BLACKROCK CORE BOND TRUST
Form 497
August 13, 2014

BLACKROCK INCOME TRUST, INC.

BLACKROCK INCOME OPPORTUNITY TRUST, INC.

BLACKROCK CORE BOND TRUST

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 882-0052

August 11, 2014

Dear Shareholder:

You are cordially invited to attend a joint special shareholder meeting (the Special Meeting) of BlackRock Income Trust, Inc. (BKT), BlackRock Income Opportunity Trust, Inc. (BNA) and BlackRock Core Bond Trust (BHK and together with BKT and BNA, the Funds, and each, a Fund), to be held at the offices of BlackRock Advisors, LLC, 1 University Square Drive, Princeton, New Jersey 08540-6455, on September 30, 2014 at 9:00 a.m. (Eastern time). Before the Special Meeting, I would like to provide you with additional background information and ask for your vote on important proposals affecting the Funds which are described in the enclosed Joint Proxy Statement/Prospectus.

Shareholders of BKT and BNA will be asked to consider the following proposal, which is described in the enclosed Joint Proxy Statement/Prospectus, at the Special Meeting: the reorganization of their Fund into BHK.

Shareholders of BHK will be asked to consider the following proposal, which is described in the enclosed Joint Proxy Statement/Prospectus, at the Special Meeting: the reorganization of each of BKT and BNA into BHK, including the issuance of additional common shares of BHK in connection with each such reorganization.

The Board of Directors/Trustees of each Fund believes the proposal applicable to its respective Fund is in the best interests of that Fund and its shareholders and unanimously recommends that you vote **FOR** such proposal.

The enclosed materials explain these proposals in more detail, and I encourage you to review them carefully. As a shareholder, your vote is important, and we hope that you will respond today to ensure that your shares will be represented at the Special Meeting. You may vote using one of the methods below by following the instructions on your proxy card:

- By touch-tone telephone;
- By internet;
- By returning the enclosed proxy card in the postage-paid envelope; or
- In person at the Special Meeting.

If you do not vote using one of these methods described above, you may be contacted by Georgeson Inc., our proxy solicitor, to vote your shares over the telephone.

As always, we appreciate your support.

Sincerely,

John M. Perlowski

President and Chief Executive Officer of the Funds

Please vote now. Your vote is important.

To avoid the wasteful and unnecessary expense of further solicitation(s), we urge you to indicate your voting instructions on the enclosed proxy card, date and sign it and return it promptly in the postage-paid envelope provided, or record your voting instructions by telephone or via the internet, no matter how large or small your holdings may be. If you submit a properly executed proxy but do not indicate how you wish your shares to be voted, your shares will be voted FOR each proposal, as applicable. If your shares are held through a broker, you must provide voting instructions to your broker about how to vote your shares in order for your broker to vote your shares as you instruct at the Special Meeting.

August 11, 2014

IMPORTANT NOTICE

TO SHAREHOLDERS OF

BLACKROCK INCOME TRUST, INC.

BLACKROCK INCOME OPPORTUNITY TRUST, INC.

BLACKROCK CORE BOND TRUST

QUESTIONS & ANSWERS

Although we urge you to read the entire Joint Proxy Statement/Prospectus, we have provided for your convenience a brief overview of some of the important questions concerning the issues to be voted on.

Q: Why is a shareholder meeting being held?

A: *Shareholders of BlackRock Income Trust, Inc. (BKT) and BlackRock Income Opportunity Trust, Inc. (BNA)*: You are being asked to vote on the reorganization (each, a Reorganization) of each of BKT and BNA, respectively (each such fund being referred to herein as a Target Fund) into BlackRock Core Bond Trust (BHK or the Acquiring Fund and, together with the Target Funds, each, a Fund), a Fund that has the same investment advisor, BlackRock Advisors, LLC (the Investment Advisor) as the Target Funds. BNA and BHK have substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. BKT and BHK each has income-oriented investment policies and restrictions, however, BHK s investment objective and investment policies permit a more diversified portfolio than BKT. BNA and BHK each invests its assets primarily in a diversified portfolio of investment grade bonds, which may include, but are not limited to, corporate bonds, U.S. government and agency securities and mortgage-related securities. BNA and BHK each may also invest up to 25% of its total managed assets in below investment grade securities (commonly referred to as high yield or junk bonds). BKT invests substantially all of its assets in securities that at the time of investment are rated at least AA/Aa by Moody s, S&P, Fitch or other nationally recognized statistical rating organization or securities of comparable credit quality. BKT also invests at least 65% of its assets in mortgage-backed securities. See Comparison of the Funds Investments for additional information about the Funds investment objectives and investment policies.

Shareholders of BlackRock Core Bond Trust (BHK): You are being asked to consider the following proposal, which is described in the enclosed Joint Proxy Statement/Prospectus, at the Special Meeting: reorganizing each of BKT and BNA into BHK, including the issuance of additional common shares of BHK in connection with each such Reorganization.

The term Combined Fund will refer to BHK as the surviving Fund after the Reorganizations.

A Reorganization will be consummated if a Target Fund s shareholders approve the Reorganization with respect to that Target Fund and the Acquiring Fund s shareholders approve the Reorganization with respect to that Target Fund. A Reorganization is not contingent upon the approval of the other Reorganization. If a Reorganization is not consummated, then the Target Fund for which such Reorganization was not consummated would continue to exist and operate on a stand-alone basis.

In the event a Reorganization is consummated, shareholders of the Combined Fund, including former shareholders of the applicable Target Fund, would be subject to the investment policies of the Acquiring Fund following the Reorganization. See Comparison of the Funds Investments in the Joint Proxy Statement/Prospectus for a comparison of the Funds investment objectives and significant investment strategies and operating policies.

Q: What were the factors considered by the Boards in recommending the Reorganizations?

A: The Board of Directors or Board of Trustees of each Fund, as applicable (each, a Board and collectively, the Boards), considered a number of factors in reaching its determination, including, but not limited to, the following, which are discussed in further detail in the Joint Proxy Statement/Prospectus under Information about the Reorganizations Reasons for the Reorganizations:

- the potential for improved economies of scale, including the potential for a lower operating expense ratio than each of the Funds prior to the Reorganizations, as a result, the estimated Total Expense Ratio (excluding investment related expenses) for the Combined Fund (assuming all the Reorganizations are consummated) is projected to be equal to or below the median compared to each Fund s current Lipper peer group (see How will the Reorganizations affect the fees and expenses of the Funds? for additional information);

- the potential effects of the Reorganizations on the earnings and distributions of each Fund, including the potential for comparable (i.e., slightly lower or higher) earnings in the long term, provided the Combined Fund is successful in repositioning its portfolio after the Reorganizations to attain a risk/return profile comparable to the Acquiring Fund s current risk/return profile, which is expected to allow each Fund s shareholders to maintain a distribution yield on net asset value (NAV) comparable to the distribution yield on NAV for each of the Funds prior to the Reorganizations;

- the potential effects of the Reorganizations on each Fund s premium/discount to NAV, including the potential for improved premium/discount levels for the Combined Fund s common shares (see Have common shares of the Target Funds and the Acquiring Fund historically traded at a premium or discount? for additional information);

- the potential for improved secondary market trading, including the potential for greater secondary market liquidity for the Combined Fund s common shares, which may result in tighter bid-ask spreads and better trade execution for the Combined Fund s shareholders when purchasing or selling the Combined Fund s common shares;

- the potential for operating and administrative efficiencies for the Combined Fund, including the potential for the following benefits:

  - greater investment flexibility and investment options, greater diversification of portfolio investments, the ability to trade in larger positions, additional sources of leverage or more competitive leverage terms, greater flexibility managing leverage and more favorable transaction terms;

  - benefits from having fewer closed-end funds offering similar products in the market, including an increased focus by investors on the remaining funds in the market (including the Combined Fund) and additional research coverage; and

  - benefits from having fewer similar funds in the same fund complex, including a simplified operational model and a reduction in risk of operational, legal and financial errors;

- alternatives to the Reorganizations for each Fund;

- the compatibility of the Funds investment objectives, investment policies and related risks and risk profiles (see How similar are the Funds? for additional information);

- consistency of portfolio management and portfolio composition (see How similar are the Funds? for additional information);

the anticipated tax-free nature of the Reorganizations (except with respect to taxable distributions from any Fund prior to, or after, the consummation of the Reorganizations) (see Will I have to pay any U.S. federal taxes as a result of the Reorganizations? for additional information);

the potential effects on each Fund s capital loss carryforwards;

the potential effects on each Fund s undistributed net investment income;

the expected costs of the Reorganizations (see Will I have to pay any sales load, commission or other similar fees in connection with the Reorganizations? for additional information);

the terms of the Reorganizations and whether the Reorganizations would dilute the interests of shareholders of the Funds;

the effect of the Reorganizations on shareholder rights; and

any potential benefits of the Reorganizations to the Investment Advisor and its affiliates.

The Investment Advisor intends to reposition the Combined Fund s portfolio after the completion of the Reorganizations by selling a significant portion of the higher rated assets acquired from BKT that are generally lower yielding than the assets currently held by BHK and using the proceeds to purchase assets with risk/return profiles similar to those assets currently held by BHK and consistent with the Combined Fund s investment objectives and investment policies (the Repositioning). The Combined Fund will continue to hold a portion of the assets acquired from BKT after the Repositioning. The Combined Fund generally intends to hold those assets acquired from BKT that have yields higher than or comparable to the assets currently held by BHK. However, the Combined Fund may also hold a portion of BKT s lower yielding assets after the Repositioning. The Investment Advisor anticipates that the Repositioning will enable the Combined Fund to attain a risk/return profile comparable to the current risk/return profiles of BNA and BHK. The Combined Fund s earnings and distribution yields on NAV after the Repositioning are expected to be comparable (i.e., the same or slightly lower or higher) to the current earnings and distribution yields on NAV of BNA and BHK. However, there can be no assurance that the Combined Fund can successfully implement the Repositioning. The Combined Fund s ability to execute the Repositioning depends on many factors, including portfolio transaction costs, market rates of interest, the availability of attractive securities to purchase, market liquidity, regulatory considerations and restrictions, the U.S. federal income tax rules applicable to reorganizations and general economic and market conditions. If the Combined Fund is unable to successfully implement the Repositioning, then the Combined Fund s earnings yield on NAV may be lower than BNA s and BHK s current earnings yield on NAV, and assuming BHK s distribution policy remains in place after the Reorganizations, shareholders of BNA and BHK may experience a decrease in their distribution yield on NAV after the Reorganizations.

It is estimated that no more than 67% of the Combined Fund s portfolio will be repositioned in connection with the Repositioning; however, the Combined Fund may reposition less than 67% of the Combined Fund s portfolio. Assuming the Combined Fund had repositioned 67% of its assets on July 24, 2014, it is estimated that the Combined Fund would have realized a net loss of approximately $7,990,000 and incurred portfolio transaction costs of approximately $3,115,000. Portfolio transaction costs incurred in connection with the Repositioning will be borne by the Combined Fund shareholders. The foregoing figures are only estimates and may vary significantly from those experienced by the Combined Fund in the Repositioning.

Because the shareholders of each Fund will vote separately on its respective Reorganization(s), there are multiple potential combinations of Reorganizations. The Board of each Fund and the Investment Advisor believe that the most likely result of the potential combinations of Reorganizations is the combination of all the Funds. To the extent that one of the Reorganizations is not completed, but the other Reorganization is completed, any expected expense savings by the Combined Fund, or other potential benefits resulting from the Reorganizations, may be reduced.

If the Reorganization of a Target Fund is not approved, the Investment Advisor may, in connection with ongoing management of that Target Fund and its product line, recommend alternative proposals to the Board of that Target Fund.

Q: How will the Reorganizations affect the fees and expenses of the Funds?

A: *Total Expenses:* For the fiscal year ended August 31, 2013, the Total Expense Ratios of BKT, BNA and BHK were 1.00%, 0.93% and 0.98%, respectively. For the 12-month period ended February 28, 2014, the Total Expense Ratios of BKT, BNA and BHK were 0.98%, 0.92% and 0.98%, respectively. Total Expenses means a Fund s total annual operating expenses (including interest expenses and applicable fee waivers). Total Expense Ratio means a Fund s Total Expenses expressed as a percentage of its average net assets attributable to its common shares.

The Funds estimate that the completion of all of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.89% on a historical and *pro forma* basis for the 12-month period ended February 28, 2014, representing a reduction in the Total Expense Ratio for the shareholders of BKT, BNA and BHK of 0.09%, 0.03% and 0.09%, respectively.

Investment Management Fees:

BNA and BKT currently pays the Investment Advisor a contractual management fee at an annual rate of 0.60% and 0.65%, respectively, of such Target Fund s average weekly net assets. In addition, BNA and BKT also pays the Investment Advisor an administration fee at an annual rate of 0.10% and 0.15%, respectively, of such Target Fund s average net assets.

BHK currently pays the Investment Advisor a contractual management fee at an annual rate of 0.55% of BHK s average weekly Managed Assets. Managed Assets means the total assets of the Fund minus the sum of the accrued liabilities (other than the aggregate indebtedness constituting financial leverage). The Investment Advisor currently waives a portion of investment advisory fee with respect to BHK at an annual rate of 0.03%, as a percentage of average weekly Managed Assets. This investment advisory fee waiver is voluntary and may be reduced or discontinued at any time without notice.

If any of the Reorganizations are consummated, the annual contractual investment advisory fee rate of the Combined Fund will be 0.50% of the average weekly Managed Assets of the Combined Fund. The Combined Fund will not be subject to a separate fee for administration services or any fee waivers.

The table below presents the investment management fees (including any administration fee, as applicable) of each Fund and the Combined Fund based on average net assets attributable to common shares. The scenarios presented illustrate the *pro forma* effects for all possible combinations and assumes the Reorganization(s) had occurred on February 28, 2014.

BKT	BNA	BHK	BHK *Pro Forma* Combined Fund (BKT into BHK)	BHK *Pro Forma* Combined Fund (BNA into BHK)	BHK *Pro Forma* Combined Fund (BKT & BNA into BHK)
0.80%	0.70%	0.75%	0.71%	0.73%	0.72%

A Fund s net assets attributable to common shares are the Fund s Managed Assets minus the value of the Fund s assets attributable to money borrowed for investment purposes. Thus, when the Fund uses leverage, its net assets attributable to common shares are less than its Managed Assets and its expenses (including the management fee) stated as a percentage of its net assets attributable to common shares are greater than they would be if stated as a percentage of its Managed Assets. BHK uses leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 29% of the Fund s Managed Assets (approximately 42% of the Fund s net assets). BNA and BKT also use leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 31% and 30%, respectively, of the Fund s Managed Assets (approximately 45% and 42%, respectively, of the Fund s net assets).

The estimated Total Expense Ratio (excluding investment related expenses) and contractual management fee rate for the Combined Fund (assuming all the Reorganizations are consummated) are each projected to be equal to or below the median compared to each Fund s current Lipper peer group.

The level of expense savings (or increases) will vary depending on the combination of the Funds in the proposed Reorganizations, and furthermore, there can be no assurance that future expenses will not increase or that any expense savings for any Fund will be realized as a result of any Reorganization.

Q: How will the Reorganizations affect the earnings and distributions of the Funds?

A: The Combined Fund s earnings yield on NAV immediately following the Reorganizations is expected to be lower than BNA s and BHK s current earnings yield on NAV and comparable (i.e., the same or slightly lower or higher) to BKT s current earnings yield on NAV; thus, assuming BHK s distribution policy remains in place after the Reorganizations, shareholders of BNA and BHK may experience a decrease in

their distribution yield on NAV immediately after the Reorganizations, and shareholders of BKT may experience a distribution yield on NAV comparable (i.e., the same or slightly lower or higher) to their current distribution yield on NAV immediately after the Reorganizations.

The Investment Advisor intends to implement the Repositioning after the completion of the Reorganizations. The Combined Fund will continue to hold a portion of the assets acquired from BKT after the Repositioning. The Combined Fund generally intends to hold those assets acquired from BKT that have yields higher than or comparable to the assets currently held by BHK. However, the Combined Fund may also hold a portion of BKT s lower yielding assets after the Repositioning. The Investment Advisor anticipates that the Repositioning will enable the Combined Fund to attain a risk/return profile comparable to the current risk/return profiles of BNA and BHK. The Combined Fund s earnings and distribution yields on NAV after the Repositioning are expected to be comparable (i.e., the same or slightly lower or higher) to the current earnings and distribution yields on NAV of BNA and BHK. However, there can be no assurance that the Combined Fund can successfully implement the Repositioning. The Combined Fund s ability to execute the Repositioning depends on many factors, including portfolio transaction costs, market rates of interest, the availability of attractive securities to purchase, market liquidity, regulatory considerations and restrictions, the U.S. federal income tax rules applicable to reorganizations and general economic and market conditions. If the Combined Fund is unable to successfully implement the Repositioning, then the Combined Fund s earnings yield on NAV may be lower than BNA s and BHK s current earnings yield on NAV; and assuming BHK s distribution policy remains in place after the Reorganizations, shareholders of BNA and BHK may experience a decrease in their distribution yield on NAV after the Reorganizations. Nevertheless, shareholders of BNA and BHK are expected to benefit from a reduction in BNA s and BHK s Total Expense Ratio of approximately 0.03% and 0.09%, respectively. It is also anticipated that shareholders of BNA and BHK may benefit from other potential benefits associated with the Reorganizations (including as a result of the Combined Fund s larger size). See Information About the Reorganizations Reasons for the Reorganizations.

It is estimated that no more than 67% of the Combined Fund s portfolio will be repositioned in connection with the Repositioning; however, the Combined Fund may reposition less than 67% of the Combined Fund s portfolio. Assuming the Combined Fund had repositioned 67% of its assets on July 24, 2014, it is estimated that the Combined Fund would have realized a net loss of approximately $7,990,000 and incurred portfolio transaction costs of approximately $3,115,000. Portfolio transaction costs incurred in connection with the Repositioning will be borne by the Combined Fund shareholders. The foregoing figures are only estimates and may vary significantly from those experienced by the Combined Fund in the Repositioning.

The Combined Fund s earnings and distribution yield on NAV will change over time, and depending on market conditions, may be significantly higher or lower than each Fund s earnings and distribution yield on NAV prior to the Reorganizations. A Fund s earnings and net investment income are variables which depend on many factors, including its asset mix, portfolio turnover level, performance of its investments, level of retained earnings, the amount of leverage utilized by the Fund and the effects thereof, the costs of such leverage, the movement of interest rates and general market conditions.

Q: What happens if shareholders of one Target Fund do not approve its Reorganization but shareholders of the other Target Fund approve their Reorganization?

A: An unfavorable vote on a proposed Reorganization by the shareholders of one Target Fund will not affect the implementation of the Reorganization of the other Target Fund if the other Reorganization is approved by the shareholders of each of the Acquiring Fund and the other Target Fund.

If the Reorganization of a Target Fund is not approved, the Investment Advisor may, in connection with ongoing management of that Target Fund and its product line, recommend alternative proposals to the Board of that Target Fund.

Q: What happens if shareholders of the Acquiring Fund do not approve the Reorganization of one Target Fund but approve the Reorganizations of the other Target Fund?

A: An unfavorable vote by shareholders of the Acquiring Fund on the Reorganization of one Target Fund will not affect the implementation of the Reorganization by the other Target Fund, if the other Reorganization is approved by the shareholders of the Acquiring Fund and the shareholders of the other Target Fund. If the Reorganization of a Target Fund is not approved, however, the Investment Advisor may, in connection with ongoing management of that Target Fund and its product line, recommend alternative proposals to the Board of that Target Fund.

Q: How similar are the Funds?

A: The Funds have the same investment advisor, certain common portfolio managers, and the same board members. Each Fund s common shares are listed on the New York Stock Exchange.

BNA and BHK have substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. BKT and BHK each has income-oriented investment policies and restrictions, however, BHK s investment objective and investment policies permit a more diversified portfolio than BKT in terms of investments and credit quality.

The investment objective of each of BHK and BNA is to provide current income and capital appreciation. BKT s investment objective is to manage a portfolio of high-quality securities to achieve both preservation of capital and high monthly income.

Each of BHK and BNA invests its assets primarily in a diversified portfolio of investment grade bonds, which may include, but are not limited to, corporate bonds, U.S. government and agency securities and mortgage-related securities. Under normal market conditions, each of BHK and BNA invests at least 75% of its total managed assets in investment grade quality bonds. Each of BHK and BNA may invest up to 25% of its total managed assets in bonds that at the time of investment are rated Ba/BB or below by Moody s, S&P, Fitch or another nationally recognized rating agency or bonds that are unrated but judged to be of comparable quality by the Investment Advisor. Below investment grade quality securities (rated Ba/BB or below) are commonly referred to as high yield or junk bonds and are regarded as predominantly speculative with respect to the issuer s capacity to pay interest and repay principal. Issuers of high yield bonds are not perceived to be as strong financially as those with higher credit ratings. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments.

At least 80% of BKT s assets are invested in securities that are (i) issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or (ii) rated at the time of investment either AAA by S&P or Aaa by Moody s. BKT may invest up to 20% of its assets in other securities that have been determined by the Investment Advisor to be of comparable credit quality to the rated securities described above. BKT may also invest up to 15% of its assets in securities rated at least AA/Aa by Moody s, S&P, Fitch or other nationally recognized statistical rating organization.

BKT invests at least 65% of its assets in mortgage-backed securities. Each of BHK and BNA may invest its assets in a diversified portfolio of investment grade bonds, which may include, but are not limited to, corporate bonds, U.S. government and agency securities and mortgage-related securities.

BKT shareholders are expected to be subject to greater credit risks because of the Combined Fund s broader and more diversified approach to investments and credit quality. BKT invests substantially all of its assets in securities that at the time of investment are rated at least AA/Aa by nationally recognized statistical rating organization or securities of comparable credit quality, while BNA and BHK may invest up to 25% of its total managed assets in bonds that at the time of investment are rated Ba/BB or below by nationally recognized rating agency or bonds of comparable quality. In addition, because the Combined Fund s portfolio is expected to be more diversified than BKT s portfolio, BKT shareholders may become subject to risks associated with securities that are not currently held by BKT, such as risks associated with corporate bonds and other securities. The foregoing risks to BKT shareholders will be heightened as a result of the Repositioning.

BKT has greater exposure to mortgage-related securities than BHK and BNA, including stripped mortgage-backed securities (MBS). One type of stripped MBS pays to one class all of the interest from the mortgage assets (the IO class), while the other class will receive all of the principal (the PO class). Risks associated with mortgage-related securities, including stripped mortgage-backed securities, may be greater in the Combined Fund s portfolio than in the portfolios of BHK or BNA because the Combined Fund may have a larger proportion of its portfolio in mortgage-related securities than BHK or BNA as a result of the Combined Fund s acquisition of legacy BKT s assets.

Risks associated with mortgage-backed securities include: credit risk associated with the performance of the underlying mortgage properties and of the borrowers owning these properties; risks associated with their structure and execution (including the collateral, the process by which principal and interest payments are allocated and distributed to investors and how credit losses affect the issuing vehicle and the return to investors in such MBS); whether the collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the MBS) any remaining balance in the accounts may revert to the issuing entity and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such MBS; risks associated with the servicer of the underlying mortgages; adverse changes in economic conditions and circumstances, which are more likely to have an adverse impact on MBS secured by loans on certain types of commercial properties than on those secured by loans on residential properties; prepayment risk, which can lead to significant fluctuations in the value of the MBS; loss of all or part of the premium, if any, paid; and decline in the market value of the security, whether resulting from changes in interest rates, prepayments on the underlying mortgage collateral or perceptions of the credit risk associated with the underlying mortgage collateral.

Stripped mortgage-backed securities may be subject to additional risk. The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage assets and a rapid rate of principal payments may have a material adverse effect on the Combined Fund s yield to maturity from these securities. If the assets underlying the IO class experience greater than anticipated prepayments of principal, the Combined Fund may fail to recoup fully, or at all, its initial investment in these securities. Conversely, PO class securities tend to decline in value if prepayments are slower than anticipated.

BKT and BNA are each organized as a Maryland corporation. BHK is organized as a Delaware statutory trust. Because the Acquiring Fund is organized as a Delaware statutory trust, shareholders of BNA and BKT will become shareholders of a Delaware statutory trust rather than shareholders of a Maryland corporation if BNA s and BKT s Reorganizations are completed. A more detailed description of the differences between Delaware statutory trust law and Maryland corporate law is contained in the Joint Proxy Statement/Prospectus under the heading Governing Law.

Each Fund is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act).

See Comparison of the Funds Investments in the Joint Proxy Statement/Prospectus for a comparison of the Funds investment objectives, significant investment strategies and operating policies and investment restrictions.

Q: How will the Reorganizations be effected?

A: Assuming Target Fund shareholders approve the Reorganizations of the Target Funds and Acquiring Fund shareholders approve the Reorganizations of the Acquiring Fund, each Target Fund will merge directly with and into the Acquiring Fund. Each Target Fund will terminate its registration under the 1940 Act after the completion of its Reorganization.

Shareholders of the Target Funds: You will become shareholders of the Acquiring Fund. You will receive newly issued common shares of the Acquiring Fund, par value $0.001 per share, the aggregate NAV (not the market value) of which will equal the aggregate NAV (not the market value) of the common shares of the particular Target Fund you held immediately prior to such Reorganization, less the applicable costs of the Reorganization (though you may receive cash for fractional shares).

Shareholders of the Acquiring Fund: You will remain shareholders of BHK, which will have additional common shares outstanding after the Reorganizations.

Q: Have common shares of the Target Funds and the Acquiring Fund historically traded at a premium or discount?

A: The common shares of each Fund have historically fluctuated between a discount and a premium. As of June 30, 2014, each Fund traded at a discount to its respective NAV.

As of June 30, 2014, the NAV per common share of BHK was $15.11 and the market price per common share of BHK was $13.96, representing a discount to NAV of 7.61%, the NAV per common share of BKT was $7.33 and the market price per common share of BKT was $6.64, representing a discount to NAV of 9.41% and the NAV per common share of BNA was $11.80 and the market price per common share of BNA was $10.86, representing a discount to NAV of 7.97%.

To the extent a Target Fund is trading at a wider discount (or a narrower premium) than the Acquiring Fund at the time of the Reorganizations, the shareholders of such Target Fund would have the potential for an economic benefit by the narrowing of the discount/premium. To the extent a Target Fund is trading at a narrower discount (or wider premium) than the Acquiring Fund at the time of the Reorganizations, the shareholders of such Target Fund may be negatively impacted if its Reorganization is consummated. The Acquiring Fund shareholders would only benefit from a discount perspective to the extent the post-Reorganization discount (or premium) improves. There can be no assurance that, after the Reorganizations, common shares of the Combined Fund will trade at, above or below NAV. In the Reorganizations, shareholders of each Target Fund will receive common shares of the Acquiring Fund based on the relative NAVs (not the market values) of each respective Fund s common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of your Fund prior to the Reorganizations.

Q: Will I have to pay any sales load, commission or other similar fees in connection with the Reorganizations?

A: You will pay no sales loads or commissions in connection with the Reorganizations. Regardless of whether the Reorganizations are completed, however, the costs associated with these proposed Reorganizations, including the costs associated with the shareholder meeting, will be borne directly by each of the respective Funds incurring the expense or will otherwise be allocated among the Funds proportionately or on another reasonable basis, except that the Investment Advisor will bear a portion of the reorganization costs of BNA as discussed more fully in the Joint Proxy Statement/Prospectus.

Because of the expected expense savings and other benefits for each of the Funds, the Investment Advisor recommended and the Boards of such Funds have approved that such Funds be responsible for their own Reorganization expenses, except that the Investment Advisor will bear a portion of the reorganization costs of BNA. See Information About the Reorganizations Reasons for the Reorganizations in the attached Joint Proxy Statement/Prospectus. The expenses of the Reorganizations (assuming all of the Reorganizations are consummated) are estimated to be $493,000 for BKT, $441,000 for BNA (without consideration of any amount to be borne by the Investment Advisor) and $423,000 for BHK. The Investment Advisor has agreed to pay $300,000 of BNA s costs of the Reorganizations because the shareholders of BNA are not expected to experience the same level of economic benefits from the Reorganizations as the shareholders of BKT and BHK.

Neither the Funds nor the Investment Advisor will pay any expenses of shareholders arising out of or in connection with the Reorganizations (*e.g.*, expenses incurred by the shareholder as a result of attending the shareholder meeting, voting on the Reorganizations or other action taken by the shareholder in connection with the Reorganizations). The actual costs associated with the proposed Reorganizations may be more or less than the estimated costs discussed herein.

Q: Will I have to pay any U.S. federal taxes as a result of the Reorganizations?

A: Each of the Reorganizations is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). If a Reorganization so qualifies, in general, shareholders of a Target Fund will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of their Target Fund common shares for Acquiring Fund common shares pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). Additionally, the Target Fund will recognize no gain or loss for U.S. federal income tax purposes by reason of the Reorganization. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss for U.S. federal income tax purposes pursuant to any Reorganization.

On or prior to the closing date of the Reorganizations (the Closing Date), each of the Target Funds will declare a distribution to its shareholders that, together with all previous distributions, will have the effect of distributing to each respective Target Fund s shareholders all of its investment company taxable income (computed without regard to the deduction for dividends paid), if any, through the Closing Date, all of its net capital gains, if any, through the Closing Date, and all of its net tax-exempt interest income, if any, through the Closing Date. Such a distribution will be taxable to each Target Fund s shareholders for U.S. federal income tax purposes.

The Funds shareholders should consult their own tax advisers regarding the U.S. federal income tax consequences of the Reorganizations, as well as the effects of state, local and non-U.S. tax laws, including possible changes in tax laws.

Q: Why is the vote of shareholders of the Acquiring Fund being solicited in connection with the Reorganizations?

A: Although the Acquiring Fund will continue its legal existence and operations after the Reorganizations, the Acquiring Fund s charter requires the Acquiring Fund s shareholders to approve each of the Acquiring Fund s Reorganizations. If a Reorganization of the Acquiring Fund is not approved, then such Reorganization will not occur.

Q: How does the Board of my Fund suggest that I vote?

A: After careful consideration, the Board of your Fund unanimously recommends that you vote FOR each of the items proposed for your Fund.

Q: How do I vote my proxy?

A: You may cast your vote by mail, phone, internet or in person at the Special Meeting. To vote by mail, please mark your vote on the enclosed proxy card and sign, date and return the card in the postage-paid envelope provided. If you choose to vote by phone or internet, please refer to the instructions found on the proxy card accompanying the Joint Proxy Statement/Prospectus. To vote by phone or internet, you will need the control number that appears on the proxy card.

Q: Whom do I contact for further information?

A:

You may contact your financial advisor for further information. You may also call Georgeson Inc., the Funds proxy solicitor, at 1-866-296-5716.

Please vote now. Your vote is important.

To avoid the wasteful and unnecessary expense of further solicitation(s), we urge you to indicate your voting instructions on the enclosed proxy card, date and sign it and return it promptly in the postage-paid envelope provided, or record your voting instructions by telephone or via the internet, no matter how large or small your holdings may be. If you submit a properly executed proxy but do not indicate how you wish your shares to be voted, your shares will be voted FOR each proposal, as applicable. If your shares are held through a broker, you must provide voting instructions to your broker about how to vote your shares in order for your broker to vote your shares as you instruct at the Special Meeting.

x

BLACKROCK INCOME TRUST, INC.

BLACKROCK INCOME OPPORTUNITY TRUST, INC.

BLACKROCK CORE BOND TRUST

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 882-0052

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 30, 2014

Notice is hereby given that a joint special meeting of shareholders (the Special Meeting) of BlackRock Income Trust, Inc. (BKT), BlackRock Income Opportunity Trust, Inc. (BNA and collectively with BKT, the Target Funds) and BlackRock Core Bond Trust (BHK or the Acquiring Fund and collectively with the Target Funds, the Funds) will be held at the offices of BlackRock Advisors, LLC, 1 University Square Drive, Princeton, New Jersey 08540-6455, on September 30, 2014 at 9:00 a.m. (Eastern time) for the following purposes:

1. The Reorganizations of the Target Funds
Shareholders of BlackRock Income Trust, Inc. (BKT):

Proposal 1(A): The shareholders of BKT are being asked to approve an Agreement and Plan of Reorganization between BKT and BHK (the BKT Reorganization Agreement) and the termination of BKT s registration under the Investment Company Act of 1940 (the 1940 Act).

Shareholders of BlackRock Income Opportunity Trust, Inc. (BNA):

Proposal 1(B): The shareholders of BNA are being asked to approve an Agreement and Plan of Reorganization between BNA and BHK (the BNA Reorganization Agreement) and the termination of BNA s registration under the 1940 Act.

2. The Reorganizations of the Acquiring Fund and the Issuances of the Acquiring Fund s Common Shares
Shareholders of BlackRock Core Bond Trust (BHK):

Proposal 2(A): The shareholders of BHK are being asked to approve the BKT Reorganization Agreement, including the issuance of additional common shares of BHK in connection with the BKT Reorganization Agreement.

Proposal 2(B): The shareholders of BHK are being asked to approve the BNA Reorganization Agreement, including the issuance of additional common shares of BHK in connection with the BNA Reorganization Agreement.

Shareholders of record as of the close of business on August 1, 2014 are entitled to vote at the Special Meeting or any adjournment or postponement thereof.

THE BOARD OF DIRECTORS OR BOARD OF TRUSTEES, AS APPLICABLE, (EACH, A BOARD) OF EACH OF THE FUNDS RECOMMENDS THAT YOU VOTE YOUR SHARES BY INDICATING YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD, DATING AND SIGNING SUCH PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED, WHICH IS ADDRESSED FOR YOUR CONVENIENCE AND NEEDS NO POSTAGE IF MAILED IN THE UNITED STATES, OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET.

THE BOARD OF EACH TARGET FUND UNANIMOUSLY RECOMMENDS THAT YOU CAST YOUR VOTE:

- **FOR** THE REORGANIZATION OF YOUR TARGET FUND PURSUANT TO YOUR TARGET FUND S REORGANIZATION AGREEMENT AS DESCRIBED IN THE JOINT PROXY STATEMENT/PROSPECTUS, AND THE TERMINATION OF YOUR TARGET FUND S REGISTRATION UNDER THE 1940 ACT.

THE BOARD OF BHK UNANIMOUSLY RECOMMENDS THAT YOU CAST YOUR VOTE:

- **FOR** THE REORGANIZATION OF BHK PURSUANT TO EACH REORGANIZATION AGREEMENT BETWEEN BHK AND A TARGET FUND, INCLUDING THE ISSUANCE OF ADDITIONAL COMMON SHARES OF BHK IN CONNECTION WITH EACH SUCH REORGANIZATION AGREEMENT.

IN ORDER TO AVOID THE ADDITIONAL EXPENSE OF FURTHER SOLICITATION, WE ASK THAT YOU MAIL YOUR PROXY CARD OR RECORD YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET PROMPTLY.

For the Board of Directors/Trustees of the Funds

JOHN M. PERLOWSKI

President and Chief Executive Officer of the Funds

August 11, 2014

YOUR VOTE IS IMPORTANT.

PLEASE VOTE PROMPTLY BY SIGNING AND RETURNING THE

ENCLOSED PROXY CARD OR BY RECORDING YOUR VOTING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET, NO MATTER HOW MANY SHARES YOU OWN.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR

THE SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 30, 2014.

THE PROXY STATEMENT FOR THIS MEETING IS AVAILABLE AT:

HTTPS://WWW.PROXY-DIRECT.COM/BLK-25803

JOINT PROXY STATEMENT/PROSPECTUS

BLACKROCK INCOME TRUST, INC.

BLACKROCK INCOME OPPORTUNITY TRUST, INC.

BLACKROCK CORE BOND TRUST

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 882-0052

JOINT SPECIAL MEETING OF SHAREHOLDERS

SEPTEMBER 30, 2014

This Joint Proxy Statement/Prospectus is furnished to you as a shareholder of (i) BlackRock Income Trust, Inc. (BKT), (ii) BlackRock Income Opportunity Trust, Inc. (BNA and collectively with BKT, the Target Funds) and/or (iii) BlackRock Core Bond Trust (BHK or the Acquiring Fund and collectively with the Target Funds, the Funds). BKT and BNA are each organized as a corporation under the laws of the State of Maryland; BHK is organized as a statutory trust under the laws of the State of Delaware. Each Fund is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). A joint special meeting (the Special Meeting) of shareholders of each Fund will be held at the offices of BlackRock Advisors, LLC (the Investment Advisor), 1 University Square Drive, Princeton, New Jersey 08540-6455, on September 30, 2014 at 9:00 a.m. (Eastern time) to consider the items listed below and discussed in greater detail elsewhere in this Joint Proxy Statement/Prospectus. If you are unable to attend the Special Meeting or any adjournment or postponement thereof, the Board of Directors or Board of Trustees, as applicable, of each Fund (each, a Board) recommends that you vote your common shares of beneficial interests or shares of common stock (common shares) by completing and returning the enclosed proxy card or by recording your voting instructions by telephone or via the internet. The approximate mailing date of this Joint Proxy Statement/Prospectus and accompanying form of proxy is August 20, 2014.

The purposes of the Special Meeting are:

1. The Reorganizations of the Target Funds

Shareholders of BlackRock Income Trust, Inc. (BKT):

Proposal 1(A): The shareholders of BKT are being asked to approve an Agreement and Plan of Reorganization between BKT and BHK (the BKT Reorganization Agreement) and the termination of BKT s registration under the 1940 Act.

Shareholders of BlackRock Income Opportunity Trust, Inc. (BNA):

Proposal 1(B): The shareholders of BNA are being asked to approve an Agreement and Plan of Reorganization between BNA and BHK (the BNA Reorganization Agreement and together with the BKT Reorganization Agreement, the Reorganization Agreements) and the termination of BNA s registration under the 1940 Act.

2. The Reorganizations of the Acquiring Fund and the Issuances of the Acquiring Fund s Common Shares

Shareholders of BlackRock Core Bond Trust (BHK):

Proposal 2(A): The shareholders of BHK are being asked to approve the BKT Reorganization Agreement, including the issuance of additional common shares of BHK in connection with the BKT Reorganization Agreement.

Proposal 2(B): The shareholders of BHK are being asked to approve the BNA Reorganization Agreement, including the issuance of additional common shares of BHK in connection with the BNA Reorganization Agreement.

Shareholders of record as of the close of business on August 1, 2014 are entitled to vote at the Special Meeting or any adjournment or postponement thereof.

Each Reorganization Agreement that Target Fund shareholders and Acquiring Fund shareholders are being asked to consider involves transactions that will be referred to in this Joint Proxy Statement/Prospectus as a Reorganization. The Fund surviving any or all Reorganizations is referred to herein as the Combined Fund.

The Reorganizations seek to combine three funds with income-oriented investment objectives and investment policies to achieve certain economies of scale and other operational efficiencies. BNA and BHK have substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. BKT and BHK each has income-oriented investment policies and restrictions, however, BHK s investment objective and investment policies permit a more diversified portfolio than BKT in terms of investments and credit policy. Each Target Fund will merge directly with and into the Acquiring Fund. Each Target Fund will terminate its registration under the 1940 Act after the completion of its Reorganization. The Acquiring Fund will continue to operate after the Reorganization as a registered, diversified, closed-end management investment company with the investment objectives and investment policies described in this Joint Proxy Statement/Prospectus.

In each Reorganization, the outstanding common shares of the Target Fund will be exchanged for newly-issued common shares of the Acquiring Fund, par value $0.001 per share (Acquiring Fund Shares) in the form of book entry interests. The aggregate net asset value (NAV) (not the market value) of the Acquiring Fund Shares received by the shareholders of the Target Fund in each Reorganization will equal the aggregate NAV (not the market value) of the Target Fund common shares held by such shareholders immediately prior to such Reorganization, less the applicable costs of such Reorganization (although Target Fund shareholders may receive cash for their fractional common shares). The Investment Advisor will bear a portion of the costs of BNA with respect to BNA s Reorganization because the shareholders of BNA are not expected to experience the same level of economic benefits from the Reorganizations as the shareholders of BKT and BHK; therefore, a portion of the costs associated with the Reorganization of BNA will not be directly borne by BNA.

In the Reorganizations, shareholders of each Target Fund will receive Acquiring Fund Shares based on the relative NAV (not the market value) of each respective Fund s common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of a Target Fund prior to the Reorganizations.

In connection with each Reorganization, the shareholders of the Acquiring Fund are being asked to approve such Reorganization, including the issuance of additional Acquiring Fund Shares.

The Board of each Fund has determined that including these proposals in one Joint Proxy Statement/Prospectus will reduce costs and is in the best interests of each Fund s shareholders.

In the event that shareholders of a Target Fund do not approve its Reorganization, such Target Fund would continue to exist and operate on a stand-alone basis. In the event the Acquiring Fund shareholders do not approve a Reorganization, then the affected Target Fund would continue to exist and operate on a stand-alone basis. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor may, in connection with the ongoing management of that Target Fund and its product line, recommend alternative proposals to the Board of that Target Fund. An unfavorable vote by one of the Target Funds or the Acquiring Fund with respect to one of the Reorganizations will not affect the implementation of the Reorganization by the other Target Fund.

This Joint Proxy Statement/Prospectus sets forth concisely the information that shareholders of each Fund should know before voting on the proposals for their Fund and constitutes an offering of Acquiring Fund Shares. Please read it carefully and retain it for future reference. A Statement of Additional Information, dated

August 11, 2014, relating to this Joint Proxy Statement/Prospectus (the Statement of Additional Information) has been filed with the United States Securities and Exchange Commission (the SEC) and is incorporated herein by reference. Copies of each Fund s most recent annual report and semi-annual report can be obtained on a website maintained by BlackRock, Inc. (BlackRock) at *www.blackrock.com*. In addition, each Fund will furnish, without charge, a copy of the Statement of Additional Information, or its most recent annual report or semi-annual report to any shareholder upon request. Any such request should be directed to BlackRock by calling (800) 882-0052 or by writing to the respective Fund at 100 Bellevue Parkway, Wilmington, Delaware 19809. The Statement of Additional Information and the annual and semi-annual reports of each Fund are available on the EDGAR Database on the SEC s website at *www.sec.gov*. The address of the principal executive offices of the Funds is 100 Bellevue Parkway, Wilmington, Delaware 19809, and the telephone number is (800) 882-0052.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940 and, in accordance therewith, file reports, proxy statements, proxy materials and other information with the SEC. Materials filed with the SEC can be reviewed and copied at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 or downloaded from the SEC s website at *www.sec.gov*. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at (202) 551-8090. You may also request copies of these materials, upon payment at the prescribed rates of a duplicating fee, by electronic request to the SEC s e-mail address (publicinfo@sec.gov) or by writing the Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549-0102.

BlackRock updates performance information for the Funds, as well as certain other information for the Funds, on a monthly basis on its website in the Closed-End Funds section of www.blackrock.com. Shareholders are advised to periodically check the website for updated performance information and other information about the Funds.

Each Fund s most recently calculated NAV can also be obtained by visiting www.blackrock.com, clicking on Products Closed-End Funds Taxable Bonds and then clicking the name of your Fund.

References to BlackRock s website are intended to allow investors public access to information regarding the Funds and do not, and are not intended to, incorporate BlackRock s website in this Joint Proxy Statement/Prospectus.

Please note that only one copy of shareholder documents, including annual or semi-annual reports and proxy materials, may be delivered to two or more shareholders of the Funds who share an address, unless the Funds have received instructions to the contrary. 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. To request a separate copy of any shareholder document or for instructions as to how to request a separate copy of these documents or as to how to request a single copy if multiple copies of these documents are received, shareholders should contact the Fund at the address and phone number set forth above.

The common shares of BlackRock Core Bond Trust are listed on the New York Stock Exchange (NYSE) under the ticker symbol BHK and will continue to be so listed after the completion of the Reorganizations. The common shares of BlackRock Income Trust, Inc. are listed on the NYSE under the ticker symbol BKT. The common shares of BlackRock Income Opportunity Trust, Inc. are listed on the NYSE under the ticker symbol BNA. Reports, proxy statements and other information concerning the Funds may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

This Joint Proxy Statement/Prospectus serves as a prospectus of the Acquiring Fund in connection with the issuance of Acquiring Fund Shares in each of the Reorganizations. No person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Joint Proxy

Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

Photographic identification and proof of ownership will be required for admission to the meeting. For directions to the meeting, please contact Georgeson Inc., the firm assisting us in the solicitation of proxies, at 1-866-296-5716.

THE SEC AND THE COMMODITY FUTURES TRADING COMMISSION HAVE NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Joint Proxy Statement/Prospectus is August 11, 2014.

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SUMMARY

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus and is qualified in its entirety by reference to the more complete information contained in this Joint Proxy Statement/Prospectus and in the Statement of Additional Information. Shareholders should read the entire Joint Proxy Statement/Prospectus carefully.

The Proposed Reorganizations	The Board of each Fund, including the directors or trustees, as applicable (the Board Members), who are not interested persons of each Fund (as defined in the 1940 Act) (the Independent Board Members), has unanimously approved its Reorganization(s), including its respective Reorganization Agreement(s). Assuming each Target Fund s shareholders approve its respective Target Fund s Reorganization and the Acquiring Fund s shareholders approve the Reorganizations of the Acquiring Fund, each Target Fund will merge directly with and into the Acquiring Fund. Each Target Fund will terminate its registration under the 1940 Act after the completion of its Reorganization.
	In connection with each Reorganization, the Acquiring Fund will issue additional Acquiring Fund Shares and list such common shares on the NYSE (each, an Issuance) and the outstanding common shares of the Target Fund will be exchanged for newly-issued Acquiring Fund Shares in the form of book entry interests. The aggregate NAV (not the market value) of the Acquiring Fund Shares received by the Target Fund shareholders in each Reorganization will equal the aggregate NAV (not the market value) of the Target Fund common shares held by such shareholders immediately prior to such Reorganization, less the applicable costs of such Reorganization (although Target Fund shareholders may receive cash for their fractional common shares). The Investment Advisor will bear a portion of the costs of BNA with respect to BNA s Reorganization because the shareholders of BNA are not expected to experience the same level of economic benefits from the Reorganizations as the shareholders of BKT and BHK; therefore, a portion of the costs associated with the Reorganization of BNA will not be directly borne by BNA.
	In the Reorganizations, shareholders of each Target Fund will receive Acquiring Fund Shares based on the relative NAV, not the market value, of each respective Fund s common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of a Target Fund prior to the Reorganizations.
	The Reorganizations are not expected to result in any reduction in the NAV of the Acquiring Fund Shares, other than to reflect the applicable costs of the Reorganizations, including, but not limited to, the issuance of additional Acquiring Fund Shares in connection with each of the Reorganizations.
	Each Fund s Board has determined that its Reorganization is in the best interests of its Fund and the shareholders of such Fund and that

the interests of such shareholders will not be diluted with respect to net asset value as a result of such Fund s Reorganization. As a result of the Reorganizations, however, shareholders of each Fund will hold a reduced percentage of ownership in the larger Combined Fund than they did in any of the individual Funds.

The Board of each Fund recommends that shareholders of such Fund approve their proposed Reorganization at the Special Meeting to be held on September 30, 2014. The Acquiring Fund s Reorganizations include the Issuances.

Subject to the requisite approval of the shareholders of each Fund with regard to each Reorganization, it is expected that the Closing Date will be sometime during the fourth quarter 2014, but it may be at a different time as described herein. For information regarding voting requirements, please see Voting Information and Requirements.

Please see Information About the Reorganizations for additional information.

Background and Reasons for the Proposed Reorganizations

The Reorganizations seek to combine three funds with income-oriented investment objectives and investment policies to achieve certain economies of scale and other operational efficiencies. BNA and BHK have substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. BKT and BHK each has income-oriented investment policies and restrictions, however, BHK s investment objective and investment policies permit a more diversified portfolio than BKT in terms of investments and credit policy. The Board of each Target Fund (each, a Target Fund Board) and the Acquiring Fund (the Acquiring Fund Board), based upon its evaluation of all relevant information, anticipates that the Reorganization(s) would benefit shareholders of its Fund. Because shareholders of each Fund will vote separately on their Fund s respective Reorganization(s), there are multiple potential combinations of Reorganizations.

The Board of each Fund, including the Independent Board Members, approved its respective Reorganization(s), concluding that such Reorganization(s) is in the best interests of its Fund and that the interests of existing shareholders of its Fund will not be diluted with respect to net asset value as a result of its respective Reorganization(s). This determination was made on the basis of each Board Member s business judgment after consideration of all of the factors and considerations (discussed below) taken as a whole with respect to its Fund and shareholders, although individual Board Members may have placed different weight on various factors and assigned different degrees of materiality to various factors.

The Board of each Fund considered its respective Reorganization(s) at meetings of the Board of each Fund held on June 5-6, 2014 (the Meeting). The Board of each Fund considered a number of factors presented at the time of the Meeting or at a prior meeting in reaching their determinations, including, but not limited to, the following:

- potential for improved economies of scale and a lower Total Expense Ratio with respect to each Fund;
- alternatives to the Reorganizations for each Fund;
- the potential effects of the Reorganizations on the earnings and distributions of each Fund;
- the potential effects of the Reorganizations on each Fund s premium/discount to NAV;
- the compatibility of the Funds investment objectives, investment policies and related risks and risk profiles;
- consistency of portfolio management and portfolio composition;
- the potential for improved secondary market trading;
- the potential for operating and administrative efficiencies;
- the anticipated tax-free nature of the Reorganizations (except with respect to taxable distributions from any Fund prior to, or after, the consummation of the Reorganizations);
- the potential effects on the Funds capital loss carryforwards;
- the potential effects on each Fund s undistributed net investment income;
- the expected costs of the Reorganizations;
- the terms of the Reorganizations and whether the Reorganizations would dilute the interests of shareholders of the Funds;
- the effect of the Reorganizations on shareholder rights; and

any potential benefits of the Reorganizations to the Investment Advisor and its affiliates.

There can be no assurance that future expenses will not increase or that any expense savings will be realized as a result of any Reorganization. Moreover, the level of expense savings (or increases) will vary depending upon the combination of the Funds in the Reorganizations. In addition, a Fund s earnings and net investment income are variables, which depend on many factors, including its asset mix, portfolio turnover level, the performance of its investments, level of retained earnings, the amount of leverage utilized by the Fund and the effects thereof, the costs of such leverage, the movement of interest rates and general market conditions. There can be no assurance that the future earnings of a Fund, including the Combined Fund after the Reorganizations, will remain constant. In addition, the Combined Fund s future earnings will vary depending on the combination of the Funds in the Reorganizations.

The Board of each Fund recommends that shareholders of such Fund approve its respective Reorganization(s).

If a Reorganization is not approved by a Target Fund s shareholders, such Target Fund will continue to operate for the time being as a stand-alone Maryland corporation and will continue to be advised by the Investment Advisor. However, if the Reorganization of a Target Fund is not approved, the Investment Advisor may, in connection with ongoing management of the Target Fund and its product line, recommend alternative proposals to the Board of such Target Fund. An unfavorable vote by the shareholders of one of the Target Funds or the Acquiring Fund with respect to one of the Reorganizations will not affect the implementation of the other Reorganization.

Please see Information About the Reorganizations Reasons for the Reorganizations for additional information.

Earnings and Distributions and the Post-Reorganization Repositioning

The Combined Fund s earnings yield on NAV immediately following the Reorganizations is expected to be lower than BNA s and BHK s current earnings yield on NAV and comparable (i.e., the same or slightly lower or higher) to BKT s current earnings yield on NAV; thus, assuming BHK s distribution policy remains in place after the Reorganizations, shareholders of BNA and BHK may experience a decrease in their distribution yield on NAV immediately after the Reorganizations, and shareholders of BKT may experience a distribution yield on NAV comparable (i.e., the same or slightly lower or higher) to their current distribution yield on NAV immediately after the Reorganizations.

The Investment Advisor intends to reposition the Combined Fund s portfolio after the completion of the Reorganizations by selling a significant portion of the higher rated assets acquired from BKT that are generally lower yielding than the assets currently held by BHK and using the proceeds to purchase assets with risk/return profiles similar to those assets currently held by BHK and consistent with the Combined Fund s investment objectives and investment policies (the Repositioning). The Combined Fund will continue to hold a portion of the assets acquired from BKT after the Repositioning. The Combined Fund generally intends to hold those assets acquired from BKT that have yields higher than or comparable to the assets currently held by BHK. However, the Combined Fund may also hold a portion of BKT s lower yielding assets after the Repositioning. The Investment Advisor anticipates that the Repositioning will enable the Combined Fund to attain a risk/return profile comparable to the current risk/return profiles of BNA and BHK. The Combined Fund s earnings and distribution yields on NAV after the Repositioning are expected to be comparable (i.e., the same or slightly lower or higher) to the current earnings and distribution yields on NAV of BNA and BHK. However, there can be no assurance that the Combined Fund can successfully implement the Repositioning. The Combined Fund s ability to execute the Repositioning depends on many factors, including portfolio transaction costs, market rates of interest, the availability of attractive securities to purchase, market liquidity, regulatory considerations and restrictions, the U.S. federal income tax rules applicable to reorganizations and general economic and market conditions. If the Combined Fund is unable to successfully implement the Repositioning, then the Combined Fund s earnings yield on NAV may be lower than BNA s and BHK s current earnings yield on NAV; and assuming BHK s distribution policy remains in place after the Reorganizations, shareholders of BNA and BHK may experience a decrease in their distribution yield on NAV after the Reorganizations. Nevertheless, shareholders of BNA and BHK are expected to benefit from a reduction in BNA s and BHK s Total Expense Ratio of approximately 0.03% and 0.09%, respectively. It is also anticipated that shareholders of BNA and BHK may benefit from other potential benefits associated with the Reorganizations (including as a result of the Combined Fund s larger size). See Information About the Reorganizations Reasons for the Reorganizations.

It is estimated that no more than 67% of the Combined Fund s portfolio will be repositioned in connection with the Repositioning; however, the Combined Fund may reposition less than 67% of the Combined Fund s portfolio. Assuming the Combined Fund had repositioned 67% of its assets on July 24, 2014, it is estimated that the Combined Fund would have realized a net loss of approximately $7,990,000 and incurred portfolio transaction costs of approximately $3,115,000. Portfolio transaction costs incurred in connection with the Repositioning will be borne by the Combined Fund shareholders. The foregoing figures are only estimates and may vary significantly from those experienced by the Combined Fund in the Repositioning.

Expenses

For the fiscal year ended August 31, 2013, the Total Expense Ratios of BKT, BNA and BHK were 1.00%, 0.93% and 0.98%, respectively.

For the 12-month period ended February 28, 2014, the Total Expense Ratios of BKT, BNA and BHK were 0.98%, 0.92% and 0.98%, respectively. Total Expenses means a Fund s total annual operating expenses (including interest expenses and applicable fee waivers). Total Expense Ratio means a Fund s Total Expenses expressed as a percentage of its average net assets attributable to its common shares.

The Funds estimate that the completion of all of the Reorganizations would result in a Total Expense Ratio for the Combined Fund of 0.89% on a historical and *pro forma* basis for the 12-month period ended February 28, 2014, representing a reduction in the Total Expense Ratio for the shareholders of BKT, BNA and BHK of 0.09%, 0.03% and 0.09%, respectively.

The estimated Total Expense Ratio (excluding investment related expenses) for the Combined Fund (assuming all the Reorganizations

	are consummated) is projected to be equal to or below the median compared to each Fund s current Lipper peer group.
	The level of expense savings (or increases) will vary depending upon the combination of the Funds in the Reorganizations, and furthermore, there can be no assurance that future expenses will not increase or that any expense savings for shareholders of any Fund will be realized as a result of any Reorganization.
	Please see Summary Comparison of the Funds Advisors and Expense Table for Shareholders for additional information.
Appraisal Rights	None of the Funds shareholders have appraisal rights for their common shares in their respective Fund. Please see Appraisal Rights for additional information.
Federal Tax Consequences of the Reorganizations	Each Reorganization is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). If a Reorganization so qualifies, in general, shareholders of a Target Fund will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of their Target Fund common shares for Acquiring Fund Shares pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). Additionally, the Target Funds will recognize no gain or loss for U.S. federal income tax purposes by reason of the Reorganizations. Neither the Acquiring Fund nor its shareholders will recognize any gain or loss for U.S. federal income tax purposes pursuant to each Reorganization. Shareholders of each Fund may receive distributions prior to, or after, the consummation of the Reorganizations, including distributions attributable to their proportionate share of Combined Fund built-in gains, if any, recognized after the Reorganizations, when such income and gains are eventually distributed by the Combined Fund. Such distribution may be taxable to shareholders for U.S. federal income tax purposes. It is a condition to the closing of each Reorganization that the respective Target Fund and the Acquiring Fund receive an opinion from Skadden, Arps, Slate, Meagher & Flom LLP (Skadden Arps), dated as of the closing date of such Reorganization (the Closing Date), regarding the characterization of the Reorganization as a reorganization within the meaning of Section 368(a) of the Code.
	Please see Certain Federal Income Tax Consequences of the Reorganizations for additional information.
Comparison of the Funds General Information and History	BKT and BNA are each organized as Maryland corporations.
	BHK is organized as a Delaware statutory trust.
	Each Fund is a diversified, closed-end management investment company registered under the 1940 Act and each Fund s common shares are listed on the New York Stock Exchange.

See The Funds for additional information about the history of the Funds.

Comparison of the Funds Investment Objectives and Policies BNA and BHK have substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions.

BKT and BHK each has income-oriented investment policies and restrictions, however, BHK s investment objective and investment policies permit a more diversified portfolio than BKT in terms of investments and credit quality.

Certain significant differences between BKT and BHK are summarized below.

Investment Objectives.

The investment objective of each of BHK and BNA is to provide current income and capital appreciation.

BKT s investment objective is to manage a portfolio of high-quality securities to achieve both preservation of capital and high monthly income.

Investment Grade Securities.

At least 80% of BKT s assets are invested in securities that are (i) issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or (ii) rated at the time of investment either AAA by S&P or Aaa by Moody s. BKT may invest up to 20% of its assets in other securities that have been determined by the Investment Advisor to be of comparable credit quality to the rated securities described above. BKT may also invest up to 15% of its assets in securities rated at least AA/Aa by Moody s, S&P, Fitch or other nationally recognized statistical rating organization.

Each of BHK and BNA invests its assets primarily in a diversified portfolio of investment grade bonds, which may include, but are not limited to, corporate bonds, U.S. government and agency securities and mortgage-related securities. Under normal market conditions, each of BHK and BNA invests at least 75% of its total managed assets in investment grade quality bonds. Each of BHK and BNA may invest up to 25% of its total managed assets in bonds that at the time of investment are rated Ba/BB or below by Moody s, S&P, Fitch or another nationally recognized rating agency or bonds that are unrated but judged to be of comparable quality by the Investment Advisor. Below investment grade quality securities (rated Ba/BB or below) are commonly referred to as high yield or junk bonds and are regarded as predominantly speculative with respect to the issuer s capacity to pay interest and repay principal.

Mortgage-Related Securities.

BKT invests at least 65% of its assets in mortgage-backed securities.

Each of BHK and BNA may invest its assets in a diversified portfolio of investment grade bonds, which may include, but are not limited to, corporate bonds, U.S. government and agency securities and mortgage-related securities.

A more detailed comparison of the Funds investment objectives and significant investment strategies and operating policies is set forth in Comparison of the Funds Investments.

Comparison of the Funds Premium/Discount to NAV

The common shares of each Fund have historically fluctuated between a discount and a premium. As of June 30, 2014, the NAV per common share of BHK was $15.11 and the market price per common share of BHK was $13.96, representing a discount to NAV of 7.61%, the NAV per common share of BKT was $7.33 and the market price per common share of BKT was $6.64, representing a discount to NAV of 9.41% and the NAV per common share of BNA was $11.80 and the market price per common share of BNA was $10.86, representing a discount to NAV of 7.97%.

To the extent that a Target Fund is trading at a wider discount (or a narrower premium) than the Acquiring Fund at the time of its Reorganization, such Target Fund s shareholders would have the potential for an economic benefit. To the extent that a Target Fund is trading at a narrower discount (or wider premium) than the Acquiring Fund at the time of its Reorganization, such Target Fund s shareholders may be negatively impacted if its Reorganization is consummated. The Acquiring Fund s shareholders would only benefit from a discount perspective to the extent the post-Reorganization discount (or premium) improves.

There can be no assurance that, after the Reorganizations, common shares of the Combined Fund will trade at, above or below NAV. Upon consummation of the Reorganizations, the common shares of the Combined Fund may trade at a price that is less than the Acquiring Fund s current trading market price. In the Reorganizations, shareholders of each Target Fund will receive Acquiring Fund Shares based on the relative NAVs (not the market values) of each respective Fund s common shares. The market value of the common shares of the Combined Fund may be less than the market value of the common shares of your Fund prior to the Reorganizations.

Comparison of the Funds Distribution Policy

The dividend and distribution policy of the Acquiring Fund will be the dividend and distribution policy for the Combined Fund. The dividend and distribution policies of the Target Funds are substantially the same as those of the Acquiring Fund.

The Acquiring Fund intends to make regular monthly cash distributions of all or a portion of its net investment income to holders of the Acquiring Fund Shares. The Acquiring Fund s net investment income consists of all interest income accrued on portfolio assets less all expenses of the Acquiring Fund.

The tax treatment and characterization of the Acquiring Fund s distributions may vary significantly from time to time because of the varied nature of the Acquiring Fund s investments. The Acquiring Fund will indicate the proportion of its capital gains distributions that constitute long-term and short-term gains annually. The final tax characterization of distributions is determined after the end of a Fund s fiscal year and is reported to shareholders on Form 1099. Distributions will be characterized as ordinary income, capital gains and/or return of capital. A Fund s taxable net investment income or net realized capital gains (taxable income) may not be sufficient to support the level of distributions paid. To the extent that distributions exceed a Fund s current and accumulated earnings and profits in the current fiscal year, the excess may be treated as a return of capital. A return of capital distribution does not necessarily reflect a Fund s investment performance and should not be confused with yield or income. A return of capital is a return of a portion of an investor s original investment. A return of capital is generally not taxable, but it reduces a shareholder s tax basis in his or her shares, thus reducing any loss or increasing any gain on a subsequent disposition by the shareholder of his or her shares. It is possible that a substantial portion of the distributions paid during a calendar year may ultimately be classified as return of capital for income tax purposes when the final determination of the source and character of the distributions is made.

As described above, the portion of distributions that exceeds the Fund s current and accumulated earnings and profits, which are calculated under tax principles, will constitute a non-taxable return of capital. Although capital loss carryforwards from prior years can offset realized net capital gains, capital loss carryforwards will offset current earnings and profits only if they were generated in the Fund s 2012 taxable year or thereafter. If distributions in any tax year are less than the Fund s current earnings and profits but are in excess of net investment income and net realized capital gains (which would occur, for example, if the Fund utilizes pre-2012 capital loss carryforwards to offset capital gains in that tax year), such excess is not treated as a non-taxable return of capital but rather may be taxable to shareholders at ordinary income rates even though it may economically represent a return of capital. Under certain circumstances, such taxable excess distributions could be significant. BKT currently does not have any pre-2012 capital loss carryforwards, however, substantially all of the capital loss carryforwards of the other Funds are from pre-2012 tax years; thus, shareholders of BKT may be subject to such taxable excess distributions as shareholders of the Combined Fund.

Various factors will affect the level of the Acquiring Fund s net investment income, such as its asset mix, portfolio turnover level, performance of its investments, level of retained earnings, the amount of leverage utilized by the Acquiring Fund and the effects thereof, the costs of such leverage, the movement of interest rates and general market conditions. These factors, among others, may result in the Combined Fund s level of net investment income being different from the level of net investment income for any of the Target Funds or the Acquiring Fund if the Reorganizations were not completed. To permit the Acquiring Fund to maintain more stable monthly distributions and to the extent consistent with the distribution requirements imposed on regulated investment companies by the Code, the Acquiring Fund may from time to time distribute less than the entire amount earned in a particular period. The income would be available to supplement future distributions. As a result, the distributions paid by the Acquiring Fund for any particular month may be more or less than the amount actually earned by the Acquiring Fund during that month. Undistributed earnings will increase the Acquiring Fund s NAV and, correspondingly, distributions from undistributed earnings and from capital, if any, will reduce the Acquiring Fund s NAV.

Holders of the Acquiring Fund Shares will automatically have all dividends and distributions reinvested in common shares issued by the Acquiring Fund or Acquiring Fund Shares purchased in the open market in accordance with the Acquiring Fund s Automatic Dividend Reinvestment Plan, unless an election is made to receive cash. For information concerning the manner in which dividends and distributions to holders of the Acquiring Fund Shares may be reinvested automatically in the Acquiring Fund Shares, see Automatic Dividend Reinvestment Plan.

Comparison of the Funds Leverage

Each Fund may utilize leverage by borrowing through entering into reverse repurchase agreements and/or treasury roll transactions. As of February 28, 2014, the Funds had aggregate economic leverage from reverse repurchase agreements as a percentage of their total managed assets (Economic Leverage Ratio) as follows:

Ticker	Economic Leverage Ratio
BKT	30%
BNA	31%
BHK	29%

The Combined Fund s Economic Leverage Ratio is expected to be substantially similar to the Acquiring Fund s current Economic Leverage Ratio immediately following the Reorganizations.

As of February 28, 2014, the daily weighted average interest rates for the Funds with borrowings, including reverse repurchase agreements were as follows:

Ticker	Daily Weighted Average Interest Rates
BKT	0.17%
BNA	0.25%
BHK	0.24%

In connection with the Reorganizations, the Combined Fund expects to maintain an Economic Leverage Ratio substantially similar to the Acquiring Fund s current Economic Leverage Ratio immediately following the Reorganizations. The Combined Fund may not be able to maintain the current earnings and distribution yields on NAV of the Acquiring Fund, which may negatively affect the market price and NAV of the Combined Fund. In addition, if the Combined Fund is required to reduce its economic leverage, then it may be required to sell a portion of its assets, which may negatively affect the Combined Fund s portfolio holdings, portfolio allocation, portfolio diversification and investment strategy.

Additional information about the leverage of the Acquiring Fund and the Targets Funds is set forth in The Acquiring Funds Investments Portfolio Contents and Techniques Borrowings and Preferred Shares and Comparison of the Funds Investments Investment Objectives and Policies.

Comparison of the Funds Management

The Board of each Fund is responsible for the overall supervision of the operations of its respective Fund and performs the various duties imposed on the directors of investment companies by the 1940 Act and under applicable state law. Each Fund has the same Board Members and officers. A list of the Board Members and officers of each Fund, a brief biography for each Board Member and officer, and additional information relating to the Board Members and the officers are included in the Statement of Additional Information.

Comparison of the Funds Advisors

BlackRock Advisors, LLC serves as the investment advisor for each Fund and is expected to continue to serve as investment advisor for the Combined Fund. The Investment Advisor is responsible for the management of each Fund s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund.

BNA and BKT currently pays the Investment Advisor a contractual management fee at an annual rate of 0.60% and 0.65%, respectively, of such Target Fund s average weekly net assets. In addition, BNA and BKT also pays the Investment Advisor an administration fee at an annual rate of 0.10% and 0.15%, respectively, of such Target Fund s average net assets.

BHK currently pays the Investment Advisor a contractual management fee at an annual rate of 0.55% of BHK s average weekly Managed Assets. Managed Assets means the total assets of the Fund minus the sum of the accrued liabilities (other than the aggregate indebtedness constituting financial leverage). The Investment Advisor currently waives a portion of investment advisory fee with respect to BHK at an annual rate of 0.03%, as a percentage of average weekly Managed Assets. This investment advisory fee waiver is voluntary and may be reduced or discontinued at any time without notice.

If any of the Reorganizations are consummated, the annual contractual investment advisory fee rate of the Combined Fund will be 0.50% of the average weekly Managed Assets of the Combined Fund. The Combined Fund will not be subject to a separate fee for administration services or any fee waivers.

The table below presents the investment management fees (including any administration fee, as applicable) of each Fund and the Combined Fund based on average net assets attributable to common shares. The scenarios presented illustrate the *pro forma* effects for all possible combinations and assumes the Reorganization(s) had occurred on February 28, 2014.

BKT	**BNA**	**BHK**	**BHK *Pro Forma* Combined Fund (BKT into BHK)**	**BHK *Pro Forma* Combined Fund (BNA into BHK)**	**BHK *Pro Forma* Combined Fund (BKT & BNA into BHK)**
0.80%	0.70%	0.75%	0.71%	0.73%	0.72%

A Fund s net assets attributable to common shares are the Fund s Managed Assets minus the value of the Fund s assets attributable to money borrowed for investment purposes. Thus, when the Fund uses leverage, its net assets attributable to common shares are less than its Managed Assets and its expenses (including the management fee) stated as a percentage of its net assets attributable to common shares are greater than they would be if stated as a percentage of its Managed Assets. BHK uses leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 29% of the Fund s Managed Assets (approximately 42% of the Fund s net assets). BNA and BKT also use leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 31% and 30%, respectively, of the Fund s Managed Assets (approximately 45% and 42%, respectively, of the Fund s net assets).

The contractual management fee rate for the Combined Fund (assuming all the Reorganizations are consummated) is projected to be equal to or below the median compared to each Fund s current Lipper peer group.

Additional information about the Investment Advisor and its arrangements with the Acquiring Fund and the Target Funds are set forth in Management of the Funds in this Joint Proxy Statement/Prospectus and in the Statement of Additional Information.

Comparison of the Funds   Portfolio Management BKT is managed by a team of investment professionals comprised of Akiva Dickstein, Managing Director at BlackRock and Tom Musmanno, Managing Director at BlackRock. Messrs. Dickstein and Musmanno are BKT s co-portfolio managers and are responsible for the day-to-day management of BKT s portfolio and the selection of its investments. Messrs. Dickstein and Musmanno have been members of BKT s portfolio management team since 2009 and 2012, respectively.

BNA and BHK are managed by a team of investment professionals comprised of Tom Musmanno, Managing Director at BlackRock, and James E. Keenan, Managing Director at BlackRock. Messrs. Musmanno and Keenan are BNA s and BHK s co-portfolio managers and are responsible for the day-to-day management of BNA s and BHK s portfolios and the selection of their investments. Mr. Musmanno has been a member of BNA s and BHK s portfolio management team since 2012. Mr. Keenan has been a member of BNA s and BHK s portfolio management team since 2007.

After the Reorganizations, it is expected that Messrs. Musmanno and Keenan will comprise the team of investment professionals for the Combined Fund.

Additional information about the portfolio managers compensation, other accounts managed by the portfolio managers, and the portfolio managers ownership of securities in the Acquiring Fund and the Target Funds are set forth in the Statement of Additional Information.

Comparison of the Funds   Other Service Providers The other professional service providers for the Funds are as follows:

Service	Service Providers to the Funds
Custodian	State Street Bank and Trust Company
Transfer Agent, Dividend Disbursing Agent and Registrar	Computershare Trust Company, N.A.
Accounting Services Provider	State Street Bank and Trust Company
Independent Registered Public Accounting Firm	Deloitte & Touche LLP
Fund Counsel	Skadden, Arps, Slate, Meagher & Flom LLP
Counsel to the Independent Board Members	Debevoise & Plimpton LLP

It is not anticipated that the Reorganization(s) will result in any change in the organizations providing services to the Acquiring Fund as set forth above. As a result of the Reorganizations, the service providers to the Acquiring Fund are anticipated to be the service providers to the Combined Fund.

Additional information about the other professional service providers for the Acquiring Fund and the Target Funds are set forth in the Statement of Additional Information.

EXPENSE TABLE FOR SHAREHOLDERS

Total Expenses Table for Shareholders of the Funds as of February 28, 2014

The following table illustrates the anticipated reduction or increase in the Total Expense Ratio for the shareholders of each Fund expected as a result of the completion of the Reorganizations. The table sets forth (i) the Total Expense Ratio for each Fund for the 12-month period ended February 28, 2014; (ii) the *pro forma* Total Expense Ratio for the Combined Fund, assuming all of the Reorganizations had taken place on February 28, 2014, which represents the most likely combination of the Reorganizations and the combination of the Reorganizations resulting in the lowest Total Expense Ratio; (iii) the *pro forma* Total Expense Ratio for the Combined Fund, assuming only the Reorganization of BKT into BHK had taken place on February 28, 2014; and (iv) the *pro forma* Total Expense Ratio for the Combined Fund, assuming only the Reorganization of BNA into BHK had taken place on February 28, 2014.

The level of expense savings (or increases) will vary depending upon the combination of the Funds in the Reorganizations. Because each of the Reorganizations may occur whether or not the other Reorganization is approved, several combinations are possible. The scenarios presented illustrate the *pro forma* effects on operating expenses for all possible combinations.

	BKT	**BNA**	**BHK**	**BHK *Pro Forma* Combined Fund (BKT into BHK)[(a)]**	**BHK *Pro Forma* Combined Fund (BNA into BHK)[(a)]**	**BHK *Pro Forma* Combined Fund (BKT & BNA into BHK)[(a)]**
Shareholder Transaction Expenses						
Maximum Sales Load (as a percentage of the offering price) imposed on purchases of common shares[(b)]	None	None	None	None	None	None
Dividend Reinvestment and Cash Purchase Plan Fees	Same as BHK	Same as BHK	$0.02 per share for open-market purchases[(c)]	Same as BHK	Same as BHK	Same as BHK
Annual Total Expenses (as a percentage of average net assets attributable to common shares)						
Investment Management Fees[(d)]	0.80%	0.70%	0.75%	0.71%	0.73%	0.72%
Other Expenses	0.10%	0.11%	0.12%	0.09%	0.08%	0.07%
Interest Expense[(e)]	0.08%	0.11%	0.11%	0.10%	0.11%	0.10%
Total Annual Fund Operating Expenses[(d)(f)]	0.98%	0.92%	0.98%	0.90%	0.92%	0.89%

(a) Assumes the Reorganizations had taken place on February 28, 2014.

(b) No sales load will be charged in connection with the issuance of the Acquiring Fund Shares as part of the Reorganizations. Common shares are not available for purchase from the Funds but may be purchased on the NYSE through a broker-dealer subject to individually negotiated commission rates. Common shares purchased in the secondary market may be subject to brokerage commissions or other charges.

(c) The Reinvestment Plan Agent s (as defined under Automatic Dividend Reinvestment Plan) fees for the handling of the reinvestment of dividends will be paid by the Fund. However, you will pay a $0.02 per share fee incurred in connection with open-market purchases, which will be deducted from the value of the dividend. You will also be charged a $2.50 sales fee and pay a $0.15 per share fee if you direct the Reinvestment Plan Agent to sell your common shares held in a dividend reinvestment account. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay.

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(d) BNA and BKT currently pays the Investment Advisor a contractual management fee at an annual rate of 0.60% and 0.65%, respectively, of such Target Fund s average weekly net assets. In addition, BNA and BKT each have an administration agreement with the Investment Advisor. The administration fee paid to the Investment Advisor is computed weekly and payable monthly based on an annual rate, 0.10% for BNA, and 0.15% for BKT, of each Target Fund s average net assets.

BHK currently pays the Investment Advisor a contractual management fee at an annual rate of 0.55% of BHK s average weekly Managed Assets. Managed Assets means the total assets of the Fund minus the sum of the accrued liabilities (other than the aggregate indebtedness constituting financial leverage). The Investment Advisor currently waives a portion of investment advisory fee with respect to BHK at an annual rate of 0.03%, as a percentage of average weekly Managed Assets. This investment advisory fee waiver is voluntary and may be reduced or discontinued at any time without notice. Without this investment advisory fee waiver, BHK s Investment Management Fees would be 0.80% and its Total Annual Fund Operating Expenses would be 1.02%.

The Combined Fund will not be subject to the investment advisory fee waiver. If any of the Reorganizations are consummated, the annual contractual investment advisory fee rate of the Combined Fund will be 0.50% of the average weekly Managed Assets of the Combined Fund.

BHK uses leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 29% of the Fund s Managed Assets (approximately 42% of the Fund s net assets). BNA and BKT also use leverage in the form of reverse repurchase agreements, which as of February 28, 2014 amounted to approximately 31% and 30%, respectively, of the Fund s Managed Assets (approximately 45% and 42%, respectively, of the Fund s net assets). The Fund s net assets attributable to common shares are the Fund s Managed Assets minus the value of the Fund s assets attributable to money borrowed for investment purposes. Thus, when the Fund uses leverage, its net assets attributable to common shares are less than its Managed Assets and its expenses (including the management fee) stated as a percentage of its net assets attributable to common shares are greater than they would be if stated as a percentage of its Managed Assets. This table reflects the fact that you, as a common shareholder, bear the expenses of the Fund s use of leverage in the form of higher fees as a percentage of the Fund s net assets attributable to common shares than if the Fund did not use leverage.

(e) Reflects leverage. The interest expense borne by each Fund will vary over time in accordance with the level of a Fund s use of leverage and variations in market interest rates. Interest expense is required to be treated as an expense of a Fund for accounting purposes.

(f) Represents total annual fund operating expenses including interest expense. The total annual fund operating expenses (excluding interest expense) for the Funds are as follows:

BKT	***BNA***	***BHK***	***BHK Pro Forma Combined Fund (BKT into BHK)***	***BHK Pro Forma Combined Fund (BNA into BHK)***	***BHK Pro Forma Combined Fund (BKT & BNA into BHK)***
0.90%	*0.81%*	*0.87%*	*0.80%*	*0.81%*	*0.79%*

The following example is intended to help you compare the costs of investing in the common shares of the Combined Fund *pro forma* if the Reorganizations are completed with the costs of investing in BKT, BNA and the Acquiring Fund without the Reorganizations. An investor in common shares would pay the following expenses on a $1,000 investment, assuming (1) the Total Annual Fund Operating Expenses for each Fund set forth in the total expenses table above and (2) a 5% annual return throughout the period:

	1 Year	**3 Years**	**5 Years**	**10 Years**
BKT	$ 10	$ 31	$ 54	$ 120
BNA	$ 9	$ 29	$ 51	$ 113
BHK	$ 10	$ 31	$ 54	$ 120
BHK *Pro Forma* Combined Fund (BKT & BNA into BHK)	$ 9	$ 28	$ 49	$ 110
BHK *Pro Forma* Combined Fund (BKT into BHK)	$ 9	$ 29	$ 50	$ 111
BHK *Pro Forma* Combined Fund (BNA into BHK)	$ 9	$		