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Expires, March 2013			
Receive a fixed rate of 3.66375% and pay a floating rate based on 3-month USD LIBOR			
Broker, Citibank NA			
Expires, April 2013	USD	7,500	(41,204)
Receive a fixed rate of 3.665% and pay a floating rate based on 3-month USD LIBOR			
Broker, Deutsche Bank Securities Inc.			
Expires, April 2013	USD	12,700	(69,028)
Pay a fixed rate of 4.51% and receive a floating rate based on 3-month USD LIBOR			
Broker, Citibank NA			
Expires, October 2014	USD	13,800	(377,820)

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Opportunity Trust (BNA)

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 4.39919% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, October 2014	USD 27,500	\$ (575,945)
Receive a fixed rate of 5.005% and pay a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires, October 2014	USD 10,500	584,479
Pay a fixed rate of 4.5% and receive a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires, May 2015	USD 3,000	(73,263)
Receive a fixed rate of 4.3715% and pay a floating rate based on 3-month LBR Muni Swap Index Broker, USB Warburg Expires, June 2015	USD 5,200	86,209
Receive a fixed rate of 4.67% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, September 2015	USD 8,000	275,175
Receive a fixed rate of 5.723% and pay a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires, July 2016	USD 5,200	545,239
Receive a fixed rate of 5.295% and pay a floating rate based on 3-month USD LIBOR Broker, USB Warburg Expires, February 2017	USD 12,000	896,493
Pay a fixed rate of 5.071% and receive a floating rate based on 3-month USD LIBOR Broker, USB Warburg Expires, March 2017	USD 5,000	(294,676)
Receive a fixed rate of 5.25% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, April 2017	USD 800	57,555
Pay a fixed rate of 5.85% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, June 2017	USD 1,000	(117,381)
Pay a fixed rate of 5.74% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, June 2017	USD 1,400	(152,583)
Pay a fixed rate of 5.55451% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, June 2017	USD 1,800	(169,177)
Pay a fixed rate of 5.6425% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, July 2017	USD 7,200	(733,143)
Pay a fixed rate of 5.155% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, September 2017	USD 12,000	(773,723)

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Pay a fixed rate of 5.04015% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, September 2017	USD	12,500	(692,454)
Pay a fixed rate of 5.26054% and receive a floating rate based on 3-month USD LIBOR Broker, Morgan Stanley Capital Services Inc. Expires, September 2017	USD	5,700	(415,517)
		Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 5.307% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, October 2017	USD	6,000	\$ (458,903)
Pay a fixed rate of 5.3075% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC-London Expires, October 2017	USD	15,300	(1,171,275)
Pay a fixed rate of 5.01387% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, November 2017	USD	10,000	(530,574)
Pay a fixed rate of 5.115% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires, March 2018	USD	7,300	(446,197)
Pay a fixed rate of 5.135% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays Bank, PLC-London Expires, April 2018	USD	5,949	(105,215)
Receive a fixed rate of 5.411% and receive a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires, August 2022	USD	9,405	788,547
Receive a fixed rate of 5.411% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires, April 2027	USD	1,550	132,239
Pay a fixed rate of 5.365% and receive a floating rate based on 3-month USD LIBOR Broker, Bank of America BIRD Dealer Expires, September 2027	USD	8,900	(707,600)
Pay a fixed rate of 5.09% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, December 2027	USD	3,600	(158,169)
Pay a fixed rate of 5.0605% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, December 2037	USD	6,900	(251,570)
Pay a fixed rate of 5.06276% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, December 2037	USD	1,400	(51,468)
Pay a fixed rate of 5.0639% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financial Expires, December 2037	USD	1,400	(51,714)
Pay a fixed rate of 4.785% and receive a floating rate based on 3-month USD LIBOR Broker, Citibank NA Expires, January 2038	USD	2,100	16,193
Pay a fixed rate of 4.601% and receive a floating rate based on 3-month USD LIBOR	USD	5,000	185,173

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Broker, Lehman Brothers Special Financial

Expires, January 2038

Pay a fixed rate of 4.8325% and receive a floating rate based on 3-month USD LIBOR

Broker, Morgan Stanley Capital Services Inc.

Expires, January 2038

USD 6,100 (4,226)

Pay a fixed rate of 5.29750% and receive a floating rate based on 3-month USD LIBOR

Broker, Citibank NA

Expires, February 2038

USD 700 52,057

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2008

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Schedule of Investments (concluded)

BlackRock Income Opportunity Trust (BNA)

		Notional Amount (000)		Unrealized Appreciation (Depreciation)
Receive a fixed rate of 5.14% and pay a floating rate based on 6-month British Pound Sterling LIBOR Broker, Deutsche Bank AG London Expires, April 2013	GBP	2,100	\$	(34,470)
Receive a fixed rate of 5.29375% and pay a floating rate based on 6-month USD LIBOR Broker, Deutsche Bank AG London Expires, April 2013	GBP	2,100		(19,036)
			\$	7,908,066

Financial futures contracts purchased as of April 30, 2008 were as follows:

Contracts	Issue	Exchange	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
54	Euro-BOBL	Eurex	June 2008	\$ 9,222,764	\$ (180,800)
65	Euro-BOBL	Eurex	June 2008	11,547,057	(287,184)
10	Euro Dollar	Chicago	June 2008	2,433,031	95
60	Euro Dollar	Chicago	December 2008	14,649,177	(84,177)
109	Euro Dollar	Chicago	June 2009	26,435,449	(49,274)
237	10-Year U.S. Treasury Bond	Chicago	June 2008	27,700,833	(253,271)
1,237	30-Year U.S. Treasury Bond	Chicago	June 2008	144,347,284	246,419
Total Net Unrealized Depreciation					\$ (608,192)

Financial futures contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Exchange	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
119	Euro Dollar	Chicago	June 2010	\$ 28,669,289	\$ 63,176
438	Future 2-Year U.S. Treasury Bond	Chicago	June 2008	94,030,773	873,648
1,859	5-Year U.S. Treasury Bond	Chicago	June 2008	210,188,983	2,010,029

Total Net Unrealized Appreciation \$ 2,945,853

Currency Abbreviations:

EUR Euro
GBP British Pound

See Notes to Financial Statements.

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Schedule of Investments April 30, 2008 (Unaudited)

BlackRock Income Trust Inc. (BKT)
(Percentages shown are based on Net Assets)

Asset-Backed Securities	Par (000)	Value
First Franklin Mortgage Loan Asset Backed Certificates Series 2005-FF2 Class M2, 3.335%, 3/25/35 (a)	\$ 5,890	\$ 3,828,500
GSAA Home Equity Trust Series 2005-1 Class AF2, 4.316%, 11/25/34 (a)	3,960	3,808,003
Securitized Asset Backed Receivables LLC Trust Series 2005-OP2 Class M1, 3.325%, 10/25/35 (a)	1,875	1,350,000
Small Business Administration Participation Certificates:		
Series 1996-20E Class 1, 7.60%, 5/01/16	529	551,530
Series 1996-20F Class 1, 7.55%, 6/01/16	718	748,664
Series 1996-20G Class 1, 7.70%, 7/01/16	518	541,757
Series 1996-20H Class 1, 7.25%, 8/01/16	757	787,529
Series 1996-20K Class 1, 6.95%, 11/01/16	1,338	1,388,089
Series 1997-20C Class 1, 7.15%, 3/01/17	528	549,947
Sterling Bank Trust Series 2004-2 Class Note, 2.081%, 3/30/30 (b)	9,005	292,647
Sterling Coofs Trust Series 1, 2.362%, 4/15/29 (b)	12,999	589,007
Total Asset-Backed Securities 3.3%		14,435,673

Corporate Bonds

Diversified Financial Services 0.4%

Structured Asset Repackaged Trust, 4.394%, 1/21/10	1,973	1,943,830
Total Corporate Bonds 0.4%		1,943,830

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass-Through Certificates:		
5.00%, 4/01/19 5/15/38 (c)(d)(h)	53,252	52,444,041
5.50%, 6/01/21 5/15/38 (c)(d)(h)	165,045	166,252,291
5.97%, 8/01/16 (a)	3,125	3,289,413
6.00%, 10/01/36 5/15/38 (c)(d)	36,120	36,945,430
6.50%, 7/01/36 5/15/38 (c)(d)	39,296	40,671,800
7.50%, 2/01/22	(g)	234
8.00%, 5/01/08 5/01/22	17	17,809
9.50%, 1/01/19 9/01/19	4	4,108
Freddie Mac Mortgage Participation Certificates:		
4.934%, 10/01/34 (a)	794	798,012
5.50%, 12/01/21 3/01/22 (h)	8,066	8,220,070
6.01%, 11/01/17 (a)	26	25,794
6.037%, 1/01/35 (a)(h)	391	390,806

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6.50%, 5/15/38 (d)	100	103,563
8.00%, 11/01/15	7	7,363
9.00%, 9/01/20 (h)	114	124,651
Ginnie Mae MBS Certificates:		
5.50%, 5/15/38 6/15/38 (d)	6,000	6,066,876
6.50%, 5/15/38 6/15/38 (d)	10,800	11,194,875
7.00%, 10/15/17	35	36,887
7.50%, 8/15/21 12/15/23	373	401,096
8.00%, 10/15/22 2/15/29	179	195,487
9.00%, 6/15/18 9/15/21	15	15,948

Total U.S. Government Agency Mortgage-Backed Securities 75.3% 327,206,554

**U.S. Government Agency
Mortgage-Backed Securities
Collateralized Mortgage Obligations**

	Par (000)	Value
Fannie Mae Trust:		
Series 7 Class 2, 8.50%, 4/01/17 (b)	\$ 9	\$ 1,919
Series 19 Class F, 8.50%, 3/15/20	173	182,934
Series 89 Class 2, 8%, 10/01/18 (b)	19	3,386
Series 94 Class 2, 9.50%, 8/01/21 (b)	6	1,678
Series 203 Class 1, 0%, 2/01/23 (e)	39	31,038
Series 228 Class 1, 0%, 6/01/23 (e)	28	23,439
Series 273 Class 1, 0%, 8/01/26 (e)	214	168,248
Series 328 Class 1, 0%, 12/01/32 (e)	4,123	3,228,859
Series 338 Class 1, 0%, 7/01/33 (e)	3,402	2,619,626
Series 1990-123 Class M, 1.01%, 10/25/20 (b)	38	912
Series 1990-136 Class S, 0.015%, 11/25/20 (b)	23,018	30,297
Series 1991-7 Class J, 0%, 2/25/21 (e)	38	31,225
Series 1991-38 Class F, 8.325%, 4/25/21 (a)	42	43,612
Series 1991-38 Class N, 1.009%, 4/25/21 (b)	32	254
Series 1991-38 Class SA, 10.186%, 4/25/21 (a)	42	44,747
Series 1991-46 Class S, 1.403%, 5/25/21 (b)	172	5,303
Series 1991-87 Class S, 18.981%, 8/25/21 (a)	111	141,410
Series 1991-99 Class L, 0.93%, 8/25/21 (b)	215	4,286
Series 1991-139 Class PT, 0.648%, 10/25/21 (b)	412	6,409
Series 1991-167 Class D, 0%, 10/25/17 (e)	37	36,081
Series 1993-51 Class E, 0%, 2/25/23 (e)	127	103,814
Series 1993-70 Class A, 0%, 5/25/23 (e)	22	18,809
Series 1993-72 Class S, 8.75%, 5/25/08 (a)	12	11,798
Series 1993-93 Class S, 8.50%, 5/25/08 (a)	3	3,401
Series 1993-170 Class SC, 9%, 9/25/08 (a)	3	2,593
Series 1993-196 Class SC, 9.334%, 10/25/08 (a)	78	79,144
Series 1993-199 Class SB, 2.625%, 10/25/23 (b)	2,018	203,950
Series 1993-214 Class SH, 10.773%, 12/25/08 (a)	52	53,496
Series 1993-247 Class SN, 10%, 12/25/23 (a)	828	961,291
Series 1993-249 Class B, 0%, 11/25/23 (e)	1,839	1,562,444
Series 1994-33 Class SG, 3.225%, 3/25/09 (b)	386	7,263
Series 1996-68 Class SC, 2.257%, 1/25/24 (b)	1,676	91,554
Series 1997-50 Class SI, 1.20%, 4/25/23 (b)	612	22,045
Series 1997-90 Class M, 6%, 1/25/28 (b)	12,232	2,635,097
Series 1999-W4 Class IO, 6.50%, 12/25/28 (b)	585	101,341
Series 1999-W4 Class PO, 0%, 2/25/29 (e)	313	186,088
Series 2002-13 Class PR, 0%, 3/25/32 (e)	824	598,908
Series 2003-9 Class BI, 5.50%, 10/25/22 (b)	3,567	414,105
Series 2003-32 Class VT, 6%, 9/25/15	6,780	6,959,948
Series 2003-51 Class IE, 5.50%, 4/25/26 (b)	1,669	29,851
Series 2003-55 Class GI, 5%, 7/25/19 (b)	4,515	358,096
Series 2003-66 Class CI, 5%, 7/25/33 (b)	5,367	1,187,749
Series 2003-88 Class TI, 4.50%, 11/25/13 (b)	2,767	48,729
Series 2003-122 Class IC, 5%, 9/25/18 (b)	3,741	312,941
Series 2003-135 Class PB, 6%, 1/25/34	12,264	12,252,522
Series 2004-13 Class IG, 5%, 10/25/22 (b)	2,666	56,316
Series 2004-28 Class PB, 6%, 8/25/28	3,278	3,314,790

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Series 2004-29 Class HC, 7.50%, 7/25/30	2,030	2,142,953
Series 2004-31 Class ZG, 7.50%, 5/25/34	2,472	2,987,875
Series 2004-90 Class JH, 1.828%, 11/25/34 (b)	27,253	2,314,075
Series 2005-43 Class IC, 6%, 3/25/34 (b)	837	82,918
Series 2005-55 Class SB, 1.278%, 7/25/35 (b)	11,627	1,185,507
Series 2005-68 Class PC, 5.50%, 7/25/35	2,354	2,403,432
Series 2005-73 Class DS, 10.023%, 8/25/35 (a)	5,398	5,583,943
Series 2005-73 Class ST, 1.258%, 8/25/35 (b)	12,522	1,192,632
Series 2006-2 Class KP, 0%, 2/25/35 (a)(e)	1,221	902,138
Series 2006-36 Class SP, 1.828%, 5/25/36 (b)	47,112	4,611,432
Series 2006-38 Class Z, 5%, 5/25/36	1,282	1,274,954
Series 2006-101 Class SA, 3.204%, 10/25/36 (b)	34,707	2,631,053
Series 20068 Class WL, 3.874%, 3/25/36 (b)	6,534	589,030
Series 2007-32 Class SH, 2.985%, 4/25/37 (b)	7,278	673,596
Series 2007-88 Class SA, 0%, 8/25/35 (b)	4,930	90,986
Series 2008-9 Class SA, 4.105%, 2/25/38 (b)	22,107	2,200,375
Series G-7 Class S, 116.20%, 3/25/21 (a)	(g)	5,767
Series G-10 Class S, 0.575%, 5/25/21 (b)	920	17,171

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2008

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Schedule of Investments (continued)

BlackRock Income Trust Inc. (BKT)
(Percentages shown are based on Net Assets)U.S. Government Agency
Mortgage-Backed Securities
Collateralized Mortgage Obligations

	Par (000)	Value
Fannie Mae Trust (concluded)		
Series G-12 Class S, 0.608%, 5/25/21 (b)	\$ 790	\$ 15,662
Series G-17 Class S, 0.58%, 6/25/21 (b)	478	8,491
Series G-33 Class PV, 1.078%, 10/25/21 (b)	611	16,051
Series G-49 Class S, 732.55%, 12/25/21 (a)	(g)	3,119
Series G-50 Class G, 1.159%, 12/25/21 (b)	399	6,672
Series G92-12 Class C, 1.017%, 2/25/22 (b)	474	11,628
Series G92-5 Class H, 9%, 1/25/22 (b)	177	42,927
Series G92-59 Class S, 5.023%, 10/25/22 (a)(b)	3,396	538,305
Series G92-60 Class SB, 1.60%, 10/25/22 (b)	513	23,895
Series G93-2 Class KB, 0%, 1/25/23 (e)	278	220,933
Freddie Mac Multiclass Certificates:		
Series 19 Class R, 9.757%, 3/15/20 (b)	17	2,758
Series 40 Class K, 6.50%, 8/17/24	680	714,375
Series 60 Class HS, 1.125%, 4/25/24 (b)	1,046	6,104
Series 75 Class R, 9.50%, 1/15/21	(g)	4
Series 75 Class RS, 18.277%, 1/15/21	(g)	4
Series 173 Class R, 9%, 11/15/21	22	22
Series 173 Class RS, 9.096%, 11/15/21	(g)	22
Series 176 Class M, 1.01%, 7/15/21 (b)	47	1,002
Series 192 Class U, 1.009%, 2/15/22 (b)	5	110
Series 200 Class R, 98.523%, 12/15/22 (b)	2	25
Series 204 Class IO, 6%, 5/01/29 (b)	1,639	366,388
Series 1043 Class H, 0.022%, 2/15/21 (b)	12,823	22,609
Series 1054 Class I, 0.435%, 3/15/21 (b)	138	1,826
Series 1056 Class KD, 1.085%, 3/15/21 (b)	112	2,824
Series 1057 Class J, 1.008%, 3/15/21 (b)	152	3,211
Series 1148 Class E, 0.593%, 10/15/21 (a)(b)	388	6,571
Series 1160 Class F, 29.476%, 10/15/21 (a)	30	46,721
Series 1179 Class O, 1.009%, 11/15/21 (b)	63	412
Series 1418 Class M, 0%, 11/15/22 (e)	141	114,060
Series 1571 Class G, 0%, 8/15/23 (e)	577	449,031
Series 1598 Class J, 6.50%, 10/15/08	599	598,380
Series 1616 Class SB, 8.50%, 11/15/08 (a)	43	43,095
Series 1691 Class B, 0%, 3/15/24 (e)	1,888	1,560,100
Series 1706 Class IA, 7%, 10/15/23 (b)	97	2,480
Series 1720 Class PK, 7.50%, 1/15/24 (b)	43	1,888
Series 1739 Class B, 0%, 2/15/24 (e)	162	152,794
Series 1914 Class PC, 0.75%, 12/15/11(b)	2,109	18,082
Series 1961 Class H, 6.50%, 5/15/12	261	266,318
Series 2218 Class Z, 8.50%, 3/15/30	9,413	10,294,554
Series 2296 Class SA, 2.139%, 3/15/16 (b)	627	50,016
Series 2369 Class SU, 3.248%, 10/15/31 (b)	4,408	481,743
Series 2431 Class Z, 6.50%, 6/15/32	11,903	12,389,545
Series 2444 Class ST, 2.359%, 9/15/29 (b)	286	10,020
Series 2542 Class MX, 5.50%, 5/15/22 (b)	1,256	202,636
Series 2542 Class UC, 6%, 12/15/22	10,200	10,827,884
Series 2545 Class NI, 5.50%, 3/15/22 (b)	2,175	281,348
Series 2559 Class IO, 5%, 8/15/30 (b)	437	7,169
Series 2561 Class EW, 5%, 9/15/16 (b)	3,413	239,377
Series 2562 Class PG, 5%, 1/15/18	2,475	2,511,076
Series 2564 Class NC, 5%, 2/15/33	928	865,661
Series 2611 Class QI, 5.50%, 9/15/32 (b)	9,738	1,716,410
Series 2630 Class PI, 5%, 8/15/28 (b)	4,592	512,439
Series 2647 Class IV, 1.959%, 7/15/33 (b)	16,307	3,175,387

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Series 2653 Class MI, 5%, 4/15/26 (b)	2,786	330,326
Series 2658 Class PI, 4.50%, 6/15/13 (b)	1,911	23,102
Series 2672 Class TQ, 5%, 3/15/23 (b)	1,818	33,197
Series 2687 Class IL, 5%, 9/15/18 (b)	3,633	263,226
Series 2693 Class IB, 4.50%, 6/15/13 (b)	1,486	16,440
Series 2694 Class LI, 4.50%, 7/15/19 (b)	2,081	152,249
Series 2750 Class TC, 5.25%, 2/15/34	2,050	2,022,762
Series 2758 Class KV, 5.50%, 5/15/23	11,221	11,371,914
Series 2765 Class UA, 4%, 3/15/11	1,573	1,592,377
Series 2769 Class SQ, 7.102%, 2/15/34 (a)	4,359	2,954,312

**U.S. Government Agency
Mortgage-Backed Securities
Collateralized Mortgage Obligations**

	Par (000)	Value
Freddie Mac Multiclass Certificates (concluded)		
Series 2773 Class OX, 5%, 2/15/18 (b)	\$ 3,951	\$ 401,164
Series 2780 Class SM, 1.348%, 4/15/34 (b)	16,011	1,022,117
Series 2806 Class VC, 6%, 12/15/19	3,121	3,208,408
Series 2825 Class NI, 5.50%, 3/15/30 (b)	6,727	1,252,246
Series 2827 Class SR, 1.348%, 1/15/22 (b)	10,352	734,543
Series 2840 Class SK, 10.947%, 8/15/34 (a)	2,101	1,684,058
Series 2861 Class AX, 7.028%, 9/15/34 (a)	605	578,620
Series 2865 Class SR, 1.908%, 10/15/33 (b)	17,570	3,108,931
Series 2865 Class SV, 2.753%, 10/15/33 (b)	11,899	2,308,216
Series 2927 Class BZ, 5.50%, 2/15/35	2,379	2,129,731
Series 2933 Class SL, 2.914%, 2/15/35 (b)	2,166	218,539
Series 2949 Class IO, 5.50%, 3/15/35 (b)	1,610	280,436
Series 2990 Class WR, 1.929%, 6/15/35 (b)	30,784	2,388,243
Series 3010 Class SC, 10.464%, 3/15/34	1,432	1,489,002
Series 3061 Class BD, 7.50%, 11/15/35	3,695	3,914,949
Series 3122 Class IS, 2.048%, 3/15/36 (b)	84,722	8,313,492
Series 3167 Class SX, 22.414%, 6/15/36 (a)	1,111	1,046,511
Series 3225 Class EY, 1.638%, 10/15/36 (b)	84,843	6,955,468
Series 3299 Class TI, 5%, 4/15/37 (b)	3,271	598,301
Series 3404 Class AS, 1.454%, 1/15/38 (b)	26,174	2,026,524
Series T-11 Class A9, 2.274%, 1/25/28 (a)	3,814	3,414,675
Series T-8 Class A10, 0%, 11/15/28 (e)	213	169,010
Ginnie Mae Trust:		
Series 1996-5 Class Z, 7%, 5/16/26	955	1,001,991
Series 2001-33 Class PB, 6.50%, 7/20/31	1,586	1,633,305
Series 2003-58 Class IT, 5.50%, 7/20/33 (b)	1,772	203,621
Series 2003-89 Class SA, 0.84%, 10/16/33 (b)	15,338	934,737
Series 2004-18 Class VC, 5%, 3/16/15	6,901	6,992,906
Series 2004-39 Class ID, 5%, 5/20/33 (b)	1,500	428,080
Series 2004-89 Class PE, 6%, 10/20/34	3,943	4,198,789
Series 2005-18 Class SL, 1.203%, 2/20/35 (b)	14,621	977,734
Series 2005-47 Class SP, 0.853%, 8/20/32 (b)	18,199	948,479

**Total U.S. Government Agency Mortgage-Backed
Securities Collateralized Mortgage Obligations 46.3%**

201,230,478

Non-U.S. Government Agency Mortgage-Backed Securities

Collateralized Mortgage Obligations 24.3%

ABN AMRO Mortgage Corp., Series 2003-4 Class A2, 5.50%, 3/25/33 (b)	695	11,927
Banc of America Funding Corp.:		
Series 2007-2 Class 1A19, 0%, 3/25/37 (b)	105,081	2,012,826
Series 2007-5 Class 4A3, 3.655%, 7/25/37 (a)	36,024	3,359,193
	219,268	1,746,890

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Banc of America Mortgage Securities Inc. Series		
2003-3 Class 1AIO, 0.286%, 5/25/18 (b)		
Bear Stearns Asset Backed Securities Series 2007-AC2		
Class X, 0.25%, 3/25/37 (b)	24,127	240,635
Citigroup Mortgage Loan Trust, Inc. Series 2005-12		
Class 1A2, 1.615%, 8/25/35 (b)	23,304	784,546
Collateralized Mortgage Obligation Trust, (b):		
Series 40 Class R, 0.58%, 4/01/18	316	316
Series 42 Class R, 6%, 10/01/14	50	3,226
Countrywide Alternative Loan Trust:		
Series 2005-28CB Class 1A5, 5.50%, 8/25/35	3,809	3,694,352
Series 2005-56 Class 1A1, 3.625%, 11/25/35 (a)	4,970	4,042,653
Series 2005-72 Class A2, 3.255%, 1/25/36 (a)	4,322	2,679,797
Series 2005-79C Class A2, 0%, 1/25/36 (b)	133,577	4,884,679
Countrywide Home Loan Mortgage Pass-Through Trust (e):		
Series 2003-26 Class PO, 0%, 8/25/33	5,023	3,244,625
Series 2003-J4 Class PO, 0%, 6/25/33	1,008	752,155
Series 2003-J5 Class PO, 0%, 7/25/33	1,321	852,948
Series 2003-J8 Class PO, 0%, 9/25/23	1,115	772,959

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Trust Inc. (BKT)
(Percentages shown are based on Net Assets)

Non-U.S. Government Agency Mortgage-Backed Securities	Par (000)	Value
Collateralized Mortgage Obligations (continued)		
Deutsche Alt-A Securities Inc Mortgage Series 2006-AR5 Class 22A, 5.50%, 10/25/21	\$ 2,005	\$ 1,834,770
Drexel Burnham Lambert CMO Trust (e):		
Series K Class 1, 0%, 9/23/17	19	18,610
Series V Class 1, 0%, 9/01/18	224	195,974
First Boston Mortgage Securities Corp. (b):		
Series C Class I-O, 10.965%, 4/25/17	74	16,773
Series 2005-FA7 Class 1A7, 0%, 10/25/35	69,162	2,467,641
First Horizon Alternative Mortgage Securities (b)		
Series 2005-FA9 Class A2, 0%, 12/25/35	168,780	5,538,383
Series 2006-FA2 Class 1A4, 0.628%, 5/25/36	40,230	2,087,346
GSMPS Mortgage Loan Trust Series 1998-5 Class IO, 0.97%, 6/19/27 (b)	7,126	140,284
Harborview Mortgage Loan Trust Series 2006-4 Class 2A1A, 2.698%, 5/19/47 (a)	5,114	4,009,828
Homebanc Mortgage Trust Series 2005-4 Class A1, 2.663%, 10/25/35 (a)	5,487	4,443,211
Indymac Index Mortgage Loan Trust Series 2006-AR33 Class 4AX, 0.165%, 1/25/37 (b)	148,652	599,706
JPMorgan Alternative Loan Trust Series 2006-S1 Class 3A1A, 5.35%, 3/25/36 (a)	2,928	2,938,638
JPMorgan Mortgage Trust:		
Series 2005-S1 Class 2A1, 8%, 1/25/35	6,187	6,641,960
Series 2006-A7 Class 2A2, 5.816%, 1/25/37 (a)	1,580	1,557,918
Kidder Peabody Acceptance Corp.:		
Series 1993-1 Class A6, 11.245%, 8/25/23 (a)	106	109,254
Series B Class A2, 9.50%, 4/22/18 (b)	55	11,524
Luminent Mortgage Trust Series 2006-A1 Class 2A1, 3.065%, 12/25/36 (a)	4,796	3,646,838
MASTR Adjustable Rate Mortgages Trust Series 2004-3 Class 3AX, 0.977%, 4/25/34 (b)	22,025	227,455
MASTR Alternative Loans Trust:		
Series 2003-7 Class 4A3, 8%, 11/25/18	1,409	1,509,933
Series 2003-9 Class 15X2, 6%, 1/25/19 (b)	1,261	276,230
MASTR Asset Securitization Trust Series 2004-3 Class 4A15, 0%, 3/25/34 (e)	314	79,072
Morgan Stanley Mortgage Loan Trust Series 2004-3 Class 1AX, 5%, 5/25/19 (b)	1,469	211,702
Painwebber CMO Trust Series 88M, 13.80%, 9/01/18	13	0
Residential Accredited Loans, Inc.:		
Series 2005-QS16 Class A2, 0%, 11/25/35 (b)	135,268	3,493,779
Series 2006-Q03 Class A1, 3.105%, 4/25/46 (a)	3,072	2,392,883
Series 2006-Q04 Class 2A2, 3.135%, 4/25/46 (a)	3,283	1,805,449
Residential Asset Securitization Trust Series 2005-A15 Class 1A8, 0%, 2/25/36 (e)	983	426,112
Residential Funding Securities LLC Series 2003-RM2 Class A15, 8.50%, 5/25/33	9,409	10,127,250
Sequoia Mortgage Trust Series 2005-2 Class XA, 0.998%, 3/20/35 (a)(b)	54,628	845,096
Structured Adjustable Rate Mortgage Loan Trust		
Series 2004-11 Class A, 6.571%, 8/25/34 (a)	2,180	2,184,777
Series 2005-18 Class 7AX, 5.50%, 9/25/35 (b)	5,097	510,320
Series 2005-20 Class 3AX, 5.50%, 10/25/35 (b)	3,852	549,937
Series 2006-2 Class 4AX, 5.50%, 3/25/36 (b)	13,103	1,919,705
Series 2006-7 Class 3AS, 2.374%, 8/25/36 (b)	41,915	3,705,680

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Structured Mortgage Asset Residential Trust Series 1993-3C Class CX, 0%, 4/25/24 (e)	12	11,492
Summit Mortgage Trust Series 2000-1 Class B1, 6.68%, 12/28/12 (a)	8	8,039
Vendee Mortgage Trust Series 1999-2 Class 11O, 0.052%, 5/15/29 (b)	81,912	203,896
WaMu Mortgage Pass-Through Certificates Series 2005-AR4 Class A3, 4.585%, 4/25/35 (a)	3,000	2,997,399

**Non-U.S. Government Agency
Mortgage-Backed Securities**

**Par
(000)**

Value

Collateralized Mortgage Obligations (concluded)

Washington Mutual Alternative Mortgage Pass-Through Certificates		
Series 2005-8 Class 1A4, 1.215%, 10/25/35 (b)	\$ 8,882	\$ 252,089
Series 2005-9 Class CP, 0%, 11/25/35 (e)	931	649,132
Series 2007-1 Class 1A3, 3.265%, 2/25/37 (a)	7,681	6,031,124
		105,760,936

Commercial Mortgage-Backed Securities 1.6%

CS First Boston Mortgage Securities Corp. Series 1997-C1 Class AX, 1.672%, 6/20/29 (b)	5,492	260,623
Commercial Mortgage Acceptance Corp. Series 1997-ML1 Class IO, 0.705%, 12/15/30 (b)	17,561	466,065
Credit Suisse Mortgage Capital Certificates Series 2007-C2 Class A3, 5.542%, 1/15/49 (a)	2,420	2,363,354
First Union-Lehman Brothers Commercial Mortgage Series 1997-C2 Class D, 7.12%, 11/18/29	3,500	3,732,926
GMAC Commercial Mortgage Securities, Inc. Series 1997-C1 Class X, 1.34%, 7/15/29 (b)	23	1,117
Morgan Stanley Capital I Series 1997-HF1 Class X, 3.438%, 7/15/29 (b)	73	4
		6,824,089

**Total Non-U.S. Government Agency Mortgage-Backed
Securities 25.9%**

112,585,025

U.S. Government and Agency Obligations

Federal Housing Administration, General Motors Acceptance Corp. Projects, Series 56, 7.43%, 11/01/22	351	358,449
Merrill Projects, Series 54, 7.43%, 2/01/23 (i)	2	2,666
Reilly Project, Series 41, 8.28%, 3/01/20	739	754,088
USGI Projects, Series 87, 7.43%, 12/01/22	79	79,875
USGI Projects, Series 99, 7.43%, 6/01/21	5,353	5,460,489
USGI Projects, Series 99, 7.43%, 10/01/23	81	83,577
USGI Projects, Series 99, 7.43%, 10/01/23	243	247,301
Overseas Private Investment Corp., 4.09%, 5/29/12	331	333,658
4.30%, 5/29/12 (a)	929	979,767
4.64%, 5/29/12	699	747,775
4.68%, 5/29/12	395	400,896
4.87%, 5/29/12	2,999	3,239,370
5.40%, 5/29/12 (a)	358	366,750
Resolution Funding Corp., 0%, 4/15/30 (c)	13,000	4,564,455
Small Business Administration Series 1, 1%, 4/01/15 (b)	4,621	46,210

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U.S. Treasury Strips, 0%, 11/15/24 (c)	40,000	18,491,520
Total U.S. Government and Agency Obligations 8.3%		36,156,846
Total Long-Term Securities (Cost \$667,199,926) 159.5%		693,558,406

Short-Term Securities

U.S. Government Obligations 2.4%		
Federal Home Loan Bank, 1.75%, 5/01/08	5,400	5,400,000
Federal Home Loan Bank, 2.13%, 5/02/08	5,000	4,999,704
Borrowed Bond Agreement 4.9%		
Lehman Brothers Inc., 2% to 12/31/2008	21,187	21,187,306
Total Short-Term Securities (Cost \$31,587,010) 7.3%		31,587,010

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Trust Inc. (BKT)
(Percentages shown are based on Net Assets)

Options Purchased	Contracts+	Value
Interest Rate Swaps		
Receive (pay) a variable return based on the change in the since inception of the MSCI Daily Total Return Net Emerging Market India Index and pay a floating rate based on 3-month USD LIBOR, expiring May 2012 at USD 5.725, Broker Lehman Brothers Special Finance (f)	31	\$ 2,287,863
Receive a fixed rate of 5.39% and pay a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Finance (f)	7	479,588
Receive a fixed rate of 5.47% and pay a floating rate based on 3-month LIBOR, expiring May 2012, Broker Bank of America NA (f)	12	799,688
Receive a fixed rate of 5.495% and pay a floating rate based on 3-month LIBOR, expiring May 2012, Credit Suisse International (f)	31	1,438,521
Receive a fixed rate of 5.78% and pay a floating rate based on 3-month LIBOR, expiring August 2010, Broker Deutsche Bank AG (f)	2	244,062
Receive a fixed rate of 6.025% and pay a floating rate based on 3-month LIBOR, expiring June 2012, broker Lehman Brothers Special Finance (f)	8	724,231
Pay a fixed rate of 5.39% and receive a floating rate based on 3-month LIBOR, expiring March 2012, Broker Lehman Brothers Special Finance (f)	7	379,761
Pay a fixed rate of 5.47% and receive a floating rate based 3-month LIBOR, expiring May 2012, Broker Bank of America NA (f)	12	532,580
Pay a fixed rate of 5.495% and received a floating rate based on 3-month LIBOR, expiring May 2012, Credit Suisse International (f)	31	2,005,900
Pay a fixed rate of 5.725% and receive a floating rate based 3-month LIBOR, expiring May 2012, Lehman Brothers Special Finance (f)	31	1,224,228
Pay a fixed rate of 5.78% and receive a floating rate based 3-month LIBOR, expiring August 2010, Broker Deutsche Bank AG (f)	2	63,515
Pay a fixed rate of 6.025% and receive a floating rate based on 3-month LIBOR, expiring June 2012, broker Lehman Brothers Special Finance (f)	8	266,993
		4,472,977
Total Options Purchased (Cost \$7,829,398) 2.4%		10,446,930
Total Investments before Borrowed Bond, TBA Sale Commitments and Options Written (Cost \$706,616,334*) 169.2%		735,592,346

Borrowed Bond

Par
(000)

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U.S. Treasury Note 4.75% 5/31/12	\$	(19,505)	(20,900,817)
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Total Borrowed Bond (Proceeds \$19,383,094) (4.8%)			(20,900,817)
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TBA Sale Commitments

Fannie Mae Guaranteed Pass-Through Certificates, 5.5%, 6/01/21 5/15/38	25,400	(25,563,449)
6.0%, 10/01/36 5/15/38	28,600	(29,256,542)
6.5%, 7/01/36 5/15/38	10,800	(11,180,657)

Total TBA Sale Commitments (15.2%) (Proceeds \$65,822,967)			(66,000,648)
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Options Written	Contracts+	Value	
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Interest Rate Swaps

Pay a fixed rate of 4.8% and receive a floating rate based on 3-month USD LIBOR, expiring March 2011, Goldman Sachs Capital Markets (f)	125	\$	(4,379,500)
Pay a fixed rate of 4.95% and receive a floating rate based on 3-month USD LIBOR, expiring March 2011, JPMorgan Chase (f)	76		(2,279,316)
Pay a fixed rate of 5.4475% and receive a floating rate based on 3-month LIBOR, expiring May 2010, Credit Suisse International (f)	19		(1,097,343)
Pay a fixed rate of 5.485% and receive a floating rate based on expiring 3-month LIBOR, expiring October 2009, Broker JPMorgan Chase Bank (f)	5		(403,612)
Pay a fixed rate of 5.50% and receive a floating rate based on 3-month USD LIBOR, expiring March 2010, UBS AG (f)	62		(2,509,760)
Pay a fixed rate of 5.50% and receive a floating rate based on 3-month USD LIBOR, expiring September 2011, Citibank NA (f)	34		(2,063,800)
Pay a fixed rate of 5.67% and receive a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank NA (f)	12		(1,057,807)
Pay a fixed rate of 5.685% and receive a floating rate based on 3-month LIBOR, expiring May 2010, Lehman Brothers Special Finance (f)	19		(2,423,540)
Pay a fixed rate of 5.88% and receive a floating rate based on 3-month LIBOR, expiring June 2008, Deutsche Bank AG (f)	63		(7,687,646)
Receive a fixed rate of 5.46% and pay a floating rate based on 3-month LIBOR, expiring August 2008, Broker JPMorgan Chase Bank (f)	3		(313,914)
Pay a fixed rate of 5.46% and receive a floating rate based on 3-month LIBOR, expiring August 2008, Broker JP Morgan Chase Bank (f)	3		(7,950)
Receive a fixed rate of 5.4475% and pay a floating rate based on 3-month LIBOR, expiring May 2010, Credit Suisse International (f)	19		(1,977,144)
Receive a fixed rate of 5.485% and pay a floating rate based on 3-month LIBOR, expiring October 2009, Broker JP Morgan Chase Bank (f)	5		(106,299)
Receive a fixed rate of 5.67% and pay a floating rate based on 3-month LIBOR, expiring January 2010, Broker Citibank NA (f)	12		(220,150)
Receive a fixed rate of 5.685% and pay a floating rate based on 3-month LIBOR, expiring May 2010, Lehman Brothers Special Finance (f)	19		(862,907)

Total Options Written (Premiums received \$11,471,518) (6.1%)	(27,390,688)
Total Investments net of Borrowed Bond, TBA Sale Commitments and Options Written 143.0%	621,300,193
Liabilities in Excess of Other Assets (43.0%)	(186,682,148)
Net Assets 100.0%	\$ 434,618,045

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Income Trust Inc. (BKT)

* The cost and unrealized appreciation (depreciation) of investments, as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 706,764,786
Gross unrealized appreciation	\$ 61,315,421
Gross unrealized depreciation	(32,487,861)
Net unrealized appreciation	\$ 28,827,560

+ One contract represents a notional amount of \$1,000,000.

(a) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.

(b) Represents the interest of a mortgage-backed security and has either a nominal or a notional amount of principal.

(c) All or a portion of security, have been pledged as collateral for reverse repurchase agreements. Reverse repurchase agreements outstanding as of April 30, 2008 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Lehman Brothers, Inc.	2.40%	4/11/08	5/13/08	\$ 45,502,802	\$ 45,415,000
Lehman Brothers, Inc.	2.40%	4/16/08	5/13/08	\$ 9,686,761	\$ 9,670,000
Lehman Brothers, Inc.	3.15%	2/12/08	TBD	\$ 1,150,423	\$ 1,142,625
Lehman Brothers, Inc.	2.35%	4/11/08	TBD	\$ 3,520,152	\$ 3,516,250
JPMorgan Securities Inc.	2.68%	3/05/08	TBD	\$ 18,578,502	\$ 18,500,000
Total				\$ 78,438,640	\$ 78,243,875

(d) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing securities for which all specific information is not available at this time.

(e) Represents a principal only portion of a mortgage-backed security.

(f) This European style swaption, which can be exercised only on the expiration date, represents a standby commitment whereby the writer of the option is obligated to enter into a predetermined interest rate swap contract upon exercise of the swaption.

(g) Amount is less than \$1,000.

(h) All or a portion of security held as collateral in connection with financial futures contracts.

(i) Investments in companies considered to be an affiliate of the Trust, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Purchase Cost	Sale Cost	Realized Loss	Interest Income
Merrill Projects, Series 54, 7.43%, 2/01/23		\$ 49,918	(\$2,153)	\$ 52,771

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Financial future contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
422	30-Year U.S. Treasury Bond	June 2008	\$ 50,043,288	\$ 715,444
1598	10-Year U.S. Treasury Bond	June 2008	\$ 186,493,546	\$ 1,425,172
15	5-Year U.S. Treasury Bond	June 2008	\$ 1,682,729	\$ (2,963)
777	2-Year U.S. Treasury Bond	June 2008	\$ 166,808,014	\$ 1,549,826
185	EuroDollar Futures	June 2008	\$ 44,462,546	\$ (550,267)
187	EuroDollar Futures	September 2008	\$ 44,977,946	\$ (514,479)
161	EuroDollar Futures	December 2008	\$ 38,760,811	\$ (321,939)
150	EuroDollar Futures	March 2009	\$ 36,063,757	\$ (309,368)
137	EuroDollar Futures	June 2009	\$ 32,919,803	\$ (244,472)
145	EuroDollar Futures	September 2009	\$ 34,779,866	\$ (257,572)
78	EuroDollar Futures	December 2009	\$ 18,832,412	\$ 24,662
67	EuroDollar Futures	March 2010	\$ 16,144,215	\$ 11,452
63	EuroDollar Futures	June 2010	\$ 15,145,608	\$ 1,195
63	EuroDollar Futures	September 2010	\$ 15,123,018	\$ (655)
38	EuroDollar Futures	December 2010	\$ 9,136,672	\$ 28,547
12	EuroDollar Futures	March 2011	\$ 2,890,313	\$ 16,463
Total Net Appreciation				\$ 1,571,046

Swaps outstanding as of April 30, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 5.38341% and pay a floating rate based on 3-month USD LIBOR Broker, Credit Suisse First Boston International Expires, July 2009	\$ 200,000	\$ 5,897,582
Receive a fixed rate of 4.7775% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank N.A. Expires August 2009	\$ 18,800	440,721
Receive a fixed rate of 4.034% and pay a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires, December 2009	\$ 16,200	254,509
Receive a fixed rate of 4.1% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Finance Expires, December 2009	\$ 12,600	212,486
Receive a fixed rate of 4.05% and pay a floating rate based on 3-month USD LIBOR Broker, Barclays London Expires, December 2009	\$ 5,600	89,372
Pay a fixed rate of 3.535% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Finance Expires January 2010	\$ 29,300	(243,958)
Receive a fixed rate of 4.31996% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires September 2010	\$ 12,000	293,848
Receive a fixed rate of 4.95% and pay a floating rate based on 3-month USD LIBOR	\$ 4,400	207,300

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Broker, UBS Warburg Expires November 2011 Receive a fixed rate of 5.025% and pay a floating rate based on 3-month USD LIBOR		
Broker, Deutsche Bank AG London Expires November 2011	\$ 3,000	148,499
Receive a fixed rate of 5.39256% and pay a floating rate based on 3-month LIBOR		
Broker, Credit Suisse First Boston International Expires June 2012	\$ 64,000	4,221,222
Pay a fixed rate of 4.88911% and receive a floating rate based on 3-month USD LIBOR		
Broker, Goldman Sachs & Co. Expires August 2014	\$ 19,000	(706,993)
Pay a fixed rate of 4.39919% and receive a floating rate based on 3-month USD LIBOR		
Broker, Deutsche Bank AG London Expires October 2014	\$ 12,500	(261,777)
Receive a fixed rate of 4.8834% and pay a floating rate based on 3-month USD LIBOR		
Broker, UBS Warburg Expires, March 2015	\$ 25,000	1,341,811

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Income Trust Inc. (BKT)

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 4.925% and receive a floating rate based on 3-month USD LBR Municipal Swap Index Broker, Deutsche Bank AG London Expires March 2015	\$ 16,000	\$ (816,842)
Pay a fixed rate of 4.5% and receive a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires May 2015	\$ 3,000	(72,568)
Receive a fixed rate of 4.442% and pay a floating rate based on 3-month USD LIBOR Broker, Morgan Stanley Capital Services Expires, July 2015	\$ 4,500	92,239
Receive a fixed rate of 5.94% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires December 2015	\$ 2,800	324,267
Receive a fixed rate of 4.87% and pay a floating rate based on 3-month LBR Muni Swap Index Broker, Goldman Sachs & Co. Expires January 2016	\$ 5,500	251,391
Receive a fixed rate of 5.723% and pay a floating rate based on 3-month USD LIBOR Broker, JPMorgan Chase Expires, July 2016	\$ 5,400	565,348
Receive a fixed rate of 5.295% and pay a floating rate based on 3-month USD LIBOR Broker, UBS Warburg Expires February 2017	\$ 11,900	887,942
Receive a fixed rate of 5.25% and pay a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires April 2017	\$ 800	57,556
Pay a fixed rate of 5.74% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	\$ 1,400	(152,214)
	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 5.5451% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	\$ 1,800	\$ (168,454)
Pay a fixed rate of 5.85% and receive a floating rate based on 3-month USD LIBOR Broker, Deutsche Bank AG London Expires June 2017	\$ 1,000	(116,941)
	\$ 165,647	15,087,278

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Receive a fixed rate of 5.505% and pay a floating rate based on 3-month USD LIBOR Broker, Bank of America Expires August 2017		
Pay a fixed rate of 4.54% and receive a floating rate based on 3-month USD LIBOR Broker, Morgan Stanley Capital Services Inc. Expires, December 2017	\$ 7,700	(116,484)
Pay a fixed rate of 4.4575% and receive a floating rate based on 3-month USD LIBOR Broker, Goldman Sachs & Co. Expires January 2018	\$ 2,600	(22,352)
Pay a fixed rate of 5.115% and receive a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Finance Expires March 2018	\$ 7,300	(461,515)
Pay a fixed rate of 5.135% and receive a floating rate based on 3-month USD LIBOR Broker, Barclays London Expires April 2018	\$ 5,700	(105,215)
Receive a fixed rate of 5.411% and pay a floating rate based on 3-month LIBOR Broker, JPMorgan Chase Expires August 2022	\$ 9,565	801,382
Total		\$ 27,929,440

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Asset-Backed Securities	Par (000)	Value
Sterling Bank Trust Series 2004-2 Class Note, 2.081%, 3/30/30 (a)	USD 24,415	\$ 793,482
Sterling Coofs Trust Series 1, 2.362%, 4/15/29 (a)	18,105	820,403
Total Asset-Backed Securities 0.3%		1,613,885
Corporate Bonds		
Aerospace & Defense 0.6%		
CHC Helicopter Corp., 7.375%, 5/01/14	1,715	1,732,150
DRS Technologies, Inc.:		
6.875%, 11/01/13	330	327,525
7.625%, 2/01/18	310	316,200
Hexcel Corp., 6.75%, 2/01/15	650	645,937
TransDigm, Inc., 7.75%, 7/15/14	570	582,825
		3,604,637
Air Freight & Logistics 0.1%		
Park-Ohio Industries, Inc., 8.375%, 11/15/14	905	779,431
Airlines 0.1%		
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	520	498,888
Auto Components 0.4%		
Allison Transmission, 11.25%, 11/01/15 (b)(c)	825	727,547
Lear Corp., 8.75%, 12/01/16	1,576	1,480,500
Metaldyne Corp., 10%, 11/01/13 (d)	1,000	642,500
		2,850,547
Automobiles 1.3%		
DaimlerChrysler NA Holding Corp., 4.05%, 6/04/08 (d)	7,500	7,501,147
Ford Capital BV, 9.50%, 6/01/10	500	473,750
		7,974,897
Building Products 0.5%		
CPG International I, Inc., 10.50%, 7/01/13	750	641,250
Momentive Performance Materials, Inc., 11.50%, 12/01/16	2,590	2,272,725
		2,913,975
Capital Markets 1.0%		
E*Trade Financial Corp., 12.50%, 11/30/17 (c)	2,500	2,587,500
Marsico Parent Co., LLC, 10.625%, 1/15/16 (e)	2,652	2,385,900
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(c)(e)	947	852,471
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(c)(e)	636	571,981

6,397,852

Chemicals 1.2%

American Pacific Corp., 9%, 2/01/15	1,100	1,083,500
Ames True Temper, Inc., 6.713%, 1/15/12 (f)	2,085	1,717,519
Chemtura Corp., 6.875%, 6/01/16	120	106,800
Huntsman LLC, 11.50%, 7/15/12	310	331,584
Ineos Group Holdings Plc, 7.875%, 2/15/16 (c)	EUR 1,490	1,739,105
Innophos, Inc., 8.875%, 8/15/14	USD 2,225	2,213,875
Key Plastics LLC, 11.75%, 3/15/13 (c)	980	392,000
Terra Capital, Inc. Series B, 7%, 2/01/17	115	114,425

7,698,808

Commercial Services & Supplies 1.9%

Casella Waste Systems, Inc., 9.75%, 2/01/13	2,000	1,960,000
DI Finance Series B, 9.50%, 2/15/13 (d)	3,258	3,359,812
FTI Consulting, Inc., 7.75%, 10/01/16	350	364,000
Sally Holdings LLC, 5.6%, 11/15/16 (d)	990	985,050
Waste Services, Inc., 9.50%, 4/15/14 (d)	2,065	2,023,700
West Corp., 11%, 10/15/16 (d)	3,595	3,195,056

11,887,618

Communications Equipment 0.5%

Nortel Networks Ltd., 6.963%, 7/15/11 (f)	3,300	3,110,250
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Corporate BondsPar
(000)

Value

Containers & Packaging 0.9%

Berry Plastics Holding Corp.:		
6.675%, 9/15/14 (f)	USD 835	\$ 709,750
8.875%, 9/15/14	1,210	1,131,350
Crown Americas LLC, 7.75%, 11/15/15	885	933,675
Impress Holdings BV, 5.838%, 9/15/13 (c)(f)	1,370	1,145,662
Pregis Corp., 12.375%, 10/15/13	2,020	1,959,400

5,879,837

Diversified Financial Services 1.6%

Ford Motor Credit Co. LLC:		
5.46%, 1/13/12 (f)	565	475,110
7.163%, 4/15/12 (f)	60	58,817
7.80%, 6/01/12	1,665	1,488,868
Ford Motor Credit Co., 7.375%, 2/01/11 (d)	2,800	2,574,468
GMAC LLC, 6.875%, 8/28/12	2,735	2,169,788
Structured Asset Repackaged Trust, 4.394%, 1/21/10	3,554	3,501,103

10,268,154

Diversified Telecommunication Services 3.0%

Cincinnati Bell, Inc., 7.25%, 7/15/13	1,420	1,427,100
Deutsche Telekom International Finance BV, 8%, 6/15/10 (d)	5,000	5,356,250
Qwest Communications International, Inc.:		
6.176%, 2/15/09 (f)	1,364	1,364,000
7.50%, 2/15/14	3,595	3,532,087
Qwest Corp., 6.05%, 6/15/13 (d)(f)	2,500	2,393,750
Wind Acquisition Finance SA, 10.75%, 12/01/15 (c)	1,500	1,616,250
Windstream Corp.:		

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8.125%, 8/01/13 (d)	2,340	2,421,900
8.625%, 8/01/16	1,060	1,110,350
		19,221,687

Electric Utilities 0.9%

Edison Mission Energy, 7.50%, 6/15/13	590	613,600
Elwood Energy LLC, 8.159%, 7/05/26	151	145,629
Midwest Generation LLC Series B, 8.56%, 1/02/16	4,324	4,670,206
		5,429,435

Electrical Equipment 0.6%

Superior Essex Communications LLC, 9%, 4/15/12	3,765	3,717,938
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Electronic Equipment & Instruments 0.4%

Sanmina-SCI Corp.:		
6.75%, 3/01/13	315	285,075
8.125%, 3/01/16 (d)	2,560	2,355,200
		2,640,275

Energy Equipment & Services 0.4%

Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	255	263,287
7.75%, 5/15/17	420	433,650
Grant Prideco, Inc. Series B, 6.125%, 8/15/15 (d)	380	385,700
North American Energy Partners, Inc., 8.75%, 12/01/11	270	271,350
SemGroup LP, 8.75%, 11/15/15 (c)	1,240	1,174,900
		2,528,887

Food & Staples Retailing 1.3%

Rite Aid Corp. (d):		
8.125%, 5/01/10	5,000	5,000,000
7.50%, 3/01/17	3,440	3,190,600
		8,190,600

Gas Utilities 0.2%

El Paso Natural Gas Co., 8.375%, 6/15/32	400	461,962
Targa Resources, Inc., 8.50%, 11/01/13	725	692,375
		1,154,337

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Health Care Equipment & Supplies 1.8%			
LVB Acquisition Merger Sub, Inc. (c):			
10%, 10/15/17	USD	500	\$ 536,250
10.375%, 10/15/17 (b)		500	528,982
11.625%, 10/15/17		670	711,875
Norcross Safety Products LLC Series B, 9.875%, 8/15/11		3,000	3,155,640
ReAble Therapeutics Finance LLC, 10.875%, 11/15/14 (c)(d)		6,420	6,452,100
			11,384,847
Health Care Providers & Services 0.7%			
Tenet Healthcare Corp., 6.50%, 6/01/12		1,985	1,841,088
Viant Holdings, Inc., 10.125%, 7/15/17 (c)		2,948	2,417,360
			4,258,448
Hotels, Restaurants & Leisure 2.4%			
American Real Estate Partners LP:			
8.125%, 6/01/12 (d)		5,860	5,728,150
7.125%, 2/15/13		1,480	1,380,100
Greektown Holdings, LLC, 10.75%, 12/01/13 (c)		1,344	1,236,480
Harrah's Operating Co., Inc. (c):			
10.75%, 2/01/16		5,695	4,897,700
10.75%, 2/01/18 (b)		1,790	1,370,997
Tropicana Entertainment LLC Series WI, 9.625%, 12/15/14 (g)(k)		775	381,688
Universal City Florida Holding Co. I, 7.623%, 5/01/10 (f)		170	168,088
Wynn Las Vegas LLC, 6.625%, 12/01/14		100	97,500
			15,260,703
Household Durables 0.0%			
Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (b)(g)		200	0
IT Services 0.9%			
First Data Corp., 9.875%, 9/24/15 (c)		270	245,700
iPayment Investors LP, 12.75%, 7/15/14 (b)(c)		3,953	3,963,388
iPayment, Inc., 9.75%, 5/15/14		950	817,000
SunGard Data Systems, Inc., 9.125%, 8/15/13		790	825,550
			5,851,638
Independent Power Producers & Energy Traders 0.8%			
The AES Corp., 8.75%, 5/15/13 (c)(h)		3,428	3,577,975
NRG Energy, Inc.:			
7.25%, 2/01/14		210	215,775
7.375%, 2/01/16		1,185	1,220,550
			5,014,300
Leisure Equipment & Products 0.1%			

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Quiksilver, Inc., 6.875%, 4/15/15	575	477,250
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Machinery 1.0%

AGY Holding Corp., 11%, 11/15/14 (c)	1,700	1,538,500
Accuride Corp., 8.50%, 2/01/15	850	756,500
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (c)	3,125	2,625,000
Synventive Molding Solutions Sub-Series A, 14%, 1/14/11	600	270,000
Terex Corp., 8%, 11/15/17	1,220	1,247,450

6,437,450

Marine 0.1%

Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (c)	676	696,280
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Media 7.9%

Affinion Group, Inc.:		
10.125%, 10/15/13	1,975	1,994,750
11.50%, 10/15/15	850	834,062
American Media Operations, Inc. Series B:		
10.25%, 5/01/09	420	313,425
10.25%, 5/01/09 (c)	15	11,396
CMP Susquehanna Corp., 9.875%, 5/15/14 (c)	2,425	1,733,875
Cablevision Systems Corp. Series B,		
7.133%, 4/01/09 (f)	800	806,000
Charter Communications Holdings I, LLC,		
11%, 10/01/15	1,665	1,294,537

Corporate Bonds	Par (000)	Value
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Media (concluded)

Charter Communications Holdings II, LLC,		
10.25%, 9/15/10	USD 3,420	\$ 3,289,587
Comcast Cable Communications LLC,		
6.875%, 6/15/09 (d)	6,685	6,858,135
Dex Media West LLC, 9.875%, 8/15/13	1,650	1,555,125
DirecTV Holdings LLC, 8.375%, 3/15/13	500	513,750
EchoStar DBS Corp.:		
5.75%, 10/01/08	2,800	2,800,000
7%, 10/01/13	200	199,500
7.125%, 2/01/16	200	196,500
Intelsat Bermuda Ltd., 9.25%, 6/15/16	1,800	1,815,750
Network Communications, Inc., 10.75%, 12/01/13	1,520	1,134,300
Nielsen Finance LLC, 10%, 8/01/14 (d)	4,340	4,513,600
Paxson Communications Corp., 5.963%, 1/15/12 (c)(f)	2,000	1,617,500
ProtoStar I Ltd., 12.50%, 10/15/12 (c)(f)(i)	3,345	3,311,330
R.H. Donnelley Corp. Series A-3, 8.875%, 1/15/16	3,465	2,252,250
Rainbow National Services LLC (c):		
8.75%, 9/01/12	925	951,594
10.375%, 9/01/14	3,134	3,369,050
Salem Communications Corp., 7.75%, 12/15/10	2,000	1,877,500
Sinclair Broadcast Group, Inc. Class A, 4.875%, 7/15/18 (i)	460	420,325
Sirius Satellite Radio, Inc., 9.625%, 8/01/13	185	155,863
TL Acquisitions, Inc., 10.50%, 1/15/15 (c)	4,500	4,072,500
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (c)	1,575	1,055,250
Young Broadcasting, Inc., 10%, 3/01/11	1,943	1,262,950

50,210,404

Metals & Mining 1.2%

AK Steel Corp., 7.75%, 6/15/12 (d)	2,200	2,246,750
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (f)	1,495	1,509,950
8.375%, 4/01/17 (d)	3,670	4,055,350

7,812,050

Multiline Retail 0.7%

JC Penny Corp. Inc., 8%, 3/01/10 (d)	4,400	4,539,471
Neiman Marcus Group, Inc., 9%, 10/15/15 (b)	73	75,722

4,615,193

Oil, Gas & Consumable Fuels 2.3%

Berry Petroleum Co., 8.25%, 11/01/16	550	570,625
Chaparral Energy, Inc., 8.50%, 12/01/15	1,210	1,101,100
Chesapeake Energy Corp.:		
6.375%, 6/15/15	650	640,250
6.875%, 11/15/20	100	99,500
Compton Petroleum Finance Corp., 7.625%, 12/01/13	700	691,250
EXCO Resources, Inc., 7.25%, 1/15/11	495	492,525
East Cameron Gas Co., 11.25%, 7/09/19	1,500	870,135
Encore Acquisition Co., 6%, 7/15/15	250	230,000
OPTI Canada, Inc., 8.25%, 12/15/14 (d)	1,990	2,054,675
Overseas Shipholding Group, Inc., 8.75%, 12/01/13	1,650	1,707,750
Sabine Pass LNG LP, 7.50%, 11/30/16	1,515	1,386,225
SandRidge Energy, Inc., 6.323% due 4/01/2014 (c)	1,500	1,500,000
SandRidge Energy, Inc., 8.625%, 4/01/15 (b)(c)	1,500	1,500,000
Whiting Petroleum Corp.:		
7.25%, 5/01/12	160	160,400
7.25%, 5/01/13	1,390	1,393,475

14,397,910

Paper & Forest Products 0.6%

Abitibi-Consolidated, Inc., 6%, 6/20/13	1,215	504,225
Bowater, Inc., 5.80%, 3/15/10 (f)	670	452,250
Domtar Corp.:		
7.125%, 8/15/15	300	289,500
7.875%, 10/15/11	140	142,800
NewPage Corp.:		
9.123%, 5/01/12 (d)(f)	1,500	1,563,750
10%, 5/01/12	665	709,887
12%, 5/01/13	200	212,000

3,874,412

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Corporate Bonds		Par (000)	Value
Real Estate Investment Trusts (REITs) 0.2%			
Rouse Co. LP, 5.375%, 11/26/13 (d)	USD	2,000	\$ 1,681,192
Road & Rail 0.0%			
Avis Budget Car Rental LLC, 5.176%, 5/15/14 (f)		130	112,450
Semiconductors & Semiconductor Equipment 0.7%			
Amkor Technology, Inc.:			
7.75%, 5/15/13		2,063	1,975,322
9.25%, 6/01/16		310	309,225
Freescale Semiconductor, Inc., 6.675%, 12/15/14 (b)		2,505	2,060,362
			4,344,909
Software 0.1%			
BMS Holdings, Inc., 9.954%, 2/15/12 (b)(c)(f)		891	556,003
Specialty Retail 2.8%			
AutoNation, Inc.:			
4.713%, 4/15/13 (f)		690	595,987
7%, 4/15/14		690	646,875
General Nutrition Centers, Inc.:			
7.199%, 3/15/14 (b)(f)		2,250	1,914,312
10.75%, 3/15/15		1,880	1,640,300
Group 1 Automotive, Inc., 8.25%, 8/15/13 (d)		5,000	4,800,000
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12		1,475	1,076,750
Michaels Stores, Inc. (d):			
10%, 11/01/14		2,210	2,143,700
11.375%, 11/01/16		1,565	1,404,587
Sonic Automotive, Inc. Series B, 8.625%, 8/15/13		3,500	3,325,000
			17,547,511
Tobacco 0.1%			
Reynolds American, Inc., 7.625%, 6/01/16		1,000	1,059,370
Wireless Telecommunication Services 1.2%			
Cricket Communications, Inc., 9.375%, 11/01/14		270	264,937
Digicel Group Ltd. (c):			
8.875%, 1/15/15		1,120	960,400
9.125%, 1/15/15 (b)		2,467	1,987,619
MetroPCS Wireless, Inc., 9.25%, 11/01/14		360	353,700
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (c)(d)		3,850	3,936,625
			7,503,281
Total Corporate Bonds 42.5%			269,843,654

Foreign Government Obligations

Colombia Government International Bond, 9.75%, 4/23/09	5,000	5,300,000
Peru Government International Bond, 8.375%, 5/03/16 (d)	4,871	5,903,652
Turkey Government International Bond, 7%, 9/26/16	5,093	5,213,959

Total Foreign Government Obligations 2.6% 16,417,611

U.S. Government Agency Mortgage-Backed Securities

Fannie Mae Guaranteed Pass-Through Certificates 5.00%, 5/15/23 (j)	121,000	121,605,000
5.50%, 12/01/28 11/01/33 (h)	8,164	8,238,417

Total U.S. Government Agency Mortgage-Backed Securities 20.4% 129,843,417

Floating Rate Loan Interests**Aerospace & Defense 1.3%**

Avio Holding SpA Term Loan: B, 6.843%, 9/25/14	500	449,750
C, 7.468%, 9/25/15	500	457,500

Floating Rate Loan Interests

Par (000) Value

Aerospace & Defense (concluded)

DynCorp Term Loan C, 4.625%, 6/28/12	USD	1,741	\$	1,658,490
Hawker Beechcraft Acquisition Co. LLC: Letter of Credit, 4.696%, 3/31/14		266		254,055
Term Loan B, 4.696%, 3/31/14		4,580		4,359,576
IAP Worldwide Services, Inc. Term Loan, 9%, 12/31/12		634		519,993
Wesco Aircraft Hardware Corp. First Lien Term Loan, 4.95%, 9/25/13		486		472,878

8,172,242

Airlines 0.6%

US Airways Group, Inc. Term Loan B, 5.386%, 3/22/14	2,970	2,197,800
United Air Lines, Inc. Term Loan B, 4.75% 4.938%, 1/30/14	1,602	1,377,006

3,574,806

Auto Components 0.8%

Allison Transmission Term Loan B, 5.48% 5.74%, 8/07/14	3,741	3,502,725
Mark IV Industries First Lien Term Loan, 7.08% 9.66%, 6/01/11	864	671,380

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Metaldyne Corp.:

Letter of Credit, 6.50% 9.07%, 1/15/12	98	75,683
Term Loan B, 6.50%, 1/11/14	667	514,643
Motorsport Aftermarket Group Term Loan B, 5.196%, 11/03/13	494	414,750
		5,179,181

Beverages 0.2%

Culligan International Second Lien Term Loan, 9.102% 9.134%, 5/25/13	EUR	1,500	1,171,088
Le-Nature s, Inc. Term Loan B, 9.50%, 12/28/12 (g)(k)	USD	1,000	318,333
			1,489,421

Biotechnology 0.1%

Talecris Biotherapeutics, Inc. First Lien Term Loan, 6.57%, 11/13/14		998	875,284
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Building Products 1.8%

Armstrong World Term Loan B, 4.482%, 10/02/13		195	185,021
Building Material Corp. of America First Lien Term Loan, 5.688%, 2/22/14		2,469	2,051,248
Custom Building Products Second Lien Term Loan, 9.718%, 4/29/12		1,500	1,200,000
Lafarge Roofing SA Term Loan: B, 4.988%, 5/01/15		279	202,291
C, 5.238%, 5/01/16		284	207,441
Lafarge Roofing SA Term Loan: B, 6.856%, 5/01/15	EUR	1,021	1,168,699
C, 7.106%, 5/01/16		1,019	1,166,957
Masonite International: Term Loan, 4.63% 5.046%, 4/06/13		242	218,064
Term Loan B, 4.63% 5.046%, 4/06/13	USD	243	218,436
Momentive Performance Materials Term Loan B, 5.375%, 12/04/13	EUR	1,000	1,387,088
Momentive Performance Materials, Inc. Term Loan B, 4.938%, 12/04/13	USD	2,467	2,293,492
United Subcontractors Inc. First Lien Term Loan, 7.25% 7.68%, 12/27/12		1,818	1,151,163
			11,449,900

Capital Markets 0.1%

Marsico Parent Company, LLC Term Loan B, 5.625% 7.25%, 11/14/14		498	443,888
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Chemicals 3.6%

BOC Edwards Ltd. Term Loan B, 5.085%, 5/21/14		496	374,669
Brenntag AG Term Loan B, 6.793%, 11/24/37	EUR	500	719,829
Cognis Deutschland Term Loan A, 6.948%, 11/17/13		803	1,123,626
Cognis Deutschland Term Loan B, 6.948%, 11/16/13		197	275,137

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests		Par (000)	Value
Chemicals (concluded)			
Flint Group Term Loan B, 4.88%, 5/30/15	USD	2,000	\$ 1,725,000
Huntsman ICI Holdings Term Loan B, 4.636%, 8/16/12		4,517	4,356,978
ISP Chemco Term Loan B, 4.50% 4.875%, 5/25/14		1,489	1,400,355
Ineos Group Plc Term Loan:			
A, 4.635%, 2/20/13		1,152	1,048,425
B, 4.885%, 2/20/15		1,667	1,548,552
C, 5.385%, 2/20/14		1,717	1,594,950
Invista Term Loan:			
B1, 4.196%, 4/29/11		1,276	1,221,545
B2, 4.196%, 4/29/11		677	647,510
Lucite International Finance Plc Payment In Kind, 13.805%, 7/03/14	EUR	1,068	1,233,443
Nalco Co. Tranche B Term Loan, 4.478% 6.48%, 11/04/10	USD	1,562	1,535,239
Rockwood Specialties Group, Inc. Tranche D Term Loan, 4.399%, 12/10/12		970	919,748
Viridian Group Plc Term Loan, 8.325%, 4/20/12	EUR	595	813,982
Viridian Group Plc Term Loan, 8.234% 9.726%, 12/21/12	GBP	1,198	2,084,045
			22,623,033
Commercial Services & Supplies 2.3%			
Aramark Corp.:			
Letter of Credit, 5.025%, 1/30/14	USD	185	176,834
Term Loan B, 4.571%, 1/30/14		2,907	2,783,489
Brickman Group, Inc. Term Loan, 4.696%, 1/30/14		1,238	1,157,063
EnviroSolutions Term Loan B, 8.25%, 7/01/12		500	400,000
Euramax International Plc Second Lien Term Loan:			
10.728%, 6/21/13		83	49,737
10.978%, 6/29/13		167	111,961
Jason, Inc. Term Loan B, 5.216%, 4/30/10		1,465	1,278,012
John Maneely Co. Term Loan B, 5.967% 6.345%, 12/15/13		1,120	1,003,667
Kion GmbH Term Loan:			
B, 6.751%, 3/04/15		250	234,844
C, 7.251%, 3/04/16		250	234,844
Language Line Services Term Loan B1, 5.95%, 11/14/11		740	682,727
Service Master Bridge Loan, 7.92% 10.09%, 6/19/08		3,650	2,609,750
Sirva Worldwide Tranche B Term Loan, 6.21%, 12/01/10 (g)(k)		644	287,297
Thermo Fluids, Inc. Term Loan, 6.20% 6.60%, 6/27/13		1,195	836,870
West Corp. Term Loan, 5.079% 5.465%, 10/31/13		2,962	2,700,470
			14,547,565
Communications Equipment 1.1%			
Alltel Corp. Term Loan:			
B2, 5.55%, 5/16/15		748	687,232
B3, 5.466%, 5/18/15		5,236	4,810,065
SafeNet, Inc. First Lien Term Loan, 5.46%, 4/12/14		1,985	1,647,550
			7,144,847

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Computers & Peripherals 0.8%

Intergraph Corp. Second Lien Term Loan, 9.09%, 11/17/14	750	694,688
Intergraph Corp. Term Loan, 4.6778% 5.125%, 5/15/14	1,430	1,341,406
Reynolds and Reynolds Co.:		
First Lien Term Loan, 4.886%, 10/31/12	1,791	1,706,834
Second Lien Term Loan, 8.386%, 10/31/13	1,250	1,162,500
		4,905,428

Construction & Engineering 0.1%

Brand Energy & Infrastructure Services, Inc. Term Loan B: 5.00% 5.188%, 2/15/14	493	433,674
9.125% 9.312%, 2/15/15	500	400,000
		833,674

Construction Materials 0.1%

Nortek, Inc. Term Loan, 5.35%, 8/27/11	483	434,250
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Floating Rate Loan Interests

	Par (000)	Value
Containers & Packaging 1.6%		
Atlantis Plastics Second Lien Term Loan, 12.25%, 3/22/12 (g)(k)	USD 250	\$ 50,000
Consolidated Container Co. LLC Second Lien Term Loan, 8.399% 8.585%, 10/15/14	350	177,625
Graham Packaging Co. LP Term Loan B, 4.875% 5.25%, 4/15/11	4,950	4,682,561
Graphic Packaging International Term Loan B, 5.44% 5.67%, 5/16/14	2,375	2,287,422
Mivisa Envases SAU Term Loan B, 7.087%, 6/03/15	EUR 1,000	1,366,270
Smurfit-Stone Container Corp. Deposit Account, 4.784%, 11/01/10	USD 568	550,332
Solo Cup Co. Term Loan, 6.10% 6.59, 2/27/11	1,221	1,172,950
		10,287,160

Distributors 0.2%

Keystone Automotive Operations, Inc. Term Loan B, 6.099% 6.399%, 1/15/12	1,437	1,135,443
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Diversified Consumer Services 0.7%

Coinmach Laundry Corp. Term Loan B, 5.70%, 11/15/14	5,000	4,487,500
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Diversified Financial Services 0.6%

JG Wentworth Manufacturing: First Lien Term Loan, 4.921%, 4/03/14	4,000	3,026,668
Term Loan B, 4.921%, 4/15/14	400	302,667
Professional Services Term Loan, 5.88%, 10/31/12	752	676,849
		4,006,184

Diversified Telecommunication Services 1.8%

Country Road Communications Second Lien Term Loan, 10.62%, 7/15/13	500	485,000
Eircom Group Plc Term Loan: B, 6.606%, 8/14/14	EUR 2,000	2,901,697
C, 6.856%, 8/14/13	2,000	2,905,720
Iowa Telecom Term Loan B, 4.43% 4.54%, 11/23/11	USD 2,000	1,942,500

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Time Warner Telecom Term Loan B, 4.71%, 2/23/14		2,028	1,916,753
Wind Telecomunicazione SpA Term Loan A, 6.10% 6.645%, 9/22/12	EUR	654	971,414
			11,123,084

Electric Utilities 0.1%

TPF Generation Holdings LLC:			
First Lien Term Loan, 4.696%, 11/28/13	USD	757	719,322
Letter of Credit, 4.696%, 11/28/13		150	143,016
Revolving Credit, 6.83%, 11/28/13		47	44,832
			907,170

Electrical Equipment 0.4%

Electrical Components International Holdings			
Second Lien Term Loan, 9.46%, 5/05/14		500	300,000
Generac Power Systems, Inc.:			
First Lien Term Loan, 5.184%, 11/15/13		979	786,183
Second Lien Term Loan, 8.684%, 5/10/14		500	346,000
Sensus Metering Systems, Inc. Term Loan:			
B-1, 4.818% 6.901%, 12/17/10		1,057	929,739
B-2, 6.718% 6.901%, 12/19/10		73	64,135
			2,426,057

Electronic Equipment & Instruments 0.9%

Deutsch Connectors Term Loan B2, 7.396%, 7/27/14		1,378	1,209,851
Flextronics International Ltd. Delay Draw Term Loan:			
4.963%, 10/01/14		223	206,473
4.963%, 10/05/14		888	821,764
Flextronics International Ltd. Term Loan B:			
4.934% 4.948%, 10/05/12		3,099	2,892,749
4.934% 4.963%, 10/01/14		777	718,527
			5,849,364

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests	Par (000)	Value
Energy Equipment & Services 0.8%		
Dresser, Inc. First Lien Term Loan, 5.113% 5.565%, 5/15/14	USD 3,473	\$ 3,337,139
MEG Energy Corp. Term Loan B, 4.70%, 4/03/13	490	452,515
Trinidad Energy Services Term Loan, 5.209%, 4/15/11	1,470	1,381,800
		5,171,454
Food & Staples Retailing 1.5%		
Advance Food Co. Term Loan: 4.45%, 3/31/14	67	59,185
B, 4.45%, 3/31/14	770	685,300
Advantage Sales & Marketing Term Loan B, 4.70% 4.73%, 4/15/13	975	916,285
Bolthouse Farms, Inc. First Lien Term Loan, 5%, 11/29/12	978	924,552
DS Waters LP Term Loan B, 6.709%, 3/31/12	500	435,000
Dole Food Co., Inc.: Letter of Credit, 4.71%, 4/12/13	280	259,805
Term Loan B, 4.813% 6.25%, 4/12/13	616	572,870
Term Loan C, 4.813% 6.25%, 3/31/13	2,056	1,909,567
McJunkin Corp. Term Loan B, 6.134%, 1/30/14	494	474,823
Pantry, The Term Loan B, 4.46%, 4/25/14	1,157	966,860
Pierre Foods, Inc. Term Loan B, 6.97%, 6/30/10	591	339,968
Sturm Foods, Inc. First Lien Term Loan: 5.813%, 1/22/14	1,360	1,002,993
5.813%, 1/30/14 (b)	500	368,750
Sturm Foods, Inc. Second Lien Term Loan, 9.313%, 11/12/37	500	262,500
		9,178,458
Food Products 1.3%		
Eight O Clock Coffee First Lien Term Loan, 5.688%, 7/21/12	1,930	1,853,160
Jetro Holdings, Inc. Term Loan, 4.95%, 5/11/14	1,938	1,860,000
Michael Foods Term Loan B, 4.541% 6.845%, 11/21/10	2,167	2,101,768
OSI Industries Term Loan B, 4.671% 6.843%, 9/02/11	2,897	2,518,650
		8,333,578
Health Care Equipment & Supplies 1.2%		
Biomet, Inc. Term Loan B, 5.696%, 3/25/14	4,478	4,386,083
ReAble Therapeutics Finance LLC Term Loan, 5.696%, 5/14/14	2,493	2,422,055
Select Medical Term Loan B, 5.019% 6.25%, 2/24/12	966	876,912
		7,685,050
Health Care Providers & Services 2.6%		
CCS Medical First Lien Term Loan, 5.93%, 10/31/12	842	731,279
Community Health Systems, Inc. Term Loan B, 5.335%, 7/25/14	8,188	7,834,634
Health Management Associates, Inc. Term Loan B, 4.446%, 1/15/14	1,944	1,788,839

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HealthSouth Corp. Term Loan B, 5.23% 5.37%, 3/12/14		840	794,437
PTS Cardinal Health Term Loan B, 6.978%, 11/19/37	EUR	1,985	2,712,045
Surgical Care Affiliates Term Loan B, 4.946%, 12/26/14	USD	1,993	1,713,528
Vanguard Health Systems Term Loan B, 5.134%, 9/23/11		975	937,081
			16,511,843

Health Care Technology 0.2%

Misys Hospital Systems, Inc. Term Loan B, 6.12% 6.16%, 10/11/14		1,496	1,402,734
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Hotels, Restaurants & Leisure 3.1%

Cracker Barrel Term Loan B, 4.62%, 4/27/13		2,197	2,068,551
Greektown Casino Term Loan B, 5.438%, 12/01/12		1,663	1,434,093
Green Valley Ranch Gaming LLC Term Loan: 4.671% 5.085%, 1/29/12		477	380,263
6.335%, 8/30/14		1,500	930,000

Floating Rate Loan Interests

		Par (000)		Value
Hotels, Restaurants & Leisure (continued)				
Harrah s Entertainment, Inc.:				
Term Loan B2, 5.906% 5.92%, 1/29/15	USD	700	\$	656,750
Term Loan B3, 5.92%, 1/29/15		812		761,734
Harrah s Operating Term Loan B, 5.906% 5.92%, 1/31/15		555		520,723
Las Vegas Sands LLC Term Loan B, 4.45%, 5/04/14		1,034		948,873
MotorCity Casino Term Loan B, 5.00% 5.08%, 7/21/12		1,683		1,573,719
OSI Restaurant Partners, Inc.:				
Revolving Credit, 4.92%, 5/15/14		40		33,816
Term Loan B, 5%, 5/15/14		405		350,070
Penn National Gaming, Inc. Term Loan B, 4.45% 6.60%, 10/03/12		4,056		3,911,495
QCE LLC First Lien Term Loan, 4.938% 5%, 5/05/13		1,965		1,651,302
Travelport, Inc.:				
Standby Letter of Credit, 4.946%, 8/31/13		28		26,583
Term Loan, 9.913%, 3/20/12 (b)		4,113		2,920,345
Term Loan B, 4.954%, 8/31/13		144		132,485
Venetian Macau US Finance Co. LLC:				
Delay Draw Term Loan, 4.95%, 4/11/13		362		343,922
Term Loan Revolving Credit, 4.95%, 5/26/11		639		607,453
Wembley, Inc. First Lien Term Loan, 5.21% 5.59%, 8/12/12		492		320,084
				19,572,261

Household Durables 0.4%

Berkline Corp. First Lien Term Loan, 8.49%, 11/10/11		95		4,735
Jarden Corp. Term Loan B3, 5.196%, 1/24/12		1,000		970,000
Visant Holding Corp. Term Loan C, 6.718%, 10/04/11		385		368,511
Yankee Candle Co., Inc. Term Loan B, 4.61% 4.68%, 2/06/14		1,000		907,500
				2,250,746

Household Products 0.1%

Central Garden & Pet Term Loan B, 4.37%, 9/30/12		1,084		947,902
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IT Services 3.0%

Affiliated Computer Services Term Loan B, 4.886%, 3/20/13		733		706,320
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Alliance Data Systems Term Loan, 5.85%, 12/15/14		4,000	3,720,000
Amadeus Global Travel Distribution SA Term Loan:			
B, 6.959%, 6/30/13	EUR	308	446,874
B-4, 6.709%, 6/30/13		193	279,910
C, 7.209%, 6/30/14		308	446,874
C-4, 7.209%, 6/30/14		193	279,910
Audio Visual Services Corp. Second Lien Term Loan, 8.20%, 9/15/14	USD	1,000	920,000
Ceridian Corp. Term Loan, 5.59%, 11/07/14		3,500	3,062,500
Emdeon Business Services Second Lien Term Loan, 7.70%, 5/16/13		250	231,250
First Data Corp. Term Loan B, 5.349% 5.645%, 9/24/14		5,816	5,464,620
RedPrairie Corp. First Lien Term Loan, 6.125% 7.25%, 7/17/12		691	607,608
SunGard Data Systems, Inc. Term Loan B, 5.162%, 2/28/14		2,432	2,298,251
Verifone, Inc. Term Loan B, 4.89% 4.90%, 2/28/13		935	885,913
			19,350,030

Independent Power Producers & Energy Traders 2.5%

The AES Corp. Term Loan, 7.00% 7.19%, 8/10/11		428	416,071
TXU Corp.:			
Term Loan B-2, 6.478% 6.596%, 10/14/29		2,985	2,856,102
Term Loan B-3, 6.478% 6.596%, 10/10/14		13,440	12,853,680
			16,125,853

Industrial Conglomerates 0.1%

Trimas Corp.:			
Letter of Credit, 4.803%, 8/02/11		93	86,250
Term Loan B, 5.157%, 8/02/13		400	368,144
			454,394

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests		Par (000)	Value
Insurance 0.2%			
Conseco Term Loan B, 4.863%, 10/10/13	USD	739	\$ 560,226
Sedgwick Claims Management Service, Inc. Term Loan B, 4.946%, 3/03/13		1,073	966,805
			1,527,031
Internet & Catalog Retail 0.2%			
FTD Flowers Term Loan, 4.613%, 7/28/13		612	581,024
Oriental Trading First Lien Term Loan, 4.96% 5.34%, 7/31/13		958	766,488
			1,347,512
Leisure Equipment & Products 0.1%			
24 Hour Fitness Term Loan B, 5.20% 7.22%, 6/08/12		980	872,200
Life Sciences Tools & Services 0.2%			
Quintiles Transnational:			
Term Loan B, 4.70%, 3/21/13		980	921,200
Term Loan C, 6.70%, 3/21/14		250	237,500
			1,158,700
Machinery 2.4%			
Blount, Inc. US Term Loan B, 4.489%, 8/09/10		727	683,908
Bucyrus International Term Loan, 4.195% 6.413%, 5/04/14		992	972,650
Cofax Corp. Term Loan B, 5%, 12/19/11		1,936	1,887,675
Invensys Plc Term Loan, 7.74%, 12/09/10	GBP	1,000	1,912,091
Invensys Plc Term Loan A, 5.128%, 12/15/10	USD	1,000	953,333
Lincoln Industrial Second Lien Term Loan, 8.46%, 12/18/14		1,500	1,350,000
NACCO Materials Handling Group Term Loan B, 4.704% 6.74%, 3/21/13		491	432,300
Navistar International Transportation Corp. Revolving Credit, 5.903% 6.501%, 6/30/12		1,000	928,354
Navistar International Transportation Corp. Term Loan, 6.501%, 6/30/12		2,750	2,554,063
OshKosh Truck Corp. Term Loan B, 4.76%, 11/30/13		2,469	2,360,399
Standard Steel:			
Delay Draw Term Loan, 5.39% 6.75%, 6/21/12		82	71,956
First Lien Term Loan, 5.20%, 6/21/12		410	356,156
Wastequip:			
Delay Draw Term Loan, 4.946%, 1/17/13		289	236,636
Term Loan B, 4.946%, 1/17/13		686	562,010
			15,261,531
Marine 0.4%			
Dockwise Shipping BV Term Loan:			
B, 5.071% 5.571%, 4/26/15		1,489	1,339,883
C, 5.071% 5.571%, 4/26/16		1,489	1,339,883

2,679,766

Media 16.2%

Acosta, Inc. Term Loan, 5.12%, 2/28/14	983	932,147
Affinion Group, Inc. Term Loan: 9.267%, 1/31/12	500	400,000
9.267%, 3/01/12	500	400,000
Alix Partners Term Loan B, 4.71%, 10/30/13	1,446	1,402,658
Atlantic Broadband Finance Term Loan B, 4.95%, 2/27/14	983	912,323
CMP Susquehanna Corp. Term Loan B, 4.757% 4.925%, 6/07/13	710	551,503
Cablevision Systems Corp. Term Loan B, 4.477%, 3/23/13	3,920	3,771,777
Catalina Marketing Group Term Loan, 5.696%, 10/01/14	3,988	3,741,597
Cequel Communications LLC Term Loan B, 4.728% 6.25%, 11/05/13	7,435	6,756,556
Charter Communications, Inc. Term Loan B, 4.90%, 11/23/37	5,985	5,281,140

Floating Rate Loan Interests	Par (000)	Value
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Media (continued)

Choice Cable Second Lien Term Loan, 10.188% 10.25%, 1/28/12	USD	692	\$	567,692
Cinemark Term Loan, 4.46% 4.82%, 10/05/13		1,107		1,052,830
Clarke American Corp. Term Loan B, 5.196% 5.198%, 3/12/13		3,410		2,849,690
ClientLogic Holding Corp. Term Loan B, 5.106% 5.20%, 1/30/14		974		681,422
DIRECTV Holdings LLC Tranche B Term Loan, 4.204%, 4/13/13		1,303		1,280,085
Dex Media West LLC Term Loan B, 4.18%, 3/09/10		611		596,066
Dex Media West LLC Term Loan B-1, 1.50% 4.59%, 3/09/10		2,429		2,361,795
Discovery Communications Term Loan B, 4.696%, 5/15/13		1,491		1,441,846
Education Media and Publishing Second Lien Term Loan, 12.401%, 11/14/14		8,597		7,049,284
Formula One Group: Second Lien Term Loan, 7.093%, 7/05/14		643		541,072
Term Loan B: 7.093%, 12/31/13		1,000		925,833
7.093%, 1/05/14		857		793,571
GateHouse Media Operating, Inc.: Delay Draw Term Loan, 4.72% 5.09%, 9/15/14		592		394,938
Term Loan B, 5.09%, 9/15/14		1,000		667,500
Gray Communications Systems, Inc. First Lien Delay Draw Term Loan, 4.19%, 9/18/14		1,995		1,725,675
HIT Entertainment Ltd.: First Lien Term Loan, 5.07%, 8/31/12		366		329,415
Second Lien Term Loan, 8.60%, 2/24/13		1,000		820,000
Hanley-Wood LLC Term Loan B, 4.959% 4.96%, 3/07/14		1,493		1,115,644
Idearc, Inc. Term Loan B, 4.70% 4.712%, 11/15/14		3,955		3,255,413
Insight Midwest Holdings LLC Term Loan B, 4.69%, 4/06/14		3,550		3,366,160
Intelsat Ltd. Term Loan B, 5.20%, 1/31/14		1,000		995,750
Knology, Inc. First Lien Term Loan, 4.934%, 5/11/10		496		451,588
Mediacom Communications Term Loan D, 4.46% 4.65%, 1/31/15		1,975		1,787,375
Mediacom LLC Term Loan C, 4.35% 4.65%, 1/31/15		1,950		1,748,781
Metro-Goldwyn-Mayer Studios, Inc. Term Loan B, 5.946%, 4/30/11		4,900		3,897,034
		355		330,150

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Multicultural Radio Broadcasting Inc. Term Loan, 5.75%, 12/15/12			
NTL Cable Plc:			
Second Lien Term Loan, 8.267%, 7/17/13	GBP	2,000	3,547,143
Term Loan, 7.657%, 11/19/37	GBP	1,340	2,473,088
Term Loan B, 4.937%, 1/10/13	USD	406	371,688
National Cinemedia LLC Term Loan B, 4.62%, 2/28/15	USD	1,000	928,214
New Vision Television Term Loan B, 6.08%, 10/21/13		828	720,106
New Vision Term Loan B, 6.08%, 10/21/13		170	147,714
New Wave Communications:			
Delay Draw Term Loan, 6.204% 8%, 6/30/13		237	220,410
Term Loan B, 6.204%, 6/30/13		933	868,039
Nexstar Broadcasting Group Term Loan B: 4.446%, 10/01/12		1,897	1,736,000
4.454%, 10/01/12		1,796	1,643,443
Nielsen Finance LLC Term Loan B, 5.346%, 8/15/13		3,447	3,256,464
PanAmSat Corp.:			
Term Loan B, 5.184%, 1/03/14		989	935,410
Term Loan B2, 5.184%, 1/03/14		988	935,691
Term Loan B2C, 5.184%, 1/03/14		988	935,410
Penton Media Term Loan:			
4.954%, 2/15/13		1,113	842,273
7.704%, 2/15/14		1,000	700,000

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests	Par (000)	Value
Media (concluded)		
ProSiebenSat 1 Media AG:		
Mezzanine Term Loan, 7.02%, 6/28/17	EUR 433	\$ 349,975
Second Lien Term Loan, 6.77% 8.145%, 12/28/16	1,433	1,200,333
Term Loan B, 7.02%, 6/30/16	67	74,752
Term Loan B, 6.77%, 6/30/15	67	84,954
RCN Corp. Term Loan B, 5%, 5/25/14	USD 993	856,031
RH Donnelley, Inc. Term Loan D-2, 4.10% 4.75%, 8/30/11	2,589	2,449,132
San Juan Cable First Lien Term Loan, 9.47%, 10/26/12	1,687	1,416,003
United Pan Europe Communications:		
Term Loan M, 6.361%, 11/19/37	EUR 1,413	1,999,055
Term Loan N, 4.553%, 12/31/14	USD 3,500	3,276,875
Term Loan N, 4.553%, 12/31/14	500	468,125
Univision Communications, Inc. First Lien Term Loan, 5.375% 5.494%, 9/30/14	2,280	1,915,212
Yell Group Plc Term Loan B: 6.379%, 4/30/11	EUR 1,500	2,092,065
4.704%, 8/09/13	USD 1,000	882,143
		102,502,058
Metals & Mining 0.1%		
Compass Minerals Group, Inc. Term Loan, 4.21% 6.59%, 12/22/12	783	754,128
Multi-Utilities 0.6%		
Coleto Creek:		
Letter of Credit, 5.446%, 7/31/13	127	112,611
Term Loan B, 5.446% 5.454%, 7/31/13	1,812	1,601,890
MACH Gen LLC:		
Letter of Credit, 4.45%, 2/22/14	70	67,910
Term Loan, 5.10%, 2/22/14	670	647,285
NE Energy:		
Letter of Credit, 5.25%, 10/03/13	159	140,800
Term Loan B, 5.04%, 10/31/13	1,291	1,146,123
		3,716,619
Multiline Retail 0.3%		
Neiman Marcus Group, Inc. Term Loan, 4.758%, 4/06/13	1,940	1,848,538
Oil, Gas & Consumable Fuels 0.7%		
Big West Oil & Gas:		
Delay Draw Term Loan, 4.966%, 5/15/14	125	117,031
Term Loan B, 5%, 5/15/14	442	414,291
CR Gas Storage:		
Bridge Loan, 4.55%, 5/08/11	32	30,286
Delay Draw Term Loan, 4.60%, 5/08/13	51	48,844
Term Loan, 4.534%, 5/08/13	457	437,204
Term Loan B, 4.589%, 5/08/13	75	72,232
Coffeyville Resources LLC:		
Letter of Credit, 5.948%, 12/21/13	243	227,128
Term Loan D, 5.448% 7.00%, 12/28/13	790	737,045

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Drummond Oil Term Loan B, 4%, 2/15/12	1,500	1,470,000
SandRidge Energy, Inc.:		
Term Loan, 8.625%, 3/01/15		
Term Loan B, 6.323%, 3/01/14		
Western Refining Co. LP Term Loan B, 4.994%, 5/30/14	922	815,622
		4,369,683

Paper & Forest Products 2.3%

Appleton Papers, Inc. Term Loan B, 4.45% 6.29%, 6/05/14	993	911,446
Boise Cascade Holdings LLC Second Lien Term Loan, 7.50%, 2/05/15	1,250	1,253,385
Cenveo, Inc. Delay Draw Term Loan, 4.349%, 9/07/13	31	28,359
Cenveo, Inc. Term Loan C, 4.349%, 9/07/13	918	853,367
Georgia-Pacific Corp. First Lien Term Loan B, 4.446% 4.835%, 2/14/13	2,426	2,323,848

Floating Rate Loan Interests	Par (000)	Value
Paper & Forest Products (concluded)		
Georgia-Pacific Corp.:		
Term Loan B, 4.447% 4.835%, 11/22/12	USD 3,500	\$ 3,352,710
Term Loan B2, 4.447% 4.74%, 3/08/13	2,494	2,388,760
NewPage Corp. Term Loan B, 6.313%, 12/07/14	1,995	1,980,315
Verso Paper Holdings LLC Term Loan B, 9.489%, 2/01/13	1,250	1,161,459
		14,253,649

Personal Products 0.4%

American Safety Razor Co. Second Lien Term Loan, 8.89% 9.14%, 1/25/14	750	660,000
Bare Escentuals Beauty, Inc. First Lien Term Loan, 4.97%, 2/18/12	345	332,962
Prestige Brands Term Loan B1, 5.163% 6.967%, 10/06/10	1,205	1,159,982
		2,152,944

Pharmaceuticals 0.7%

Pharmaceutical Technologies & Services (PTS)		
Term Loan, 4.946%, 4/15/14	1488	1,317,544
Warner Chilcott Term:		
Loan B, 4.696% 5.112%, 1/18/12	2,174	2,081,749
Loan C, 4.696% 4.884%, 1/30/13	826	791,290
		4,190,583

Real Estate Management & Development 1.1%

Enclave Term Loan B, 6.14%, 3/01/12	3,000	2,643,009
Georgian Towers Term Loan, 6.14%, 3/01/12	3,000	2,580,894
Pivotal Promontory Second Lien Term Loan, 11.5%, 8/11/11 (g)(k)	750	187,500
Realogy Corp. Term Loan B, 5.722%, 9/22/14	1,489	1,268,229
Yellowstone Club Term Loan B, 5.079%, 10/15/10	409	332,242
		7,011,874

Road & Rail 0.4%

Rail America, Inc. Term Loan, 5.32%, 10/15/08	1,750	1,688,750
Swift Transportation Co., Inc. Term Loan B, 6.50%, 5/15/14	927	683,860

2,372,610

Semiconductors & Semiconductor Equipment 0.1%

Marvell Technology Group Term Loan B, 5.196%, 11/08/09	984	945,000
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Software 0.2%

Bankruptcy Management Solutions, Inc. First Lien Term Loan, 6.87%, 7/06/12	985	898,813
CCC Information Services, Inc. Term Loan B, 4.91%, 2/10/13	414	399,045

1,297,858

Specialty Retail 1.5%

ADESA, Inc. Term Loan B, 4.95%, 10/30/13	1,740	1,646,549
Burlington Coat Factory Warehouse Corp. Term Loan B, 5.34%, 4/15/13	586	490,809
Claire's Stores Term Loan B, 5.613% 5.446%, 5/24/14	1,238	984,040
Eye Care Centers of America, Inc. Term Loan, 5.20% 5.56%, 3/01/12	658	605,724
Orchard Supply Hardware Term Loan B, 5.166%%, 12/21/13	1,500	1,050,000
Petco Animal Supplies, Inc. Term Loan B, 4.946% 5.494%, 3/22/13	395	357,080
Rent-A-Center Term Loan B, 4.47% 6.58%, 6/30/12	854	796,288
Sally Beauty Co., Inc. Term Loan B, 5.60%, 11/16/13	1,746	1,659,537
Sensata Technologies Term Loan B, 5.056%, 4/27/13	1,935	1,757,094

9,347,121

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests	Par (000)	Value
Textiles, Apparel & Luxury Goods 0.5%		
David s Bridal, Inc. Term Loan B, 4.696%, 1/30/14	USD 990	\$ 851,400
Hanesbrands, Inc. First Lien Term Loan, 4.424% 4.657%, 10/15/13	1,000	979,063
Renfro Corp. Term Loan B, 5.95% 6.34%, 10/05/13	493	394,741
St. John Knits, Inc. Term Loan B, 5.895%, 8/24/13	660	600,769
Warnaco, Inc. Term Loan, 4.079% 5.871%, 1/31/13	297	276,029
		3,102,002
Trading Companies & Distributors 0.2%		
Beacon Sales Co. Term Loan B, 4.688% 5.085%, 10/31/13	1,231	991,156
United Rentals, Inc. Term Loan, 5.10%, 2/14/11	465	451,730
		1,442,886
Wireless Telecommunication Services 0.7%		
Cellular South Term Loan B, 4.178% 5.75%, 5/16/14	1,489	1,399,660
Centennial Cellular Operating Co. Term Loan, 4.696% 5.085%, 2/09/11	800	777,666
NG Wireless First Lien Term Loan, 5.446% 5.454%, 11/12/37	610	579,144
NTELOS Inc. Term Loan B, 4.96% 5.27%, 8/14/11	1,691	1,644,630
		4,401,100
Total Floating Rate Loan Interests 65.5%		415,435,177

U.S. Government and Agency Obligations

Federal National Mortgage Association, 7.25%, 1/15/10 (d)	17,000	18,233,656
U.S. Treasury Notes, 3.375%, 12/15/08 (d)	17,000	17,184,603
U.S. Treasury Notes, 3.375%, 9/15/09 (d)	3,425	3,484,403
U.S. Treasury Notes, 3.875%, 5/15/09 (d)	6,000	6,116,718
U.S. Treasury Notes, 4.25%, 8/15/15 (d)	1,815	1,911,280
Total U.S. Government and Agency Obligations 7.4%		46,930,660

Common Stocks

Shares

Capital Markets 0.1%

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E*Trade Financial Corp. (k)	121,011	481,624
Total Common Stocks 0.1%		481,624

Preferred Stocks	Shares	Value
Capital Markets 0.0%		
Marsico Parent Superholdco, LLC, 16.75% (c)(e)	177	\$ 157,530
Electrical Equipment 0.0%		
Superior Essex Holding Corp. Series A, 9.50%	125,000	93,750
Total Preferred Stocks 0.0%		251,280

Warrants (l)

Electric Utilities 0.0%		
Reliant Resources (expires 10/25/08)	1,839	29,424
Machinery 0.0%		
Synventive Molding Solutions (expires 1/15/13)	1	0
Total Warrants 0.0%		29,424

Other Interests (m)	Beneficial Interest (000)	
Health Care Providers & Services 0.0%		
Critical Care Systems International, Inc.	\$ 7,579	2,547
Household Durables 0.0%		
Berkline Benchcraft Equity LLC	3,155	0
Total Other Interests 0.0%		2,547
Total Long-Term Investments (Cost \$937,883,698) 138.8%		880,849,279

Short-Term Securities

U.S. Government Agency Obligation 0.4%		
Federal Home Loan Bank, 1.75%, 5/01/08	2,400	2,400,000
Total Short-Term Securities (Cost \$2,400,000) 0.4%		2,400,000

Options Purchased	Contracts	
Call Options Purchased		
Marsico Parent Superholdco LLC, expiring December 2009 at USD 942.86	46	79,350
Total Options Purchased (Cost \$44,978) 0.0%		79,350
Total Investments		883,328,629
(Cost \$940,328,676*) 139.2%		
Liabilities in Excess of Other Assets (39.2%)		(248,894,523)
Net Assets 100.0%	\$	634,434,106

* The cost and unrealized appreciation (depreciation) of investments as April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate Cost	\$	940,456,206
Gross unrealized appreciation	\$	7,233,086
Gross unrealized depreciation		(64,360,663)
Net unrealized depreciation	\$	(57,127,577)

- (a) Represents the interest only portion of a mortgage-backed security and has either a nominal or a notional amount of principal.
- (b) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (c) 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. Unless otherwise indicated, these securities are not considered to be illiquid.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Limited Duration Income Trust (BLW)

- (d) All or a portion of security has been pledged as collateral for reverse repurchase agreements. Reverse repurchase agreements outstanding as of April 30, 2008 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Lehman Brothers Inc.	0.8%	3/24/08	TBD	\$ 17,418,060	\$ 17,403,750
Lehman Brothers Inc.	0.62%	3/27/08	TBD	\$ 6,186,527	\$ 6,182,800
Lehman Brothers Inc.	0.68%	3/27/08	TBD	\$ 3,517,230	\$ 3,514,906
Lehman Brothers Inc.	0.24%	3/27/08	TBD	\$ 1,978,812	\$ 1,978,350
Credit Suisse Securities LLC	3.1%	3/27/08	TBD	\$ 5,294,459	\$ 5,280,000
Credit Suisse Securities LLC	3.4%	3/27/08	TBD	\$ 2,192,779	\$ 2,185,760
Credit Suisse Securities LLC	3.4%	3/27/08	TBD	\$ 5,417,340	\$ 5,400,000
Credit Suisse Securities LLC	3.4%	3/27/08	TBD	\$ 1,474,420	\$ 1,469,700
Credit Suisse Securities LLC	3.4%	3/27/08	TBD	\$ 2,853,497	\$ 2,844,364
Credit Suisse Securities LLC	3.4%	3/27/08	TBD	\$ 2,096,917	\$ 2,090,205
Credit Suisse Securities LLC	3.1%	3/27/08	TBD	\$ 2,220,482	\$ 2,214,000
Credit Suisse Securities LLC	3.1%	3/27/08	TBD	\$ 7,350,458	\$ 7,329,000
Credit Suisse Securities LLC	3.1%	3/27/08	TBD	\$ 4,328,486	\$ 4,315,850
Lehman Brothers Inc.	2.5%	3/31/08	TBD	\$ 18,760,025	\$ 18,721,250
Lehman Brothers International	3.0%	4/17/08	TBD	\$ 4,487,982	\$ 4,483,125
Lehman Brothers International	3.0%	4/17/08	TBD	\$ 2,192,998	\$ 2,190,625
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 1,838,531	\$ 1,837,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 2,690,090	\$ 2,687,850
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 2,017,680	\$ 2,016,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 3,213,926	\$ 3,211,250
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 3,828,188	\$ 3,825,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 540,450	\$ 540,000
Lehman Brothers International	1.0%	4/21/08	TBD	\$ 1,715,894	\$ 1,715,512
Lehman Brothers International	1.0%	4/21/08	TBD	\$ 1,115,311	\$ 1,115,062
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 1,231,025	\$ 1,230,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 3,621,490	\$ 3,618,475
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 3,135,549	\$ 3,132,938

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 1,345,120	\$ 1,344,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 4,875,059	\$ 4,871,000
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 5,284,850	\$ 5,280,450
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 4,097,161	\$ 4,093,750
Lehman Brothers International	0.75%	4/21/08	TBD	\$ 788,419	\$ 788,288
Lehman Brothers International	3.75%	4/21/08	TBD	\$ 2,518,597	\$ 2,516,500
Lehman Brothers International	3.00%	4/21/08	TBD	\$ 313,709	\$ 313,500
Total				\$ 131,941,521	\$ 131,740,260

- (e) Illiquid security.
(f) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
(g) Issuer filed for bankruptcy or is in default of interest payments.

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- (h) All or a portion of security held as collateral in connection with financial futures contracts.
- (i) Convertible security.
- (j) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing securities for which all specific information is not available at this time.
- (k) Non-income producing security.
- (l) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (m) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are income producing.

Swaps outstanding as of April 30, 2008 were as follows:

		Notional Amount (000)		Unrealized Appreciation
Sold credit default protection LCDX Index receive 5.25%				
Broker, UBS Securities				
Expires June 2013	EUR	3,000	\$	46,494

Financial futures contracts purchased as of April 30, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Depreciation
71	5-Year U.S. Treasury Bond	June 2008	\$ 8,101,533	\$ (150,642)

Forward foreign exchange contracts as of April 30, 2008 were as follows:

Currency Purchased		Currency Sold		Settlement Date		Unrealized Appreciation (Depreciation)
USD	30,592,393	EUR	19,442,550	July 2008	\$	353,537
USD	10,592,250	GBP	5,429,000	July 2008	\$	(136,626)
Total Appreciation Net					\$	216,911

Currency Abbreviations:

EUR Euro
 GBP British Pound
 USD U.S. Dollar

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

**BlackRock Preferred and Equity Advantage
Trust (BTZ)**
 (Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Aerospace & Defense 0.7%		
General Dynamics Corp.	5,200	\$ 470,184
Honeywell International, Inc.	11,000	653,400
Lockheed Martin Corp.	24,700	2,619,188
Northrop Grumman Corp.	33,200	2,442,524
		6,185,296
Air Freight & Logistics 0.6%		
United Parcel Service, Inc. Class B	80,500	5,829,005
Auto Components 0.1%		
Johnson Controls, Inc.	22,300	786,298
Automobiles 0.2%		
General Motors Corp.	97,600	2,264,320
Beverages 1.0%		
Anheuser-Busch Cos., Inc.	29,800	1,466,160
The Coca-Cola Co.	101,000	5,945,870
PepsiCo, Inc.	32,500	2,227,225
		9,639,255
Biotechnology 0.8%		
Amgen, Inc. (a)	63,000	2,637,810
Biogen Idec, Inc. (a)	14,900	904,281
Celgene Corp. (a)	13,600	845,104
Genzyme Corp. (a)	9,800	689,430
Gilead Sciences, Inc. (a)	42,300	2,189,448
		7,266,073
Capital Markets 0.6%		
The Goldman Sachs Group, Inc.	22,940	4,390,028
Lehman Brothers Holdings, Inc.	16,200	716,688
Morgan Stanley	17,700	860,220
		5,966,936
Chemicals 0.8%		
Air Products & Chemicals, Inc.	5,900	580,737
The Dow Chemical Co.	61,100	2,453,165
E.I. du Pont de Nemours & Co.	60,000	2,934,600
PPG Industries, Inc.	16,700	1,024,879
		6,993,381
Commercial Banks 2.2%		
Regions Financial Corp.	131,300	2,878,096
SunTrust Banks, Inc.	69,800	3,891,350
U.S. Bancorp	152,300	5,161,447

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Wachovia Corp.	178,800	5,212,020
Wells Fargo & Co.	117,300	3,489,675
		20,632,588

Commercial Services & Supplies 0.3%

Waste Management, Inc.	80,700	2,913,270
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Communications Equipment 1.5%

Ciena Corp. (a)	21,000	710,010
Cisco Systems, Inc. (a)	160,500	4,115,220
Corning, Inc.	52,000	1,388,920
Motorola, Inc.	234,100	2,331,636
QUALCOMM, Inc.	119,200	5,148,248

13,694,034

Computers & Peripherals 1.8%

Apple, Inc. (a)	45,000	7,827,750
Dell, Inc. (a)	79,700	1,484,811
EMC Corp. (a)	67,500	1,039,500
Hewlett-Packard Co.	44,600	2,067,210
International Business Machines Corp.	25,800	3,114,060
SanDisk Corp. (a)	43,100	1,167,579

16,700,910

Consumer Finance 0.1%

Discover Financial Services, Inc.	27,050	492,580
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Common Stocks

Shares

Value

Diversified Financial Services 2.1%

Bank of America Corp.	163,100	\$	6,122,774
CME Group, Inc.	4,844		2,215,888
Citigroup, Inc.	74,100		1,872,507
IntercontinentalExchange, Inc. (a)	17,300		2,684,095
JPMorgan Chase & Co.	130,200		6,204,030

19,099,294

Diversified Telecommunication Services 1.6%

AT&T Inc.	192,487		7,451,172
Embarq Corp.	18,900		785,673
FairPoint Communications, Inc.	1		7
Verizon Communications, Inc.	96,500		3,713,320
Windstream Corp.	280,800		3,296,592

15,246,764

Electric Utilities 0.3%

American Electric Power Co., Inc.	13,000		580,190
FPL Group, Inc.	10,000		662,900
FirstEnergy Corp.	8,200		620,248

1,863,338

Electrical Equipment 0.5%

Emerson Electric Co.	53,600		2,801,136
Rockwell Automation, Inc.	33,100		1,795,013

		4,596,149
Electronic Equipment & Instruments 0.1%		
Tyco Electronics Ltd.	31,300	1,170,933
Energy Equipment & Services 1.3%		
Baker Hughes, Inc.	10,300	833,064
National Oilwell Varco, Inc. (a)	42,800	2,929,660
Schlumberger Ltd.	17,900	1,799,845
Smith International, Inc.	42,918	3,283,656
Transocean, Inc.	18,663	2,752,046
		11,598,271
Food & Staples Retailing 1.5%		
SYSCO Corp.	131,800	4,029,126
Wal-Mart Stores, Inc.	140,300	8,134,594
Walgreen Co.	38,200	1,331,270
		13,494,990
Food Products 0.4%		
Kraft Foods, Inc.	54,946	1,737,942
Sara Lee Corp.	135,000	1,958,850
		3,696,792
Health Care Equipment & Supplies 0.6%		
Baxter International, Inc.	11,500	716,680
Becton Dickinson & Co.	23,900	2,136,660
Boston Scientific Corp. (a)	35,500	473,215
Covidien Ltd.	31,300	1,461,397
Zimmer Holdings, Inc. (a)	13,600	1,008,576
		5,796,528
Health Care Providers & Services 0.7%		
Aetna, Inc.	14,300	623,480
Express Scripts, Inc. (a)	23,600	1,652,472
Medco Health Solutions, Inc. (a)	26,000	1,288,040
UnitedHealth Group, Inc.	45,700	1,491,191
WellPoint, Inc. (a)	26,700	1,328,325
		6,383,508
Hotels, Restaurants & Leisure 0.8%		
Carnival Corp.	34,600	1,389,882
McDonald's Corp.	96,400	5,743,512
		7,133,394

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Preferred and Equity Advantage Trust (BTZ)
(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Household Durables 0.7%		
Fortune Brands, Inc.	22,400	\$ 1,514,688
The Stanley Works	61,900	2,986,056
Whirlpool Corp.	30,600	2,227,068
		6,727,812
Household Products 0.8%		
The Procter & Gamble Co.	104,600	7,013,430
IT Services 0.3%		
Automatic Data Processing, Inc.	40,200	1,776,840
Cognizant Technology Solutions Corp. (a)	19,900	641,775
		2,418,615
Industrial Conglomerates 2.1%		
3M Co.	64,100	4,929,290
General Electric Co.	418,900	13,698,030
Textron, Inc.	13,600	829,736
		19,457,056
Insurance 1.4%		
The Allstate Corp.	22,400	1,128,064
American International Group, Inc. (f)	34,900	1,612,380
Hartford Financial Services Group, Inc.	20,600	1,468,162
Lincoln National Corp.	43,600	2,343,936
Marsh & McLennan Cos., Inc.	77,600	2,140,984
The Travelers Cos., Inc.	85,600	4,314,240
		13,007,766
Internet & Catalog Retail 0.2%		
Amazon.com, Inc. (a)	21,900	1,721,997
Internet Software & Services 0.7%		
eBay, Inc. (a)	89,400	2,797,326
Google, Inc. Class A (a)	7,010	4,025,773
		6,823,099
Leisure Equipment & Products 0.3%		
Eastman Kodak Co.	65,000	1,162,850
Mattel, Inc.	92,700	1,738,125
		2,900,975
Life Sciences Tools & Services 0.1%		
Thermo Fisher Scientific, Inc. (a)	15,700	908,559
Machinery 0.8%		

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Caterpillar, Inc.	43,200	3,537,216
Cummins, Inc.	36,600	2,292,990
Deere & Co.	17,000	1,429,190

7,259,396

Media 0.3%

CBS Corp. Class B	87,200	2,011,704
The DIRECTV Group, Inc. (a)	45,600	1,123,584

3,135,288

Metals & Mining 0.6%

Alcoa, Inc.	30,900	1,074,702
Allegheny Technologies, Inc.	22,500	1,548,675
Freeport-McMoRan Copper & Gold, Inc. Class B	26,500	3,014,375

5,637,752

Multi-Utilities 1.4%

Ameren Corp.	8,800	399,168
Consolidated Edison, Inc.	42,200	1,755,520
Dominion Resources, Inc.	13,200	572,748
Public Service Enterprise Group, Inc.	79,800	3,504,018
TECO Energy, Inc.	199,000	3,185,990
Xcel Energy, Inc.	166,500	3,463,200

12,880,644

Common Stocks

Shares

Value

Oil, Gas & Consumable Fuels 5.1%

Anadarko Petroleum Corp.	30,400	\$	2,023,424
Apache Corp.	11,100		1,494,948
Chevron Corp.	107,300		10,316,895
ConocoPhillips	53,900		4,643,485
Devon Energy Corp.	10,800		1,224,720
EOG Resources, Inc.	4,500		587,160
Exxon Mobil Corp.	166,800		15,524,076
Hess Corp.	27,500		2,920,500
Spectra Energy Corp.	153,400		3,788,980
Valero Energy Corp.	20,400		996,540
XTO Energy, Inc.	65,500		4,051,830

47,572,558

Paper & Forest Products 0.4%

International Paper Co.	67,600		1,769,092
MeadWestvaco Corp.	24,300		639,090
Weyerhaeuser Co.	26,400		1,686,432

4,094,614

Pharmaceuticals 3.2%

Abbott Laboratories	30,900		1,629,975
Bristol-Myers Squibb Co.	145,100		3,187,847
Eli Lilly & Co.	62,500		3,008,750
Johnson & Johnson	115,900		7,775,731
Merck & Co., Inc.	123,600		4,701,744
Pfizer, Inc. (f)	372,700		7,494,997
Schering-Plough Corp.	78,300		1,441,503
Wyeth	14,600		649,262

29,889,809

Real Estate Investment Trusts (REITs) 0.6%

Equity Residential	9,500	394,440
Plum Creek Timber Co., Inc.	63,300	2,585,172
Vornado Realty Trust	25,700	2,392,413

5,372,025

Semiconductors & Semiconductor Equipment 1.5%

Applied Materials, Inc.	31,800	593,388
Intel Corp.	201,500	4,485,390
Linear Technology Corp.	53,300	1,863,368
Microchip Technology, Inc.	57,200	2,102,100
National Semiconductor Corp.	57,600	1,174,464
Nvidia Corp. (a)	112,150	2,304,682
Texas Instruments, Inc.	31,200	909,792

13,433,184

Software 1.5%

Autodesk, Inc. (a)	67,800	2,576,400
Electronic Arts, Inc. (a)	18,300	941,901
Microsoft Corp.	276,600	7,888,632
Oracle Corp. (a)	126,700	2,641,695

14,048,628

Specialty Retail 0.6%

Home Depot, Inc.	81,300	2,341,440
Staples, Inc.	153,100	3,322,270

5,663,710

Textiles, Apparel & Luxury Goods 0.4%

VF Corp.	44,100	3,280,158
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Thriffs & Mortgage Finance 0.6%

Fannie Mae	67,000	1,896,100
Freddie Mac	22,100	550,511
Washington Mutual, Inc.	220,300	2,707,487

5,154,098

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Preferred and Equity Advantage Trust (BTZ)
(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Tobacco 0.8%		
Philip Morris International, Inc. (a)	20,500	\$ 1,046,115
Reynolds American, Inc.	59,400	3,198,690
UST, Inc.	64,500	3,358,515
		7,603,320
Wireless Telecommunication Services 0.1%		
Sprint Nextel Corp.	154,800	1,236,852
Total Common Stocks 45.1%		416,685,252

Exchange-Traded Funds

UltraShort Financials ProShares	181,000	18,328,060
Total Exchange-Traded Funds 2.0%		18,328,060

Capital TrustsPar
(000)

Capital Markets 2.8%		
Credit Suisse Guernsey Ltd. Series 1, 3.366% (b)(c)	\$ 4,400	3,518,548
State Street Capital Trust III, 8.25% (b)(c)	3,100	3,089,501
State Street Capital Trust IV, 3.80%, 6/01/67 (c)	25,245	19,170,270
		25,778,319
Commercial Banks 5.2%		
Abbey National Capital Trust I, 8.963% (b)(c)	2,375	2,537,733
BB&T Capital Trust IV, 6.82%, 6/12/77 (c)	15,300	13,455,738
Barclays Bank Plc, 5.926% (b)(c)(d)	3,500	2,955,197
HSBC Capital Funding LP/Jersey Channel Islands, 10.176% (b)(c)(d)	7,000	8,669,178
Huntington Capital III, 6.65%, 5/15/37 (c)	3,250	2,349,643
Regions Financing Trust II, 6.625%, 5/15/47 (c)	4,445	3,112,945
Wachovia Corp. Series K, 7.98% (b)(c)	15,700	15,446,288
		48,526,722
Diversified Financial Services 4.5%		
Bank of America Corp. Series M, 8.125% (b)(c)	11,900	12,161,562

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Citigroup, Inc., 8.40% (b)(c)	18,250	18,470,460
JPMorgan Chase Capital XXIII, 3.676%, 5/15/77 (c)	13,800	10,556,627
		41,188,649

Insurance 4.8%

AON Corp., 8.205%, 1/01/27	18,273	17,232,572
Ace Capital Trust II, 9.70%, 4/01/30	17,000	19,608,939
Mangrove Bay Pass-Through Trust, 6.102%, 7/15/33 (c)(d)	10,000	7,190,600
		44,032,111

Thriffs & Mortgage Finance 0.2%

Webster Capital Trust IV, 7.65%, 6/15/37 (c)	3,225	2,363,632
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Total Capital Trusts 17.5%		161,889,433
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Preferred Stocks

Shares

Commercial Banks 3.5%

Royal Bank of Scotland Group Plc Series L, 5.75%	67,200	1,332,576
Santander Finance Preferred SA Unipersonal: 6.50%	322,000	6,832,454
6.80%	628,000	13,973,000
Wachovia Corp. Series J, 8%	403,200	10,144,512
		32,282,542

Preferred Stocks

Shares

Value

Diversified Financial Services 3.3%

Citigroup, Inc.:		
Series AA, 8.125%	390,000	\$ 9,886,500
Series T, 6.50% (e)	180,000	9,387,000
Cobank ACB, 7% (d)	150,000	6,759,900
ING Groep NV, 6.125%	200,000	4,190,000
		30,223,400

Electric Utilities 3.2%

Alabama Power Co., 6.50%	100,000	2,475,000
Entergy Louisiana LLC, 6.95%	40,000	4,226,400
Interstate Power & Light Co. Series B, 8.375%	785,000	23,000,500
		29,701,900

Insurance 8.3%

ACE Ltd. Series C, 7.80%	380,000	9,386,000
Aegon NV, 6.50%	400,000	8,552,000
Arch Capital Group Ltd.:		
Series A, 8%	100,000	2,475,000
Series B, 7.875%	160,000	3,936,000
Aspen Insurance Holdings Ltd., 7.401% (c)	655,000	14,311,750
Axis Capital Holdings Ltd. Series B, 7.50% (c)	180,000	17,313,750
Endurance Specialty Holdings Ltd. Series A, 7.75%	369,000	8,726,850
PartnerRe Ltd. Series C, 6.75%	265,600	5,856,480

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RenaissanceRe Holding Ltd. Series D, 6.60%	285,000	6,084,750
		76,642,580
Real Estate Investment Trusts (REITs) 1.6%		
BRE Properties, Inc. Series D, 6.75%	30,000	648,600
iStar Financial, Inc. Series I, 7.50%	55,000	870,100
Public Storage Series F, 6.45%	30,000	633,000
Sovereign Real Estate Investment Corp., 12% (d)	13,000	13,000,000
		15,151,700
Thriffs & Mortgage Finance 2.4%		
Fannie Mae:		
8.25%	200,000	5,008,000
Series R, 7.625%	65,000	1,644,500
Freddie Mac:		
Series Q, 3.85% (c)	185,000	5,642,500
Series Z, 8.375%	180,000	4,608,000
Roslyn Real Estate Asset Corp. Series D, 8.88% (c)	50	5,020,312
		21,923,312
Wireless Telecommunication Services 1.1%		
Centaur Funding Corp., 9.08% (d)	10,000	10,043,750
Total Preferred Stocks 23.4%		215,969,184

Trust Preferreds	Par (000)	
Commercial Banks 1.3%		
Citizens Funding Trust I, 7.50%, 9/15/66	\$ 5,250	3,418,951
KeyCorp Capital IX, 6.75%, 12/15/66	10,260	8,332,617
		11,751,568
Electric Utilities 0.8%		
PPL Energy Supply LLC, 7%, 7/15/46	7,200	7,199,391
Insurance 0.4%		
W.R. Berkley Capital Trust II, 6.75%, 7/26/45	4,268	3,786,031
Media 1.9%		
Comcast Corp., 6.625%, 5/15/56	19,500	17,390,412

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Preferred and Equity Advantage Trust (BTZ)
(Percentages shown are based on Net Assets)

Trust Preferreds	Par (000)	Value
Oil, Gas & Consumable Fuels 0.3%		
Nexen, Inc., 7.35%, 11/01/43	\$ 3,000	\$ 2,905,587
Thriffs & Mortgage Finance 0.2%		
Countrywide Financial Corp., 6.75%, 4/01/33	3,250	2,401,026
Total Trust Preferreds 4.9%		45,434,015
Total Preferred Securities 45.8%		423,292,632

Corporate Bonds

Building Products 0.3%		
C8 Capital SPV Ltd., 6.64% (b)(c)(d)	3,160	2,936,525
Capital Markets 1.6%		
The Bear Stearns Cos., Inc., 6.40%, 10/02/17	6,050	6,241,864
Credit Suisse Guernsey Ltd., 5.86% (b)(c)	7,000	5,924,870
Lehman Brothers Holdings, Inc.:		
4.50%, 9/15/22 (c)	1,075	1,043,113
6.875%, 7/17/37	1,875	1,738,303
		14,948,150
Commercial Banks 20.8%		
BNP Paribas, 7.195% (b)(c)(d)(f)	20,100	18,856,393
Bank of Ireland Capital Funding II, LP, 5.571% (b)(c)(d)	6,685	4,978,901
Bank of Ireland Capital Funding III, LP, 6.107% (b)(c)(d)	30,000	22,782,180
Barclays Bank Plc (b)(c)(d):		
6.86%	11,500	10,353,967
7.70%	10,000	10,208,111
Commonwealth Bank of Australia, 6.024% (b)(c)(d)	20,000	17,036,380
Credit Agricole SA, 6.637% (b)(c)(d)	27,495	22,545,185
HBOS Plc, 6.657% (b)(c)(d)	25,000	18,435,000
Kazkommerts Finance 2 BV, 9.20% (b)(c)	1,000	740,000
Lloyds TSB Group Plc, 6.267% (b)(c)(d)	12,500	10,390,175
Mizuho Capital Investment 1 Ltd., 6.686% (b)(c)(d)	21,000	18,495,330
Royal Bank of Scotland Group Plc. (b)(c):		
7.65%	3,130	2,644,512
Series MTN, 7.64%	6,100	5,741,716
SMFG Preferred Capital USD 1 Ltd., 6.078% (b)(c)(d)	10,000	8,911,900
Shinsei Finance II (Cayman) Ltd., 7.16% (b)(c)(d)	7,000	4,694,375
Societe Generale, 5.922% (b)(c)(d)	11,850	10,124,391
Standard Chartered Bank, 7.014% (b)(c)(d)	5,125	4,728,433
		191,666,949
Diversified Financial Services 5.5%		
Bank of America Corp. Series K, 8% (b)(c)	22,130	22,514,575

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C10 Capital SPV Ltd., 6.722% (b)(c)(d)	5,000	4,470,750
ING Groep NV, 5.775% (b)(c)	10,000	8,592,160
JPMorgan Chase Capital XXI Series U, 3.80%, 2/02/37 (c)	12,875	9,932,882
JPMorgan Chase Capital XXV, 6.80%, 10/01/37	5,650	5,354,420
Stan IV Ltd., 7.137%, 7/20/11 (c)	283	268,850
		51,133,637

Electric Utilities 0.5%

PPL Capital Funding, 6.70%, 3/30/67 (c)	3,900	3,323,810
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Gas Utilities 0.4%

Southern Union Co., 7.20%, 11/01/66 (c)	5,000	4,081,230
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Insurance 18.7%

AXA SA, 6.463% (b)(c)(d)	12,000	9,937,320
The Allstate Corp. (c):		
6.50%, 5/15/57	8,675	7,958,185
Series B, 6.125%, 5/15/67	8,725	8,103,928
American International Group, Inc., 6.25%, 3/15/87	10,225	9,015,280
Chubb Corp., 6.375%, 3/29/67 (c)	15,300	14,275,711
Everest Reinsurance Holdings, Inc., 6.60%, 5/01/67 (c)	12,025	9,778,165
Liberty Mutual Group, Inc., 7%, 3/15/37 (c)(d)	11,600	10,693,298

Corporate Bonds

	Par (000)	Value
Insurance (concluded)		
Lincoln National Corp.(c):		
6.05%, 4/20/67	\$ 4,225	\$ 3,629,596
7%, 5/17/66	3,750	3,455,535
Metlife, Inc., 6.40%, 12/15/66	4,550	4,095,173
Nationwide Life Global Funding I, 6.75%, 5/15/67	8,025	6,533,730
Progressive Corp., 6.70%, 6/15/37 (c)	19,675	17,594,133
QBE Capital Funding II LP, 6.797% (b)(c)(d)	7,105	6,103,096
Reinsurance Group of America, 6.75%, 12/15/65 (c)	15,000	11,904,660
Swiss Re Capital I LP, 6.854% (b)(c)(d)	27,475	24,930,897
The Travelers Cos., Inc., 6.25%, 3/15/67 (c)	9,000	7,877,268
White Mountains Re Group Ltd., 7.506% (b)(c)(d)	4,400	3,296,260
ZFS Finance (USA) Trust IV, 5.875%, 5/09/32 (c)(d)	2,050	1,879,358
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (c)(d)	13,220	11,645,789
		172,707,382

Metals & Mining 0.3%

Aleris International, Inc., 10%, 12/15/16	5,000	3,100,000
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Multi-Utilities 0.2%

Puget Sound Energy, Inc. Series A, 6.974%, 6/01/67 (c)	1,575	1,419,385
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Oil, Gas & Consumable Fuels 2.0%

Conoco Funding Co., 6.35%, 10/15/11	4,800	5,128,690
Enterprise Products Operating LP, 8.375%, 8/01/66 (c)	4,500	4,479,021
Plains All American Pipeline LP, 6.50%, 5/01/18 (d)	2,515	2,525,724
TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)	7,325	6,510,233

18,643,668

Thriffs & Mortgage Finance 0.1%

Washington Mutual Preferred Funding Delaware, 6.534% (b)(c)(d)	2,300	1,322,662
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Total Corporate Bonds 50.4%

465,283,398

Total Long-Term Investments (Cost \$1,470,098,027) 143.3%	1,323,589,342
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Short-Term Securities	Shares	
SSgA Money Market Fund, 2.568%, 12/31/30	66,663	66,662,976
Total Short-Term Securities (Cost \$66,662,976) 7.2%		66,662,976

Options Purchased	Contracts	
Call Options Purchased		
3M Co., expiring July 2008 at \$85	80	3,800
AT&T Inc., expiring July 2008 at \$37.5	500	121,500
Abbott Laboratories, expiring August 2008 at \$52.5	30	8,325
Aetna, Inc.:		
expiring July 2008 at \$50	30	1,950
expiring July 2008 at \$55	60	1,050
Amazon.Com, Inc., expiring July 2008 at \$80	40	22,000
Anadarko Petroleum Corp., expiring August 2008 at \$60	60	54,900
Apple, Inc., expiring July 2008 at \$150	80	228,000
Autodesk, Inc., expiring July 2008 at \$40	100	18,250
Bank of America Corp., expiring August 2008 at \$45	150	4,200
Caterpillar, Inc., expiring June 2008 at \$85	40	8,060
Chevron Corp., expiring June 2008 at \$90	150	106,500
The Coca-Cola Co., expiring August 2008 at \$62.5	90	9,000
ConocoPhillips, expiring August 2008 at \$85	80	43,200
Corning, Inc., expiring August 2008 at \$25	70	20,650
Cummins, Inc., expiring June 2008 at \$50	90	120,600
Deere & Co., expiring June 2008 at \$87.5	40	14,800
E.I. du Pont de Nemours & Co., expiring July 2008 at \$50	80	14,000
eBay, Inc., expiring July 2008 at \$30	120	32,940
Electronic Arts, Inc., expiring June 2008 at \$50	40	13,800
Eli Lilly & Co., expiring July 2008 at \$55	100	4,000
See Notes to Financial Statements.		

Schedule of Investments (continued)

BlackRock Preferred and Equity Advantage Trust (BTZ)
(Percentages shown are based on Net Assets)

Options Purchased	Contracts	Value
Call Options Purchased (concluded)		
Emerson Electric Co., expiring June 2008 at \$55	200	\$ 20,000
Express Scripts, Inc., expiring August 2008 at \$65	40	34,600
Exxon Mobil Corp., expiring June 2008 at \$90	170	86,275
Freeport-McMoRan Copper & Gold, Inc. Class B, expiring August 2008 at \$95	40	94,400
Gilead Sciences, Inc., expiring August 2008 at \$55	50	10,375
Goldman Sachs Group, Inc., expiring July 2008 at \$175	60	141,150
Hess Corp., expiring August 2008 at \$95	60	102,600
Hewlett-Packard Co., expiring August 2008 at \$45	90	33,300
Intel Corp., expiring July 2008 at \$20	425	117,725
International Business Machines Corp., expiring June 2008 at \$125	50	9,500
JPMorgan Chase & Co., expiring June 2008 at \$50	80	9,960
Johnson Controls, Inc., expiring July 2008 at \$35	60	15,000
Lehman Brothers Holdings, Inc., expiring July 2008 at \$60	50	1,125
Linear Technology Corp., expiring June 2008 at \$35	80	10,000
McDonald's Corp., expiring June 2008 at \$60	70	10,675
MeadWestvaco Corp., expiring June 2008 at \$30	50	875
Medco Health Solutions, Inc., expiring July 2008 at \$45	50	30,500
Merck & Co., Inc., expiring July 2008 at \$47.5	210	2,625
National Oilwell Varco, Inc., expiring August 2008 at \$60	70	84,700
Nvidia Corp., expiring June 2008 at \$25	170	6,375
Oracle Corp., expiring June 2008 at \$21	130	10,725
Public Service Enterprise Group, Inc., expiring June 2008 at \$45	50	5,500
QUALCOMM, Inc., expiring July 2008 at \$42.5	170	47,260
Reynolds American, Inc., expiring August 2008 at \$60	70	4,200
Rockwell Automation, Inc., expiring July 2008 at \$60	90	10,125
Schlumberger Ltd., expiring August 2008 at \$90	30	42,300
Smith International, Inc., expiring July 2008 at \$62.5	100	154,500
Staples, Inc., expiring June 2008 at \$22.5	190	16,150
Texas Instruments, Inc., expiring July 2008 at \$30	65	7,053
Textron, Inc., expiring June 2008 at \$60	20	6,600
The Travelers Cos., Inc., expiring July 2008 at \$50	110	28,325
US Bancorp, expiring June 2008 at \$35	160	11,600
UST, Inc., expiring July 2008 at \$55	120	14,100
United Parcel Service, Inc. Class B, expiring July 2008 at \$75	80	10,800
UnitedHealth Group, Inc., expiring June 2008 at \$50	90	450
VF Corp., expiring August 2008 at \$80	70	18,025
Valero Energy Corp., expiring June 2008 at \$60	40	1,400
Verizon Communications, Inc.: expiring July 2008 at \$40	200	20,100
expiring July 2008 at \$42.5	70	2,275
Viacom, Inc. Class B, expiring June 2008 at \$45	80	1,000
Wal-Mart Stores, Inc., expiring June 2008 at \$57.5	240	52,440
Waste Management, Inc., expiring July 2008 at \$35	50	10,500
Wells Fargo & Co., expiring July 2008 at \$35	70	1,925
XTO Energy, Inc.: expiring June 2008 at \$65	120	24,000
expiring August 2008 at \$70	120	22,800
Total Options Purchased (Cost \$2,168,240) 0.3%		2,197,438

Total Investments Before Options Written

(Cost \$1,538,929,243*) 150.8%

1,392,449,756

Options Written**Call Options Written**

AT&T Inc., expiring July 2008 at \$40	1000	(109,000)
Abbott Laboratories, expiring August 2008 at \$55	60	(9,750)

Options Written**Contracts****Value****Call Options Written (concluded)**

Aetna, Inc., expiring July 2008 at \$55	60	\$ (1,050)
Amazon.Com, Inc., expiring July 2008 at \$90	40	(8,220)
Anadarko Petroleum Corp., expiring August 2008 at \$65	120	(73,200)
Apple, Inc., expiring July 2008 at \$170	160	(243,600)
Autodesk, Inc., expiring July 2008 at \$45	200	(10,000)
Caterpillar, Inc., expiring June 2008 at \$90	80	(5,800)
Chevron Corp., expiring June 2008 at \$95	300	(111,000)
ConocoPhillips, expiring August 2008 at \$90	160	(50,400)
Corning, Inc., expiring August 2008 at \$30	140	(10,150)
Cummins, Inc., expiring June 2008 at \$55	180	(164,700)
eBay, Inc., expiring July 2008 at \$35	240	(15,120)
Electronic Arts, Inc., expiring June 2008 at \$55	80	(9,600)
Emerson Electric Co., expiring June 2008 at \$60	180	(3,150)
Express Scripts, Inc., expiring August 2008 at \$75	80	(28,400)
Exxon Mobil Corp., expiring June 2008 at \$95	340	(82,110)
Freeport-McMoRan Copper & Gold, Inc. Class B, expiring August 2008 at \$110	80	(114,000)
Gilead Sciences, Inc., expiring August 2008 at \$60	100	(7,500)
Goldman Sachs Group, Inc., expiring July 2008 at \$195	120	(133,500)
Hess Corp., expiring August 2008 at \$110	120	(108,600)
Hewlett-Packard Co., expiring August 2008 at \$50	180	(25,200)
Intel Corp., expiring July 2008 at \$22.5	850	(101,150)
International Business Machines Corp., expiring June 2008 at \$130	100	(7,250)
JPMorgan Chase & Co., expiring June 2008 at \$52.5	160	(8,960)
Johnson Controls, Inc., expiring July 2008 at \$40	120	(7,800)
Linear Technology Corp., expiring June 2008 at \$37.5	160	(6,400)
McDonald's Corp., expiring June 2008 at \$62.5	140	(8,400)
Medco Health Solutions, Inc., expiring July 2008 at \$50	100	(30,000)
National Oilwell Varco, Inc., expiring August 2008 at \$70	140	(91,000)
Oracle Corp., expiring June 2008 at \$22.5	260	(7,150)
Public Service Enterprise Group, Inc., expiring July 2008 at \$47.5	100	(4,000)
QUALCOMM, Inc., expiring July 2008 at \$47.5	340	(28,390)
Schlumberger Ltd., expiring August 2008 at \$100	60	(48,300)
S&P 500 Listed Option: expiring May 2008 at \$141	1275	(1,243,125)
expiring May 2008 at \$141.5	1265	(1,030,975)
Smith International, Inc., expiring July 2008 at \$70	200	(195,000)
Staples, Inc., expiring June 2008 at \$25	380	(6,650)
Textron, Inc., expiring June 2008 at \$65	40	(4,700)
The Travelers Cos., Inc., expiring July 2008 at \$55	220	(14,300)
UST, Inc., expiring July 2008 at \$60	240	(7,200)
VF Corp., expiring August 2008 at \$85	140	(18,550)
Wal-Mart Stores, Inc., expiring June 2008 at \$60	480	(50,880)
Waste Management, Inc., expiring July 2008 at \$37.5	100	(8,500)
XTO Energy, Inc., expiring June 2008 at \$70	240	(18,000)

Total Options Written**(Premiums Received \$5,395,097) (0.5%)**

(4,270,730)

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Total Investments Net of Options Written 150.3%	1,388,179,026
Liabilities in Excess of Other Assets (0.3%)	(2,506,243)
Preferred Shares, at Redemption Value (50.0%)	(462,225,612)
Net Assets Applicable to Common Shares 100.0%	\$ 923,447,171

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Preferred and Equity Advantage Trust (BTZ)

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,539,148,520
Gross unrealized appreciation	\$ 21,850,237
Gross unrealized depreciation	(168,549,002)
Net unrealized depreciation	\$ (146,698,765)

- (a) Non-income producing security.
- (b) Security is a perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.
- (c) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (d) 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. Unless otherwise indicated, these securities are not considered to be illiquid.
- (e) Convertible security.
- (f) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts. Financial futures contracts purchased as of April 30, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation
152	S & P EMINI	June 2008	\$ 10,483,168	\$ 50,432

Financial futures contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Expiration Date	Face Value	Unrealized Appreciation (Depreciation)
576	5-Year U.S. Treasury Bond	June 2008	\$ 64,447,733	\$ (55,267)
399	10-Year U.S. Treasury Bond	June 2008	\$ 47,542,500	1,333,312
3,028	30-Year U.S. Treasury Bond	June 2008	\$ 353,166,355	(778,457)
Net Unrealized Appreciation				\$ 499,588

Swaps outstanding as of April 30, 2008 were as follows:

	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Receive a fixed rate of 3.1925% and pay a floating rate based on 3-month USD LIBOR Broker, Citibank N.A. Expires April 2010	\$ 233,100	\$ 353,790
Receive a fixed rate of 3.193% and pay a floating rate based on 3-month USD LIBORSTIBOR Broker, Deutsche Bank AG London Expires April 2010	\$ 310,800	474,790
Bought credit default protection on Capital One Financial Corp. and pay 4.175% Broker, Citibank N.A. Expires March 2013	\$ 3,000	(233,457)
Bought credit default protection on Capital One Financial Corp. and pay 4.2% Broker, Deutsche Bank AG London Expires March 2013	\$ 7,000	(551,950)
Bought credit default protection on American Express Company and pay 2.11% Broker, Deutsche Bank AG London Expires March 2013	\$ 6,000	(281,124)
Bought credit default protection on Lehman Brothers Holdings, Inc. and pay 4.95% Broker, Deutsche Bank AG London Expires March 2013	\$ 3,000	(417,366)
Receive a fixed rate of 3.8925% and pay a floating rate based on 3-month USD LIBOR Broker, Lehman Brothers Special Financing Expires April 2013	\$ 62,200	272,981
Bought credit default protection on Kimco Realty Corp. and pay 2.4% Broker, Goldman Sachs & Co. Expires March 2018	\$ 5,000	(411,885)
Bought credit default protection on Mack-Cali Realty, L.P. and pay 3.1% Broker, Goldman Sachs & Co. Expires March 2018	\$ 3,000	(167,193)
Bought credit default protection on ERP Operating Limited Partnership and pay 2.35% Broker, Goldman Sachs & Co. Expires March 2018	\$ 5,000	(478,220)
Total		\$ (1,439,634)

See Notes to Financial Statements.

Schedule of Investments April 30, 2008 (Unaudited)

BlackRock Strategic Bond Trust (BHD)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Aerospace & Defense 6.4%		
CHC Helicopter Corp., 7.375%, 5/01/14	\$ 475	\$ 479,750
DRS Technologies, Inc. 6.875%, 11/01/13	50	49,625
7.625%, 2/01/18	80	81,600
Hexcel Corp., 6.75%, 2/01/15	100	99,375
Honeywell International, 7.50%, 3/01/10	325	346,148
Lockheed Martin Corp. Series B, 6.15%, 9/01/36	2,000	2,043,174
Northrop Grumman Corp., 7.125%, 2/15/11	1,000	1,066,251
Raytheon Co., 4.85%, 1/15/11	650	660,639
TransDigm, Inc., 7.75%, 7/15/14	90	92,025
United Technologies Corp., 6.35%, 3/01/11	1,000	1,059,045
		5,977,632
Air Freight & Logistics 0.3%		
Park-Ohio Industries, Inc., 8.375%, 11/15/14	300	258,375
Airlines 0.1%		
American Airlines, Inc. Series 99-1, 7.324%, 4/15/11	125	119,925
Auto Components 0.7%		
Allison Transmission, 11.25%, 11/01/15 (a)(b)	125	110,234
The Goodyear Tire & Rubber Co., 8.625%, 12/01/11	200	215,000
Lear Corp., 8.75%, 12/01/16	275	258,500
Metaldyne Corp., 10%, 11/01/13	200	128,500
		712,234
Automobiles 1.5%		
DaimlerChrysler NA Holding Corp., 7.30%, 1/15/12	1,000	1,067,421
Ford Capital BV, 9.50%, 6/01/10	350	331,625
		1,399,046
Building Products 0.5%		
CPG International I, Inc., 10.50%, 7/01/13	150	128,250
Momentive Performance Materials, Inc., 11.50%, 12/01/16	445	390,488
		518,738
Capital Markets 0.5%		
Marsico Parent Co., LLC, 10.625%, 1/15/16 (j)	341	306,900
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(b)(j)	122	109,724
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(b)(j)	82	73,621
		490,245
Chemicals 1.9%		
American Pacific Corp., 9%, 2/01/15	180	177,300
Ames True Temper, Inc., 6.713%, 1/15/12 (c)	350	288,312
Chemtura Corp., 6.875%, 6/01/16	20	17,800

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Huntsman LLC, 11.50%, 7/15/12	99	105,893
Innophos, Inc., 8.875%, 8/15/14	980	975,100
Key Plastics LLC, 11.75%, 3/15/13 (b)	135	54,000
NOVA Chemicals Corp., 5.953%, 11/15/13 (c)	60	51,900
Terra Capital, Inc. Series B, 7%, 2/01/17	80	79,600
		1,749,905

Commercial Banks 2.3%

Barclays Bank Plc, 8.55%, 9/18/49 (b)(c)(d)	650	651,747
HSBC Bank USA NA, 3.875%, 9/15/09	1,500	1,493,754
		2,145,501

Commercial Services & Supplies 3.7%

Casella Waste Systems, Inc., 9.75%, 2/01/13	1,500	1,470,000
DI Finance Series B, 9.50%, 2/15/13	674	695,062
Sally Holdings LLC, 10.50%, 11/15/16 (b)	294	292,530
Waste Services, Inc., 9.50%, 4/15/14	550	539,000
West Corp., 11%, 10/15/16	590	524,363
		3,520,955

Communications Equipment 0.4%

Nortel Networks Ltd., 6.963%, 7/15/11 (c)	410	386,425
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Corporate Bonds

	Par (000)	Value
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Containers & Packaging 1.6%

Berry Plastics Holding Corp.:		
6.675%, 9/15/14 (c)	\$ 130	\$ 110,500
8.875%, 9/15/14	190	177,650
Crown Americas LLC, 7.75%, 11/15/15	250	263,750
Impress Holdings BV, 5.838%, 9/15/13 (b)(c)	260	217,425
Pregis Corp., 12.375%, 10/15/13	565	548,050
Smurfit-Stone Container Enterprises, Inc., 8%, 3/15/17	200	169,000
		1,486,375

Diversified Financial Services 4.1%

Ford Motor Credit Co. LLC:		
4.283%, 1/15/10 (c)	1,600	1,446,816
5.46%, 1/13/12 (c)	100	84,090
7.80%, 6/01/12	250	223,554
8%, 12/15/16	1,000	875,198
GMAC LLC:		
6.75%, 12/01/14	85	64,951
8%, 11/01/31	885	669,576
Structured Asset Repackaged Trust, 4.394%, 1/21/10	460	452,824
		3,817,009

Diversified Telecommunication Services 8.5%

AT&T, Inc., 6.45%, 6/15/34	1,500	1,484,736
Cincinnati Bell, Inc., 7.25%, 7/15/13	590	592,950
Citizens Communications Co., 6.25%, 1/15/13	200	189,500
Qwest Communications International, Inc., 7.50%, 2/15/14	1,180	1,159,350
Qwest Corp.:		
6.05%, 6/15/13 (c)	340	325,550
7.50%, 6/15/23	500	457,500
Telecom Italia Capital SA, 4.95%, 9/30/14	1,000	931,650

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Verizon New England, Inc., 6.50%, 9/15/11	2,000	2,067,250
Wind Acquisition Finance SA, 10.75%, 12/01/15 (b)	250	269,375
Windstream Corp.:		
8.125%, 8/01/13	360	372,600
8.625%, 8/01/16	170	178,075

8,028,536

Electric Utilities 3.5%

DTE Energy Co., 7.05%, 6/01/11	250	263,398
Edison Mission Energy, 7.50%, 6/15/13	125	130,000
Elwood Energy LLC, 8.159%, 7/05/26	30	28,415
FirstEnergy Corp., 7.375%, 11/15/31	1,075	1,187,411
Midwest Generation LLC Series B, 8.56%, 1/02/16	426	459,809
Progress Energy, Inc., 7.75%, 3/01/31	1,000	1,183,550

3,252,583

Electrical Equipment 1.1%

Superior Essex Communications LLC, 9%, 4/15/12	1,010	997,375
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Electronic Equipment & Instruments 0.4%

Sanmina-SCI Corp.:		
6.75%, 3/01/13	50	45,250
8.125%, 3/01/16	415	381,800

427,050

Energy Equipment & Services 0.6%

Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	65	67,112
7.75%, 5/15/17	70	72,275
Grant Prideco, Inc. Series B, 6.125%, 8/15/15	60	60,900
North American Energy Partners, Inc., 8.75%, 12/01/11	125	125,625
SemGroup LP, 8.75%, 11/15/15 (b)	275	260,563

586,475

Food & Staples Retailing 0.9%

The Pantry, Inc., 7.75%, 2/15/14	500	375,000
Rite Aid Corp., 7.50%, 3/01/17	525	486,938

861,938

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Gas Utilities 0.6%		
El Paso Natural Gas Co., 8.375%, 6/15/32	\$ 175	\$ 202,108
Targa Resources, Inc., 8.50%, 11/01/13	400	382,000
		584,108
Health Care Equipment & Supplies 1.2%		
ReAble Therapeutics Finance LLC, 10.875%, 11/15/14 (b)	1,090	1,095,450
Health Care Providers & Services 2.0%		
Tenet Healthcare Corp.:		
6.375%, 12/01/11	95	89,300
6.50%, 6/01/12	1,045	969,238
WellPoint, Inc., 5.95%, 12/15/34	1,000	856,908
		1,915,446
Hotels, Restaurants & Leisure 2.6%		
American Real Estate Partners LP:		
7.125%, 2/15/13	230	214,475
8.125%, 6/01/12	860	840,650
Greektown Holdings, LLC, 10.75%, 12/01/13 (b)	211	194,120
Harrah's Operating Co., Inc. (b):		
10.75%, 2/01/16	400	344,000
10.75%, 2/01/18 (a)	640	490,759
Seneca Gaming Corp. Series B, 7.25%, 5/01/12	190	183,588
Tropicana Entertainment LLC Series WI,		
9.625%, 12/15/14 (e)	100	49,250
Universal City Florida Holding Co. I,		
7.623%, 5/01/10 (c)	25	24,719
Wynn Las Vegas LLC, 6.625%, 12/01/14	115	112,125
		2,453,686
IT Services 1.4%		
First Data Corp., 9.875%, 9/24/15 (b)	320	291,200
SunGard Data Systems, Inc., 9.125%, 8/15/13	240	250,800
iPayment, Inc., 9.75%, 5/15/14	175	127,687
iPayment Investors LP, 12.75%, 7/15/14 (a)(b)	609	633,028
		1,302,715
Independent Power Producers & Energy Traders 0.5%		
AES Ironwood LLC, 8.875%, 11/30/25	100	99,619
NRG Energy, Inc.:		
7.25%, 2/01/14	50	51,375
7.375%, 2/01/16	285	293,550
		444,544
Insurance 0.4%		
MetLife, Inc., 6.125%, 12/01/11	325	343,284

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Leisure Equipment & Products 0.1%

Quiksilver, Inc., 6.875%, 4/15/15	100	83,000
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Machinery 0.8%

AGY Holding Corp., 11%, 11/15/14 (b)	260	235,300
Accuride Corp., 8.50%, 2/01/15	110	97,900
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (b)	470	394,800
		728,000

Marine 0.2%

Navios Maritime Holdings, Inc., 9.50%, 12/15/14 (b)	156	160,680
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Media 14.5%

Affinion Group, Inc.:		
10.125%, 10/15/13	435	439,350
11.50%, 10/15/15	220	215,875
American Media Operations, Inc. Series B, 10.25%, 5/01/09	130	96,673
CBS Corp., 6.625%, 5/15/11	85	87,579
CMP Susquehanna Corp., 9.875%, 5/15/14 (b)	500	357,500
Cablevision Systems Corp. Series B, 7.133%, 4/01/09 (c)	120	120,900
Charter Communications Holdings I, LLC, 11%, 10/01/15	325	252,687
Charter Communications Holdings II, LLC, 10.25%, 9/15/10	660	634,987
Comcast Cable Communications LLC, 6.875%, 6/15/09	1,000	1,025,899

Corporate Bonds	Par (000)	Value
Media (concluded)		
Dex Media West LLC, 9.875%, 8/15/13	\$ 50	\$ 47,125
DirecTV Holdings LLC, 8.375%, 3/15/13	100	102,750
EchoStar DBS Corp.:		
5.75%, 10/01/08	550	550,000
7%, 10/01/13	31	30,922
7.125%, 2/01/16	45	44,213
Intelsat Bermuda Ltd., 9.25%, 6/15/16	300	302,625
Network Communications, Inc., 10.75%, 12/01/13	325	242,531
News America, Inc., 6.20%, 12/15/34	1,500	1,456,176
Nielsen Finance LLC:		
10%, 8/01/14	710	738,400
10%, 8/01/14 (b)	440	458,700
Paxson Communications Corp., 5.963%, 1/15/12 (b)(c)	500	404,375
R.H. Donnelley Corp. Series A-3, 8.875%, 1/15/16	1,420	923,000
Rainbow National Services LLC (b):		
8.75%, 9/01/12	210	216,038
10.375%, 9/01/14	1,455	1,564,125
Sinclair Broadcast Group, Inc. Class A, 4.875%, 7/15/18 (f)(g)	70	63,963
Sirius Satellite Radio, Inc., 9.625%, 8/01/13	80	67,400
TCl Communications, Inc., 7.875%, 2/15/26	1,000	1,099,920
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)	750	678,750
Time Warner, Inc., 7.70%, 5/01/32	1,000	1,083,122
Windstream Regatta Holdings, Inc., 11%, 12/01/17 (b)	229	153,430
Young Broadcasting, Inc., 10%, 3/01/11	220	143,000
		13,602,015

Metals & Mining 2.1%

AK Steel Corp., 7.75%, 6/15/12	320	326,800
Aleris International, Inc., 10%, 12/15/16	315	195,300
FMG Finance Pty Ltd., 10.625%, 9/01/16 (b)	130	147,875
Freeport-McMoRan Copper & Gold, Inc.:		
5.883%, 4/01/15 (c)	740	747,400

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8.375%, 4/01/17	550	607,750
		2,025,125

Multi-Utilities 1.1%

Dominion Resources, Inc., 5.70%, 9/17/12	1,000	1,031,437
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Oil, Gas & Consumable Fuels 5.1%

Berry Petroleum Co., 8.25%, 11/01/16	100	103,750
Chaparral Energy, Inc., 8.50%, 12/01/15	250	227,500
Chesapeake Energy Corp.:		
6.375%, 6/15/15	130	128,050
6.875%, 11/15/20	20	19,900
Compton Petroleum Finance Corp., 7.625%, 12/01/13	225	222,187
ConocoPhillips Holding Co., 6.95%, 4/15/29	1,000	1,144,987
Corral Finans AB, 4.213%, 4/15/10 (a)(b)	751	681,801
EXCO Resources, Inc., 7.25%, 1/15/11	275	273,625
Encore Acquisition Co., 6%, 7/15/15	30	27,600
Forest Oil Corp., 7.25%, 6/15/19	360	371,700
OPTI Canada, Inc., 8.25%, 12/15/14	320	330,400
Occidental Petroleum Corp., 6.75%, 1/15/12	250	271,479
Overseas Shipholding Group, Inc., 8.25%, 3/15/13	300	312,375
Sabine Pass LNG LP, 7.50%, 11/30/16	305	279,075
The Williams Companies, Inc., 7.125%, 9/01/11	25	26,563
Whiting Petroleum Corp.:		
7.25%, 5/01/12	30	30,075
7.25%, 5/01/13	300	300,750

4,751,817

Paper & Forest Products 1.3%

Abitibi-Consolidated, Inc., 6%, 6/20/13	190	78,850
Bowater, Inc.:		
9%, 8/01/09	200	165,000
5.80%, 3/15/10 (c)	60	40,500
Domtar Corp., 7.125%, 8/15/15	40	38,600

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Strategic Bond Trust (BHD)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par (000)	Value
Paper & Forest Products (concluded)		
NewPage Corp.:		
10%, 5/01/12	\$ 510	\$ 544,425
10%, 5/01/12 (b)	120	128,100
Verso Paper Holdings LLC Series B, 6.623%, 8/01/14 (c)	225	210,375
		1,205,850
Pharmaceuticals 2.2%		
Merck & Co., Inc., 4.375%, 2/15/13	1,000	1,014,628
Wyeth, 6.50%, 2/01/34	1,000	1,046,147
		2,060,775
Real Estate Investment Trusts (REITs) 0.5%		
ERP Operating LP, 6.95%, 3/02/11	500	521,015
Real Estate Management & Development 0.1%		
Realogy Corp., 12.375%, 4/15/15	140	76,300
Road & Rail 0.6%		
Avis Budget Car Rental LLC, 5.176%, 5/15/14 (c)	20	17,300
Canadian National Railway Co., 6.90%, 7/15/28	500	529,165
		546,465
Semiconductors & Semiconductor Equipment 0.5%		
Amkor Technology, Inc.:		
7.75%, 5/15/13	50	47,875
9.25%, 6/01/16	50	49,875
Freescall Semiconductor, Inc., 6.675%, 12/15/14 (a)	450	370,125
		467,875
Software 0.1%		
BMS Holdings, Inc., 9.954%, 2/15/12 (a)(b)(c)	113	70,233
Specialty Retail 3.1%		
AutoNation, Inc.,		
4.713%, 4/15/13 (c)	110	95,012
7%, 4/15/14	110	103,125
General Nutrition Centers, Inc.:		
7.199%, 3/15/14 (c)	360	304,998
10.75%, 3/15/15	290	253,025
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12	362	264,260
Michaels Stores, Inc.:		
10%, 11/01/14	340	329,800
11.375%, 11/01/16	240	215,400
Sonic Automotive, Inc. Series B, 8.625%, 8/15/13	1,400	1,330,000
		2,895,620

Thriffs & Mortgage Finance 0.0%

Residential Capital Corp., 8.125%, 11/21/08	40	33,200
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Tobacco 0.2%

Reynolds American, Inc., 7.625%, 6/01/16	200	211,874
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Wireless Telecommunication Services 2.8%

Cricket Communications, Inc., 9.375%, 11/01/14	115	112,844
Digicel Group Ltd. (b):		
8.875%, 1/15/15	470	403,025
9.125%, 1/15/15 (a)	439	353,691
MetroPCS Wireless, Inc., 9.25%, 11/01/14	70	68,775
Nordic Telephone Co. Holdings ApS, 8.875%, 5/01/16 (b)	500	511,250
Sprint Capital Corporation, 7.625%, 1/30/11	105	99,488
Vodafone Group Plc, 7.75%, 2/15/10	1,000	1,055,285

2,604,358

Total Corporate Bonds 83.0%

77,951,194

U.S. Government Obligations	Par (000)	Value
U.S. Treasury Bonds, 5.375%, 2/15/31	\$ 410	\$ 461,282
U.S. Treasury Notes:		
4.125%, 8/15/10	810	843,223
4.25%, 8/15/13	1,000	1,056,953
4.75%, 5/15/14	710	771,903
4.25%, 8/15/15	75	78,978
4.875%, 8/15/16	550	598,727
4.75%, 2/15/37	130	135,454
Total U.S. Government Obligations 4.2%		3,946,520

Common Stocks

Shares

Media 0.1%

Adelphia Recovery Trust	396,568	15,863
Time Warner Cable, Inc. (h)	1,390	38,920

Total Common Stocks 0.1%

54,783

Preferred Securities

Capital Trusts

**Par
(000)**

Diversified Financial Services 1.7%

Bank of America Corp. Series M,

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8.125%, 12/29/49 (c)	1,550	1,584,069
Total Capital Trusts 1.7%		1,584,069

Preferred Stocks

Shares

Capital Markets 0.0%

Marsico Parent Superholdco, LLC, 16.75% (b)	23	20,470
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Electrical Equipment 0.1%

Superior Essex Holding Corp. Series A, 9.50%	50,000	37,500
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Total Preferred Stocks 0.1%		57,970
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Total Preferred Securities 1.8%		1,642,039
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Other Interests (i)

**Beneficial
Interest
(000)**

Health Care Providers & Services 0.0%

Critical Care Systems International, Inc.	1	318
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Media 0.0%

Adelphia Recovery Trust Escrow	400	33,000
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Total Other Interests 0.0%		33,318
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Total Long-Term Investments (Cost \$86,654,379) 89.1%		83,627,854
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See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Strategic Bond Trust (BHD)
(Percentages shown are based on Net Assets)

Short-Term Securities	Par (000)	Value
U.S. Government and Agency Discount Notes 8.3%		
Federal Home Loan Bank, 1.75%, 5/01/08	\$ 7,800	\$ 7,800,000
Total Short-Term Securities (Cost \$7,800,000) 8.3%		7,800,000
Options Purchased	Contracts	Value
Call Options Purchased		
Marsico Parent Superholdco LLC, expiring December 2009 at \$942.86	6	\$ 10,350
Total Options Purchased (Cost \$5,867) 0.0%		10,350
Total Investments (Cost \$94,460,246*) 97.4%		91,438,204
Other Assets Less Liabilities 2.6%		2,488,704
Net Assets 100.0%		\$ 93,926,908

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 94,530,719
Gross unrealized appreciation	\$ 1,320,156
Gross unrealized depreciation	(4,412,671)
Net unrealized depreciation	\$ (3,092,515)

- (a) Represents a pay-in-kind security which may pay interest/dividends in additional face/shares.
- (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. Unless otherwise indicated, these securities are not considered to be illiquid.
- (c) Variable rate security. Rate shown is as of report date. Maturity shown is the final maturity date.
- (d) Security is a perpetual in nature and has no stated maturity date. In certain instances, a final maturity date may be extended and/or the final payment may be deferred at the issuer's option for a specified time without default.
- (e) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.

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- (f) Convertible security
 - (g) Represents a step bond. Rate shown reflects the effective yield at the time of purchase.
 - (h) Non-income producing security.
 - (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
 - (j) Security is illiquid.
- Financial futures contracts sold as of April 30, 2008 were as follows:

Contracts	Issue	Exchange	Expiration Date	Face Value	Unrealized Depreciation
15	10-Year US Treasury Bond	Chicago	June 2008	\$1,729,420	\$(7,768)

See Notes to Financial Statements.

Statements of Assets and Liabilities

April 30, 2008 (Unaudited)	BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT)	BlackRock Core Bond Trust (BHK)	BlackRock High Yield Trust (BHY)	BlackRock Income Opportunity Trust (BNA)	BlackRock Income Trust Inc. (BKT)
Assets					
Investments at value - unaffiliated ²	\$ 39,587,167	\$ 518,579,792	\$ 50,237,527	\$ 532,105,986	\$ 725,142,750
Investments at value - affiliated ³		861,491			2,666
Cash	118,176	128,313	36,741		8,272,573
Foreign currency at value ⁴		18,139			
Options purchased at value ⁵		4,354,336	5,175	4,909,256	10,446,930
Investments sold receivable		84,529,313	919,163	68,949,150	84,062,845
Unrealized appreciation on swaps		20,244,517		22,530,491	31,174,753
Unrealized appreciation on foreign exchange contracts		25,828			
Interest receivable	118,637	6,024,293	1,243,212	5,286,064	2,721,180
Swaps receivable	127,182			448,820	8,600,840
Options written receivable				52,287	
Swap premiums paid		840,018			
Variation margin receivable		228,963		282,224	
Dividends receivable	17	2,316	1,937	268	331
Commitment fees receivable					
Principal paydown receivable		69	8,241	21,012	1,730,913
Other receivables		1,861,213			
Other assets	5,097	126,639		359,737	98,765
Prepaid expenses		1,126	1,105	1,684	2,959
Total assets	39,956,276	637,826,366	52,453,101	634,946,979	872,257,505
Liabilities					
Unrealized depreciation on swaps		12,863,444		14,622,425	3,245,313
Loan payable			5,250,000		
Unfunded loan commitment					
TBA sale commitments at value ⁶		83,117,169		60,898,170	66,000,648
Options written at value ⁷		2,079,712		2,298,497	27,390,688
Borrowed bonds at value ⁸					20,900,817
Reverse repurchase agreements		152,895,000		160,038,505	78,243,875
Unrealized depreciation on foreign exchange contracts		61,439			
Swaps premiums received		378,125		398,607	248,408
Bank overdraft				101,013	
Investments purchased payable		23,270,018	570,853	24,966,679	234,939,527
Variation margin payable	33,984				1,824,465
Interest expense payable		320,222	14,743	315,265	150,698
Income dividends payable - common shares	5,798	51,504	2,890	56,263	59,400
Investment advisory fees payable	17,893	230,067	43,731	27,511	234,780
Swaps payable		15,560		12,782	3,473,152
Officer and directors fees payable	5,251	53,616	10,484	81,009	99,863
Deferred Income					
Administration fees payable			4,165	154,923	54,180
Commissions for Preferred Stock payable					
Options purchased payable					
Other affiliates payable		3,401			
Other liabilities			32,793	109,947	
Other accrued expenses	25,834	326,981	66,827	167,928	773,646
Total liabilities	88,760	275,666,258	5,996,486	264,249,524	437,639,460

Preferred Shares

\$0.001 par value per share
at \$25,000 per share liquidation preference⁹

Net Assets Applicable to Common Shares	\$	39,867,516	\$	362,160,108	\$	46,456,615	\$	370,697,455	\$	434,618,045
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See Notes to Financial Statements.

April 30, 2008 (Unaudited)	BlackRock Limited Duration Income Trust (BLW)	BlackRock Preferred and Equity Advantage Trust (BTZ)	BlackRock Strategic Bond Trust (BHD)
Assets			
Investments at value - unaffiliated ²	\$ 883,249,279	\$ 1,390,252,318	\$ 91,427,854
Investments at value - affiliated ³			
Cash	641,097	51,981	88,549
Foreign currency at value ⁴	2,266,563		
Options purchased at value ⁵	79,350	2,197,438	10,350
Investments sold receivable	17,739,826		810,416
Unrealized appreciation on swaps	46,494	1,101,561	
Unrealized appreciation on foreign exchange contracts	353,537		
Interest receivable	13,091,189	14,205,923	1,733,483
Swaps receivable	29,367		
Options written receivable			
Swap premiums paid	26,061		
Variation margin receivable	24,830		
Dividends receivable	6,237	1,313,153	2,406
Commitment fees receivable	2,319		
Principal paydown receivable	489,290		
Other receivables			
Other assets	86,608	25,246	9,357
Prepaid expenses	4,133	1,756	1,101
Total assets	918,136,180	1,409,149,376	94,083,516
Liabilities			
Unrealized depreciation on swaps		2,541,195	
Loan payable			
Unfunded loan commitment	121,857		
TBA sale commitments at value ⁶			
Options written at value ⁷		4,270,730	
Borrowed bonds at value ⁸			
Reverse repurchase agreements	131,740,260		
Unrealized depreciation on foreign exchange contracts	136,626		
Swaps premiums received			
Bank overdraft			
Investments purchased payable	150,600,950	11,730,096	
Variation margin payable		2,738,493	6,328
Interest expense payable	201,727		
Income dividends payable - common shares	257,765	1,239,652	15,313
Investment advisory fees payable	334,983	730,409	49,477
Swaps payable		65,908	
Officer and directors fees payable	82,326	33,273	10,431
Deferred Income	37,814		
Administration fees payable			
Commissions for Preferred Stock payable		34,328	
Options purchased payable		8,060	
Other affiliates payable	11,281		
Other liabilities	6,523		
Other accrued expenses	169,962	84,449	75,059
Total liabilities	283,702,074	23,476,593	156,608
Preferred Shares			
\$0.001 par value per share at \$25,000 per share liquidation preference ⁹		462,225,612	

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Net Assets Applicable to Common Shares	\$ 634,434,106	\$ 923,447,171	\$ 93,926,908
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SEMI-ANNUAL REPORT

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Statements of Assets and Liabilities (concluded)

	BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT)	BlackRock Core Bond Trust (BHK)	BlackRock High Yield Trust (BHY)	BlackRock Income Opportunity Trust (BNA)	BlackRock Income Trust Inc. (BKT)
April 30, 2008 (Unaudited)					
Net Assets Applicable to Common Shareholders					
Consist of					
Common Shares, par value ¹⁰ per share ¹¹	\$ 29,571	\$ 27,019	\$ 6,419	\$ 344,497	\$ 639,425
Paid-in capital in excess of par	38,164,047	380,862,247	90,440,587	402,495,300	480,038,780
Cost of shares held in Treasury ¹²				(17,377,850)	
Undistributed (distributions in excess of) net investment income	5,092,045	(3,100,988)	94,108	(152,008)	2,951,318
Accumulated net realized gain/loss	(3,788,610)	(15,902,590)	(37,516,320)	(15,781,857)	(89,873,402)
Net unrealized appreciation/depreciation	370,463	274,420	(6,568,179)	1,169,373	40,861,924
Net assets applicable to common shareholders	\$ 39,867,516	\$ 362,160,108	\$ 46,456,615	\$ 370,697,455	\$ 434,618,045
Net asset value per Common Share	\$ 13.48	\$ 13.40	\$ 7.24	\$ 10.76	\$ 6.80
1 Consolidated Statement of Assets and Liabilities.					
2 Investments at Cost - unaffiliated	\$ 39,390,237	\$ 526,560,482	\$ 56,807,948	\$ 542,093,906	\$ 698,786,936
3 Investments at Cost - affiliated		\$ 926,764			\$ 2,733
4 Foreign currency at cost		\$ 17,162			
5 Options purchased at cost		\$ 3,186,823	\$ 2,933	\$ 3,608,978	\$ 7,829,400
6 Proceeds from TBA sale commitments		\$ 81,362,807		\$ 60,651,057	\$ 65,823,967
7 Proceeds from Options written		\$ 1,842,109		\$ 2,027,576	\$ 11,471,578
8 Proceeds on Borrowed Bonds					\$ 19,383,094
9 Preferred Shares authorized, issued and outstanding					
¹⁰ Par Value Per Share	\$ 0.010	\$ 0.001	\$ 0.001	\$ 0.010	\$ 0.010
¹¹ Common Shares outstanding	2,957,093	27,018,774	6,418,859	34,449,693	63,942,536
¹² Shares held in Treasury				1,757,400	

See Notes to Financial Statements.

April 30, 2008 (Unaudited)	BlackRock Limited Duration Income Trust (BLW)	BlackRock Preferred and Equity Advantage Trust (BTZ)	BlackRock Strategic Bond Trust (BHD)
Net Assets Applicable to Common Shareholders Consist of			
Common Shares, par value ¹⁰ per share ¹¹	\$ 36,890	\$ 51,828	\$ 7,058
Paid-in capital in excess of par	701,305,214	1,206,156,456	98,443,594
Cost of shares held in Treasury ¹²			
Undistributed (distributions in excess of) net investment income	(353,079)	(23,933,671)	52,919
Accumulated net realized gain/loss	(9,606,802)	(112,582,708)	(1,546,853)
Net unrealized appreciation/depreciation	(56,948,117)	(146,244,734)	(3,029,810)
Net assets applicable to common shareholders	\$ 634,434,106	\$ 923,447,171	\$ 93,926,908
Net asset value per Common Share	\$ 17.20	\$ 17.82	\$ 13.31
1 Consolidated Statement of Assets and Liabilities.			
2 Investments at Cost - unaffiliated	\$ 940,283,698	\$ 1,536,761,003	\$ 94,454,379
3 Investments at Cost - affiliated			
4 Foreign currency at cost	\$ 2,227,747		
5 Options purchased at cost	\$ 44,978	\$ 2,168,240	\$ 5,867
6 Proceeds from TBA sale commitments			
7 Proceeds from Options written		\$ 5,395,097	
8 Proceeds on Borrowed Bonds			
9 Preferred Shares authorized, issued and outstanding		\$ 18,480	
¹⁰ Par Value Per Share	\$ 0.001	\$ 0.001	\$ 0.001
¹¹ Common Shares outstanding	36,889,650	51,828,157	7,058,402
¹² Shares held in Treasury			

See Notes to Financial Statements.

Statements of Operations

Six Months Ended April 30, 2008 (Unaudited)	BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT)	BlackRock Core Bond Trust (BHK)	BlackRock High Yield Trust (BHY)	BlackRock Income Opportunity Trust (BNA)	BlackRock Income Trust Inc. (BKT)
Investment Income					
Interest ²	\$ 1,276,791	\$ 16,378,180	\$ 2,583,062	\$ 17,706,741	\$ 26,143,785
Dividends ³	1,609,140	167,538	2,077	171,251	1,600
Facility and other fees					
Total income	2,885,931	16,545,718	2,585,139	17,877,992	26,145,385
Expenses					
Investment advisory	108,114	1,372,545	286,886	1,116,470	1,356,812
Commissions for preferred shares					
Accounting services		45,948	10,946	41,081	56,590
Professional	23,281	54,531	40,981	60,071	59,996
Transfer agent	272	4,765	5,021	6,932	26,275
Registration		4,670	5,095	6,664	12,721
Printing	5,902	28,501	5,922	32,348	36,620
Officer and Trustees		23,446	2,135	23,713	28,680
Custodian	888	35,737	7,081	37,909	37,192
Administration fees	29,486		27,311	186,078	313,111
Miscellaneous	45,871	57,107	42,121	37,005	21,352
Total expenses excluding interest expense, waiver of expense, interest sold short and excise tax	213,814	1,627,250	433,499	1,548,271	1,949,349
Interest expense		2,467,573	210,558	2,523,416	1,333,893
Interest expense on borrowed bonds		3,673,517		4,050,594	3,947,104
Excise tax	102,883				
Total expenses	316,697	7,768,340	644,057	8,122,281	7,230,346
Less fees waived by advisor	(137,600)				
Less fees paid indirectly		(3,762)	(547)	(2,862)	(4,896)
Net expenses after waiver and fees paid indirectly	179,097	7,764,578	643,510	8,119,419	7,225,450
Net investment income	2,706,834	8,781,140	1,941,629	9,758,573	18,919,935
Realized and Unrealized Gain (Loss)					
Net realized gain (loss) from:					
Investments	(575,969)	7,844,981	(987,262)	3,026,417	(976,201) ⁴
Futures and swaps	9,589	(10,347,508)		(10,700,377)	(26,514,424)
Foreign currency		(607,171)		3,179	
Options written		566,623		617,331	1,254,626

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Short sales									
Borrowed bonds		(3,376,859)		(3,674,680)	(1,275,586)				
	(566,380)	(5,919,934)	(987,262)	(10,728,130)	(27,511,585)				
Net change in unrealized appreciation/depreciation on:									
Investments	462,992	(5,179,014)	(3,315,837)	(6,292,287)	35,006,220				
Futures and swaps	173,533	9,039,647		10,094,589	14,489,565				
Foreign currency		(46,958)		85,116					
Options written		(944,807)		(1,037,275)	(14,606,808)				
Short sales				(108,603)					
Unfunded corporate loans									
Borrowed bonds		32,701			(404,385)				
TBA sale commitments		(1,751,817)			729,475				
	636,525	1,149,752	(3,315,837)	2,741,540	35,214,067				
Total realized and unrealized gain (loss)	70,145	(4,770,182)	(4,303,099)	(7,986,590)	7,702,482				
Dividends and Distributions to Preferred Shareholders from net investment income									
Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations									
	\$	2,776,979	\$	4,010,958	\$ (2,361,470)	\$	1,771,983	\$	26,622,417
1	Consolidated Statement of Operations.								
2	Interest from affiliates								
			\$	34,747			\$	52,771	
3	Net of foreign withholding tax								
4	Including (\$2,153) from affiliates.								

See Notes to Financial Statements.

Six Months Ended April 30, 2008 (Unaudited)	BlackRock Limited Duration Income Trust (BLW)	BlackRock Preferred and Equity Advantage Trust (BTZ)	BlackRock Strategic Bond Trust (BHD)
Investment Income			
Interest ²	\$ 31,294,396	\$ 28,760,791	\$ 3,486,714
Dividends ³	7,261	13,741,016	7,492
Facility and other fees	125,846		
Total income	31,427,503	42,501,807	3,494,206
Expenses			
Investment advisory	2,126,229	4,788,612	349,790
Commissions for preferred shares		540,032	
Accounting services	67,480	57,427	9,686
Professional	118,579	83,947	32,504
Transfer agent	3,025	16,317	4,850
Registration	7,419	14,130	
Printing	45,555	92,522	9,965
Officer and Trustees	29,187	50,098	3,394
Custodian	38,802	35,436	9,161
Administration fees			
Miscellaneous	32,578	56,655	19,557
Total expenses excluding interest expense, waiver of expense, interest sold short and excise tax	2,468,854	5,735,176	438,907
Interest expense	2,457,248	665,726	
Interest expense on borrowed bonds			
Excise tax			
Total expenses	4,926,102	6,400,902	438,907
Less fees waived by advisor			(60,313)
Less fees paid indirectly	(12,378)	(18,412)	(1,081)
Net expenses after waiver and fees paid indirectly	4,913,724	6,382,490	377,513
Net investment income	26,513,779	36,119,317	3,116,693
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Investments	(7,607,253)	(58,544,254)	(1,029,350)
Futures and swaps	785,532	(33,793,558)	
Foreign currency	(2,612,589)		
Options written		25,489,069	
Short sales		2,023	
Borrowed bonds		(291,613)	
	(9,434,310)	(67,138,333)	(1,029,350)

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Net change in unrealized appreciation/depreciation on:			
Investments	(40,026,168)	(98,957,646)	(2,301,408)
Futures and swaps	163,667	4,922,735	(7,768)
Foreign currency	1,896,818		
Options written		(171,660)	
Short sales		(1,401)	
Unfunded corporate loans	(121,857)		
Borrowed bonds		(83,807)	
TBA sale commitments			
	(38,087,540)	(94,291,779)	(2,309,176)
Total realized and unrealized gain (loss)	(47,521,850)	(161,430,112)	(3,338,526)
Dividends and Distributions to Preferred Shareholders from net investment income		(11,187,607)	
Net Increase (Decrease) in Net Assets Applicable to Common Shareholders Resulting from Operations	\$ (21,008,071)	\$ (136,498,402)	\$ (221,833)

¹ Consolidated Statement of Operations.

² Interest from affiliates

³ Net of foreign withholding tax \$ 76,324

⁴ Including (\$2,153) from affiliates.

Statements of Cash Flows

Six Months Ended April 30, 2008 (Unaudited)	BlackRock Core Bond Trust (BHK)	BlackRock Income Opportunity Trust (BNA)	BlackRock Limited Duration Income Trust (BLW)
Cash Used for/Provided by Operating Activities			
Net increase/decrease in net assets resulting from operations	\$ 4,010,958	\$ 1,771,985	\$ (21,008,071)
Adjustments to reconcile net increase/decrease in net assets resulting from operations to net cash provided by operating activities:			
Increase/decrease in receivables	(2,064,366)	(7,079,266)	1,062,355
Increase in prepaid expenses and other assets			(2,337)
Increase/decrease in other liabilities	(2,512,274)	54,050,739	(3,825,226)
Swap premium paid			(26,061)
Net realized and unrealized gain/loss	(1,868,686)	(2,801,965)	49,298,489
Amortization of premium and discount on investments	(596,698)	104,028	(66,594)
Premiums received from options written	(419,436)	147,787	
Proceeds from short sales	83,749,797		
Unrealized loss on futures contracts	(3,041,477)		
Proceeds from sales and paydowns of long-term securities	2,480,093,681	1,572,727,931	858,217,340
Purchases of long-term securities	(2,596,320,822)	(1,662,387,357)	(877,002,899)
Purchases of short-term investments		(162,391)	
Net proceeds from sales of short-term investments	550,889		848,551
Premiums received on closing options written	(419,436)	(31,288)	
Premiums paid on closing options written	(566,623)	(566,623)	
Cash provided by (used for) operating activities	(39,404,493)	(44,226,420)	7,495,547
Cash Used for/Provided by Financing Activities			
Cash receipts from borrowings	619,358,283	374,059,233	84,385,852
Cash payments from borrowings	(569,816,975)	(319,282,240)	(61,932,499)
Cash dividends paid to shareholders	(10,192,790)	(10,674,608)	(27,670,121)
Increase in custodian bank payable		101,013	
Cash provided by (used for) financing activities	39,348,518	44,203,398	(5,216,768)
Cash Impact from Foreign Exchange Fluctuations			
Cash impact from foreign exchange fluctuations			38,313
Cash			
Net increase/decrease in cash	(55,975)	(23,022)	2,317,092
Cash at beginning of period	202,427	23,022	590,568

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Statements of Changes in Net Assets

Increase (Decrease) in Net Assets	BlackRock Broad Investment Grade 2009 Term Trust Inc. ¹ (BCT)		BlackRock Core Bond Trust (BHK)	
	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007
Operations				
Net investment income	\$ 2,706,834	\$ 1,408,548	\$ 8,781,140	\$ 19,706,087
Net realized gain (loss)	(566,380)	16,829	(5,919,934)	341,954
Net change in unrealized appreciation/depreciation	636,525	23,668	1,149,752	(3,507,844)
Net increase (decrease) in net assets	2,776,979	1,449,045	4,010,958	16,540,197
Dividends and Distributions From				
Net investment income ²	(2,478,442)	(2,661,384)	(10,186,077)	(16,495,698)
Net realized gain				
Tax return of capital				(5,227,396)
Total dividends and distributions	(2,478,442)	(2,661,384)	(10,186,077)	(21,723,094)
Capital Share Transactions				
Reinvestment of common dividends				-
Net Assets Applicable				
Total increase (decrease) in net assets	298,537	(1,212,339)	(6,175,119)	(5,182,897)
Beginning of period	39,568,979	40,781,318	368,335,227	373,518,124
End of period	\$ 39,867,516	\$ 39,568,979	\$ 362,160,108	\$ 368,335,227
End of period undistributed (distributions in excess of) net investment income	\$ 5,092,045	\$ 4,863,653	\$ (3,100,988)	\$ (1,696,051)

¹ Consolidated Statement of Changes in Net Assets.

² A portion of the dividends from net investment income for the six months ended April 30, 2008 may be deemed a tax return of capital or net realized gain at fiscal year end.

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Increase (Decrease) in Net Assets Applicable to Common Shareholders	BlackRock Limited Duration Income Trust (BLW)		BlackRock Preferred and Equity Advantage Trust (BTZ)	
	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007	Six Months Ended April 30, 2008 (Unaudited)	Period December 27, 2006 ¹ to October 31, 2007
Operations				
Net investment income	\$ 26,513,779	\$ 55,219,613	\$ 36,119,317	\$ 64,774,125
Net realized gain (loss)	(9,434,310)	3,120,082	(67,138,333)	(45,522,505)
Net change in unrealized appreciation/depreciation	(38,087,540)	(21,221,592)	(94,291,779)	(51,952,955)
Dividends to Preferred Shareholders from net investment income			(11,187,607)	(16,313,570)
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	(21,008,071)	37,118,103	(136,498,402)	(49,014,905)
Dividends and Distributions to Common Shareholders From				
Net investment income ²	(27,667,244)	(51,967,739)	(48,588,908)	(48,688,436)
Net realized gain		(2,229,742)		
Tax return of capital		(1,074,826)		(24,171,991)
Decrease in net assets resulting from dividends and distributions to Common Shareholders	(27,667,244)	(55,272,307)	(48,588,908)	(72,860,427)
Capital Share Transactions				
Net proceeds from the issuance of Common Shares				1,115,290,352
Net proceeds from the underwriters over-allotment option exercised				113,370,625
Reinvestment of common dividends		2,057,525		1,748,836
Net increase in net assets derived from capital share transactions		2,057,525		1,230,409,813
Net Assets Applicable to Common Shares				
Total increase (decrease) in net assets applicable to Common Shares	(48,675,315)	(16,096,679)	(185,087,310)	1,108,534,481
Beginning of period	683,109,421	699,206,100	1,108,534,481	
End of period	\$ 634,434,106	\$ 683,109,421	\$ 923,447,171	\$ 1,108,534,481
End of period undistributed (accumulated distributions in excess of) net investment income	\$ (353,079)	\$ 800,386	\$ 23,933,671	\$ (276,473)

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- 1 Commencement of operations. This information includes the initial investment by BlackRock Funding, Inc.
- 2 A portion of the dividends from net investment income for the six months ended April 30, 2008 may be deemed a tax return of capital or net realized gain at fiscal year end.

See Notes to Financial Statements.

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Increase (Decrease) in Net Assets	BlackRock High Yield Trust (BHY)		BlackRock Income Opportunity Trust (BNA)		BlackRock Income Trust Inc. (BKT)	
	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007
Operations						
Net investment income	\$ 1,941,629	\$ 4,031,885	\$ 9,758,573	\$ 21,461,718	\$ 18,919,935	\$ 18,973,713
Net realized gain (loss)	(987,262)	(2,450,156)	(10,728,130)	2,113,139	(27,511,585)	(10,368,025)
Net change in unrealized appreciation/depreciation	(3,315,837)	2,730,808	2,741,540	(6,083,476)	35,214,067	18,371,718
Net increase (decrease) in net assets	(2,361,470)	4,312,537	1,771,983	17,491,381	26,622,417	26,977,406
Dividends and Distributions From						
Net investment income ²	(1,964,171)	(3,927,807)	(10,679,405)	(20,862,233)	(9,655,323)	(18,808,452)
Net realized gain				(1,874,570)		(4,978,175)
Tax return of capital						
Total dividends and distributions	(1,964,171)	(3,927,807)	(10,679,405)	(22,736,803)	(9,655,323)	(23,786,627)
Capital Share Transactions						
Reinvestment of common dividends		12,289				
Net Assets Applicable						
Total increase (decrease) in net assets	(4,325,641)	397,019	(8,907,422)	(5,245,422)	16,967,094	3,190,779
Beginning of period	50,782,256	50,385,237	379,604,877	384,850,299	417,650,951	414,460,172
End of period	\$ 46,456,615	\$ 50,782,256	\$ 370,697,455	\$ 379,604,877	\$ 434,618,045	\$ 417,650,951
End of period undistributed (distributions in excess of) net investment income	\$ 94,108	\$ 116,650	\$ (152,008)	\$ 768,824	\$ 2,951,318	\$ (6,313,294)

**BlackRock
Strategic Bond Trust
(BHD)**

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Increase (Decrease) in Net Assets Applicable to Common Shareholders	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31, 2007
Operations		
Net investment income	\$ 3,116,693	\$ 6,735,537
Net realized gain (loss)	(1,029,350)	999,009
Net change in unrealized appreciation/depreciation	(2,309,176)	(1,416,472)
Dividends to Preferred Shareholders from net investment income		
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	(221,833)	6,318,074
Dividends and Distributions to Common Shareholders From		
Net investment income ²	(3,260,982)	(6,521,963)
Net realized gain		
Tax return of capital		
Decrease in net assets resulting from dividends and distributions to Common Shareholders	(3,260,982)	(6,521,963)
Capital Share Transactions		
Net proceeds from the issuance of Common Shares		
Net proceeds from the underwriters over-allotment option exercised		
Reinvestment of common dividends		
Net increase in net assets derived from capital share transactions		
Net Assets Applicable to Common Shares		
Total increase (decrease) in net assets applicable to Common Shares	(3,482,815)	(203,889)
Beginning of period	97,409,723	97,613,612
End of period	\$ 93,926,908	\$ 97,409,723
End of period undistributed (accumulated distributions in excess of) net investment income	\$ 52,919	\$ 197,208

Financial Highlights

BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

	Six Months Ended April 30, 2008 (Unaudited)	2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 13.38	\$ 13.79	\$ 14.63	\$ 15.98	\$ 16.02	\$ 17.33
Net investment income	0.92 ¹	0.48	0.65	0.80	0.61	1.28
Net realized and unrealized gain (loss)	0.01	0.01	(0.05)	(0.87)	0.25	(1.40)
Net increase (decrease) from investment operations	0.93	0.49	0.60	(0.07)	0.86	(0.12)
Dividends and distributions from:						
Net investment income	(0.83)	(0.90)	(1.42)	(1.03)	(0.90)	(1.19)
Net realized gain			(0.02)	(0.25)		
Total dividends and distributions	(0.83)	(0.90)	(1.44)	(1.28)	(0.90)	(1.19)
Net asset value, end of period	\$ 13.48	\$ 13.38	\$ 13.79	\$ 14.63	\$ 15.98	\$ 16.02
Market price, end of period	\$ 13.58	\$ 15.15	\$ 15.08	\$ 15.86	\$ 15.80	\$ 15.85
Total Investment Return²						
Based on net asset value	2.97% ³	2.95%	3.53%	(0.82)%	5.52%	(0.61)%
Based on market price	(8.39)% ³	6.60%	4.44%	8.74%	5.45%	5.32%
Ratios to Average Net Assets						
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.39% ⁴	1.86%	1.14%	2.37%	2.48%	2.43%
Total expenses after fees waived and paid indirectly	0.91% ⁴	1.86%	1.14%	2.37%	2.48%	2.43%
Total expenses	1.61% ⁴	1.86%	1.14%	2.37%	2.48%	2.43%
Net investment income	13.74% ⁴	3.50%	4.50%	5.23%	3.83%	7.54%
Supplemental Data						
Portfolio turnover	9%	10%	8%	116%	20%	39%

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Net assets, end of period (000)	\$	39,868	\$	39,569	\$	40,781	\$	43,276	\$	47,255	\$	47,381
Asset coverage per \$1,000	\$		\$		\$		\$		\$	3,453	\$	3,375

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Annualized.

See Notes to Financial Statements.

Financial Highlights

BlackRock Core Bond Trust (BHK)

	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31,				
		2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 13.63	\$ 13.82	\$ 14.27	\$ 15.22	\$ 14.75	\$ 14.33
Net investment income	0.33 ¹	0.74	0.66	0.78	0.92	0.83
Net realized and unrealized gain (loss)	(0.18)	(0.13)	0.11	(0.37)	0.66	0.77
Net increase from investment operations	0.15	0.61	0.77	0.41	1.58	1.60
Dividends and distributions from:						
Net investment income ⁶	(0.38)	(0.61)	(0.93)	(1.01)	(0.86)	(1.00)
Net realized gain			(0.29)	(0.35)	(0.25)	(0.18)
Tax return of capital		(0.19)				
Total dividends and distributions	(0.38)	(0.80)	(1.22)	(1.36)	(1.11)	(1.18)
Net asset value, end of period	\$ 13.40	\$ 13.63	\$ 13.82	\$ 14.27	\$ 15.22	\$ 14.75
Market price, end of period	\$ 12.30	\$ 12.23	\$ 12.86	\$ 13.69	\$ 14.02	\$ 13.57
Total Investment Return²						
Based on net asset value	1.40% ³	5.04%	6.20%	3.18%	11.79%	11.76%
Based on market price	3.73% ³	1.29%	3.07%	7.46%	11.93%	6.62%
Ratios to Average Net Assets						
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.90% ⁴	0.78%	0.77%	0.85%	0.92%	0.87%
Total expenses after fees waived and paid indirectly	4.31% ⁴	1.60%	1.08%	1.50%	1.32%	1.05%
Total expenses	4.31% ⁴	1.60%	1.08%	1.50%	1.32%	1.05%
Net investment income	4.88% ⁴	5.36%	4.78%	5.20%	6.20%	5.58%
Supplemental Data						
Portfolio turnover	422% ⁵	122%	88%	220%	398%	161%

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Net assets, end of period (000)	\$	362,160	\$	368,335	\$	373,518	\$	385,514	\$	411,163	\$	398,540
Asset coverage per \$1,000	\$	3,572	\$	4,564	\$	96,502	\$	5,438	\$	5,012	\$	5,348

- 1 Based on average shares outstanding.
- 2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 3 Aggregate total investment return.
- 4 Annualized.
- 5 Includes TBA transactions, excluding these transactions, the portfolio turnover would have been 274%.
- 6 A portion of the distribution may be deemed a tax return of capital or net realized gain.

See Notes to Financial Statements.

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Financial Highlights

BlackRock High Yield Trust (BHY)

	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31,				
		2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 7.91	\$ 7.85	\$ 7.48	\$ 7.95	\$ 6.96	\$ 6.13
Net investment income	0.30 ¹	0.63	0.66	0.68	0.92	1.06
Net realized and unrealized gain (loss)	(0.71)	0.04	0.36	(0.36)	1.02	0.89
Net increase (decrease) from investment operations	(0.41)	0.67	1.02	0.32	1.94	1.95
Dividends and distributions from:						
Net investment income	(0.26)	(0.61)	(0.65)	(0.79)	(0.92)	(1.07)
Tax return of capital					(0.03)	(0.05)
Total dividends and distributions	(0.26)	(0.61)	(0.65)	(0.79)	(0.95)	(1.12)
Net asset value, end of period	\$ 7.24	\$ 7.91	\$ 7.85	\$ 7.48	\$ 7.95	\$ 6.96
Market price, end of period	\$ 6.83	\$ 6.92	\$ 7.77	\$ 7.36	\$ 9.30	\$ 10.25
Total Investment Return²						
Based on net asset value	(4.11)% ³	9.03%	14.25%	2.85%	26.24%	27.75%
Based on market price	3.40% ³	(3.63)%	14.93%	(13.49)%	0.28%	32.87%
Ratios to Average Net Assets						
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	1.87% ⁴	2.10%	2.19%	2.10%	1.96%	2.22%
Total expenses after fees waived and paid indirectly	2.77% ⁴	4.14%	4.49%	3.51%	2.68%	3.07%
Total expenses	2.78% ⁴	4.16%	4.50%	3.52%	2.69%	3.07%
Net investment income	8.37% ⁴	7.84%	8.74%	8.71%	12.16%	16.37%
Supplemental Data						
Portfolio turnover	17%	69%	85%	102%	156%	30%

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Net assets, end of period (000)	\$	46,457	\$	50,782	\$	50,385	\$	47,924	\$	50,914	\$	44,438
Asset coverage per \$1,000	\$	9,849	\$	6,490	\$	3,488	\$	3,310	\$	3,645	\$	3,308

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Annualized.

See Notes to Financial Statements.

Financial Highlights

BlackRock Income Opportunity Trust (BNA)

	Six Months Ended April 30, 2008 (Unaudited)	2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 11.02	\$ 11.17	\$ 11.56	\$ 12.38	\$ 11.93	\$ 11.83
Net investment income	0.311	0.62	0.57	0.72	0.76	0.84
Net realized and unrealized gain (loss)	(0.26)	(0.11)	0.01	(0.45)	0.53	0.31
Net increase (decrease) from investment operations	0.05	0.51	0.58	0.27	1.29	1.15
Dividends and distributions from:						
Net investment income	(0.31)	(0.61)	(0.65)	(0.81)	(0.84)	(0.81)
Net realized gain			(0.26)	(0.28)		(0.24)
Tax return of capital		(0.05)	(0.06)			
Total dividends and distributions	(0.31)	(0.66)	(0.97)	(1.09)	(0.84)	(1.05)
Net asset value, end of period	\$ 10.76	\$ 11.02	\$ 11.17	\$ 11.56	\$ 12.38	\$ 11.93
Market price, end of period	\$ 10.08	\$ 10.19	\$ 10.58	\$ 10.90	\$ 11.38	\$ 10.95
Total Investment Return²						
Based on net asset value	0.74% ³	5.11%	5.76%	2.95%	11.90%	10.92%
Based on market price	2.07% ³	2.62%	6.27%	5.53%	12.04%	14.71%
Ratios to Average Net Assets						
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.83% ⁴	0.87%	0.89%	0.87%	0.84%	0.89%
Total expenses after fees waived and paid indirectly	4.35% ⁴	2.00%	1.61%	1.72%	1.11%	1.29%
Total expenses	4.35% ⁴	2.01%	1.61%	1.72%	1.11%	1.29%
Net investment income	5.23% ⁴	5.68%	5.11%	5.97%	6.29%	6.99%
Supplemental Data						
Portfolio turnover	296%	196%	131%	396%	300%	46%

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Net assets, end of period (000)	\$	370,698	\$379,605	\$384,850	\$398,078	\$426,643	\$410,981
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- 1 Based on average shares outstanding.
- 2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 3 Aggregate total investment return.
- 4 Annualized.
- 5 Includes TBA transactions, excluding these transactions, the portfolio turnover would have been 104%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Income Trust Inc. (BKT)

	Six Months Ended April 30, 2008 (Unaudited)	Year Ended October 31,				
		2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 6.53	\$ 6.48	\$ 6.54	\$ 6.95	\$ 7.21	\$ 8.13
Net investment income	0.301	0.30	0.32	0.44	0.51	0.61
Net realized and unrealized gain (loss)	0.12	0.12	0.05	(0.30)	(0.16)	(0.52)
Net increase from investment operations	0.42	0.42	0.37	0.14	0.35	0.09
Dividends and distributions from:						
Net investment income	(0.15)	(0.29)	(0.34)	(0.48)	(0.61)	(1.01)
Tax return of capital		(0.08)	(0.09)	(0.07)		
Total dividends and distributions	(0.15)	(0.37)	(0.43)	(0.55)	(0.61)	(1.01)
Net asset value, end of period	\$ 6.80	\$ 6.53	\$ 6.48	\$ 6.54	\$ 6.95	\$ 7.21
Market price, end of period	\$ 6.05	\$ 5.81	\$ 6.07	\$ 5.90	\$ 7.50	\$ 7.71

Total Investment Return²

Based on net asset value	6.86% ³	7.06%	6.06%	2.12%	5.01%	1.20%
Based on market price	6.85% ³	1.69%	10.18%	(14.63)%	5.97%	15.41%

Ratios to Average Net Assets

Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.93% ⁴	0.98%	1.00%	0.99%	0.97%	1.02%
Total expenses after fees waived and paid indirectly	3.45% ⁴	2.76%	2.84%	2.79%	1.37%	1.36%
Total expenses	3.45% ⁴	2.77%	2.85%	2.80%	1.37%	1.36%
Net investment income	9.04% ⁴	4.60%	4.92%	6.54%	7.13%	8.18%

Supplemental Data

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Portfolio turnover	118% ⁵	250%	80%	60%	120%	64%
Net assets, end of period (000)	\$ 434,618	\$ 417,651	\$ 414,460	\$ 418,390	\$ 442,635	\$ 457,301

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

³ Aggregate total investment return.

⁴ Annualized.

⁵ Includes TBA transactions, excluding these transactions, the portfolio turnover would have been 19%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Limited Duration Income Trust (BLW)

	Six Months Ended April 30, 2008 (Unaudited)	2007	Year Ended October 31,			2004	Period July 30, 2003 ¹ Through October 31, 2003
			2006	2005			
Per Share Operating Performance							
Net asset value, beginning of period	\$ 18.52	\$ 19.01	\$ 19.17	\$ 20.13	\$ 19.74	\$ 19.10 ₂	
Net investment income	0.72 ₃	1.50	1.35	1.46	1.46	0.33	
Net realized and unrealized gain (loss)	(1.29)	(0.49)	0.03	(0.94)	0.43	0.60	
Net increase (decrease) from investment operations	(0.57)	1.01	1.38	0.52	1.89	0.93	
Dividends and distributions from:							
Net investment income ⁷	(0.75)	(1.41)	(1.52)	(1.33)	(1.49)	(0.25)	
Net realized gain		(0.06)		(0.15)	(0.01)		
Tax return of capital		(0.03)	(0.02)				
Total dividends and distributions	(0.75)	(1.50)	(1.54)	(1.48)	(1.50)	(0.25)	
Capital charges with respect to issuance of shares						(0.04)	
Net asset value, end of period	\$ 17.20	\$ 18.52	\$ 19.01	\$ 19.17	\$ 20.13	\$ 19.74	
Market price, end of period	\$ 15.73	\$ 16.68	\$ 18.85	\$ 17.48	\$ 19.95	\$ 18.80	
Total Investment Return⁴							
Based on net asset value	(2.62)% ⁵	5.66%	7.85%	2.93%	10.17%	4.71% ⁵	
Based on market price	(1.11)% ⁵	(4.03)%	17.31%	(5.30)%	14.64%	(4.77)% ⁵	
Ratios to Average Net Assets							
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.63% ⁶	0.83%	0.91%	0.92%	0.90%	0.79% ⁶	
Total expenses after fees waived and paid indirectly	1.27% ⁶	2.14%	2.19%	1.71%	1.25%	0.82% ⁶	
Total expenses	1.27% ⁶	2.16%	2.20%	1.71%	1.26%	0.82% ⁶	

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Net investment income	6.84% ⁶	7.92%	7.10%	7.42%	7.34%	6.87% ⁶
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Supplemental Data

Portfolio turnover	97%	65%	132%	70%	215%	127%
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Net assets, end of period (000)	\$	634,434	\$	683,109	\$	699,206	\$	704,961	\$	739,225	\$	724,747
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- 1 Commencement of operations.
- 2 Net asset value, beginning of period, reflects a deduction of \$0.90 per share sales charge from the initial offering price of \$20.00 per share.
- 3 Based on average shares outstanding.
- 4 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 5 Aggregate total investment return.
- 6 Annualized.
- 7 A portion of the distribution may be deemed a tax return of capital or net realized gain.

See Notes to Financial Statements.

Financial Highlights

BlackRock Preferred and Equity Advantage Trust (BTZ)

	Six Months Ended April 30, 2008 (Unaudited)	Period December 27, 2006 ¹ through October 31, 2007
Per Share Operating Performance		
Net asset value, beginning of period	\$ 21.39	\$ 23.88 ₂
Net investment income	0.70 ₃	1.25
Net realized and unrealized loss	(3.11)	(1.86)
Dividends to Preferred Shareholders from net investment income	(0.22)	(0.31)
Net decrease from investment operations	(2.63)	(0.92)
Dividends and distributions to common shareholders from:		
Net investment income ⁹	(0.94)	(0.93)
Net realized gain		(0.47)
Total dividends and distributions	(0.94)	(1.40)
Capital charges with respect to issuance of:		
Common Shares		(0.04)
Preferred Shares		(0.13)
Total capital charges		(0.17)
Net asset value, end of period	\$ 17.82	\$ 21.39
Market price, end of period	\$ 16.34	\$ 18.65
Total Investment Return⁴		
Based on net asset value	(11.98)% ⁵	(4.42)% ⁵
Based on market price	(7.43)% ⁵	(20.34)% ⁵
Ratios to Average Net Assets Applicable to Common Shares⁶		
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax ⁷	1.12% ⁸	1.04% ⁸
Total expenses after fees waived and paid indirectly ⁷	1.26% ⁸	1.88% ⁸
Total expenses ⁷	1.26% ⁸	1.90% ⁸
Net investment income ⁷	7.04% ⁸	6.50% ⁸

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Preferred share dividends	2.20% ⁸	1.64% ⁸
Net investment income available to Common Shareholders	4.84% ⁸	4.86% ⁸

Supplemental Data

Portfolio turnover	39%	35%
Net assets applicable to common shareholders, end of period (000)	\$ 923,447	\$ 1,108,534
Preferred Shares outstanding at liquidation preference, end of period (000)	\$ 462,000	\$ 462,000
Asset coverage end of period (000)	\$ 74,970	\$ 89,737

- 1 Commencement of operations.
- 2 Net asset value, beginning of period, reflects a deduction of \$1.125 per share sales charge from the initial offering price of \$25.00 per share.
- 3 Based on average shares outstanding.
- 4 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 5 Aggregate total investment return.
- 6 Ratios are calculated on the basis of income and expense applicable to both the common and preferred shares relative to the average net assets of the common shareholders.
- 7 Do not reflect the effects of dividends to Preferred Shareholders.
- 8 Annualized.
- 9 A portion of the distribution may be deemed a tax return of capital or net realized gain.

See Notes to Financial Statements.

Financial Highlights

BlackRock Strategic Bond Trust (BHD)

	Six Months Ended April 30, 2008 (Unaudited)	2007	2006	2005	2004	2003
Per Share Operating Performance						
Net asset value, beginning of period	\$ 13.80	\$ 13.83	\$ 13.68	\$ 15.10	\$ 15.07	\$ 12.63
Net investment income	0.44 ¹	0.95	0.99	1.10	1.39	1.59
Net realized and unrealized gain (loss)	(0.47)	(0.06)	0.18	(1.13)	0.25	2.34
Net increase (decrease) from investment operations	(0.03)	0.89	1.17	(0.03)	1.64	3.93
Dividends and distributions from:						
Net investment income ⁵	(0.46)	(0.92)	(0.98)	(1.12)	(1.61)	(1.49)
Tax return of capital			(0.04)	(0.27)		
Total dividends and distributions	(0.46)	(0.92)	(1.02)	(1.39)	(1.61)	(1.49)
Net asset value, end of period	\$ 13.31	\$ 13.80	\$ 13.83	\$ 13.68	\$ 15.10	\$ 15.07
Market price, end of period	\$ 11.68	\$ 11.88	\$ 12.85	\$ 12.45	\$ 16.70	\$ 15.27
Total Investment Return²						
Based on net asset value	0.31% ³	7.26%	9.58%	(0.49)%	11.35%	32.55%
Based on market price	2.25% ³	(0.62)%	11.87%	(18.11)%	21.54%	37.36%
Ratios to Average Net Assets Applicable to Common Shares						
Total expenses after fees waived and paid indirectly and excluding interest expense and excise tax	0.81% ⁴	0.87%	0.94%	0.92%	0.89%	1.01%
Total expenses after fees waived and paid indirectly	0.81% ⁴	1.27%	2.00%	1.87%	1.23%	1.71%
Total expenses	0.94% ⁴	1.45%	2.25%	2.14%	1.49%	2.01%
Net investment income	6.66% ⁴	6.86%	7.26%	7.58%	9.23%	11.32%

Supplemental Data

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Portfolio turnover	18%	34%	56%	51%	31%	32%
Net assets, end of period (000)	\$ 93,927	\$ 97,410	\$ 97,614	\$ 96,546	\$ 106,433	\$ 106,045

- 1 Based on average shares outstanding.
- 2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.
- 3 Aggregate total investment return.
- 4 Annualized.
- 5 A portion of the distribution may be deemed a tax return of capital or net realized gain.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

Note 1. Significant Accounting Policies

BlackRock Broad Investment Grade 2009 Term Trust Inc. (Broad Investment Grade), BlackRock Core Bond Trust (Core Bond), BlackRock High Yield Trust (High Yield), BlackRock Income Opportunity Trust (Income Opportunity), BlackRock Income Trust Inc. (Income Trust), BlackRock Limited Duration Income Trust (Limited Duration) and BlackRock Strategic Bond Trust (Strategic Bond) are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended (the 1940 Act). BlackRock Preferred and Equity Advantage Trust (Preferred and Equity) is registered as a non-diversified, closed-end management investment company under the 1940 Act. Broad Investment Grade, Income Opportunity and Income Trust are organized as Maryland corporations. Core Bond, High Yield, Limited Duration and Strategic Bond are organized as Delaware statutory trusts. Broad Investment Grade, Core Bond, High Yield, Income Opportunity, Income Trust, Limited Duration, Preferred and Equity and Strategic Bond are individually referred to as a Trust and collectively as the Trusts . The Trusts financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Trusts determine and make available for publication the net asset value of its Common Shares on a daily basis.

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

On November 29, 2007, Broad Investment Grade s Board of Directors approved a Plan of Liquidation and Dissolution. Accordingly, Broad Investment Grade will liquidate substantially all of its assets on or about the close of business on December 31, 2009.

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

Valuation of Investments: The Trusts value their corporate bond investments on the basis of last available bid price or current market quotations provided by dealers or pricing services selected under the supervision of each Trust s Board of Directors or Trustees, as appropriate (the Board). Floating rate loan interests are valued at the mean between the last available bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments, and calculated yield measures based on valuation technology commonly employed in the market for such investments. Financial futures contracts are traded on exchanges and are valued at their last sale price. Swap agreements are valued by quoted fair values received daily by the Trusts pricing service. Short-term securities are valued at amortized cost. Investments in open-end investment companies are valued at net asset value each business day.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price. Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade and previously were valued at the last sales price as of the close of options trading on applicable exchanges. Over-the-counter (OTC) options are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment, the investment will be valued by a method approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or sub-advisor seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Generally, trading in foreign securities is substantially completed each day at various times prior to the close of business on the New York Stock Exchange (NYSE). The values of such securities used in computing the net asset value of each Trust are determined as of such times. Foreign currency exchange rates will be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of each Trust s net asset value. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities may be valued at their fair value as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board.

Derivative Financial Instruments: Each Trust may engage in various portfolio investment strategies to increase the return of the Trust and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of the underlying security, or if the counterparty does not perform under the contract.

Financial futures contracts Each Trust may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Trust deposits and maintains as collateral such

Notes to Financial Statements (continued)

initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Trust agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recognized by the Trust as unrealized gains or losses.

When the contract is closed, the Trust records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Forward Foreign Exchange Contracts Each Trust may enter into forward foreign exchange contracts as a hedge against either specific transactions or portfolio positions. Forward foreign exchange currency contracts, when used by the Trust, help to manage the overall exposure to the foreign currency backing some of the investments held by the Trust. The contract is marked-to-market daily and the change in market value is recorded by the Trust as an unrealized gain or loss. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed.

Options Each Trust may purchase and write call and put options. When the Trust writes an option, an amount equal to the premium received by the Trust is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Trust enters into a closing transaction), the Trust realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium received or paid). If an option is exercised, the premium paid or received is added to the cost of the purchase or the proceeds from the sale in determining whether a Trust has realized a gain or a loss on investment transactions. European options are exercised at maturity date only.

A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period.

Swaps Each Trust may enter into swap agreements, which are OTC contracts in which the Trust and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Trust are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Gains or losses are realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

Credit Default Swaps Credit default swaps are agreements in which one party pays fixed periodic payments to a counterparty in consideration for a guarantee from the counterparty to make a specific payment should a negative credit event take place.

Interest Rate Swaps Interest rate swaps are agreements in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, a party may pay a fixed rate and receive a floating rate. Interest rate swaps are efficient as asset/liability management tools. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Total Return Swaps Total return swaps are agreements in which one party commits to pay interest in exchange for a market-linked return. To the extent the total return of the security or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Trust will receive a payment from or make a payment to the counterparty.

Swaptions The Trusts may purchase and write call and put swaptions. Swaption contracts written by the Trusts represent an option that gives the purchaser the right, but not the obligation, to enter into a new swap agreement, or to shorten, extend, cancel or modify an existing swap agreement, on a future date on specified terms. Depending on the terms of the particular option agreement, a Trust will generally incur a greater degree of risk when it writes a swaption than it will incur when it purchases a swaption. When a Trust purchases a swaption, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised. However, when a Trust writes a swap-tion, upon exercise of the option the Trust will become obligated according to the terms of the underlying agreement.

When a Trust writes a swaption, the premium received is recorded as a liability and is subsequently adjusted to the current market value of the swaption. When a security is purchased or sold through an exercise of a swaption, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. Changes in the value of the swaption are recognized as unrealized gains or losses. Gain or loss is recognized when the swaption contract expires or is closed. Premiums received from writing swaptions that expire or are exercised are treated by the Trust as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction is also treated as a realized gain or, if the premium is less than the amount paid for the closing purchase, as a realized loss.

Entering into a swaption contract involves, to varying degrees, the elements of credit, market and interest rate risk associated with both option contracts and swap contracts. To reduce credit risk from potential counterparty default, the Trusts enter into swaption contracts with counter-parties whose creditworthiness has been evaluated by the investment advisor. The Trusts bear the market risk arising from any change in index values or interest rates.

Notes to Financial Statements (continued)

Borrowed Bond Agreements: In a borrowed bond agreement, each Trust borrows securities from a third party, with the commitment that they will be returned to the lender on an agreed-upon date. Borrowed bond agreements are primarily entered into to settle short positions. In a borrowed bond agreement, the Trust's prime broker or third party broker takes possession of cash as collateral. The Trust's receive interest income on the cash collateral relating to the borrowed bond agreement and are obligated to pay the prime broker or third party broker payments received on such borrowed securities. The cash collateral approximates the principal amount of the bonds borrowed transaction. To the extent that the bonds borrowed transactions exceed one business day, the value of the collateral with any counter-party is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the lender defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the lender of the security, realization of the collateral by the Trust may be delayed or limited.

Capital Trusts: These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for Federal income tax purposes. These securities can have a rating that is slightly below that of the issuing company's senior debt securities.

Floating Rate Loans: The Trusts may invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions and privately and publicly offered corporations. Floating rate loans generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more U.S. banks or (iii) the certificate of deposit rate. The Trust considers these investments to be investments in debt securities for purposes of its investment policies.

A Trust earns and/or pays facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent, commissions and prepayment penalty fees. Facility, amendment and consent fees are typically amortized as premium and/or accreted as discount over the term of the loan. Commitment, commission and various other fees are recorded as income. Prepayment penalty fees are recorded as gains or losses. When the Trust buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, the Trust may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, the Trust may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by the Trust may include covenant waiver fees and covenant modification fees.

A Trust may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loans are usually freely callable at the issuer's option. The Trusts may invest in such loans in the form of participations in loans (Participations) and assignments of all or a portion of loans from third parties. Participations typically will result in the Trust having a contractual relationship only with the lender, not with the borrower. The Trust will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower.

In connection with purchasing Participations, the Trust generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loans, nor any rights of offset against the borrower, and the Trust may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, the Trust will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trust's investments in loan participation interests involve the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trust may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower.

Mortgage Dollar Rolls: Each Trust may sell mortgage-backed securities for delivery in the current month and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed-upon

price. The market value of the securities that the Trust is required to purchase may decline below the agreed upon repurchase price of those securities. Pools of mortgages collateralizing those securities may have different prepayment histories than those sold. During the period between the sale and the repurchase, the Trust will not be entitled to receive interest and principal payments on the securities sold. Proceeds of the sale will be invested in additional instruments for the Trust, and the income from these investments will generate income for the Trust.

If such income does not exceed the income, capital appreciation and gain or loss that would have been realized on the securities sold as part of the dollar roll, the use of this technique will diminish the investment performance of the Trusts compared with what the performance would have been without the use of dollar rolls.

Preferred Shares: The Trusts may invest in Preferred Shares. Preferred Shares have a preference over Common Shares in liquidation (and generally in receiving dividends as well) but are subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of Preferred Shares with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible Preferred Shares generally also reflects some element of conversion value. Because Preferred Shares are junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a Preferred Shares than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, Preferred Shares dividends are payable only if

Notes to Financial Statements (continued)

declared by the issuer's Board of Directors or Trustees. Preferred Shares also may be subject to optional or mandatory redemption provisions.

Reverse Repurchase Agreements: The Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates at the time of issuance and is included within the related liability on the Statements of Assets and Liabilities. At the time the Trust enters into a reverse repurchase agreement, it identifies for segregation certain liquid securities having a value not less than the repurchase price, including accrued interest, of the reverse repurchase agreement. The Trust may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction.

Borrowed Bonds: Each Trust may engage in short selling of securities as a method of managing potential price declines in similar securities owned by the Trust. When a Trust engages in short selling, it may enter into a borrowed bond agreement to borrow the security sold short and deliver it to the broker-dealer with which it engaged in the short sale. A gain, limited to the price at which a Trust sold the security short or pursuant to the borrowed bond agreement, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale or borrowed bond agreement if the market price is greater or less than the proceeds originally received.

TBA Commitments: The Trusts may enter into to-be-announced (TBA) commitments to purchase or sell securities for a fixed price at a future date. TBA commitments are considered securities in themselves, and involve a risk of loss if the value of the security to be purchased or sold declines or increases prior to settlement date, which is in addition to the risk of decline in the value of the Trust's other assets. Unsettled TBA commitments are valued at the current market value of the underlying securities, according to the procedures described under Valuation of Investments.

Foreign Currency Transactions: Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Trusts report foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Zero Coupon Bonds: The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

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

Investment Transactions and Investment Income: Investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trust has determined the ex-dividend date. Interest income is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid daily. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceed net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes: It is each of the Trust's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Effective April 30, 2008, each Trust implemented Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. The investment advisor has evaluated the application of FIN 48 to each Trust, and has determined that the adoption of FIN 48 does not have a material impact on each Trust s financial statements. Each Trust files U.S. and various state tax returns. No income tax returns are currently under examination. The statute of limitations on each Trust s tax returns remains open for the years ended October 31, 2004 through October 31, 2006. The statutes of limitations on each Trust s state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Pronouncements: In September 2006, Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The impact on each of the Trust s financial statement disclosures, if any, is currently being assessed.

In addition, in February 2007, Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), was issued and is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of FAS 157. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to

Notes to Financial Statements (continued)

facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. The impact on each of the Trust's financial statement disclosures, if any, is currently being assessed.

In March 2008, Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" an amendment of FASB Statement No. 133 (FAS 161) was issued and is effective for fiscal years beginning after November 15, 2008. FAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. The investment advisor is currently evaluating the implications of FAS 161 and the impact on each of the Trust's financial statement disclosures, if any, is currently being assessed.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Trust's Board, non-interested Directors or Trustees (Independent Directors or Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts have been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors or Trustees. This has approximately the same economic effect for the Independent Directors or Trustees as if the Independent Directors or Trustees had invested the deferred amounts directly in other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Trust. Each Trust may, however, elect to invest in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors or Trustees in order to match its deferred compensation obligations. Investments to cover each Trust's deferred compensation liability are included in other assets on the Statement of Assets and Liabilities.

Other: Expenses directly related to one of the Trusts are charged to that Trust. Other operating expenses shared by several Trusts are pro-rated among those Trusts on the basis of relative net assets or other appropriate methods.

2. Investment Advisory Agreement and Other Transactions with Affiliates:

Each Trust has entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Advisor), an indirect, wholly owned subsidiary of BlackRock, Inc., to provide investment and administration services. Merrill Lynch & Co., Inc. and The PNC Financial Services Group, Inc. are principal owners of BlackRock, Inc.

Each Trust's investment advisory fee paid to the Advisor is computed weekly and payable monthly based on an annual rate, 0.55% for Broad Investment Grade, 0.60% for Income Opportunity and 0.65% for Income Trust, of each Trust's average net assets and 0.55% for Core Bond and Limited Duration, 0.65% for Preferred and Equity, 1.05% for High Yield and 0.75% for Strategic Bond, of each Trust's average total assets (including any assets attributable to Preferred Shares) minus the sum of accrued liabilities (other than debt representing financial leverage). The Advisor has voluntarily agreed to waive a portion of the investment advisory fees or other expenses on Strategic Bond as a percentage of its average weekly managed assets as follows: 0.20% for the first five years of the Trust's operations from 2002 through February 28, 2007, 0.15% through February 28, 2008, 0.10% through February 28, 2009 and 0.05% through February 28, 2010. In addition, effective November 1, 2007, the Advisor agreed to waive the advisory and administration fees for Broad Investment Grade for the period November 1, 2007 to the Trust's termination in 2009.

Broad Investment Grade, High Yield, Income Opportunity and Income Trust each have an Administration Agreement with the Advisor. The Investment Advisory Agreement for Core Bond, Limited Duration, Preferred and Equity and Strategic Bond covers both investment advisory and administration services. The administration fee paid to the Advisor is computed weekly and payable monthly based on an annual rate, 0.15% for Broad Investment Grade, 0.10% for Income Opportunity, and 0.15% for Income Trust, of each Trust's average net assets and 0.10% for High Yield of the Trust's average managed assets.

Effective January 1, 2008, certain Trusts reimbursed the Advisor the following amounts for certain accounting services, which are included in accounting services expenses in the Statements of Operations:

	Reimbursement
Core Bond	\$ 1,519
Limited Duration	\$ 2,617
Preferred and Equity	\$ 5,893
Strategic Bond	\$ 389

BlackRock Financial Management, Inc. (BFM), a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to Core Bond, Limited Duration, Preferred and Equity and Strategic Bond. BlackRock Investment Management, LLC (BIM), a wholly owned subsidiary of BlackRock, Inc., also serves as sub-advisor to Preferred and Equity. The Advisor pays BFM and BIM for services they provide, a monthly fee that is a percentage of the investment advisory fee paid by each Trust to the Advisor.

During the six months ended, Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), a wholly owned subsidiary of Merrill Lynch, earned commissions on transactions of securities as follows:

	Six Months Ended April 30, 2008
Income Trust	\$ 30
Preferred and Equity	\$ 23,449

Pursuant to the terms of the custody agreement, custodian fees may be reduced by amounts calculated on uninvested cash balances (custody credits), which are on the Statements of Operations as fees paid indirectly.

Certain officers and/or directors or trustees of the Trusts are officers and/or directors of BlackRock, Inc. or its affiliates.

Notes to Financial Statements (continued)

3. Investments:

Purchases and sales (including paydowns, payups, TBA transactions and excluding short-term securities) of investments, excluding short-term securities, for the six months ended April 30, 2008 for each Trust were as follows:

	Purchases	Sales
Broad Investment Grade	\$ 6,302,020	\$ 3,521,814
Core Bond	\$ 2,424,691,512	\$ 2,485,512,831
High Yield	\$ 9,156,155	\$ 14,639,439
Income Opportunity	\$ 1,422,444,161	\$ 1,510,324,560
Income Trust	\$ 1,206,879,531	\$ 527,864,475
Limited Duration	\$ 887,164,786	\$ 868,841,113
Preferred and Equity	\$ 551,128,803	\$ 688,487,571
Strategic Bond	\$ 14,938,937	\$ 14,906,990

Transactions in options written for the six months ended April 30, 2008 were as follows:

Core Bond

	Contracts*	Premiums Received
Outstanding call options written, beginning of period	28	\$ 1,130,772
Options written	58	142,079
Options expired	(66)	(401,113)
Outstanding call options written, end of period	20	\$ 871,738

* Some contracts represent a notional amount of \$1,000,000.

	Contracts*	Premiums Received
Outstanding put options written, beginning of period	28	\$ 1,130,773
Options written	60	238,239
Options expired	(12)	(371,035)
Options closed	(30)	(27,606)
Outstanding put options written, end of period	46	\$ 970,371

* Some contracts represent a notional amount of \$1,000,000.

Income Opportunity

Contracts

		Premiums Received
Outstanding call options written, beginning of period	31	\$ 1,239,280
Options written	63	156,092
Options expired	(72)	(436,195)
Outstanding call options written, end of period	22	\$ 959,177

Income Trust

Transactions in call options written for the six months ended April 30, 2008 were as follows:

	Contracts*	Premiums Received
Outstanding call options written, beginning of period	138	\$ 4,975,195
Options written	554	6,463,894
Options expired	(28)	(431,530)
Options closed	(246)	(2,703,447)
Outstanding call options written, end of period	418	\$ 8,304,112

*Some contracts represent a notional amount of \$1,000,000.

	Contracts*	Premiums Received
Outstanding put options written, beginning of period	138	\$ 4,929,221
Options expired	(13)	(403,292)
Options closed	(67)	(1,358,523)
Outstanding put options written, end of period	58	\$ 3,167,406

*Some contracts represent a notional amount of \$1,000,000.

Preferred and Equity Advantage

	Contracts*	Premiums Received
Outstanding call options written, beginning of period	2,455	\$ 5,426,127
Options written	34,204	50,754,570
Options expired	(8,045)	(21,311,342)
Options closed	(17,484)	(29,474,258)
Outstanding call options written, end of period	11,130	\$ 5,395,097

4. Reverse Repurchase Agreements:

For the six months ended April 30, 2008, the Core Bond s average amount of reverse repurchase agreements outstanding was approximately \$140,791,000 and the daily weighted average interest rate was 3.51%.

For the six months ended April 30, 2008, Income Opportunity s average amount of reverse repurchase agreements outstanding was approximately \$141,168,000 and the daily weighted average interest rate was 3.72%.

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For the six months ended April 30, 2008, the Income Trust s average amount of reverse repurchase agreements outstanding was approximately \$70,110,000 and the daily weighted average interest rate was 3.76%.

For the six months ended April 30, 2008, the Limited Duration Income s average amount of reverse repurchase agreements outstanding was approximately \$134,275,000 and the daily weighted average interest rate was 3.62%.

For the six months ended April 30, 2008, the Preferred and Equity s average amount borrowed was approximately \$27,807,000 and the daily weighted average interest rate was 4.74%.

Notes to Financial Statements (continued)

5. Commitments:

Limited Duration may invest in floating rate loans. In connection with these investments, the Trust may, with its Advisor, also enter into unfunded corporate loans (commitments). Commitments may obligate the Trust to furnish temporary financing to a borrower until permanent financing can be arranged. At April 30, 2008, the Trust had outstanding commitments of approximately \$2,088,000. In connection with these commitments, the Trust earns a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of April 30, 2008, the Trust had the following unfunded loan commitments:

Borrower	Commitment (000)	Value of Underlying Loan (000)
Community Health	\$ 419	\$ 419
Las Vegas Sands	\$ 448	\$ 411
NG Wireless	\$ 140	\$ 133
Big West Oil	\$ 425	\$ 398
Cellular South	\$ 500	\$ 468
Advanced Foods	\$ 156	\$ 138

6. Capital Loss Carryforwards:

As of October 31, 2007, the Trusts had a capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

	Capital Loss Carryforward Amount	Expires
Broad Investment Grade	\$ 2,058,299	2011
	684,360	2012
	479,568	2014
	\$ 3,222,227	
Core Bond	\$ 4,880,373	2014
High Yield	\$ 3,270,311	2008
	15,159,280	2009
	8,468,860	2010
	4,771,417	2011
	316,410	2012
	2,060,533	2014
	2,467,773	2015
	\$ 36,514,584	

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Income Opportunity	\$ 2,451,626	2014
	2,342,922	2015
	\$ 4,794,548	

Income Trust	\$ 1,352,206	2008
	13,940,898	2009
	21,960,613	2011
	10,100,201	2012
	3,861,222	2013
	6,952,429	2014
	8,585,744	2015
	\$ 66,753,313	

Preferred and Equity	\$ 49,741,712	2015
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Strategic Bond	\$ 447,113	2014
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7. Capital Share Transactions:

There are 200 million of \$0.01 par value Common Shares authorized for Broad Investment Grade, Income Opportunity and Income Trust. There are an unlimited number of \$0.001 par value Common Shares authorized for Core Bond, High Yield, Limited Duration, Preferred and Equity and Strategic Bond. At April 30, 2008, the shares owned by an affiliate of the Advisor of Limited Duration and Preferred and Equity were 6,021 and 4,817, respectively.

Preferred and Equity, which commenced on December 27, 2006, issued 47,004,817 common shares under the initial public offering. On February 1, 2007, an additional 4,750,000 shares were issued by the underwriters exercising their over-allotment option. Offering costs incurred in connection with the offering of Common Shares have been charged against the proceeds from the initial Common Share offering in the amount of \$1,367,957.

Common Shares

During the six months ended April 30, 2008 and year ended October 31, 2007, the following Trusts issued additional shares under their respective dividend reinvestment plan:

	April 30, 2008	October 31, 2007
High Yield		1,496
Limited Duration		107,367
Preferred and Equity		73,340

Preferred Shares

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As of April 30, 2008, Preferred and Equity has the following series of Preferred Shares outstanding as listed in the table below. The Preferred Shares have a liquidation value of \$25,000 per share plus any accumulated unpaid dividends.

Series	Shares
T7	4,620
W7	4,620
R7	4,620
F7	4,620

Shares issued and outstanding for the six months ended April 30, 2008 remained constant.

Preferred and Equity pays commissions to certain broker-dealers at the end of each auction at an annual rate of 0.25% calculated on the aggregate principal amount. For the six months ended April 30, 2008, MLPF&S received \$265,286 in commissions from Preferred and Equity.

Dividends on seven-day Preferred Shares are cumulative at a rate which is reset every seven days based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, Preferred and Equity is required to pay the maximum applicable rate on the Preferred Shares to holders of such Shares for each successive dividend period until such time as the stock is successfully auctioned. The maximum applicable rate on the Preferred Shares is 150% times or 1.25% plus the Telerate/BBA LIBOR rate. During the six months ended April 30, 2008, the Preferred Shares of

Notes to Financial Statements (concluded)

Preferred and Equity was successfully auctioned at each auction date until February 13, 2008. The low, high and average dividend rates on the Preferred Shares for Preferred and Equity for the six months ended April 30, 2008 were as follows:

Series	Low	High	Average
T7	3.950%	5.850%	4.764%
W7	4.023%	5.400%	4.763%
R7	3.880%	6.000%	4.742%
F7	3.600%	5.750%	4.666%

Since February 13, 2008 the Preferred Shares of Preferred and Equity failed to clear any of its auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate which ranged from 3.94% to 4.73%. A failed auction is not an event of default for Preferred and Equity but it is a liquidity event for the holders of the Preferred Shares. A failed auction occurs when there are more sellers of a fund's auction rate Preferred Shares than buyers. It is impossible to predict how long this imbalance will last. An auction for the Fund's Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, holders of the Preferred Shares may not have the ability to sell the Preferred Shares at its liquidation preference.

Preferred and Equity may not declare dividends or make other distributions on common shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

The Preferred Shares are redeemable at the option of Preferred and Equity, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated unpaid dividends whether or not declared. The Preferred Shares are also subject to mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of Preferred and Equity, as set forth in the Trust's Statement of Preferences, are not satisfied.

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

8. Subsequent Events:

Subsequent to April 30, 2008, the Board declared dividends per Common Share payable June 2, 2008, to shareholders of record on May 15, 2008. The per share common dividends declared were as follows:

	Common Dividend Per Share
Broad Investment Grade	\$ 0.049000
Core Bond	\$ 0.062000
High Yield Trust	\$ 0.051000
Income Trust	\$ 0.024000
Limited Duration Income Trust	\$ 0.105000
Preferred & Equity Advantage	\$ 0.156250
Strategic Bond	\$ 0.077000

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The dividends declared on Preferred Shares for the period May 1, 2008 to May 31, 2008 for Preferred and Equity were as follows:

Series	Dividends Declared
T7	\$363,271
W7	\$461,122
R7	\$456,040
F7	\$380,318

On June 2, 2008, Preferred and Equity announced the following redemptions of Preferred Shares at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

Series	Redemption Date	Shares to be Redeemed	Aggregate Price
T7	6/11/2008	2,310	\$ 57,750,000
W7	6/12/2008	2,310	\$ 57,750,000
R7	6/13/2008	2,310	\$ 57,750,000
F7	6/9/2008	2,310	\$ 57,750,000

Preferred and Equity will finance the Preferred Share redemptions with cash received from reverse repurchase agreement transactions.

Officers and Directors or Trustees

G. Nicholas Beckwith, III, Director or Trustee
Richard E. Cavanagh, Director or Trustee
Richard S. Davis, Director or Trustee
Kent Dixon, Director or Trustee
Frank J. Fabozzi, Director or Trustee
Kathleen F. Feldstein, Director or Trustee
James T. Flynn, Director or Trustee
Henry Gabbay, Director or Trustee
Jerrold B. Harris, Director or Trustee
R. Glenn Hubbard, Director or Trustee
W. Carl Kester, Director or Trustee
Karen P. Robards, Director or Trustee
Robert S. Salomon, Jr., Director or Trustee
Donald C. Burke, Fund President and Chief Executive Officer
Anne F. Ackerley, Vice President
Neal J. Andrews, Chief Financial Officer
Jay M. Fife, Treasurer
Brian P. Kindelan, Chief Compliance Officer of the Funds
Howard Surloff, Secretary

Custodian

State Street Bank and Trust Company
Boston, MA 02101

Transfer Agents

Common Shares:

Computershare Trust Companies, N.A.
Canton, MA 02021

Preferred Shares:

For Preferred and Equity Advantage Trust

BNY Mellon Shareowner Services
Jersey City, NJ 07310

Accounting Agent

State Street Bank and Trust Company
Princeton, NJ 08540

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Legal Counsel

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

Fund Address

BlackRock Closed-End Funds
c/o BlackRock Advisors, LLC
100 Bellevue Parkway
Wilmington, DE 19809

Additional Information

Availability of Quarterly Schedule of Investments

Each Trust files their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Trust's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC.

Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. Each Trust's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Electronic Delivery

Electronic copies of most financial reports are available on the Trusts' website or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports and prospectuses by enrolling in the Trusts' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

General Information

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and it is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Trusts at (800) 441-7762.

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

Deposit Securities

Effective May 30, 2008, following approval by the BlackRock Preferred and Equity Advantage Trust (the "Trust") Board and the applicable ratings agencies, the definition of "Deposited Securities" in the Trust's Statement of Preferences was amended in order to facilitate the redemption of the Trust's Preferred Stock. The following phrase was added to the definition of "Deposit Securities" found in the Trust's Statement of Preferences:

; provided, however, that solely in connection with any redemption of AMPS, the term Deposit Securities shall include (i) any committed financing pursuant to a credit agreement, reverse repurchase agreement facility or similar credit arrangement, in each case which makes available to the Corporation, no later than the day preceding the applicable redemption date, cash in an amount not less than the aggregate amount due to Holders by reason of the redemption of their shares of AMPS on such redemption date; and (ii) cash amounts due and payable to the Corporation out of a sale of its securities if such cash amount is not less than the aggregate amount due to Holders by reason of the redemption of their shares of AMPS on such redemption date and such sale will be settled not later than the day preceding the applicable redemption date.

Additional Information (concluded)

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal nonpublic information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to nonaffiliated third parties any nonpublic information about its Clients, except as permitted by law or as necessary to service Client accounts. These nonaffiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to nonpublic personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the nonpublic personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

Section 19 Notices

The amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon the Trust's investment experience during the remainder of its fiscal year and may be subject to changes based on the tax regulations. The Trust will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

	Total Fiscal Year to Date Cumulative Distributions by Character				Percentage of Fiscal Year to Date Cumulative Distributions by Character			
	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Common Share
Limited Duration Income Trust	\$0.72	\$	\$0.03	\$0.75	96%	%	4%	100%
Preferred and Equity	0.50		0.44	0.94	53		47	100

Each Trust estimates that it has distributed more than its income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to the shareholder. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with yield or income.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed auctions, may affect the yield to Common Shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free (800) 411-7762; (2) at www.blackrock.com; and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>. Information about how each Trust voted proxies relating to securities held in each Trust's portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at www.blackrock.com or by calling (800) 441-7762 and (2) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

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Item 2 – Code of Ethics – Not Applicable to this semi-annual report

Item 3 – Audit Committee Financial Expert – Not Applicable to this semi-annual report

Item 4 – Principal Accountant Fees and Services – Not Applicable to this semi-annual report

Item 5 – Audit Committee of Listed Registrants – Not Applicable to this semi-annual report

Item 6 – Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report

Item 8 – Portfolio Managers of Closed-End Management Investment Companies – Not Applicable to this semi-annual report

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable

Item 10 – Submission of Matters to a Vote of Security Holders – The registrant's Nominating and Governance Committee will consider nominees to the Board recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 – Controls and Procedures

11(a) – The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

11(b) – There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 – Exhibits attached hereto

12(a)(1) – Code of Ethics – Not Applicable to this semi-annual report

12(a)(2) – Certifications – Attached hereto

12(a)(3) – Not Applicable

12(b) – Certifications – Attached hereto

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

BlackRock Preferred and Equity Advantage Trust

By: /s/ Donald C. Burke
Donald C. Burke
Chief Executive Officer of
BlackRock Preferred and Equity Advantage Trust

Date: June 23, 2008

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

By: /s/ Donald C. Burke
Donald C. Burke
Chief Executive Officer (principal executive officer) of
BlackRock Preferred and Equity Advantage Trust

Date: June 23, 2008

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Preferred and Equity Advantage Trust

Date: June 23, 2008
