BlackRock Diversified Income Strategies Fund, Inc.
Form DEF 14A
July 02, 2007

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SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement.

¨ **Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**

x Definitive Proxy Statement.

¨ Definitive Additional Materials.

¨ Soliciting Material Pursuant to Sec. 240.14a-12.

BlackRock Long-Term Municipal Advantage Trust

BlackRock California Insured Municipal Income Trust

BlackRock Florida Insured Municipal Income Trust

BlackRock New York Insured Municipal Income Trust

BlackRock Municipal Income Trust II

BlackRock New York Municipal Income Trust II

BlackRock California Municipal Income Trust II

BlackRock California Municipal Bond Trust

BlackRock Municipal Bond Trust

BlackRock Florida Municipal Bond Trust

BlackRock New Jersey Municipal Bond Trust

BlackRock New York Municipal Bond Trust

BlackRock Maryland Municipal Bond Trust

BlackRock Virginia Municipal Bond Trust

BlackRock California Municipal 2018 Term Trust

BlackRock New York Municipal 2018 Term Trust

BlackRock Municipal 2018 Term Trust

BlackRock California Municipal Income Trust

BlackRock Municipal Income Trust

BlackRock Florida Municipal Income Trust

BlackRock New Jersey Municipal Income Trust

BlackRock New York Municipal Income Trust

BlackRock Insured Municipal Income Trust

BlackRock Pennsylvania Strategic Municipal Trust

BlackRock Strategic Municipal Trust

BlackRock Insured Municipal Term Trust, Inc.

BlackRock California Insured Municipal 2008 Term Trust, Inc.

BlackRock Florida Insured Municipal 2008 Term Trust

BlackRock Insured Municipal 2008 Term Trust, Inc.

BlackRock Investment Quality Municipal Trust, Inc.

BlackRock New York Insured Municipal 2008 Term Trust, Inc.

BlackRock California Investment Quality Municipal Trust, Inc.

BlackRock Florida Investment Quality Municipal Trust

BlackRock New Jersey Investment Quality Municipal Trust, Inc.

BlackRock New York Investment Quality Municipal Trust, Inc.

BlackRock Global Equity Income Trust

BlackRock Preferred and Equity Advantage Trust

BlackRock Real Asset Equity Trust

BlackRock World Investment Trust

BlackRock Enhanced Dividend Achievers™ Trust

BlackRock Global Opportunities Equity Trust

BlackRock High Income Shares

BlackRock Health Sciences Trust

BlackRock Global Energy and Resources Trust

BlackRock Global Floating Rate Income Trust

BlackRock S&P Quality Rankings Global Equity Managed Trust

BlackRock Strategic Dividend Achievers™ Trust

BlackRock Dividend Achievers™ Trust

BlackRock Limited Duration Income Trust

BlackRock Preferred Opportunity Trust

BlackRock Core Bond Trust

BlackRock Strategic Bond Trust

BlackRock Broad Investment Grade 2009 Term Trust, Inc.

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BlackRock MuniYield Florida Insured Fund

BlackRock MuniYield Michigan Insured Fund, Inc.

BlackRock MuniYield New Jersey Insured Fund, Inc.

BlackRock MuniYield Pennsylvania Insured Fund

BlackRock S&P 500® Protected Equity Fund, Inc.

BlackRock Muni Intermediate Duration Fund, Inc.

BlackRock Muni New York Intermediate Duration Fund, Inc.

BlackRock Debt Strategies Fund, Inc.

Master Senior Floating Rate LLC

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.

BlackRock Diversified Income Strategies Fund, Inc.

BlackRock Floating Rate Income Strategies Fund, Inc.

BlackRock Floating Rate Income Strategies Fund II, Inc.

BlackRock MuniHoldings Florida Insured Fund

BlackRock MuniHoldings Fund, Inc.

BlackRock MuniHoldings Fund II, Inc.

BlackRock MuniHoldings Insured Fund, Inc.

BlackRock MuniHoldings New Jersey Insured Fund, Inc.

BlackRock MuniHoldings New York Insured Fund, Inc.

BlackRock MuniVest Fund, Inc.

BlackRock MuniVest Fund II, Inc.

BlackRock Senior High Income Fund, Inc.

BlackRock Apex Municipal Fund, Inc.

BlackRock Corporate High Yield Fund, Inc.

BlackRock Corporate High Yield Fund III, Inc.

BlackRock Corporate High Yield Fund V, Inc.

BlackRock Corporate High Yield Fund VI, Inc.

BlackRock MuniAssets Fund, Inc.

BlackRock MuniEnhanced Fund, Inc.

BlackRock MuniHoldings California Insured Fund, Inc.

BlackRock MuniHoldings Insured Fund II, Inc.

BlackRock MuniYield Fund, Inc.

BlackRock MuniYield Arizona Fund, Inc.

BlackRock MuniYield California Fund, Inc.

BlackRock MuniYield California Insured Fund, Inc.

BlackRock MuniYield Florida Fund

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BlackRock MuniYield Quality Fund II, Inc.

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BlackRock Preferred Income Strategies Fund, Inc.

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

BlackRock Multi-Strategy Hedge Opportunities LLC

BlackRock Multi-Strategy Hedge Advantage

BlackRock Enhanced Equity Yield Fund, Inc.

BlackRock Enhanced Equity Yield & Premium Fund, Inc.

BlackRock Enhanced Government Fund, Inc.

BlackRock High Yield Trust

BlackRock Income Trust, Inc.

BlackRock Income Opportunity Trust, Inc.

BlackRock Municipal 2020 Term Trust

BlackRock Florida Municipal 2020 Term Trust

BlackRock International Growth and Income Trust

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Payment Of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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BLACKROCK-ADVISED CLOSED-END FUNDS

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 441-7762

July 2, 2007

Dear Shareholder:

An annual meeting of your BlackRock-advised closed-end fund (each, a Fund and collectively, the Funds) will be held at the offices of BlackRock, Inc., Park Avenue Plaza, 55 East 52nd Street, 11th Floor, New York, New York 10022, on Thursday, August 16, 2007, at 12:00 p.m. (noon) (Eastern time) (the Meeting), to vote on the proposals discussed in the enclosed joint proxy statement.

The purpose of the Meeting, and the reason why the dates of certain Funds regularly scheduled annual meetings were changed, is to seek shareholder approval of proposals recently approved by your Fund s board of directors or trustees (each, an Existing Board and collectively, the Existing Boards, the members of which are referred to as Board Members). On September 29, 2006, BlackRock, Inc. (BlackRock) consummated a transaction (the Transaction) with Merrill Lynch & Co., Inc. whereby Merrill Lynch & Co., Inc. s investment management business, including Merrill Lynch Investment Managers, L.P. and certain affiliates (MLIM), combined with that of BlackRock to create a new independent company that is one of the world s largest asset management firms with approximately $1.154 trillion in assets under management as of March 31, 2007. These proposals would implement initiatives resulting from the Transaction.

Following the Transaction, BlackRock, in consultation with all of the boards of directors or trustees of the funds in the BlackRock family of funds, undertook a comprehensive review of all of the funds currently advised by BlackRock affiliates, including the funds formerly advised by MLIM, with a goal of moving the funds to a more cohesive and rational operating platform. (The funds currently advised by BlackRock Advisors, LLC, BlackRock Institutional Management Corporation or BlackRock Financial Management, Inc. (collectively, BlackRock Advisors), each a wholly owned subsidiary of BlackRock, are referred to as the Fund complex, and all of the boards of directors or trustees of the funds in the Fund complex, including the Existing Boards, are referred to collectively as the Boards.) Subsequent to that review, and following extensive and substantial consultation with the Boards of the funds in the Fund complex, BlackRock recommended proposals designed to streamline and enhance the effectiveness of Board oversight of the Fund complex. At Board meetings held during May 2007, the Board Members approved these proposals on behalf of the Funds, subject to approval by the Funds shareholders.

One or more of these proposals require your approval. We are seeking your approval of proposals relating to the following issues through the enclosed joint proxy statement.

1. *Elect Nominees (all Funds).* As described in the enclosed joint proxy statement, all shareholders are being asked to elect director or trustee nominees of their Funds. Currently, seven different Boards oversee the open-end and closed-end funds in the Fund complex. It is proposed that the Boards be realigned and consolidated so that the open-end funds are overseen by just two new boards (one new board would oversee certain equity funds, all fixed-income funds and all funds designed for sale through insurance company separate accounts, and the other new board would oversee certain other equity funds and all money market funds). It is also proposed that a third new board would oversee the closed-end funds. (Each new board is referred to as a New Board and collectively, the New Boards.) Each Board has reviewed the qualifications and backgrounds of the nominees and believes that they are experienced in overseeing investment

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* The Funds are listed in the Notice of Annual Meeting and in *Appendix A* to the enclosed joint proxy statement.

companies and are familiar with the Fund complex and with BlackRock Advisors. As discussed in more detail on page 7 of the enclosed joint proxy statement, the Board Members and BlackRock believe that: (i) a single New Board overseeing funds of a specific type may enhance that New Board s efficiency by enabling Board Members to focus their attention on issues common to many of the funds overseen by the New Boards and to act to resolve these issues in a shorter time frame; (ii) realigning the Boards into three New Boards may reduce certain fund expenses, such as costs associated with holding Board meetings, committee meetings and, to the extent necessary, shareholder meetings; (iii) reducing the administrative costs and burden on fund management that are inherent in reporting to seven Boards may allow fund management to devote more time and resources to providing other services to the funds in the Fund complex, including to facilitate management s high level planning and strategic initiatives for the entire Fund complex; (iv) having fewer Boards will facilitate more effective communication between fund management and the New Boards; (v) a smaller number of Boards may result in more efficient and effective presentations at New Board meetings; and (vi) a smaller number of Boards may benefit the funds and their shareholders by enhancing the effectiveness of New Board oversight of the funds, their management and their other service providers and may facilitate more uniform oversight of the funds in the Fund complex.

2. *Approve Amendment of Declaration of Trust (certain Funds only).* As described in the enclosed joint proxy statement, shareholders of certain Funds (each, an Amending Fund) are being asked to approve an amendment of that Amending Fund s Declaration of Trust to increase the maximum number of Board Members to fifteen (15), so that all of the nominees to the New Board of each Amending Fund may be elected to each Amending Fund s New Board and to allow for two additional Board Members to be elected in the future. Each Amending Fund s Declaration of Trust currently permits a maximum of eleven (11) Board Members. In order to accomplish the Board consolidation discussed in Proposal 1 and to obtain the benefit of the nominees collective knowledge and experience, the Existing Board of each Amending Fund approved amending its Declaration of Trust.

Please note that separate joint proxy statements are being sent to the shareholders of the open-end funds in the Fund complex, who are being asked to vote on the Board consolidation discussed above. Also, shareholders of certain open-end funds are being asked to consider reorganizations involving their funds. Separate proxy materials relating to those proposed fund reorganizations have been, or will be, sent to shareholders of those funds.

The Board Members responsible for your Fund recommend that you vote FOR the proposal(s) with respect to your Fund. However, before you vote, please read the full text of the joint proxy statement for an explanation of each proposal.

Your vote is important. Even if you plan to attend and vote in person at the Meeting, please promptly follow the enclosed instructions to submit voting instructions by telephone or over the Internet. Alternatively, you may submit voting instructions by signing and dating each proxy card you receive, and if received by mail, returning it in the accompanying postage-paid return envelope.

If you have any questions about the proposals to be voted on, please call Broadridge Financial Solutions, Inc. at 1-877-333-2297.

Sincerely,

Alice A. Pellegrino

Secretary of certain Funds

and

Vincent B. Tritto

Secretary of certain Funds

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IMPORTANT NEWS

FOR FUND SHAREHOLDERS

While we encourage you to read the full text of the enclosed joint proxy statement, for your convenience we have provided a brief overview of the matters to be voted on.

Questions and Answers

Q. Why am I receiving the joint proxy statement?

A. The purpose of the Meeting, and the reason why the dates of certain funds regularly scheduled annual meeting were changed, is to seek shareholder approval of proposals recently approved by your fund s board of directors or trustees (each, an Existing Board and collectively, the Existing Boards, the members of which are referred to as Board Members). As a shareholder of one or more of the funds (each, a Fund and collectively, the Funds) advised by BlackRock Advisors, LLC, BlackRock Institutional Management Corporation or BlackRock Financial Management, Inc. (collectively, BlackRock Advisors), each a wholly owned subsidiary of BlackRock, Inc. (BlackRock), you are being asked to elect director or trustee nominees of your Fund and, in certain cases, to amend the Declaration of Trust of your Fund. (The funds currently advised by BlackRock Advisors are referred to as the Fund complex, and all of the boards of directors or trustees of the funds in the Fund complex, including the Existing Boards, are referred to collectively as the Boards.) The table beginning on page 9 of the joint proxy statement identifies the nominees that Fund shareholders are being asked to approve. The enclosed proxy card(s) indicate the Fund(s) in which you hold shares and the proposal(s) on which you are being asked to vote.

Q. Why am I being asked to vote on these proposals?

A. On September 29, 2006, BlackRock consummated a transaction (the Transaction) with Merrill Lynch & Co., Inc. whereby Merrill Lynch & Co., Inc. s investment management business, including Merrill Lynch Investment Managers, L.P. and certain affiliates (MLIM), combined with that of BlackRock to create a new independent company that is one of the world s largest asset management firms with approximately $1.154 trillion in assets under management as of March 31, 2007. The Transaction resulted in BlackRock having seven Boards that oversee nearly 300 funds. BlackRock and each Board believe that realigning and consolidating the seven Boards into three new boards (each, a New Board and collectively, the New Boards) would enable the New Boards to focus more attention on issues of particular relevance to the types of funds they oversee and to streamline and enhance the effectiveness of New Board oversight of the funds in the Fund complex. The proposal relating to the amendment of the Declaration of Trust of certain Funds is necessary in order to accomplish the realignment and consolidation of the Existing Boards with respect to those Funds.

The proposals cannot be effected without shareholder approval. Your Fund s Existing Board has approved the proposals you are being asked to vote on, believes they are in shareholders best interests, and recommends that you approve them.

Q. What am I being asked to vote FOR in the joint proxy statement?

A. Shareholders are being asked to elect director or trustee nominees, as described in Proposal 1. Currently, seven different Boards oversee the open-end and closed-end funds in the Fund complex. It is proposed that the Boards be realigned and consolidated so that the open-end funds are overseen by just two New Boards (one New Board would oversee certain equity

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funds, fixed-income funds and all funds designed for sale through insurance company separate accounts, and the other New Board would oversee certain other equity funds and money market funds). It is also proposed that a third New Board would oversee the closed-end funds. The proposals for the open-end funds are covered in separate proxy statements. Each Board has reviewed the qualifications and backgrounds of the nominees and believes that they are experienced in overseeing investment companies and are familiar with the Fund complex and with BlackRock Advisors. As discussed in more detail on page 7 of the enclosed joint proxy statement, the Board Members and BlackRock believe that: (i) a single New Board overseeing funds of a specific type may enhance that New Board s efficiency by enabling Board Members to focus their attention on issues common to many of the funds overseen by the New Boards and to act to resolve these issues in a shorter time frame; (ii) realigning the Boards into three New Boards may reduce certain fund expenses, such as costs associated with holding Board meetings, committee meetings and, to the extent necessary, shareholder meetings; (iii) reducing the administrative costs and burden on fund management that are inherent in reporting to seven Boards may allow fund management to devote more time and resources to providing other services to the funds in the Fund complex, including to facilitate management s high level planning and strategic initiatives for the entire Fund complex; (iv) having fewer Boards will facilitate more effective communication between fund management and the New Boards; (v) a smaller number of Boards may result in more efficient and effective presentations at New Board meetings; and (vi) a smaller number of Boards may benefit the funds and their shareholders by enhancing the effectiveness of New Board oversight of the funds, their management and their other service providers and may facilitate more uniform oversight of the funds in the Fund complex.

Shareholders of certain Funds (each, an Amending Fund) are being asked to approve an amendment of that Amending Fund s Declaration of Trust to increase the maximum number of Board Members to fifteen (15), so that all of the nominees to the New Board of each Amending Fund may be elected to each Amending Fund s New Board and to allow for two additional Board Members to be elected in the future. Each Amending Fund s Declaration of Trust currently permits a maximum of eleven (11) Board Members. In order to accomplish the Board consolidation discussed in Proposal 1 and to obtain the benefit of the nominees collective knowledge and experience, the Existing Board of each Amending Fund approved amending its Declaration of Trust.

Q. Will my vote make a difference?

A. Your vote is very important and can make a difference in the governance and management of the Funds, no matter how many shares you own. Your vote can help ensure that the proposal(s) recommended by the Existing Boards can be implemented. We encourage all shareholders to participate in the governance of their Funds.

Q. Am I being asked to approve a reorganization of my fund with another fund?

A. Not as part of the joint proxy statement; however, as part of the Board consolidation initiative discussed above, shareholders of a number of open-end funds are being asked to consider a reorganization of their fund with another open-end fund. If this type of reorganization is proposed for your open-end fund, you will receive (or may have already received) a separate combined proxy statement/prospectus to consider and vote on that proposal.

Q. Are the Funds paying for the cost of the joint proxy statement?

A. The costs associated with the joint proxy statement, including the mailing and the proxy solicitation costs, will be borne by the Funds, except for the Funds described in the paragraph below. Additional out-of-pocket costs, such as legal expenses and auditor fees, incurred in connection with the preparation of the joint proxy statement, also will be borne by the Funds, except for the Funds described in the paragraph below. Costs that are borne by the Funds collectively will be allocated among the Funds on the basis of a combination of their respective net assets and number of shareholder accounts, except when direct costs can reasonably be attributed to one or more specific Funds.

The portion of the costs associated with the joint proxy statement, including the mailing and the proxy solicitation costs, applicable to each of Master Senior Floating Rate LLC, BlackRock Senior Floating Rate Fund, Inc., BlackRock Senior Floating Rate Fund II, Inc., BlackRock Multi-Strategy Hedge Advantage and BlackRock Multi-Strategy Hedge Opportunities LLC, will be shared equally by BlackRock and each such Fund. Additional out-of-pocket costs, such as legal expenses and auditor fees, incurred in connection with the preparation of the joint proxy statement with respect to those Funds, also will be shared equally by BlackRock and such Funds. These costs are being shared with BlackRock because such Funds do not normally hold annual shareholders meetings. Costs that are borne by such Funds collectively will be allocated among the Funds on the basis of a combination of their respective net assets and number of shareholder accounts, except when direct costs can reasonably be attributed to one or more specific Funds.

The Funds and BlackRock have retained Broadridge Financial Solutions, Inc. (Broadridge), 51 Mercedes Way, Edgewood, New York 11717, a proxy solicitation firm, to assist in the solicitation of proxies. It is anticipated that Broadridge will be paid approximately $669,559 for such solicitation services (including reimbursements of out-of-pocket expenses).

Q. Whom do I call if I have questions?

A. If you need more information, or have any questions about voting, please call Broadridge, the Funds proxy solicitor, at 1-877-333-2297.

Q. How do I vote my shares?

A. You can provide voting instructions by telephone by calling the toll-free number on the proxy card(s) or by computer by going to the Internet address provided on the Notice of Internet Availability of Proxy Materials or proxy card(s) and following the instructions. Alternatively, if you received your proxy card(s) by mail, you can vote your shares by signing and dating the proxy card(s) and mailing it in the enclosed postage-paid envelope. You may also attend the Meeting and vote in person; however, even if you intend to do so, we encourage you to provide voting instructions by one of the methods discussed above.

Please vote *now*. Your vote is important.

To avoid the wasteful and unnecessary expense of further solicitation, we urge you to indicate your voting instructions on the proxy card, and if received by mail, date and sign it and return it promptly in the envelope provided, or record your voting instructions by telephone or via the Internet, no matter how large or small your holdings may be. 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 Meeting.

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BLACKROCK-ADVISED CLOSED-END FUNDS

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 441-7762

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on August 16, 2007

Annual meetings (each, a Meeting) of the shareholders of the funds identified below (each, a Fund) will be held at the offices of BlackRock, Inc., Park Avenue Plaza, 55 East 52nd Street, 11^{th} Floor, New York, New York 10022, on Thursday, August 16, 2007, at 12:00 p.m. (noon) (Eastern time), to consider and vote on the proposals, as more fully described in the accompanying Joint Proxy Statement:

PROPOSAL 1.	To Elect Nominees of the Funds. *(To be voted on by the shareholders of all of the Funds.)*
PROPOSAL 2.	To Amend the Declaration of Trust. *(To be voted on by the shareholders of certain Funds identified in the table beginning on page 3 of the Joint Proxy Statement.)*
PROPOSAL 3.	To transact such other business as may properly come before the Meeting and any adjournments or postponements thereof.

Your Board recommends that you vote FOR the Proposal(s) upon which you are being asked to vote.

Shareholders of record as of the close of business on June 20, 2007 are entitled to vote at the Meetings and at any adjournments or postponements thereof.

If you own shares in more than one Fund as of June 20, 2007, you may receive more than one proxy card. Please be certain to sign, date and return each proxy card you receive.

By order of the Boards of Directors/Trustees,

Alice A. Pellegrino

Secretary of certain Funds

and

Vincent B. Tritto

Secretary of certain Funds

July 2, 2007

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Funds Holding Annual Meetings of Shareholders on August 16, 2007

BlackRock Long-Term Municipal Advantage Trust

BlackRock California Insured Municipal Income Trust

BlackRock Florida Insured Municipal Income Trust

BlackRock New York Insured Municipal Income Trust

BlackRock Municipal Income Trust II

BlackRock New York Municipal Income Trust II

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BlackRock MuniYield Arizona Fund, Inc.

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BlackRock New York Investment Quality Municipal Trust, Inc.

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BlackRock Preferred and Equity Advantage Trust

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BLACKROCK-ADVISED CLOSED-END FUNDS

100 Bellevue Parkway

Wilmington, Delaware 19809

(800) 441-7762

ANNUAL MEETING OF SHAREHOLDERS

AUGUST 16, 2007

JOINT PROXY STATEMENT

This joint proxy statement (the Joint Proxy Statement) is furnished in connection with the solicitation by the board of directors or trustees (each, an Existing Board, the members of which are referred to as Board Members) of each of the BlackRock-advised funds listed in the accompanying Notice of Annual Meeting of Shareholders (each, a Fund) of proxies to be voted at an annual meeting of shareholders of each such Fund to be held BlackRock, Inc., Park Avenue Plaza, 55 East 52nd Street, 11th Floor, New York, New York 10022, on Thursday, August 16, 2007, at 12:00 p.m. (noon) (Eastern time) (for each Fund, a Meeting), and at any and all adjournments or postponements thereof. A Meeting will be held for the purposes set forth in the accompanying Notice.

The Board of each Fund has determined that the use of this Joint Proxy Statement for such Fund s Meeting is in the best interests of the Fund and its shareholders in light of the similar matters being considered and voted on by the shareholders of each of the Funds. This Joint Proxy Statement and the accompanying materials, or a Notice of Internet Availability of Proxy Materials, are being mailed to shareholders on or about July 5, 2007.

Each Fund is organized as either a Massachusetts business trust (each, a Massachusetts Trust), a Maryland corporation (each, a Maryland Corporation), a Delaware statutory trust (each, a Delaware Trust) or a Delaware limited liability company (each, a Delaware LLC). The Massachusetts Trusts, Maryland Corporations, Delaware Trusts and Delaware LLCs are investment companies registered under the Investment Company Act of 1940 (the 1940 Act). A list of each Massachusetts Trust, Maryland Corporation, Delaware Trust and Delaware LLC is set forth in *Appendix A*.

Shareholders of record of a Fund as of the close of business on June 20, 2007 (the Record Date) are entitled to attend and to vote at that Fund s Meeting. Shareholders of the Funds are entitled to one vote for each share held, with no shares having cumulative voting rights. Holders of the auction market preferred stock or auction market preferred shares of beneficial interest (collectively, AMPS) of each of the Funds identified in *Appendix A* (collectively, the AMPS Funds) will have equal voting rights with the shares of common stock or shares of beneficial interest (collectively, common stock) of those AMPS Funds and will vote together with the common stock as a single class on the proposal on which they are entitled to vote, and separately on a proposal on which they are entitled to vote separately. The manner in which shareholders of each Fund are entitled to vote is shown in the section below entitled Vote Required and Manner of Voting Proxies. The quorum requirement for each Fund, and the vote requirement for Proposal 1, is set forth in *Appendix B*. The vote requirement for Proposal 2 is set forth under Vote Required and Manner of Voting Proxies. If you are a shareholder of a Fund organized in a master/feeder structure, you will be asked to vote in connection with matters applicable to your feeder Fund s respective master Fund (noted in *Appendix A*).

The number of shares of each Fund outstanding as of the close of business on the Record Date and the net assets of each Fund as of that date are shown in *Appendix A*. Except as set forth in

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Appendix J, to the knowledge of each Fund, as of the Record Date, no person was the beneficial owner of five percent or more of a class of that Fund s outstanding shares.

The Fund of which you are a shareholder is named on the proxy card or Notice of Internet Availability of Proxy Materials. If you own shares in more than one Fund as of the Record Date, you may receive more than one proxy card. Even if you plan to attend the Meeting, please sign, date and return EACH proxy card you receive, or if you provide voting instructions by telephone or over the Internet, please vote on the proposals affecting EACH Fund you own. If you vote by telephone or over the Internet, you will be asked to enter a unique code that has been assigned to you, which is printed on your proxy card(s) or Notice of Internet Availability of Proxy Materials, as applicable. This code is designed to confirm your identity, provide access into the voting sites and confirm that your instructions are properly recorded.

All properly executed proxies received prior to a Fund s Meeting will be voted at that Meeting. On any matter coming before each Meeting as to which a shareholder has specified a choice on that shareholder s proxy, the shares will be voted accordingly. If a proxy is properly executed and returned and no choice is specified with respect to the proposal, the shares will be voted FOR the proposal. Shareholders who execute proxies or provide voting instructions by telephone or the Internet may revoke them with respect to the proposal at any time before a vote is taken on the proposal by filing with the applicable Fund a written notice of revocation (addressed to the Secretary of the Fund at the principal executive offices of the Fund at the address above), by delivering a duly executed proxy bearing a later date or by attending the Meeting and voting in person, in all cases prior to the exercise of the authority granted in the proxy card. Merely attending the Meeting, however, will not revoke any previously executed proxy. If you hold shares through a bank or other intermediary, please consult your bank or intermediary regarding your ability to revoke voting instructions after such instructions have been provided.

Photographic identification will be required for admission to the Meetings.

Each Fund will furnish, without charge, a copy of its annual report and most recent semi-annual report succeeding the annual report, if any, to a shareholder upon request. Such requests should be directed to the Fund at 40 East 52nd Street, New York, New York 10022-5911, or by calling toll free at 1-800-441-7762. Copies of annual and semi-annual reports of each Fund are also available on the EDGAR Database on the Securities and Exchange Commission s Internet site at www.sec.gov.

Please note that only one annual or semi-annual report or Joint Proxy Statement or Notice of Internet Availability of Proxy Materials may be delivered to two or more shareholders of a Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report or semi-annual report or this Joint Proxy Statement, or Notice of Internet Availability of Proxy Materials, 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 applicable Fund at the address and phone number set forth above.

Please also note that, as part of the initiatives that are designed to eliminate overlapping and duplicative product offerings within the BlackRock family of funds, shareholders of certain open-end funds are being asked to consider reorganizations involving their funds. Separate proxy materials relating to those proposed fund reorganizations have been, or will be, sent to applicable shareholders.

YOUR VOTE IS IMPORTANT

To avoid the unnecessary expense of further solicitation, we urge you to indicate voting instructions on the enclosed proxy card, and if received by mail, date and sign it and return it promptly in the envelope provided, 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 of the proposals.

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The following table shows which proposals shareholders of each Fund are being asked to approve. The enclosed proxy card(s) indicate the Fund(s) in which you hold shares and the proposals on which you are being asked to vote.

SUMMARY OF PROPOSALS AND FUNDS VOTING

Name of Fund	Proposal No. 1 to Elect Nominees	Proposal No. 2 to Amend the Fund s Declaration of Trust
BlackRock Long-Term Municipal Advantage Trust	ü	ü
BlackRock California Insured Municipal Income Trust	ü	ü
BlackRock Florida Insured Municipal Income Trust	ü	ü
BlackRock New York Insured Municipal Income Trust	ü	ü
BlackRock Municipal Income Trust II	ü	ü
BlackRock New York Municipal Income Trust II	ü	ü
BlackRock California Municipal Income Trust II	ü	ü
BlackRock California Municipal Bond Trust	ü	ü
BlackRock Municipal Bond Trust	ü	ü
BlackRock Florida Municipal Bond Trust	ü	ü
BlackRock New Jersey Municipal Bond Trust	ü	ü
BlackRock New York Municipal Bond Trust	ü	ü
BlackRock Maryland Municipal Bond Trust	ü	ü
BlackRock Virginia Municipal Bond Trust	ü	ü
BlackRock California Municipal 2018 Term Trust	ü	ü
BlackRock New York Municipal 2018 Term Trust	ü	ü
BlackRock Municipal 2018 Term Trust	ü	ü
BlackRock California Municipal Income Trust	ü	ü
BlackRock Municipal Income Trust	ü	ü
BlackRock Florida Municipal Income Trust	ü	ü
BlackRock New Jersey Municipal Income Trust	ü	ü
BlackRock New York Municipal Income Trust	ü	ü
BlackRock Insured Municipal Income Trust	ü	ü
BlackRock Pennsylvania Strategic Municipal Trust	ü	ü
BlackRock Strategic Municipal Trust	ü	ü
BlackRock Insured Municipal Term Trust, Inc.	ü	
BlackRock California Insured Municipal 2008 Term Trust, Inc.	ü	
BlackRock Florida Insured Municipal 2008 Term Trust	ü	ü
BlackRock Insured Municipal 2008 Term Trust, Inc.	ü	
BlackRock Investment Quality Municipal Trust, Inc.	ü	
BlackRock New York Insured Municipal 2008 Term Trust, Inc.	ü	
BlackRock California Investment Quality Municipal Trust, Inc.	ü	
BlackRock Florida Investment Quality Municipal Trust	ü	ü
BlackRock New Jersey Investment Quality Municipal Trust, Inc.	ü	
BlackRock New York Investment Quality Municipal Trust, Inc.	ü	
BlackRock Global Equity Income Trust	ü	ü
BlackRock Preferred and Equity Advantage Trust	ü	ü

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Name of Fund	Proposal No. 1 to Elect Nominees	Proposal No. 2 to Amend the Fund s Declaration of Trust
BlackRock Real Asset Equity Trust	ü	ü
BlackRock World Investment Trust	ü	ü
BlackRock Enhanced Dividend Achievers™ Trust	ü	ü
BlackRock Global Opportunities Equity Trust	ü	ü
BlackRock High Income Shares	ü	
BlackRock Health Sciences Trust	ü	ü
BlackRock Global Energy and Resources Trust	ü	ü
BlackRock Global Floating Rate Income Trust	ü	ü
BlackRock S&P Quality Rankings Global Equity Managed Trust	ü	ü
BlackRock Strategic Dividend Achievers™ Trust	ü	ü
BlackRock Dividend Achievers™ Trust	ü	ü
BlackRock Limited Duration Income Trust	ü	ü
BlackRock Municipal 2020 Term Trust	ü	ü
BlackRock Florida Municipal 2020 Term Trust	ü	ü
BlackRock Preferred Opportunity Trust	ü	ü
BlackRock Core Bond Trust	ü	ü
BlackRock Strategic Bond Trust	ü	ü
BlackRock Broad Investment Grade 2009 Term Trust, Inc.	ü	
BlackRock High Yield Trust	ü	ü
BlackRock Income Trust, Inc.	ü	
BlackRock Income Opportunity Trust, Inc.	ü	
BlackRock International Growth and Income Trust	ü	
BlackRock MuniYield Florida Insured Fund	ü	
BlackRock MuniYield Michigan Insured Fund, Inc.	ü	
BlackRock MuniYield New Jersey Insured Fund, Inc.	ü	
BlackRock MuniYield Pennsylvania Insured Fund	ü	
BlackRock S&P 500® Protected Equity Fund, Inc.	ü	
BlackRock Muni Intermediate Duration Fund, Inc.	ü	
BlackRock Muni New York Intermediate Duration Fund, Inc.	ü	
BlackRock Debt Strategies Fund, Inc.	ü	
Master Senior Floating Rate LLC	ü	
BlackRock Senior Floating Rate Fund, Inc.	ü	
BlackRock Senior Floating Rate Fund II, Inc.	ü	
BlackRock Diversified Income Strategies Fund, Inc.	ü	
BlackRock Floating Rate Income Strategies Fund, Inc.	ü	
BlackRock Floating Rate Income Strategies Fund II, Inc.	ü	
BlackRock MuniHoldings Florida Insured Fund	ü	
BlackRock MuniHoldings Fund, Inc.	ü	
BlackRock MuniHoldings Fund II, Inc.	ü	
BlackRock MuniHoldings Insured Fund, Inc.	ü	
BlackRock MuniHoldings New Jersey Insured Fund, Inc.	ü	
BlackRock MuniHoldings New York Insured Fund, Inc.	ü	
BlackRock MuniVest Fund, Inc.	ü	
BlackRock MuniVest Fund II, Inc.	ü	
BlackRock Senior High Income Fund, Inc.	ü	
BlackRock Apex Municipal Fund, Inc.	ü	
BlackRock Corporate High Yield Fund, Inc.	ü	

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Name of Fund	Proposal No. 1 to Elect Nominees	Proposal No. 2 to Amend the Fund s Declaration of Trust
BlackRock Corporate High Yield Fund III, Inc.	ü	
BlackRock Corporate High Yield Fund V, Inc.	ü	
BlackRock Corporate High Yield Fund VI, Inc.	ü	
BlackRock MuniAssets Fund, Inc.	ü	
BlackRock MuniEnhanced Fund, Inc.	ü	
BlackRock MuniHoldings California Insured Fund, Inc.	ü	
BlackRock MuniHoldings Insured Fund II, Inc.	ü	
BlackRock MuniYield Fund, Inc.	ü	
BlackRock MuniYield Arizona Fund, Inc.	ü	
BlackRock MuniYield California Fund, Inc.	ü	
BlackRock MuniYield California Insured Fund, Inc.	ü	
BlackRock MuniYield Florida Fund	ü	
BlackRock MuniYield Insured Fund, Inc.	ü	
BlackRock MuniYield Michigan Insured Fund II, Inc.	ü	
BlackRock MuniYield New Jersey Fund, Inc.	ü	
BlackRock MuniYield New York Insured Fund, Inc.	ü	
BlackRock MuniYield Quality Fund, Inc.	ü	
BlackRock MuniYield Quality Fund II, Inc.	ü	
BlackRock Enhanced Capital and Income Fund, Inc.	ü	
BlackRock Preferred Income Strategies Fund, Inc.	ü	
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	ü	
BlackRock Multi-Strategy Hedge Opportunities LLC	ü	
BlackRock Multi-Strategy Hedge Advantage	ü	
BlackRock Enhanced Equity Yield Fund, Inc.	ü	
BlackRock Enhanced Equity Yield & Premium Fund, Inc.	ü	
BlackRock Enhanced Government Fund, Inc.	ü	

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PROPOSAL 1 TO ELECT NOMINEES

The purpose of this Proposal 1 is to elect director or trustee nominees (each, a Nominee) of each Fund. (The funds currently advised by BlackRock Advisors, LLC, BlackRock Institutional Management Corporation or BlackRock Financial Management, Inc. (collectively, BlackRock Advisors), each a wholly owned subsidiary of BlackRock, Inc. (BlackRock), are referred to as the Fund complex, and all of the Boards of Directors or Trustees of the funds in the Fund complex, including the Existing Boards, are referred to collectively as the Boards.)

Currently, seven different Boards oversee the open-end and closed-end funds in the Fund complex. It is proposed that the Boards be realigned and consolidated so that the open-end funds would be overseen by two new boards. One new board would oversee certain equity funds, all fixed-income funds and all funds in the Fund complex designed for sale through insurance company separate accounts, and the other new board would oversee certain other equity funds and all money market funds in the Fund complex. It is also proposed that a third new board would oversee the closed-end funds. (Each new board is referred to as a New Board and collectively as the New Boards.) The proposals for the open-end funds are covered in separate proxy statements. As discussed below, this realignment and consolidation is expected to enable the New Boards to focus more attention on issues of particular relevance to the types of funds they oversee and to streamline and enhance the effectiveness of New Board oversight of the Fund complex. Also, it is expected that having fewer Boards will facilitate greater communication between fund management and the New Boards.

It is intended that the proxy card, if properly executed, will be voted for all Nominees for the New Board of each Fund unless a proxy contains specific instructions to the contrary. Each Nominee s term of office will commence, if such Nominee is properly elected, on or about November 1, 2007. The Nominees of certain Funds identified in *Appendix A* (each, a Staggered Board Fund) are classified into three classes: Class I, Class II and Class III. The term of office of these Nominees in Class I, Class II and Class III will expire the later of 2008, 2009 and 2010, respectively, or until his or her successor is elected and qualifies or until his or her earlier death, resignation, retirement or removal. The term of office of the Nominees for all of the other Funds that are not Staggered Board Funds will expire in 2008 or until his or her successor is elected and qualifies or until his or her earlier death, resignation, retirement or removal. For the Amending Funds (defined below) discussed in Proposal 2, the election of two of the Nominees (the Contingent Nominees) would be contingent upon shareholder approval of Proposal 2. The Nominees who are interested persons under the 1940 Act, Richard S. Davis and Henry Gabbay, are the Contingent Nominees. If shareholders of an Amending Fund do not approve Proposal 2, the Contingent Nominees would not serve on that Amending Fund s New Board regardless of the number of votes each Contingent Nominee receives.

With respect to the AMPS Funds, it is intended that (i) all properly executed proxies of the holders of AMPS, voting separately as a class, will be voted (unless such authority has been withheld in the proxy or revoked as described herein) FOR the two (2) Nominees listed in the table below identified as AMPS Nominees to be elected by the holders of AMPS; (ii) for AMPS Funds, other than BlackRock MuniVest Fund, Inc., all properly executed proxies of the holders of common stock and AMPS, voting together as a single class, will be voted FOR the other Nominees listed in the chart; and (iii) for BlackRock MuniVest Fund, Inc., all properly executed proxies of holders of common stock, voting separately as a class, will be voted FOR the other Nominees listed in the chart.

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Reasons for Board Realignment and Consolidation

On September 29, 2006, BlackRock consummated a transaction (the Transaction) with Merrill Lynch & Co., Inc. whereby Merrill Lynch & Co., Inc. s investment management business, including Merrill Lynch Investment Managers, L.P. and certain affiliates (MLIM), combined with that of BlackRock to create a new independent company that is one of the world s largest asset management firms with approximately $1.154 trillion in assets under management as of March 31, 2007. Following the Transaction, BlackRock, in consultation with the Board of each of the funds in the Fund complex, undertook a review of the investment advisory operations it had acquired and the operations of the funds formerly advised by MLIM with the goal of moving the funds to a more cohesive and rational operating platform. BlackRock and the Boards each discussed certain proposals designed to achieve this goal. Specifically, the Boards discussed with BlackRock the possibility of consolidating the Boards. Discussions were held with each of the seven Boards and ideas for consolidation were considered, including the appropriate number of Boards, the appropriate number of Board Members and which Board would be best suited to oversee specific types of funds (open-end equity, open-end fixed-income, open-end money market funds and closed-end funds). These meetings were facilitated by outside counsel and were held among the Board Members who are not interested persons, as defined in the 1940 Act (the Independent Board Members), as well as with management personnel from BlackRock. Over the course of several months and numerous such meetings, consensus was reached on the appropriate structure for the New Boards, the number of New Boards, and the composition of those New Boards, as well as the funds each New Board would oversee, and these results were proposed for consideration at each Board s next in person meeting.

Among BlackRock and the Boards proposals was a recommendation that the number of Boards overseeing the funds be reduced by the election of a single New Board intended to oversee certain open-end equity funds, all open-end fixed-income funds and all open-end funds in the Fund complex designed for sale through insurance company separate accounts, a second New Board intended to oversee the other open-end equity funds and all money market funds in the Fund complex and a third New Board intended to oversee all closed-end funds. The proposals would result in a Fund complex overseen by three distinct New Boards. BlackRock, in consultation with the Boards, also proposed that the number of Board Members who are interested persons of the Funds as defined in the 1940 Act consist of two (2) members of the New Board overseeing the closed-end funds and the New Board overseeing certain open-end equity funds and all money market funds in the Fund complex, and three (3) members of the New Board overseeing certain other open-end equity funds, all open-end fixed-income funds and all open-end funds in the Fund complex designed for sale through insurance company separate accounts.

At meetings held during May 2007, each Board determined that realigning the Boards into a smaller number of Boards may provide benefits to shareholders of the funds in the Fund complex. Each Board has reviewed the qualifications and backgrounds of the Nominees and believes that they are experienced in overseeing investment companies and are familiar with the Fund complex and with BlackRock Advisors. In addition, the Board Members had the opportunity to meet their counterparts on other Boards in the Fund complex. The Board Members and BlackRock believe that: (i) a single New Board overseeing funds of a specific type may enhance that New Board s efficiency by enabling Board Members to focus their attention on issues common to many of the funds overseen by the New Boards and to act to resolve these issues in a shorter time frame; (ii) realigning the Boards into three New Boards may reduce certain fund expenses, such as costs associated with holding Board meetings, committee meetings and, to the extent necessary, shareholder meetings; (iii) reducing the administrative costs and burden on fund management that are inherent in reporting to seven Boards may allow fund management to devote more time and resources to providing other services to the funds in the Fund complex, including to facilitate management s high level planning and strategic initiatives for the entire Fund complex; (iv) having fewer Boards will facilitate more effective communication between fund management and the New Boards; (v) a smaller number of Boards may result in more efficient and effective presentations at New Board meetings; and (vi) a smaller number of Boards may benefit the funds and their shareholders by enhancing the effectiveness of New Board oversight of the funds, their management and their other service providers and may facilitate more uniform oversight of the funds in the Fund complex. The Funds do not expect to realize immediate savings on director compensation in the aggregate across all of the New Boards because the total number of Independent Board Members will not materially change. Board Member compensation costs might increase in the short run because of the larger size of the New Boards, but any such increase is not expected to be material to any Fund. There could be future savings, however, if (as is anticipated) normal retirements reduce Board size. Independent Board Member compensation has not yet been established by the New Boards.

The Boards also reviewed the efficiencies sought to be gained through Board consolidation, focusing on, among other things, the significant reduction in the volume of Board materials required to be prepared by BlackRock Advisors and the funds other service providers for each of the seven quarterly Board meetings. Additionally, the Boards focused on ensuring that portfolio management time dedicated to keeping the multiple Boards up to date on performance and portfolio management issues across the seven Boards could be efficiently managed. The Board noted, as an example, that many senior portfolio managers currently attend many Board meetings each quarter and that if the Board consolidation were approved, such portfolio managers would only have to attend at most three Board meetings each quarter. The Boards also considered the benefits from a compliance perspective. In particular, the Boards considered that the seven Board structure resulted in the creation of four separate sets of compliance policies and procedures and compliance manuals, and that while these compliance materials are broadly consistent across the Fund complex, consolidating the Boards into the New Board structure would promote the adoption of uniform compliance policies and procedures for the appropriate funds overseen by each New Board. The Boards and BlackRock concluded that the Board consolidation would result in efficiencies in terms of compliance monitoring and oversight and would streamline New Board reporting and monitoring of fund compliance.

These individual Board meetings were held during May 2007, and the proposals described in this Joint Proxy Statement were considered and approved unanimously by those Board Members present at the May meetings. You are being asked to elect the Nominees of your Fund s New Board. Each Nominee has consented to serve on the New Board to which he or she has been nominated if elected by shareholders. If, however, before the election, any Nominee refuses or is unable to serve, proxies may be voted for a replacement Nominee, if any, designated by the current Board Members.

The nominations of the Nominees listed below have been approved by the Board Members. Information about the Nominees of your Fund s New Board is set forth in the section below. Each Existing Board has determined that the number of Board Members shall be fixed at thirteen (13), with the exception that with respect to the Amending Funds such amount will be contingent upon shareholder approval of Proposal 2. If shareholders of an Amending Fund do not approve Proposal 2, the number of Board Members would remain fixed at eleven (11) and the Contingent Nominees would not serve on that Amending Fund s New Board regardless of the number of votes each Contingent Nominee receives.

Nominees

The Nominees of your Fund s New Board, including their ages, their current position(s) with the Funds and length of time served, their principal occupations during at least the past five years, the number of funds in the Fund complex the Nominees oversee or would oversee and any public

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company board memberships they hold are set forth below. Unless otherwise indicated, the address of each Nominee is 40 East 52nd Street, New York, New York 10022. Each Nominee was nominated by the nominating committee of the Existing Board of each respective Fund. The Nominees also considered candidates for Chairman and Vice Chairman of your Fund s New Board, and Richard E. Cavanagh was selected to serve as Chairman and Karen P. Robards was selected to serve as Vice Chair of each New Board.

BlackRock Broad Investment Grade 2009 Term Trust, Inc. (BCT) holds substantially all of its assets in its wholly owned subsidiary, BCT Subsidiary, Inc. (BCTS). The board of the wholly owned subsidiary is identical to the Existing Board of its parent company. Accordingly, Nominees elected as Board Members of BCT will be appointed by BCT to serve as Board Members of BCTS, which has investment objectives and policies identical to BCT.

Richard S. Davis and Henry Gabbay are interested persons of all of the funds in the Fund complex as defined in the 1940 Act by virtue of their positions with BlackRock and its affiliates described in the table below.

Name and Age	Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	Number of Funds in Fund Complex To Be Overseen	Other Board Memberships Held
Independent Nominees:						
G. Nicholas Beckwith, III(1) Age: 61	N/A	N/A	Chairman and Chief Executive Officer, Arch Street Management, LLC; Chairman & CEO, Beckwith Blawnox Property LLC; Chairman & CEO, Beckwith Clearfield Property LLC; Chairman & CEO, Beckwith Delmont Property LLC; Chairman & CEO, Beckwith Erie Property LLC; Chairman, Penn West Industrial Trucks LLC; Chairman, President and Chief Executive Officer, Beckwith Machinery Company (until October 2005); Chairman of the Board of Directors, University of Pittsburgh Medical Center; Board of Visitors, University of Pittsburgh School of Medicine; Board of Directors: Shadyside Hospital Foundation; Beckwith Institute for Innovation in Patient Care; Member, Advisory Council on Biology and Medicine, Brown University; Trustee, Claude Worthington Benedum Foundation; Chatham College; University of Pittsburgh; Emeritus Trustee, Shadyside Academy.	1 registered investment company consisting of 10 portfolios	112 registered investment companies	Board of Directors, National Retail Properties, Inc.; and Beckwith Family Foundation.

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Name and Age	Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	Number of Funds in Fund Complex To Be Overseen	Other Board Memberships Held
Richard E. Cavanagh(3) Age: 61	Board Member of certain Funds	Since 1994	Retired. President and Chief Executive Officer of The Conference Board, Inc., a leading global business research organization, from 1995-2007; Former Executive Dean of the John F. Kennedy School of Government at Harvard University from 1988-1995; Acting Director, Harvard Center for Business and Government (1991-1993); Former Partner (principal) of McKinsey & Company, Inc. (1980-1988); Former Executive Director of Federal Cash Management, White House Office of Management and Budget (1977-1979); Coauthor, The Winning Performance (best selling management book published in 13 national editions).	60 registered investment companies	112 registered investment companies	Trustee; Aircraft Finance Trust (AFT) and Educational Testing Service (ETS); Director, Arch Chemical, Fremont Group (investments) and The Guardian Life Insurance Company of America.
Kent Dixon(1) Age: 69	Board Member of certain Funds	Since 1988	Consultant/Investor. Former President and Chief Executive Officer of Empire Federal Savings Bank of America and Banc PLUS Savings Association; former Chairman of the Board, President and Chief Executive Officer of Northeast Savings.	60 registered investment companies	112 registered investment companies	Former Director of ISFA (the owner of INVEST, a national securities brokerage service designed for banks and thrift institutions).

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Name and Age	Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	Number of Funds in Fund Complex To Be Overseen	Other Board Memberships Held
Frank J. Fabozzi**(2) Age: 58	Board Member of certain Funds	Since 1988	Consultant/Editor of The Journal of Portfolio Management; Frederick Professor in the practice of Finance at the School of Management at Yale University; Author and editor of several books on fixed income portfolio management; Visiting Professor of Finance and Accounting at the Sloan School of Management, Massachusetts Institute of Technology from 1986 to August 1992.	60 registered investment companies	112 registered investment companies	None.
Kathleen F. Feldstein(3) Age: 66	Board Member of certain Funds	Since 2005	President of Economic Studies, Inc., a Belmont, MA-based private economic consulting firm, since 1987; Chair, Board of Trustees, McLean Hospital in Belmont, MA since 2000.	60 registered investment companies	112 registered investment companies	Director of The McClatchy Company (publishing); Trustee of Partners Community Healthcare, Inc., the Museum of Fine Arts, Boston, and of the Committee for Economic Development; Corporation Member, Partners HealthCare and Sherrill House (healthcare); Member of the Visiting Committee of the Harvard University Art Museums and of the Advisory Board to the International School of Business at Brandeis University.
James T. Flynn(2) Age: 67	Board Member of certain Funds	Since 1995	Retired. Chief Financial Officer of JP Morgan & Co. Inc. from 1990 to 1995 and an employee of JP Morgan in various capacities from 1967 to 1995.	17 registered investment companies consisting of 24 portfolios	112 registered investment companies	None.
Jerrold B. Harris(3) Age: 64	N/A	N/A	Until September 1, 1999, President and Chief Executive Officer, VWR Scientific Products Corp.	1 registered investment company consisting of 10 portfolios	112 registered investment companies	Trustee, Ursinus College; Director, BlackRock Kelso Capital Corporation; Director, Tromner LLC.

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Name and Age	Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	Number of Funds in Fund Complex To Be Overseen	Other Board Memberships Held
R. Glenn Hubbard(1) Age: 48	Board Member of certain Funds	Since 2004	Dean of Columbia Business School since July 1, 2004; Columbia faculty member since 1988. Co-director of Columbia Business School s Entrepreneurship Program 1997-2004; Visiting Professor at the John F. Kennedy School of Government at Harvard University and the Harvard Business School, as well as the University of Chicago; Visiting scholar at the American Enterprise Institute in Washington and member of International Advisory Board of the MBA Program of Ben-Gurion University; Deputy Assistant Secretary of the U.S. Treasury Department for Tax Policy from 1991-1993; Chairman of the U.S. Council of Economic Advisers under the President of the United States 2001-2003.	60 registered investment companies	112 registered investment companies	Director of Metropolitan Life Insurance Company; Director of ADP (data and information services), Dex Media, KKR Financial Corporation, and Ripplewood Holdings (investment management); Director of Duke Realty; Formerly on the advisory boards of the Congressional Budget Office, the Council on Competitiveness, the American Council on Capital Formation, the Tax Foundation and the Center for Addiction and Substance Abuse; Trustee of Fifth Avenue Presbyterian Church of New York and the Economic Club of Capmark, New York.
W. Carl Kester**(1) Age: 55	Board Member of certain Funds	Since 1995	Deputy Dean for Academic Affairs, Harvard Business School since 2006; Mizuho Financial Group, Professor of Finance, Harvard Business School, Unit Head, Finance from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School, 1999 to 2005, Member of the faculty of Harvard Business School since 1981; Independent Consultant since 1978.	17 registered investment companies consisting of 24 portfolios	112 registered investment companies	None.

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Name and Age	Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	Number of Funds in Fund Complex To Be Overseen	Other Board Memberships Held
Karen P. Robards(2) Age: 57	Board Member of certain Funds	Since 1998	Partner of Robards & Company, LLC, a financial advisory firm since 1987; formerly an investment banker with Morgan Stanley for more than ten years; Director of Enable Medical Corp. from 1996 to 2005; Director of AtriCure, Inc. since 2000; Director of the Cooke Center for Learning and Development, a not-for-profit organization, since 1987.	17 registered investment companies consisting of 24 portfolios	112 registered investment companies	Director, AtriCure, Inc. (medical devices).
Robert S. Salomon, Jr.(1) Age: 70	Board Member of certain Funds	Since 1997	Retired. Principal of STI Management (investment adviser) from 1994 to 2005; Chairman and CEO of Salomon Brothers Asset Management from 1992 to 1995; Chairman of Salomon Brothers Equity Mutual Funds from 1992 to 1995; regular columnist with Forbes Magazine from 1992 to 2002; Director of Stock Research and U.S. Equity Strategist at Salomon Brothers from 1975 to 1991; Trustee, Commonfund from 1980 to 2001.	37 registered investment companies consisting of 57 portfolios	112 registered investment companies	None.
Interested Nominees:						
Richard S. Davis***(2) Age: 60	N/A	N/A	Managing Director, BlackRock, Inc. (since 2005); Chief Executive Officer, State Street Research & Management Company (2000 2005); Chairman of the Board of Trustees, State Street Research mutual funds (2000 2005); Senior Vice President, Metropolitan Life Insurance Company (1999 2000); Chairman, SSR Realty (2000 2004).	3 registered investment companies consisting of 63 portfolios	184 registered investment companies consisting of 171 portfolios	None.
Henry Gabbay***(3) Age: 59	N/A	N/A	Consultant, BlackRock (since July 2007); Managing Director, BlackRock, Inc. (1989 June 2007); Chief Administrative Officer, BlackRock Advisors, LLC (1998 2007); President of BlackRock Funds[SM] and BlackRock Bond Allocation Target Shares (2005 2007); Treasurer of certain closed end funds in the Fund complex (1989 2006).	None.	184 registered investment companies consisting of 171 portfolios	None.

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* Indicates the earliest year in which Nominee became a Board Member for a Fund in the Fund complex.
** AMPS Nominee.
*** Contingent Nominee for the Amending Funds.
(1) Class I Staggered Board Fund Nominee
(2) Class II Staggered Board Fund Nominee
(3) Class III Staggered Board Fund Nominee

Roscoe S. Suddarth is expected to serve on the advisory board of each Fund; however, Mr. Suddarth is not a Nominee and shareholders are not being asked to elect him to the New Board. It is anticipated that Mr. Suddarth will serve on the advisory board through December 31, 2007.

Name and Age	Current Position(s) with Funds	Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex Currently Overseen	To Be Overseen	Other Board Memberships Held
Advisory Board Member:						
Roscoe S. Suddarth Age: 71	Board Member of certain Funds	Since 2000	Retired. President, Middle East Institute, from 1995 to 2001; Foreign Service Officer, United States Foreign Service, from 1961 to 1995 and Career Minister from 1989 to 1995; Deputy Inspector General, U.S. Department of State, from 1991 to 1994; U.S. Ambassador to the Hashemite Kingdom of Jordan from 1987 to 1990.	46 registered investment companies consisting of 48 portfolios	112 registered investment companies	None.

* Indicates the earliest year in which Advisory Board Member became a Board Member for a Fund in the Fund complex.

General Information Regarding the Boards

Compensation: Information relating to compensation paid to the Independent Board Members of the Existing Boards for each Fund s most recent fiscal year is set forth in *Appendix C*. No compensation information is shown for Board Members whose term of office will not continue, for certain Funds identified in *Appendix C*, after November 1, 2007.

Equity Securities Owned by the Nominees: Information relating to the amount of equity securities owned by the Nominees in the Funds that they are nominated to oversee, as well as other funds in the Fund complex, as of March 31, 2007 is set forth in *Appendix D*.

Attendance of Board Members at Annual Shareholders Meetings: It is the policy of certain Funds, identified in *Appendix A*, to encourage Board Members to attend the annual shareholders meeting; however, certain other Funds, identified in *Appendix A*, do not have a policy with regard to attendance of Board Members at annual shareholders meetings.

Existing Board Meetings: Information relating to the number of times that the Existing Boards on which the Board Members served met during each Fund s most recent fiscal year is set forth in *Appendix E*.

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Standing Committees of the Existing Boards: Information relating to the various standing committees of the Existing Boards is set forth in *Appendix F*.

Compliance with Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act): Section 16(a) of the Exchange Act requires the officers and Board Members of each Fund and persons who own more than ten percent of any class of equity securities of a Fund to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC. Officers, Board Members and greater than ten percent shareholders of each Fund are required by SEC regulations to furnish the Fund with copies of all Forms 3, 4 and 5 they file.

Based solely on a review of the copies of such forms, and amendments thereto, with respect to each Fund, furnished to it during or with respect to its most recent fiscal year, and written representations from certain reporting persons that they were not required to file Form 5 with respect to the most recent fiscal year, each Fund believes that all of its officers, Board Members, greater than ten percent beneficial owners and other persons subject to Section 16 of the Exchange Act due to the requirements of Section 30 of the 1940 Act (i.e., any advisory board member, investment adviser or affiliated person of a Fund s investment adviser) have complied with all filing requirements applicable to them with respect to transactions during each Fund s most recent fiscal year. Due to administrative oversight three Form 4 reports were filed late on behalf of Mr. Hubbard, with respect to BlackRock Long-Term Municipal Advantage Trust, BlackRock Real Asset Equity Trust and BlackRock Preferred and Equity Advantage Trust representing three transactions, and one Form 4 report was filed late on behalf of Mr. Dixon, with respect to BlackRock Enhanced Dividend Achievers Trust representing two transactions. There were no known failures to file a required Form.

Officers of the Funds

Information about the officers of each Fund, including their ages and their principal occupations during the past five years, is set forth in *Appendix H*.

Indemnification of Board Members and Officers

The governing documents of each Fund generally provide that, to the extent permitted by applicable law, the Fund will indemnify its Board Members and officers against liabilities and expenses incurred in connection with litigation in which they may be involved because of their offices with the Fund unless, as to liability to the Fund or its investors, it is finally adjudicated that they engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in their offices. The Funds organized under Massachusetts law generally prohibit indemnification where it is finally adjudicated that those seeking indemnification did not act in good faith in the reasonable belief that their actions were in the best interests of the Massachusetts Trust. For Funds incorporated under Maryland law, indemnification is not permitted in the case of actions or omissions committed in bad faith or as a result of active and deliberate dishonesty, which are material to the matter giving rise to the proceeding, or with respect to which an improper personal benefit in money, property or services was received or, in the case of a criminal proceeding, committed with reasonable cause to believe that the action or omission was unlawful. Indemnification provisions contained in a Fund s governing documents are subject to any limitations imposed by applicable law.

The funds in the Fund complex have also entered into a separate indemnification agreement with the Board Members of each Board (the Indemnification Agreement). The Indemnification Agreement (i) extends the indemnification provisions contained in a fund s governing documents to Board Members who leave that fund s Board and serve on an advisory board of a different fund in

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the Fund complex; (ii) sets in place the terms of the indemnification provisions of a fund s governing documents once a Board Member retires from a Board and (iii) in the case of Board Members who leave a Board of a fund in connection with the Board consolidation contemplated by this Joint Proxy Statement, clarifies that that fund continues to indemnify the Board Member for claims arising out of his or her past service to that fund.

Your Existing Board recommends that you vote FOR the election of each of the Nominees to the New Board.

PROPOSAL 2 TO AMEND THE DECLARATION OF TRUST OF AMENDING FUNDS

The Declaration of Trust of each Fund listed below (each, an Amending Fund) currently permits a maximum of eleven (11) Board Members. In order to accomplish the Board consolidation discussed in Proposal 1 and to obtain the benefit of the Nominees collective knowledge and experience, the Existing Board of each Amending Fund approved amending its Declaration of Trust to increase the maximum number of Board Members to fifteen (15), so that all of the Nominees to the New Board of each Amending Fund may be elected to each Amending Fund s Board and to allow for two additional Board Members to be elected in the future. The Boards considered that the maximum number of Board Members set at fifteen would provide each Amending Fund flexibility in the future to add additional Board Members as the New Board may see fit. In connection with the Board consolidation discussed in Proposal 1, the Boards of the Amending Funds noted that based on their evaluation of the Nominees of each Amending Fund and the conclusions made regarding the benefits of the Board consolidation to shareholders, it would be appropriate for each Amending Fund to have a New Board with thirteen Board Members.

This amendment requires the approval of shareholders of the respective Amending Fund, so the Existing Board of each Amending Fund also approved submitting the amendment to shareholders of each Amending Fund. If Proposal 2 is approved by the shareholders of an Amending Fund, the Declaration of Trust of such Amending Fund will be amended to increase the maximum number of Board Members to fifteen (15). Each Nominee, however, will serve as a Board Member of such Amending Fund only if he or she also is elected a Board Member under Proposal 1. In addition, the approval by shareholders of one Amending Fund is not contingent on the approval by shareholders of any other Amending Fund.

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Proposal 2:

It is proposed that for each Amending Fund, shareholders vote to amend its Declaration of Trust to change the maximum number of permitted Board Members allowed on its respective New Board to fifteen (15).

Funds to Amend their Declaration of Trust (the Amending Funds)

BlackRock Long-Term Municipal Advantage Trust

BlackRock California Insured Municipal Income Trust

BlackRock Florida Insured Municipal Income Trust

BlackRock New York Insured Municipal Income Trust

BlackRock Municipal Income Trust II

BlackRock New York Municipal Income Trust II

BlackRock California Municipal Income Trust II

BlackRock California Municipal Bond Trust

BlackRock Municipal Bond Trust

BlackRock Florida Municipal Bond Trust

BlackRock New Jersey Municipal Bond Trust

BlackRock New York Municipal Bond Trust

BlackRock Maryland Municipal Bond Trust

BlackRock Virginia Municipal Bond Trust

BlackRock California Municipal 2018 Term Trust

BlackRock New York Municipal 2018 Term Trust

BlackRock Municipal 2018 Term Trust

BlackRock California Municipal Income Trust

BlackRock Municipal Income Trust

BlackRock Florida Municipal Income Trust

BlackRock New Jersey Municipal Income Trust

BlackRock New York Municipal Income Trust

BlackRock Insured Municipal Income Trust

BlackRock Strategic Bond Trust

BlackRock High Yield Trust

BlackRock Municipal 2020 Term Trust

BlackRock Florida Municipal 2020 Term Trust

BlackRock Pennsylvania Strategic Municipal Trust

BlackRock Strategic Municipal Trust

BlackRock Florida Insured Municipal 2008 Term Trust

BlackRock Florida Investment Quality Municipal Trust

BlackRock Global Equity Income Trust

BlackRock Preferred and Equity Advantage Trust

BlackRock Real Asset Equity Trust

BlackRock World Investment Trust

BlackRock Enhanced Dividend Achievers ™ Trust

BlackRock Global Opportunities Equity Trust

BlackRock Health Sciences Trust

BlackRock Global Energy and Resources Trust

BlackRock Global Floating Rate Income Trust

BlackRock S&P Quality Rankings Global Equity Managed Trust

BlackRock Strategic Dividend Achievers ™ Trust

BlackRock Dividend Achievers™ Trust

BlackRock Limited Duration Income Trust

BlackRock Preferred Opportunity Trust

BlackRock Core Bond Trust

Your Existing Board recommends that you vote FOR this proposal.

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VOTE REQUIRED AND MANNER OF VOTING PROXIES

A quorum of shareholders is required to take action at each Meeting. The quorum requirement for each Fund is set forth in *Appendix B*. A quorum of the shareholders of a Fund is required in order for that Fund to take any action at the Meeting with respect to Proposal 1 and Proposal 2.

The shareholders of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc., which are organized as feeder funds in a master/feeder structure in which each such Fund (each, a Feeder Fund) invests all or substantially all of its assets in Master Senior Floating Rate LLC (the Master Fund), will also vote on Proposal 1 with respect to the election of the Nominees to the Board of the Master Fund.

Votes cast by proxy or in person at each Meeting will be tabulated by the inspectors of election appointed for that Meeting. The inspectors of election, who may be employees of BlackRock, will determine whether or not a quorum is present at the Meeting. The inspectors of election will treat abstentions and broker non-votes (*i.e.*, shares held by brokers or nominees, typically in street name, as to which proxies have been returned but (a) instructions have not been received from the beneficial owners or persons entitled to vote and (b) the broker or nominee does not have discretionary voting power or elects not to exercise discretion on a particular matter) as present for purposes of determining a quorum. Shares of AMPS of any Fund held in street name may be counted for purposes of establishing a quorum of that Fund if no instructions are received one business day before the applicable Meeting or, if adjourned, one business day before the day to which the Meeting is adjourned.

If you hold your shares directly (not through a broker-dealer, bank or other financial institution) and if you return a properly executed proxy card that does not specify how you wish to vote on a proposal, your shares will be voted FOR the Nominees in Proposal 1 and FOR Proposal 2.

Broker-dealer firms holding shares of a Fund in street name for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on Proposal 1 and Proposal 2 before the Meetings. The Funds understand that, under the rules of the New York Stock Exchange (the NYSE), such broker-dealer firms may, without instructions from their customers and clients, grant authority to the proxies designated to vote on the election of Nominees in Proposal 1 and the amendment of the Declaration of Trust of the Amending Funds in Proposal 2 if no instructions have been received prior to the date specified in the broker-dealer firm s request for voting instructions. A properly executed proxy card or other authorization by a beneficial owner of Fund shares that does not specify how the beneficial owner s shares should be voted on Proposal 1 and Proposal 2 may be deemed an instruction to vote such shares in favor of the proposal. Beneficial owners who do not provide proxy instructions or who do not return a proxy card may have their shares voted by broker-dealer firms in favor of Proposals 1 and 2.

If you hold shares of a Fund through a bank or other financial institution or intermediary (called a service agent) that has entered into a service agreement with the Fund or a distributor of the Fund, the service agent may be the record holder of your shares. At the Meetings, a service agent will vote shares for which it receives instructions from its customers in accordance with those instructions. A properly executed proxy card or other authorization by a shareholder that does not specify how the shareholder s shares should be voted on a proposal may be deemed to authorize a service provider to vote such shares in favor of the proposal. Depending on its policies, applicable law or contractual or other restrictions, a service agent may be permitted to vote shares with respect to which it has not received specific voting instructions from its customers. In those

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cases, the service agent may, but may not be required to, vote such shares in the same proportion as those shares for which the service agent has received voting instructions. This practice is commonly referred to as echo voting.

If you beneficially own shares that are held in street name through a broker-dealer or that are held of record by a service agent, and if you do not give specific voting instructions for your shares, they may not be voted at all or, as described above, they may be voted in a manner that you may not intend. Therefore, you are strongly encouraged to give your broker-dealer or service agent specific instructions as to how you want your shares to be voted.

Proposal 1:

The vote requirement for each Fund to elect Nominees is set forth in *Appendix B*.

The shareholders of each Feeder Fund will also vote on Proposal 1 with respect to the election of the Nominees to the Board of the Master Fund.

Proposal 2:

The holders of AMPS, if any, and the holders of the common stock of an Amending Fund are entitled to vote on Proposal 2 as a single class. Approval of Proposal 2 requires the affirmative vote of a majority of the outstanding shares present in person or by proxy at the Meeting at which a quorum exists.

Approval of the proposals will occur only if a sufficient number of votes at the Meeting are cast FOR the proposal. Abstentions and broker non-votes will not be counted as votes cast and therefore, abstentions and broker non-votes will have the same effect as a vote against Proposal 1 for Funds (identified in *Appendix B*) which require the affirmative vote of a majority of the outstanding shares present, in person or by proxy, and a vote against Proposal 2. However, abstentions and broker non-votes will not have an effect on Proposal 1 for Funds that require a plurality or majority of votes cast.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

The Board Members, including a majority of the Independent Board Members, of each Fund have selected Deloitte & Touche LLP (D&T) as the independent registered public accounting firm for the Funds. D&T, in accordance with Independence Standards Board Standard No. 1 (ISB No. 1), has confirmed to each applicable Audit Committee that it is an independent registered public accounting firm with respect to each Fund.

Ernst & Young LLP (E&Y) served as the independent registered public accounting firm of certain Funds* for fiscal years prior to June 30, 2006. Each affected Fund s Audit Committee approved the engagement of D&T as the Fund s independent registered public accounting firm for the Fund s most recently completed fiscal year, as well as for the current fiscal year. A majority of the Fund s Board Members, including a majority of the Independent Board Members, approved the appointment of D&T.

The reports of E&Y on each applicable Fund s financial statements for each of the last two fiscal years audited by E&Y contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, except for BlackRock MuniHoldings Fund, Inc., BlackRock MuniHoldings Insured Fund, Inc., BlackRock Muni Intermediate Duration Fund, Inc., BlackRock MuniHoldings Fund II, Inc., BlackRock MuniHoldings

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* E&Y served as the independent registered public accounting firm of various Funds identified in *Appendix I*.

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New Jersey Insured Fund, Inc., BlackRock MuniHoldings Insured II, Inc., BlackRock MuniYield Insured Fund, Inc., and BlackRock MuniYield Michigan Insured Fund, Inc., whose opinions for those Funds were qualified with respect to the accounting for tender option bonds in accordance with Statement of Financial Accounting Standards No. 140, for those Funds most recent two fiscal years. There have been no disagreements with E&Y during such fiscal years and any subsequent interim period on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which, if not resolved to the satisfaction of E&Y, would have caused them to make reference thereto in their reports on the financial statements for such years.

No representatives of D&T or E&Y will be present at the Meetings.

Each Audit Committee has discussed with D&T its independence with respect to the Fund and certain matters required to be discussed by Statement on Auditing Standard No. 61. Each Audit Committee has considered whether the provision of non-audit services by the Fund s independent registered public accounting firm is compatible with maintaining the independence of that registered public accounting firm. Each Audit Committee also reviews and discusses the audit of the Fund s financial statements with Fund management and the independent registered public accounting firm. If any material concerns arise during the course of the audit and the preparation of the audited financial statements mailed to shareholders and included in the Fund s Annual Report to Shareholders, the Audit Committee would be notified by Fund management or the independent registered public accounting firm. The Audit Committees received no such notifications for any Fund. Following each Audit Committee s review and discussion of the Fund s independent registered public accounting firm, each Audit Committee recommended to the Board Members that the Fund s audited financial statements for the Fund s most recently completed fiscal year for which audited financial statements are available be included in each Fund s Annual Report to Shareholders.

Each Audit Committee also reviews and discusses the audit of the Fund s financial statements with Fund management and the independent registered public accounting firm. If any material concerns arise during the course of the audit and the preparation of the audited financial statements mailed to shareholders and included in the Fund s Annual Report to Shareholders, the Audit Committee would be notified by Fund management or the independent registered public accounting firm. The Audit Committees received no such notifications for any Fund. Following each Audit Committee s review and discussion of the Fund s independent registered public accounting firm, each Audit Committee recommended to the Board Members that the Fund s audited financial statements for the Fund s most recently completed fiscal year (each Fund s fiscal year end is set forth in *Appendix I*) for which audited financial statements are available be included in each Fund s Annual Report to Shareholders.

Appendix I sets forth for each Fund, for each applicable Fund s two most recent fiscal years, the fees billed by that Fund s independent registered public accounting firm for all audit and non-audit services provided directly to the Fund. The fee information in *Appendix I* is presented under the following captions:

(a) Audit Fees fees related to the audit and review of the financial statements included in annual reports and registration statements, and other services that are normally provided in connection with statutory and regulatory filings or engagements, including out-of-pocket expenses.

(b) Audit-Related Fees fees related to assurance and related services that are reasonably related to the performance of the audit or review of financial statements, but not reported under Audit Fees, including accounting consultations, agreed-upon procedure reports, attestation reports, comfort letters, out-of-pocket expenses and internal control reviews not required by regulators.

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(c) Tax Fees fees associated with tax compliance, tax advice and tax planning, including services relating to the filing or amendment of federal, state or local income tax returns, regulated investment company qualification reviews, tax distribution and analysis reviews and miscellaneous tax advice.

(d) All Other Fees fees for products and services provided to the Fund other than those reported under Audit Fees, Audit-Related Fees and Tax Fees.

The charter of each Audit Committee requires that the Audit Committee approve (a) all audit and permissible non-audit services to be provided to each Fund and (b) all permissible non-audit services to be provided by the Fund s independent auditors to the investment adviser and any service providers controlling, controlled by or under common control with the investment adviser that provide ongoing services to the Fund (Affiliated Service Providers) if the engagement relates directly to the operations and financial reporting of the Fund. The Audit Committee has implemented policies and procedures by which such services may be approved other than by the full Committee. See *Appendix I* to this Joint Proxy Statement for information about the fees paid by the Funds, their investment advisers, and Affiliated Service Providers to each Fund s independent registered public accounting firm.

The Audit Committee of each Fund has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to a Fund on an annual basis require specific pre-approval by the Fund s Audit Committee. As noted above, the Audit Committee also must approve other non-audit services provided to a Fund and those non-audit services provided to the Fund s Affiliated Service Providers that relate directly to the operations and financial reporting of the Fund. Certain of these non-audit services that the Audit Committee believes are (a) consistent with the Securities and Exchange Commission s auditor independence rules and (b) routine and recurring services that will not impair the independence of the independent registered public accounting firm may be approved by the Audit Committee without consideration on a specific case-by-case basis (general pre-approval). However, for certain Funds such services will only be deemed pre-approved provided that any individual project does not exceed $5,000 attributable to the Fund or $50,000 for the project as a whole. Any proposed services exceeding the pre-approved cost levels for those Funds will require specific pre-approval by the Audit Committee of those Funds, as will any other services not subject to general pre-approval (*e.g.*, unanticipated but permissible services). The Audit Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting.

For each Fund s two most recent fiscal years, there were no services rendered by D&T or E&Y to the Funds for which the pre-approval requirement was waived.

Each Audit Committee has considered whether the provision of non-audit services that were rendered by D&T or E&Y to BlackRock Advisors and Affiliated Service Providers that were not pre-approved (not requiring pre-approval) is compatible with maintaining such auditor s independence. All services provided by D&T or E&Y to each Fund, BlackRock Advisors or Affiliated Service Providers that were required to be pre-approved were pre-approved as required.

ADDITIONAL INFORMATION

5% Share Ownership

As of June 20, 2007, to the best of the Funds   knowledge, the persons listed in *Appendix J* owned beneficially or of record the amounts indicated.

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Submission of Shareholder Proposals

A shareholder proposal intended to be presented at a future meeting of shareholders of a Fund must be received at the offices of the Fund, 40 East 52nd Street, New York, New York 10022-5911, a reasonable time before the Fund begins to print and mail its proxy materials. Timely submission of a proposal does not guarantee that such proposal will be included in a proxy statement.

BlackRock MuniYield Florida Insured Fund, BlackRock MuniYield Michigan Insured Fund, Inc., BlackRock MuniYield New Jersey Insured Fund, Inc., BlackRock MuniYield Pennsylvania Insured Fund, BlackRock S&P 500® Protected Equity Fund, Inc., BlackRock Muni Intermediate Duration Fund, Inc., BlackRock Muni New York Intermediate Duration Fund, Inc., BlackRock Debt Strategies Fund, Inc., BlackRock Diversified Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund II, Inc., BlackRock MuniHoldings Florida Insured Fund, BlackRock MuniHoldings Fund, Inc., BlackRock MuniHoldings Fund II, Inc., BlackRock MuniHoldings Insured Fund, Inc., BlackRock MuniHoldings New Jersey Insured Fund, Inc., BlackRock MuniHoldings New York Insured Fund, Inc., BlackRock MuniVest Fund, Inc., BlackRock MuniVest Fund II, Inc., BlackRock Senior High Income Fund, Inc., BlackRock Apex Municipal Fund, Inc., BlackRock Corporate High Yield Fund, Inc., BlackRock Corporate High Yield Fund III, Inc., BlackRock Corporate High Yield Fund V, Inc., BlackRock Corporate High Yield Fund VI, Inc., BlackRock MuniAssets Fund, Inc., BlackRock MuniEnhanced Fund, Inc., BlackRock MuniHoldings California Insured Fund, Inc., BlackRock MuniHoldings Insured Fund II, Inc., BlackRock MuniYield Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., BlackRock MuniYield California Insured Fund, Inc., BlackRock MuniYield Florida Fund, BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Michigan Insured Fund II, Inc., BlackRock MuniYield New Jersey Insured Fund, Inc., BlackRock MuniYield New York Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc., BlackRock MuniYield Quality Fund II, Inc., BlackRock Enhanced Capital and Income Fund, Inc., BlackRock Preferred Income Strategies Fund, Inc., BlackRock Preferred and Corporate Income Strategies Fund, Inc., BlackRock Enhanced Equity Yield Fund, Inc., BlackRock Enhanced Equity Yield & Premium Fund, Inc. and BlackRock Enhanced Government Fund, Inc. anticipate holding their next annual meeting of shareholders in August 2008. If a shareholder intends to present a proposal at the 2008 annual meeting of shareholders of these Funds and desires to have the proposal included in the Fund s proxy statement and form of proxy for that meeting pursuant to Rule 14a-8 under the Exchange Act, the shareholder must deliver the proposal to the offices of the appropriate Fund by March 5, 2008.

The By-laws of BlackRock S&P 500® Protected Equity Fund, Inc., BlackRock Muni Intermediate Duration Fund, Inc., BlackRock Muni New York Intermediate Duration Fund, Inc., BlackRock Corporate High Yield Fund V, Inc., BlackRock Corporate High Yield Fund VI, Inc., BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund II, Inc., BlackRock Enhanced Equity Yield Fund, Inc., BlackRock Enhanced Equity Yield & Premium Fund, Inc., BlackRock Preferred Income Strategies Fund, Inc., BlackRock Preferred and Corporate Income Strategies Fund, Inc., BlackRock Diversified Income Strategies Fund, Inc., BlackRock Enhanced Capital and Income Fund, Inc. and BlackRock Enhanced Government Fund, Inc. generally require that advance notice be given to the Fund in the event a shareholder desires to transact any business from the floor at an annual meeting of shareholders. Notice of any such business must be in writing and received at the Fund s principal executive office between May 19, 2008 and June 18, 2008. For BlackRock MuniYield Florida Insured Fund, BlackRock MuniYield Michigan Insured Fund, Inc., BlackRock MuniYield New Jersey Insured Fund, Inc., BlackRock MuniYield Pennsylvania Insured Fund, BlackRock Debt Strategies Fund, Inc., BlackRock MuniHoldings Florida Insured Fund, BlackRock MuniHoldings Fund, Inc., BlackRock MuniHoldings Fund II, Inc., BlackRock MuniHoldings Insured Fund, Inc., BlackRock MuniHoldings New Jersey

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Insured Fund, Inc., BlackRock MuniHoldings New York Insured Fund, Inc., BlackRock MuniVest Fund, Inc., BlackRock MuniVest Fund II, Inc., BlackRock Senior High Income Fund, Inc., BlackRock Apex Municipal Fund, Inc., BlackRock Corporate High Yield Fund, Inc., BlackRock Corporate High Yield Fund III, Inc., BlackRock MuniAssets Fund, Inc., BlackRock MuniEnhanced Fund, Inc., BlackRock MuniHoldings California Insured Fund, Inc., BlackRock MuniHoldings Insured Fund II, Inc., BlackRock MuniYield Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., BlackRock MuniYield California Insured Fund, Inc., BlackRock MuniYield Florida Fund, BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Michigan Insured Fund II, Inc., BlackRock MuniYield New Jersey Insured Fund, Inc., BlackRock MuniYield New York Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc., the persons named as proxies in the proxy materials for the 2008 annual meeting of shareholders for each of these Funds may exercise discretionary authority with respect to any shareholder proposal presented at such meeting if written notice of such proposal has not been received by the Fund by May 20, 2008.

For Master Senior Floating Rate LLC, BlackRock Senior Floating Rate Fund, Inc., BlackRock Senior Floating Rate Fund II, Inc., BlackRock Multi-Strategy Hedge Opportunities LLC and BlackRock Multi-Strategy Hedge Advantage, which do not hold regular annual meetings, a shareholder proposal intended to be presented at a future meeting of shareholders must be received at the offices of the Fund a reasonable time before the Fund begins to print and send its proxy materials. The persons named as proxies in any future proxy materials of these Funds may exercise discretionary authority with respect to any shareholder proposal presented at any subsequent shareholder meeting if written notice of such proposal has not been received by that Fund a reasonable period of time before the Fund sends it proxy materials to shareholders.

Shareholder proposals intended for inclusion in the proxy statement of BlackRock Long-Term Municipal Advantage Trust, BlackRock California Insured Municipal Income Trust, BlackRock Florida Insured Municipal Income Trust, BlackRock New York Insured Municipal Income Trust, BlackRock Municipal Income Trust II, BlackRock New York Municipal Income Trust II, BlackRock California Municipal Income Trust II, BlackRock California Municipal Bond Trust, BlackRock Municipal Bond Trust, BlackRock Florida Municipal Bond Trust, BlackRock New Jersey Municipal Bond Trust, BlackRock New York Municipal Bond Trust, BlackRock Maryland Municipal Bond Trust, BlackRock Virginia Municipal Bond Trust, BlackRock California Municipal 2018 Term Trust, BlackRock New York Municipal 2018 Term Trust, BlackRock Municipal 2018 Term Trust, BlackRock California Municipal Income Trust, BlackRock Municipal Income Trust, BlackRock Florida Municipal Income Trust, BlackRock New Jersey Municipal Income Trust, BlackRock New York Municipal Income Trust, BlackRock Insured Municipal Income Trust, BlackRock Pennsylvania Strategic Municipal Trust, BlackRock Strategic Municipal Trust, BlackRock Insured Municipal Term Trust, Inc., BlackRock California Insured Municipal 2008 Term Trust, Inc., BlackRock Florida Insured Municipal 2008 Term Trust, BlackRock Insured Municipal 2008 Term Trust, Inc., BlackRock Investment Quality Municipal Trust, Inc., BlackRock New York Insured Municipal 2008 Term Trust, Inc., BlackRock California Investment Quality Municipal Trust Inc., BlackRock Florida Investment Quality Municipal Trust, BlackRock New Jersey Investment Quality Municipal Trust, Inc., BlackRock New York Investment Quality Municipal Trust, Inc., BlackRock Global Equity Income Trust, BlackRock Preferred and Equity Advantage Trust, BlackRock Real Asset Equity Trust, BlackRock World Investment Trust, BlackRock Enhanced Dividend Achievers Trust, BlackRock Global Opportunities Equity Trust, BlackRock High Income Shares, BlackRock Health Sciences Trust, BlackRock Global Energy and Resources Trust, BlackRock Global Floating Rate Income Trust, BlackRock S&P Quality Rankings Global Equity Managed Trust, BlackRock Strategic Dividend Achievers Trust, BlackRock Dividend Achievers Trust, BlackRock Limited Duration Income Trust, BlackRock Municipal 2020 Term Trust, BlackRock Florida Municipal 2020 Term Trust, BlackRock Preferred Opportunity Trust, BlackRock Core Bond Trust, BlackRock Strategic

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Bond Trust, BlackRock Broad Investment Grade 2009 Term Trust, Inc., BlackRock High Yield Trust, BlackRock Income Trust, Inc., BlackRock Income Opportunity Trust, Inc. and BlackRock International Growth and Income Trust, in connection with such Funds 2008 annual meeting of shareholders, which is expected to be held in August 2008, pursuant to Rule 14a-8 under the Exchange Act must be received by the Funds at such Funds principal executive offices by March 5, 2008.

For all Funds, written proposals and notices should be sent to the Secretary of the Fund, 40 East 52nd Street, New York, New York 10022.

Shareholder Communications

Shareholders who want to communicate with the Existing Board or any individual Board Member should write their Fund to the attention of the Secretary, 40 East 52nd Street, New York, New York 10022-5911. Shareholders may communicate with the Boards electronically by sending an email to closedendfundsbod@blackrock.com. The communication should indicate that you are a Fund shareholder. If the communication is intended for a specific Board Member and so indicates, it will be sent only to that Board Member. If a communication does not indicate a specific Board Member, it will be sent to the chair of the nominating and governance committee and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

Additionally, shareholders with complaints or concerns regarding accounting matters may address letters to the Fund s Chief Compliance Officer (CCO), 40 East 52nd Street, New York, New York 10022-5911. Shareholders who are uncomfortable submitting complaints to the CCO may address letters directly to the Chair of the Audit Committee of the Board that oversees the Fund. Such letters may be submitted on an anonymous basis.

Expense of Proxy Solicitation

The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and this Joint Proxy Statement and costs in connection with the solicitation of proxies will be borne by the Funds, except for the Funds described in the paragraph below. Additional out-of-pocket costs, such as legal expenses and auditor fees, incurred in connection with the preparation of this Joint Proxy Statement, also will be borne by the Funds except for the Funds described in the paragraph below. Costs that are borne by the Funds collectively will be allocated among the Funds on the basis of a combination of their respective net assets and number of shareholder accounts, except when direct costs can be reasonably attributed to one or more specific Funds.

The portion of the costs associated with this Joint Proxy Statement, including the mailing and the proxy solicitation costs, applicable to each of Master Senior Floating Rate LLC, BlackRock Senior Floating Rate Fund, Inc., BlackRock Senior Floating Rate Fund II, Inc., BlackRock Multi-Strategy Hedge Advantage and BlackRock Multi-Strategy Hedge Opportunities LLC, will be shared equally by BlackRock and each such Fund. Additional out-of-pocket costs, such as legal expenses and auditor fees, incurred in connection with the preparation of this Joint Proxy Statement with respect to those Funds, also will be shared equally by BlackRock and such Funds. These costs are being shared by BlackRock because such Funds do not normally hold annual shareholders meetings. Costs that are borne by such Funds collectively will be allocated among the Funds on the basis of a combination of their respective net assets and number of shareholder accounts, except when direct costs can be reasonably attributed to one or more specific Funds.

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Solicitation may be made by letter or telephone by officers or employees of BlackRock Advisors, or by dealers and their representatives. Brokerage houses, banks and other fiduciaries may be requested to forward proxy solicitation material to their principals to obtain authorization for the execution of proxies. The Funds and BlackRock will reimburse brokerage firms, custodians, banks and fiduciaries for their expenses in forwarding this Joint Proxy Statement and proxy materials to the beneficial owners of each Fund s shares. The Funds and BlackRock have retained Broadridge Financial Solutions, Inc. (Broadridge), 51 Mercedes Way, Edgewood, New York 11717, a proxy solicitation firm, to assist in the solicitation of proxies. It is anticipated that Broadridge will be paid approximately $669,559 for such solicitation services (including reimbursements of out-of-pocket expenses). Broadridge may solicit proxies personally and by telephone. Each Fund s portion of the foregoing expenses is not subject to any cap or voluntary agreement to waive fees and/or reimburse expenses that may otherwise apply to that Fund.

Fiscal Year

The fiscal year end of each Fund is as set forth in *Appendix I*.

Privacy Principles of the Funds

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal nonpublic information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our Web sites.

BlackRock does not sell or disclose to nonaffiliated third parties any nonpublic personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory inquiries or service Client accounts. These nonaffiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to nonpublic personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the nonpublic personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

General

Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Meetings. However, if other matters are properly

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presented to the Meetings for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund.

A list of shareholders entitled to be present and to vote at the Meeting will be available at the offices of the Funds, 40 East 52nd Street, New York, New York 10022-5911, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the Meeting.

Failure of a quorum to be present at any Meeting will necessitate adjournment. The persons named in the enclosed proxy may also move for an adjournment of any Meeting to permit further solicitation of proxies with respect to the proposals if they determine that adjournment and further solicitation are reasonable and in the best interests of shareholders. Any such adjournment will require the affirmative vote of a majority of the shares of the Fund present in person or by proxy and entitled to vote at the time of the Meeting to be adjourned. Any adjourned Meeting or Meetings may be held without the necessity of another notice. The persons named as proxies will vote in favor of any such adjournment if they believe the adjournment and additional proxy solicitation are reasonable and in the best interests of the Fund s shareholders. For purposes of determining the presence of a quorum, abstentions and broker non-votes will be treated as shares that are present at the Meeting.

Please vote promptly by signing and dating each enclosed proxy card, and if received by mail, returning it in the accompanying postage-paid return envelope OR by following the enclosed instructions to provide voting instructions by telephone or over the Internet.

By order of the Boards of Directors/Trustees,

Alice A. Pellegrino

Secretary of certain Funds

and

Vincent B. Tritto

Secretary of certain Funds

July 2, 2007

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Appendix A

FUND INFORMATION

The following table lists, with respect to each Fund, the total number of shares outstanding and the net assets of the Fund on June 20, 2007, the record date for voting at the Meeting.

Fund	Form of Organization	Total Shares Outstanding	Net Assets ($)
BlackRock Long-Term Municipal Advantage Trust*,(1)	Delaware Statutory Trust	13,345,152	187,010,798
BlackRock California Insured Municipal Income Trust*, ,(1)	Delaware Statutory Trust	5,276,743	78,001,794
BlackRock Florida Insured Municipal Income Trust*, ,(1)	Delaware Statutory Trust	8,734,048	128,918,892
BlackRock New York Insured Municipal Income Trust*, ,(1)	Delaware Statutory Trust	6,469,766	95,509,686
BlackRock Municipal Income Trust II*, ,(1)	Delaware Statutory Trust	23,043,572	357,260,059
BlackRock New York Municipal Income Trust II*, ,(1)	Delaware Statutory Trust	4,939,433	74,537,262
BlackRock California Municipal Income Trust II*, ,(1)	Delaware Statutory Trust	7,994,101	122,371,060
BlackRock California Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	3,383,107	52,933,792
BlackRock Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	10,257,104	163,776,400
BlackRock Florida Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	3,325,045	51,789,960
BlackRock New Jersey Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	2,289,805	36,212,184
BlackRock New York Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	2,736,301	42,520,630
BlackRock Maryland Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	2,031,064	31,199,348
BlackRock Virginia Municipal Bond Trust*, ,(1)	Delaware Statutory Trust	1,543,021	24,433,147
BlackRock California Municipal 2018 Term Trust*, ,(1)	Delaware Statutory Trust	6,433,028	95,096,705
BlackRock New York Municipal 2018 Term Trust*, ,(1)	Delaware Statutory Trust	3,633,028	57,862,665
BlackRock Municipal 2018 Term Trust*, ,(1)	Delaware Statutory Trust	15,908,028	244,224,320
BlackRock California Municipal Income Trust*, ,(1)	Delaware Statutory Trust	15,070,795	226,594,435
BlackRock Municipal Income Trust*, ,(1)	Delaware Statutory Trust	43,970,900	649,653,908
BlackRock Florida Municipal Income Trust*, ,(1)	Delaware Statutory Trust	6,675,359	100,895,025
BlackRock New Jersey Municipal Income Trust*, ,(1)	Delaware Statutory Trust	7,486,628	116,763,366
BlackRock New York Municipal Income Trust*, ,(1)	Delaware Statutory Trust	12,615,859	192,671,644
BlackRock Insured Municipal Income Trust*, ,(1)	Delaware Statutory Trust	26,203,900	393,294,929
BlackRock Pennsylvania Strategic Municipal Trust*, ,(1)	Delaware Statutory Trust	2,020,720	29,190,907
BlackRock Strategic Municipal Trust*, ,(1)	Delaware Statutory Trust	7,274,951	108,654,361
BlackRock Insured Municipal Term Trust, Inc.*, ,(1)	Maryland Corporation	25,885,639	261,783,287
BlackRock California Insured Municipal 2008 Term Trust, Inc.*,(1)	Maryland Corporation	10,407,093	158,639,997
BlackRock Florida Insured Municipal 2008 Term Trust*,(1)	Massachusetts Business Trust	8,707,093	128,777,088
BlackRock Insured Municipal 2008 Term Trust, Inc.*,(1)	Maryland Corporation	27,207,093	414,210,821
BlackRock Investment Quality Municipal Trust, Inc.*, ,(1)	Maryland Corporation	16,733,979	251,291,781
BlackRock New York Insured Municipal 2008 Term Trust, Inc.*,(1)	Maryland Corporation	11,257,093	171,910,974
BlackRock California Investment Quality Municipal Trust, Inc.*, ,(1)	Maryland Corporation	1,007,093	13,978,498
BlackRock Florida Investment Quality Municipal Trust*, ,(1)	Massachusetts Business Trust	1,127,093	15,260,562
BlackRock New Jersey Investment Quality Municipal Trust, Inc.*, ,(1)	Maryland Corporation	1,007,737	13,816,594
BlackRock New York Investment Quality Municipal Trust, Inc.*, ,(1)	Maryland Corporation	1,307,523	18,909,573
BlackRock Global Equity Income Trust*,(1)	Delaware Statutory Trust	44,995,192	874,636,373
BlackRock Preferred and Equity Advantage Trust*, ,(1)	Delaware Statutory Trust	51,828,157	1,207,420,239
BlackRock Real Asset Equity Trust*,(1)	Delaware Statutory Trust	56,708,028	1,037,889,237
BlackRock World Investment Trust*,(1)	Delaware Statutory Trust	52,074,804	909,620,137
BlackRock Enhanced Dividend Achievers™ Trust*,(1)	Delaware Statutory Trust	69,778,138	1,032,803,136
BlackRock Global Opportunities Equity Trust*,(1)	Delaware Statutory Trust	12,534,166	361,823,809
BlackRock High Income Shares*,(1)	Massachusetts Business Trust	54,620,873	149,203,198
BlackRock Health Sciences Trust*,(1)	Delaware Statutory Trust	7,591,500	211,156,515
BlackRock Global Energy and Resources Trust*,(1)	Delaware Statutory Trust	29,766,217	1,018,913,122

BlackRock Global Floating Rate Income Trust*, ,(1)	Delaware Statutory Trust	23,537,237	454,233,740

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Fund	Form of Organization	Total Shares Outstanding	Net Assets ($)
BlackRock S&P Quality Rankings Global Equity Managed Trust*,(1)	Delaware Statutory Trust	6,033,028	122,401,998
BlackRock Strategic Dividend AchieversTM Trust*,(1)	Delaware Statutory Trust	26,908,028	438,983,237
BlackRock Dividend AchieversTM Trust*,(1)	Delaware Statutory Trust	54,518,315	881,565,446
BlackRock Limited Duration Income Trust*,(1)	Delaware Statutory Trust	36,876,437	704,160,084
BlackRock Municipal 2020 Term Trust*, ,(1)	Delaware Statutory Trust	20,236,628	307,831,468
BlackRock Florida Municipal 2020 Term Trust*, ,(1)	Delaware Statutory Trust	5,562,128	82,125,352
BlackRock Preferred Opportunity Trust*, ,(1)	Delaware Statutory Trust	18,381,761	439,631,340
BlackRock Core Bond Trust*,(1)	Delaware Statutory Trust	27,018,774	356,673,055
BlackRock Strategic Bond Trust*,(1)	Delaware Statutory Trust	7,058,402	98,602,953
BlackRock Broad Investment Grade 2009 Term Trust, Inc.*,(1)	Maryland Corporation	2,957,093	40,169,627
BlackRock High Yield Trust*,(1)	Delaware Statutory Trust	6,418,355	52,377,528
BlackRock Income Trust, Inc.*,(1)	Maryland Corporation	63,942,536	402,090,519
BlackRock Income Opportunity Trust, Inc.*,(1)	Maryland Corporation	34,449,693	365,943,740
BlackRock International Growth and Income Trust*,(1)	Delaware Statutory Trust	98,506,178	1,867,363,466
BlackRock MuniYield Florida Insured Fund ,(2)	Massachusetts Business Trust	8,451,814	192,539,721
BlackRock MuniYield Michigan Insured Fund, Inc. ,(2)	Maryland Corporation	18,206,301	434,807,191
BlackRock MuniYield New Jersey Insured Fund, Inc. ,(2)	Maryland Corporation	8,802,099	202,792,888
BlackRock MuniYield Pennsylvania Insured Fund ,(2)	Massachusetts Business Trust	11,480,567	278,759,669
BlackRock S&P 500® Protected Equity Fund, Inc.(2)	Maryland Corporation	7,407,227	75,315,121
BlackRock Muni Intermediate Duration Fund, Inc. ,(2)	Maryland Corporation	38,034,934	884,710,982
BlackRock Muni New York Intermediate Duration Fund, Inc. ,(2)	Maryland Corporation	4,206,439	92,474,047
BlackRock Debt Strategies Fund, Inc.(2)	Maryland Corporation	106,571,788	746,682,707
Master Senior Floating Rate LLC(2)	Delaware Limited Liability Company		802,445,545
BlackRock Senior Floating Rate Fund, Inc.(2)	Maryland Corporation	60,140,242	539,606,688
BlackRock Senior Floating Rate Fund II, Inc.(2)	Maryland Corporation	26,600,068	259,922,779
BlackRock Diversified Income Strategies Fund, Inc.(2)	Maryland Corporation	12,133,954	232,531,458
BlackRock Floating Rate Income Strategies Fund, Inc.(2)	Maryland Corporation	18,305,029	357,135,625
BlackRock Floating Rate Income Strategies Fund II, Inc.(2)	Maryland Corporation	10,496,930	201,493,747
BlackRock MuniHoldings Florida Insured Fund ,(2)	Massachusetts Business Trust	37,667,658	895,773,103
BlackRock MuniHoldings Fund, Inc. ,(2)	Maryland Corporation	13,905,925	347,921,535
BlackRock MuniHoldings Fund II, Inc. ,(2)	Maryland Corporation	11,173,277	251,070,593
BlackRock MuniHoldings Insured Fund, Inc. ,(2)	Maryland Corporation	12,886,200	309,324,904
BlackRock MuniHoldings New Jersey Insured Fund, Inc. ,(2)	Maryland Corporation	21,245,413	513,956,818
BlackRock MuniHoldings New York Insured Fund, Inc. ,(2)	Maryland Corporation	30,795,138	759,676,305
BlackRock MuniVest Fund, Inc. ,(2)	Maryland Corporation	61,645,189	925,033,541
BlackRock MuniVest Fund II, Inc. ,(2)	Maryland Corporation	20,257,479	472,738,023
BlackRock Senior High Income Fund, Inc.(2)	Maryland Corporation	56,392,408	347,110,271
BlackRock Apex Municipal Fund, Inc.*,(2)	Maryland Corporation	19,774,218	195,993,205
BlackRock Corporate High Yield Fund, Inc.(2)	Maryland Corporation	34,580,960	308,450,714
BlackRock Corporate High Yield Fund III, Inc.(2)	Maryland Corporation	37,316,497	329,626,364
BlackRock Corporate High Yield Fund V, Inc.(2)	Maryland Corporation	32,944,087	486,378,597
BlackRock Corporate High Yield Fund VI, Inc.(2)	Maryland Corporation	35,286,436	520,115,350
BlackRock MuniAssets Fund, Inc.*,(2)	Maryland Corporation	20,732,249	284,298,752
BlackRock MuniEnhanced Fund, Inc. ,(2)	Maryland Corporation	29,369,874	515,193,848
BlackRock MuniHoldings California Insured Fund, Inc. ,(2)	Maryland Corporation	40,874,458	978,573,486
BlackRock MuniHoldings Insured Fund II, Inc. ,(2)	Maryland Corporation	22,352,426	508,492,147
BlackRock MuniYield Fund, Inc. ,(2)	Maryland Corporation	45,054,228	992,982,681
BlackRock MuniYield Arizona Fund, Inc. ,(2)	Maryland Corporation	4,527,666	103,189,050
BlackRock MuniYield California Fund, Inc. ,(2)	Maryland Corporation	21,295,255	484,541,435
BlackRock MuniYield California Insured Fund, Inc. ,(2)	Maryland Corporation	34,361,200	772,214,104
BlackRock MuniYield Florida Fund ,(2)	Massachusetts Business Trust	13,558,024	306,213,085
BlackRock MuniYield Insured Fund, Inc. ,(2)	Maryland Corporation	67,303,125	1,555,406,432
BlackRock MuniYield Michigan Insured Fund II, Inc. ,(2)	Maryland Corporation	12,069,721	267,759,903
BlackRock MuniYield New Jersey Fund, Inc. ,(2)	Maryland Corporation	14,203,242	333,019,025
BlackRock MuniYield New York Insured Fund, Inc. ,(2)	Maryland Corporation	39,445,962	848,496,634

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Fund	Form of Organization	Total Shares Outstanding	Net Assets ($)
BlackRock MuniYield Quality Fund, Inc. ,(2)	Maryland Corporation	30,425,258	696,505,002
BlackRock MuniYield Quality Fund II, Inc. ,(2)	Maryland Corporation	22,366,930	452,452,398
BlackRock Enhanced Capital and Income Fund, Inc.(2)	Maryland Corporation	12,188,736	291,329,558
BlackRock Preferred Income Strategies Fund, Inc. ,(2)	Maryland Corporation	40,606,540	1,433,379,796
BlackRock Preferred and Corporate Income Strategies Fund, Inc. ,(2)	Maryland Corporation	10,291,881	356,683,497
BlackRock Multi-Strategy Hedge Opportunities LLC(2)	Delaware Limited Liability Company	111,972,244	139,178,419
BlackRock Multi-Strategy Hedge Advantage(2)	Delaware Statutory Trust	56,457,881	62,361,294
BlackRock Enhanced Equity Yield Fund, Inc.(2)	Maryland Corporation	21,232,402	399,217,331
BlackRock Enhanced Equity Yield & Premium Fund, Inc.(2)	Maryland Corporation	17,567,452	321,418,478
BlackRock Enhanced Government Fund, Inc.(2)	Maryland Corporation	12,840,360	226,963,120

* Denotes a Staggered Board Fund. Staggered Board Funds are classified into three classes of Board Members: Class I, Class II and Class III. The term of office of the Staggered Board Fund Board Members in Class I, Class II, and Class III will expire in 2008, 2009 and 2010, respectively, or until his or her successor is elected and qualifies or until his or her earlier death, resignation, retirement or removal. The term of office of the Board Members for all of the other Funds that are not Staggered Board Funds will expire in 2008 or until his or her successor is elected and qualifies or until his or her earlier death, resignation, retirement or removal.

Denotes an AMPS Fund.

(1) Denotes a Fund that has a policy to encourage Board Members to attend the annual meeting.

(2) Denotes a Fund that does not have a policy to encourage Board Members to attend the annual meeting.

Master/Feeder Funds

Master Fund	Feeder Funds
Master Senior Floating Rate LLC	BlackRock Senior Floating Rate Fund, Inc. BlackRock Senior Floating Rate Fund II, Inc.

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Appendix B

Quorum and Voting Requirements

The following table lists the quorum requirements for each Fund and the vote required for Proposal 1 for each Fund. (Vote requirements for Proposal 2, which do not vary on a Fund-by-Fund basis, are listed under the heading Vote Required and Manner of Voting Proxies, which begins on page 18 of this Joint Proxy Statement.) For purposes of Proposal 1, a plurality of the votes cast means the candidate must receive more votes than any other candidate for the same position, but not necessarily a majority of the votes cast.

Fund	**Quorum Requirement**	**Vote Required to Elect AMPS Nominees**	**Vote Required to Elect Other Nominees**
BlackRock Long-Term Municipal Advantage Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock California Insured Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Florida Insured Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Insured Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Municipal Income Trust II	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Municipal Income Trust II	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock California Municipal Income Trust II	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock California Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Florida Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New Jersey Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Maryland Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Virginia Municipal Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock California Municipal 2018 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Municipal 2018 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Municipal 2018 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock California Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Florida Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New Jersey Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock Insured Municipal Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Pennsylvania Strategic Municipal Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Strategic Municipal Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Insured Municipal Term Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock California Insured Municipal 2008 Term Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Florida Insured Municipal 2008 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Insured Municipal 2008 Term Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Investment Quality Municipal Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Insured Municipal 2008 Term Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock California Investment Quality Municipal Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Florida Investment Quality Municipal Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New Jersey Investment Quality Municipal Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock New York Investment Quality Municipal Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Global Equity Income Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Preferred and Equity Advantage Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Real Asset Equity Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock World Investment Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Enhanced Dividend Achievers™ Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock Global Opportunities Equity Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock High Income Shares	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Health Sciences Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Global Energy and Resources Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Global Floating Rate Income Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock S&P Quality Rankings Global Equity Managed Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Strategic Dividend Achievers™ Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Dividend Achievers™ Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Limited Duration Income Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Municipal 2020 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting

Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock Florida Municipal 2020 Term Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Preferred Opportunity Trust	Majority of the shares entitled to vote, present in person or by proxy	Plurality of the holders of AMPS present at the Meeting, voting as a separate class	Plurality of the holders of AMPS and common stock present at the Meeting
BlackRock Core Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Strategic Bond Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Broad Investment Grade 2009 Term Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock High Yield Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Income Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock Income Opportunity Trust, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting
BlackRock International Growth and Income Trust	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of the holders of common stock present at the Meeting

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock MuniYield Florida Insured Fund*	Majority of the shares entitled to vote, present in person or by proxy	Majority of the holders of AMPS present at the Meeting, voting as a separate class	Majority of the holders of AMPS and common stock present at the Meeting
BlackRock MuniYield Michigan Insured Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield New Jersey Insured Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Pennsylvania Insured Fund*	Majority of the shares entitled to vote, present in person or by proxy	Majority of the holders of AMPS present at the Meeting, voting as a separate class	Majority of the holders of AMPS and common stock present at the Meeting
BlackRock S&P 500® Protected Equity Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Muni Intermediate Duration Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Muni New York Intermediate Duration Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Debt Strategies Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
Master Senior Floating Rate LLC*	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Majority of the holders of common stock present at the Meeting
BlackRock Senior Floating Rate Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Senior Floating Rate Fund II, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Diversified Income Strategies Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Floating Rate Income Strategies Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Floating Rate Income Strategies Fund II, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock MuniHoldings Florida Insured Fund*	Majority of the shares entitled to vote, present in person or by proxy	Majority of the holders of AMPS present at the Meeting, voting as a separate class	Majority of the holders of AMPS and common stock present at the Meeting
BlackRock MuniHoldings Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniHoldings Fund II, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock MuniHoldings Insured Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniHoldings New Jersey Insured Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniHoldings New York Insured Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniVest Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock voting as a separate class
BlackRock MuniVest Fund II, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Senior High Income Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Apex Municipal Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Corporate High Yield Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Corporate High Yield Fund III, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock Corporate High Yield Fund V, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Corporate High Yield Fund VI, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock MuniAssets Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock MuniEnhanced Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniHoldings California Insured Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniHoldings Insured Fund II, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Arizona Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock MuniYield California Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield California Insured Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Florida Fund*	Majority of the shares entitled to vote, present in person or by proxy	Majority of the holders of AMPS present at the Meeting, voting as a separate class	Majority of the holders of AMPS and common stock present at the Meeting
BlackRock MuniYield Insured Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Michigan Insured Fund II, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield New Jersey Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield New York Insured Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock MuniYield Quality Fund, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class

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Fund	Quorum Requirement	Vote Required to Elect AMPS Nominees	Vote Required to Elect Other Nominees
BlackRock MuniYield Quality Fund II, Inc.	Majority of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Enhanced Capital and Income Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Preferred Income Strategies Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	Plurality of votes cast by the holders of AMPS, voting as a separate class	Plurality of votes cast by the holders of shares of common stock and AMPS, voting together as a single class
BlackRock Multi-Strategy Hedge Opportunities LLC	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Multi-Strategy Hedge Advantage	40% of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Enhanced Equity Yield Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Enhanced Equity Yield & Premium Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast
BlackRock Enhanced Government Fund, Inc.	1/3 of the shares entitled to vote, present in person or by proxy	N/A	Plurality of votes cast

* Denotes Funds in which abstentions and broker non-votes will be counted as present for purposes of determining a quorum, but will not be counted as votes cast and will have the same effect as a vote against Proposal 1.

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Appendix C

Compensation of the Board Members

Board 1

Donald W. Burton, Robert C. Doll, Jr., John F. O Brien, David H. Walsh and Fred G. Weiss currently comprise Board 1. Board 1 currently oversees the following Funds:

Fund

BlackRock Muni Intermediate Duration Fund, Inc.

BlackRock Muni New York Intermediate Duration Fund, Inc.

BlackRock MuniYield Florida Insured Fund

BlackRock MuniYield Michigan Insured Fund, Inc.

BlackRock MuniYield New Jersey Insured Fund, Inc.

BlackRock MuniYield Pennsylvania Insured Fund

BlackRock S&P 500® Protected Equity Fund, Inc.

The Board Members who are not interested persons, as defined in the 1940 Act, receive a fee for each meeting of the Board and each committee meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meetings. The Funds do not provide compensation to any Board Member who is an interested person, as defined in the 1940 Act. No compensation information is shown for the current Board Members because their term of office will not continue after the Meeting for any Fund.

Each of the Funds except BlackRock S&P 500® Protected Equity Fund, Inc. pays each non-interested Board Member a combined fee for service on the Board and the Audit Committee of $3,000 per year plus a fee of $250 per in-person Board meeting attended and $250 per in-person Committee meeting attended. BlackRock S&P 500® Protected Equity Fund, Inc. pays each non-interested Board Member a combined fee for service on the Board and the Audit Committee of $3,500 per year plus a fee of $500 per in-person Board meeting attended and $500 per in-person Committee meeting attended. The Chairman of the Audit Committee is paid an additional annual fee of $1,750 per Fund. The Fund reimburses each non-interested Board Member for his/her out-of-pocket expenses relating to attendance at Board and Audit Committee meetings. For the year ended December 31, 2006, all Funds supervised by Board 1 reimbursed Board Member expenses in an aggregate amount of $21,896.

As of May 31, 2007, all Board Members of Board 1 and officers as a group owned less than 1% of the outstanding shares of each Fund.

Board 2

Robert C. Doll, Jr., Ronald W. Forbes, Cynthia A. Montgomery, Jean Margo Reid, Roscoe S. Suddarth and Richard R. West currently comprise Board 2. Board 2 currently oversees the following Funds:

Fund

BlackRock Debt Strategies Fund, Inc.

Master Senior Floating Rate LLC

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.

BlackRock Diversified Income Strategies Fund, Inc.

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BlackRock Floating Rate Income Strategies Fund, Inc.

BlackRock Floating Rate Income Strategies Fund II, Inc.

BlackRock MuniHoldings Florida Insured Fund

BlackRock MuniHoldings Fund, Inc.

BlackRock MuniHoldings Fund II, Inc.

BlackRock MuniHoldings Insured Fund, Inc.

BlackRock MuniHoldings New Jersey Insured Fund, Inc.

BlackRock MuniHoldings New York Insured Fund, Inc.

BlackRock MuniVest Fund, Inc.

BlackRock MuniVest Fund II, Inc.

BlackRock Senior High Income Fund, Inc.

The Board Members who are not interested persons, as defined in the 1940 Act, receive a fee for each meeting of the Board and each committee meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meetings. The Funds do not provide compensation to any Board Member who is an interested person, as defined in the 1940 Act. No compensation information is shown for the current Board Members because their term of office will not continue after the Meeting for any Fund.

BlackRock Debt Strategies Fund, Inc., BlackRock Senior High Income Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund II, Inc. and BlackRock Diversified Income Strategies Fund, Inc. pays each non-interested Board Member a combined fee for service on the Board and the Audit Committee of $4,400 per year plus a fee of $325 per in-person Board meeting attended and $325 per in-person Committee meeting attended. BlackRock MuniHoldings Fund, Inc., BlackRock MuniHoldings Fund II, Inc., BlackRock MuniHoldings Insured Fund, Inc., BlackRock MuniHoldings Florida Insured Fund, BlackRock MuniHoldings New Jersey Insured Fund, Inc., BlackRock MuniHoldings New York Insured Fund, Inc., BlackRock MuniVest Fund, Inc. and BlackRock MuniVest Fund II, Inc. pays each non-interested Board Member a combined fee for service on the Board and the Audit Committee of $3,800 per year plus a fee of $150 per in-person Board meeting attended and $150 per in-person Committee meeting attended. The Chairman of the Audit Committee is paid an additional annual fee of $2,206 per Fund. The Fund reimburses each non-interested Board Member for his/her out-of-pocket expenses relating to attendance at Board and Audit Committee meetings. For the year ended December 31, 2006, all Funds supervised by Board 2 reimbursed Board Member expenses in an aggregate amount of $21,462.

As of May 31, 2007, all Board Members of Board 2 and officers as a group owned less than 1% of the outstanding shares of each Fund.

Board 3

James H. Bodurtha, Robert C. Doll, Jr., Kenneth A. Froot, Joe Grills, Herbert I. London, Roberta Cooper Ramo and Robert S. Salomon, Jr. currently comprise Board 3. Board 3 currently oversees the following Funds:

Fund

BlackRock Apex Municipal Fund, Inc.

BlackRock Corporate High Yield Fund, Inc.

BlackRock Corporate High Yield Fund III, Inc.

BlackRock Corporate High Yield Fund V, Inc.

BlackRock Corporate High Yield Fund VI, Inc.

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BlackRock MuniAssets Fund, Inc.

BlackRock MuniEnhanced Fund, Inc.

BlackRock MuniHoldings California Insured Fund, Inc.

BlackRock MuniHoldings Insured Fund II, Inc.

BlackRock MuniYield Fund, Inc.

BlackRock MuniYield Arizona Fund, Inc.

BlackRock MuniYield California Fund, Inc.

BlackRock MuniYield California Insured Fund, Inc.

BlackRock MuniYield Florida Fund

BlackRock MuniYield Insured Fund, Inc.

BlackRock MuniYield Michigan Insured Fund II, Inc.

BlackRock MuniYield New Jersey Fund, Inc.

BlackRock MuniYield New York Insured Fund, Inc.

BlackRock MuniYield Quality Fund, Inc.

BlackRock MuniYield Quality Fund II, Inc.

The Board Members who are not interested persons, as defined in the 1940 Act, receive a fee for each meeting of the Board and each committee meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meetings. The Funds do not provide compensation to any Board Member who is an interested person, as defined in the 1940 Act. Information regarding compensation paid to the non-interested Board Members of Board 3 for each Fund s most recent fiscal year is set forth below. No compensation information is shown for Board Members whose term of office will not continue after the Meeting to which this Joint Proxy Statement relates. Since only Robert S. Salomon, Jr. s term of office will continue after the Meeting for the Funds, no information is shown for James H. Bodurtha, Kenneth A. Froot, Joe Grills, Herbert I. London and Roberta Cooper Ramo, whose term of office will not continue after the Meeting for any of the Funds. Mr. Salomon is not an interested person, as defined in the 1940 Act.

Each Independent Board Member receives an annual retainer of $150,000 for his or her services to the Funds. The portion of the annual retainer allocated to each Fund is determined quarterly based on the relative net assets of each Fund. In addition, each Independent Board Member receives a fee for each in-person Board meeting attended and each in-person Audit Committee meeting attended. The annual per-meeting fees paid to each Independent Board Member aggregate $100,000 for all Funds in the Fund complex for which that Independent Board Member serves and are allocated equally among those funds. Each Co-Chairman of the Audit Committee receives an additional annual retainer in the amount of $50,000, which is paid quarterly and allocated to each fund in the Fund complex for which such Co-Chairman provides services, based on the relative net assets of each such Fund. For the year ended December 31, 2006, all Funds supervised by Board 3 reimbursed Board Member expenses in an aggregate amount of $21,239.

Compensation Table ($)

Fund (1)	Robert S. Salomon, Jr.
BlackRock Apex Municipal Fund, Inc.	$ 2,503
BlackRock Corporate High Yield Fund, Inc.	$ 3,316
BlackRock Corporate High Yield Fund III, Inc.	$ 3,396
BlackRock Corporate High Yield Fund V, Inc.	$ 3,519
BlackRock Corporate High Yield Fund VI, Inc.	$ 3,642
BlackRock MuniAssets Fund, Inc.	$ 3,269

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Fund (1)	**Robert S. Salomon, Jr.**
BlackRock MuniEnhanced Fund, Inc.	$ 3,753
BlackRock MuniHoldings California Insured Fund, Inc.	$ 5,574
BlackRock MuniHoldings Insured Fund II, Inc.	$ 3,676
BlackRock MuniYield Fund, Inc.	$ 5,659
BlackRock MuniYield Arizona Fund, Inc.	$ 2,110
BlackRock MuniYield California Fund, Inc.	$ 3,640
BlackRock MuniYield California Insured Fund, Inc.	$ 4,806
BlackRock MuniYield Florida Fund	$ 2,932
BlackRock MuniYield Insured Fund, Inc.	$ 7,978
BlackRock MuniYield Michigan Insured Fund II, Inc.	$ 2,779
BlackRock MuniYield New Jersey Fund, Inc.	$ 3,051
BlackRock MuniYield New York Insured Fund, Inc.	$ 5,117
BlackRock MuniYield Quality Fund, Inc.	$ 4,500
BlackRock MuniYield Quality Fund II, Inc.	$ 3,516
Total Compensation from Fund Complex(2)	$ 259,000
Number of Funds in Fund Complex Overseen by Board Member	57

(1) Information is for the Fund s most recent fiscal year.
(2) Total Compensation from Fund Complex is as of the calendar year ended December 31, 2006.

None of the Funds currently provides any pension or retirement benefits to the Board Members of Board 3 or officers.

As of May 31, 2007, all Board Members of Board 3 and officers as a group owned less than 1% of the outstanding shares of each Fund.

Board 4

David O. Beim, Robert C. Doll, Jr., James T. Flynn, W. Carl Kester and Karen P. Robards currently comprise Board 4. Board 4 currently oversees the following Funds:

Fund

BlackRock Enhanced Capital and Income Fund, Inc.

BlackRock Preferred Income Strategies Fund, Inc.

BlackRock Preferred and Corporate Income Strategies Fund, Inc.

BlackRock Enhanced Equity Yield Fund, Inc.

BlackRock Enhanced Equity Yield & Premium Fund, Inc.

BlackRock Enhanced Government Fund, Inc.

BlackRock Multi-Strategy Hedge Opportunities LLC

BlackRock Multi-Strategy Hedge Advantage

The Board Members who are not interested persons, as defined in the 1940 Act, receive a fee for each meeting of the Board and each committee meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meetings. The Funds do not provide compensation to any Board Member who is an interested person, as defined in the 1940 Act. Information regarding compensation paid to the non-interested Board Members of Board 4 for the Fund s most recent fiscal year is set forth below. No compensation information is shown for Board Members whose term of office will not continue, for certain Funds identified in the table below, after the Meeting to which this Joint Proxy Statement relates, and no information is shown at all for David O. Beim, whose term of office will not continue after the Meeting for any of the Funds.

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Each Independent Board Member receives an aggregate annual retainer of $112,000 for his or her services to all funds in the Fund complex overseen by Board 4; in addition The GNMA Fund Investment Accumulation Program, Inc. (GNMA IAP) pays $750 per year. The portion of the annual retainer allocated to each applicable fund is determined quarterly based, in general, on the relative net assets of each such fund; however, GNMA IAP pays $187.50 per quarter. In addition, each Independent Board Member receives a fee per in-person Board meeting attended and per in-person Audit Committee meeting attended. The aggregate annual per meeting fees paid to each Independent Board Member totals $48,000 for all funds for which that Independent Board Member serves. The Chair of the Board receives an additional annual retainer in the amount of $40,000 and the Chairman of the Audit Committee receives an additional annual retainer in the amount of $10,000, each of which is paid quarterly and allocated to each fund in the Fund complex for which such Chairman provides services based on the relative net assets of the fund. GNMA IAP is not allocated any part of this retainer. For the year ended December 31, 2006, all Funds supervised by Board 4 reimbursed Board Member expenses in an aggregate amount of $9,902.

Compensation Table ($)

Fund (1)	James T. Flynn	W. Carl Kester	Karen P. Robards
BlackRock Enhanced Capital and Income Fund, Inc.	$ 6,241	$ 6,241	$ 7,324
BlackRock Preferred Income Strategies Fund, Inc.	$ 25,290	$ 25,290	$ 31,182
BlackRock Preferred and Corporate Income Strategies Fund, Inc.	$ 7,865	$ 7,865	$ 9,349
BlackRock Enhanced Equity Yield Fund, Inc.	$ 8,166	$ 8,166	$ 9,739
BlackRock Enhanced Equity Yield & Premium Fund, Inc.	$ 7,152	$ 7,152	$ 8,467
BlackRock Enhanced Government Fund, Inc.	$ 5,820	$ 5,820	$ 6,794
BlackRock Multi-Strategy Hedge Opportunities LLC	$ 4,013	$ 4,013	$ 4,540
BlackRock Multi-Strategy Hedge Advantage	$ 2,742	$ 2,742	$ 2,937
Total Compensation from Fund Complex(2)	$ 176,083	$ 176,083	$ 216,083
Number of Funds in Fund Complex Overseen by Board Member	24	24	24

(1) Information is for the Fund s most recent fiscal year.
(2) Total Compensation from Fund Complex is as of the calendar year ended December 31, 2006.

The Funds do not currently provide any pension or retirement benefits to Board Members of Board 4 or officers.

As of May 31, 2007, all Board Members of Board 4 and officers as a group owned less than 1% of the outstanding shares of each Fund.

Board 5

Richard E. Cavanagh, Kent Dixon, Frank J. Fabozzi, Kathleen F. Feldstein, R. Glenn Hubbard and Ralph L. Schlosstein currently comprise Board 5. Board 5 currently oversees the following Funds:

Fund

BlackRock Long-Term Municipal Advantage Trust

BlackRock California Insured Municipal Income Trust

BlackRock Florida Insured Municipal Income Trust

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BlackRock New York Insured Municipal Income Trust

BlackRock Municipal Income Trust II

BlackRock New York Municipal Income Trust II

BlackRock California Municipal Income Trust II

BlackRock California Municipal Bond Trust

BlackRock Municipal Bond Trust

BlackRock Florida Municipal Bond Trust

BlackRock New Jersey Municipal Bond Trust

BlackRock New York Municipal Bond Trust

BlackRock Maryland Municipal Bond Trust

BlackRock Virginia Municipal Bond Trust

BlackRock California Municipal 2018 Term Trust

BlackRock New York Municipal 2018 Term Trust

BlackRock Municipal 2018 Term Trust

BlackRock California Municipal Income Trust

BlackRock Municipal Income Trust

BlackRock Florida Municipal Income Trust

BlackRock New Jersey Municipal Income Trust

BlackRock New York Municipal Income Trust

BlackRock Insured Municipal Income Trust

BlackRock Pennsylvania Strategic Municipal Trust

BlackRock Strategic Municipal Trust

BlackRock Insured Municipal Term Trust, Inc.

BlackRock California Insured Municipal 2008 Term Trust, Inc.

BlackRock Florida Insured Municipal 2008 Term Trust

BlackRock Insured Municipal 2008 Term Trust, Inc.

BlackRock Investment Quality Municipal Trust, Inc.

BlackRock New York Insured Municipal 2008 Term Trust, Inc.

BlackRock California Investment Quality Municipal Trust Inc.

BlackRock Florida Investment Quality Municipal Trust

BlackRock New Jersey Investment Quality Municipal Trust, Inc.

BlackRock New York Investment Quality Municipal Trust, Inc.

BlackRock Global Equity Income Trust

BlackRock Preferred and Equity Advantage Trust

BlackRock Real Asset Equity Trust

BlackRock World Investment Trust

BlackRock Enhanced Dividend Achievers™ Trust

BlackRock Global Opportunities Equity Trust

BlackRock High Income Shares

BlackRock Health Sciences Trust

BlackRock Global Energy and Resources Trust

BlackRock Global Floating Rate Income Trust

BlackRock S&P Quality Rankings Global Equity Managed Trust

BlackRock Strategic Dividend Achievers™ Trust

BlackRock Dividend Achievers™ Trust

BlackRock Limited Duration Income Trust

BlackRock Municipal 2020 Term Trust

BlackRock Florida Municipal 2020 Term Trust

BlackRock Preferred Opportunity Trust

BlackRock Core Bond Trust

BlackRock Strategic Bond Trust

BlackRock Broad Investment Grade 2009 Term Trust, Inc.

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BCT Subsidiary, Inc.

BlackRock High Yield Trust

BlackRock Income Trust, Inc.

BlackRock Income Opportunity Trust, Inc.

BlackRock International Growth and Income Trust

The Board Members who are not interested persons, as defined in the 1940 Act, receive a fee for each meeting of the Board and each committee meeting attended and are reimbursed for all out-of-pocket expenses relating to attendance at such meetings. The Funds do not provide compensation to any Board Member who is an interested person, as defined in the 1940 Act. Information regarding compensation, including amounts deferred, paid to the non-interested Board Members of Board 5 for each Fund s most recent fiscal year is set forth below.

Each Fund pays a pro rata portion (based on relative net assets) of the following Board Member fees paid by the Funds in the Fund complex for which they serve: (i) $190,000 per annum for each Independent Board Member as a retainer and (ii) $3,000 per day for each Independent Board Member for each special meeting of each Board in the Fund complex for which they serve (i.e., any meeting, whether telephonic or in person, other than one of the six regularly scheduled meetings of each board per year) attended. Each Independent Board Member is also entitled to reimbursement for all of his or her out-of-pocket expenses in attending each meeting of each Board and any committee thereof. Mr. Cavanagh receives an additional $60,000 per annum from the Funds in the Fund complex for which he serves for acting as the lead trustee for each Board plus an additional $60,000 per annum for his service as chairman of the Audit Committee. Messrs. Dixon and Fabozzi receive an additional $30,000 per annum from the Funds in the Fund complex for which they serve for their service on the Audit Committee of such Funds. This additional compensation to Messrs. Cavanagh, Dixon and Fabozzi will be allocated among the Funds in the Fund complex for which they serve based on their relative net assets. Certain of the above fees paid to the Independent Board Members will be subject to mandatory deferrals pursuant to such Funds deferred compensation plan. The Independent Board Members have agreed that at least $30,000 of their $190,000 retainer will be mandatorily deferred pursuant to such deferred compensation plan. Also, members of the Audit Committee of the Funds in the Fund complex for which they serve will be required to defer $20,000 of the per annum fee they will receive for their services on the Audit Committee pursuant to the deferred compensation plan. Under the deferred compensation plan, deferred amounts earn a return for the Independent Board Members as though equivalent dollar amounts had been invested in common shares of certain other Funds in the Fund complex for which they serve selected by the Independent Board Members. This has approximately the same economic effect for the Independent Board Members as if they had invested the deferred amounts in such other Funds in the Fund complex for which they serve. The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of a Fund. A Fund may, however, elect to invest in common shares of those Funds selected by the Independent Board Members in order to match its deferred compensation obligations. For the year ended December 31, 2006, all Funds supervised by Board 5 reimbursed Board Member expenses in an aggregate amount of $41,757.69.

Compensation Table ($)

Fund (1)	**Richard E. Cavanagh (2)**	**Kent Dixon (3)**	**Frank J. Fabozzi (4)**	**Kathleen F. Feldstein (5)**	**R. Glenn Hubbard (6)**
BlackRock Long-Term Municipal Advantage Trust	$ 2,701	$ 2,701	$ 2,701	$ 2,601	$ 2,601
BlackRock California Insured Municipal Income Trust	$ 1,593	$ 1,593	$ 1,593	$ 1,506	$ 1,506

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Fund (1)	**Richard E. Cavanagh (2)**	**Kent Dixon (3)**	**Frank J. Fabozzi (4)**	**Kathleen F. Feldstein (5)**	**R. Glenn Hubbard (6)**
BlackRock Florida Insured Municipal Income Trust	$ 2,218	$ 2,218	$ 2,218	$ 2,072	$ 2,072
BlackRock New York Insured Municipal Income Trust	$ 1,359	$ 1,359	$ 1,359	$ 1,250	$ 1,250
BlackRock Municipal Income Trust II	$ 5,276	$ 5,276	$ 5,276	$ 4,882	$ 4,882
BlackRock New York Municipal Income Trust II	$ 1,556	$ 1,556	$ 1,556	$ 1,472	$ 1,472
BlackRock California Municipal Income Trust II	$ 2,107	$ 2,107	$ 2,107	$ 1,972	$ 1,972
BlackRock California Municipal Bond Trust	$ 1,325	$ 1,325	$ 1,325	$ 1,265	$ 1,265
BlackRock Municipal Bond Trust	$ 2,653	$ 2,653	$ 2,653	$ 2,471	$ 2,471
BlackRock Florida Municipal Bond Trust	$ 1,320	$ 1,320	$ 1,320	$ 1,260	$ 1,260
BlackRock New Jersey Municipal Bond Trust	$ 1,291	$ 1,291	$ 1,291	$ 1,250	$ 1,250
BlackRock New York Municipal Bond Trust	$ 1,298	$ 1,298	$ 1,298	$ 1,250	$ 1,250
BlackRock Maryland Municipal Bond Trust	$ 1,286	$ 1,286	$ 1,286	$ 1,250	$ 1,250
BlackRock Virginia Municipal Bond Trust	$ 1,279	$ 1,279	$ 1,279	$ 1,250	$ 1,250
BlackRock California Municipal 2018 Term Trust	$ 1,738	$ 1,738	$ 1,738	$ 1,612	$ 1,612
BlackRock New York Municipal 2018 Term Trust	$ 1,148	$ 1,148	$ 1,148	$ 1,072	$ 1,072
BlackRock Municipal 2018 Term Trust	$ 4,179	$ 4,179	$ 4,179	$ 3,858	$ 3,858
BlackRock California Municipal Income Trust	$ 4,413	$ 4,413	$ 4,413	$ 4,119	$ 4,119
BlackRock Municipal Income Trust	$ 7,768	$ 7,768	$ 7,768	$ 6,932	$ 6,932
BlackRock Florida Municipal Income Trust	$ 2,077	$ 2,077	$ 2,077	$ 1,944	$ 1,944
BlackRock New Jersey Municipal Income Trust	$ 2,365	$ 2,365	$ 2,365	$ 2,211	$ 2,211
BlackRock New York Municipal Income Trust	$ 3,742	$ 3,742	$ 3,742	$ 3,491	$ 3,491
BlackRock Insured Municipal Income Trust	$ 5,586	$ 5,586	$ 5,586	$ 5,142	$ 5,142
BlackRock Pennsylvania Strategic Municipal Trust	$ 1,040	$ 1,040	$ 1,040	$ 1,000	$ 1,000
BlackRock Strategic Municipal Trust	$ 1,974	$ 1,974	$ 1,974	$ 1,827	$ 1,827
BlackRock Insured Municipal Term Trust, Inc.	$ 4,448	$ 4,448	$ 4,448	$ 4,102	$ 4,102
BlackRock California Insured Municipal 2008 Term Trust, Inc.	$ 2,716	$ 2,716	$ 2,716	$ 2,505	$ 2,505
BlackRock Florida Insured Municipal 2008 Term Trust	$ 2,215	$ 2,215	$ 2,215	$ 2,048	$ 2,048

Fund (1)	Richard E. Cavanagh (2)	Kent Dixon (3)	Frank J. Fabozzi (4)	Kathleen F. Feldstein (5)	R. Glenn Hubbard (6)
BlackRock Insured Municipal 2008 Term Trust, Inc.	$ 5,667	$ 5,667	$ 5,667	$ 5,118	$ 5,118
BlackRock Investment Quality Municipal Trust, Inc.	$ 4,966	$ 4,966	$ 4,966	$ 4,632	$ 4,632
BlackRock New York Insured Municipal 2008 Term Trust, Inc.	$ 2,905	$ 2,905	$ 2,905	$ 2,679	$ 2,679
BlackRock California Investment Quality Municipal Trust Inc.	$ 1,270	$ 1,270	$ 1,270	$ 1,250	$ 1,250
BlackRock Florida Investment Quality Municipal Trust	$ 1,271	$ 1,271	$ 1,271	$ 1,250	$ 1,250
BlackRock New Jersey Investment Quality Municipal Trust, Inc.	$ 1,269	$ 1,269	$ 1,269	$ 1,250	$ 1,250
BlackRock New York Investment Quality Municipal Trust, Inc.	$ 1,276	$ 1,276	$ 1,276	$ 1,250	$ 1,250
BlackRock Global Equity Income Trust(8)	$ 0	$ 0	$ 0	$ 0	$ 0
BlackRock Preferred and Equity Advantage Trust(8)	$ 0	$ 0	$ 0	$ 0	$ 0
BlackRock Real Asset Equity Trust	$ 1,631	$ 1,631	$ 1,631	$ 1,500	$ 1,500
BlackRock World Investment Trust	$ 6,658	$ 6,658	$ 6,658	$ 5,625	$ 5,625
BlackRock Enhanced Dividend Achievers™ Trust	$ 8,765	$ 8,765	$ 8,765	$ 7,500	$ 7,500
BlackRock Global Opportunities Equity Trust	$ 6,071	$ 6,071	$ 6,071	$ 5,672	$ 5,672
BlackRock High Income Shares	$ 2,412	$ 2,412	$ 2,412	$ 2,230	$ 2,230
BlackRock Health Sciences Trust	$ 3,921	$ 3,921	$ 3,921	$ 3,658	$ 3,658
BlackRock Global Energy and Resources Trust	$ 8,613	$ 8,613	$ 8,613	$ 7,500	$ 7,500
BlackRock Global Floating Rate Income Trust	$ 5,719	$ 5,719	$ 5,719	$ 5,142	$ 5,142
BlackRock S&P Quality Rankings Global Equity Managed Trust	$ 2,087	$ 2,087	$ 2,087	$ 1,957	$ 1,957
BlackRock Strategic Dividend Achievers™ Trust	$ 6,614	$ 6,614	$ 6,614	$ 6,087	$ 6,087
BlackRock Dividend Achievers™ Trust	$ 8,149	$ 8,149	$ 8,149	$ 7,126	$ 7,126
BlackRock Limited Duration Income Trust	$ 7,897	$ 7,897	$ 7,897	$ 7,000	$ 7,000
BlackRock Municipal 2020 Term Trust	$ 5,215	$ 5,215	$ 5,215	$ 4,817	$ 4,817
BlackRock Florida Municipal 2020 Term Trust	$ 1,514	$ 1,514	$ 1,514	$ 1,408	$ 1,408
BlackRock Preferred Opportunity Trust	$ 5,710	$ 5,710	$ 5,710	$ 5,139	$ 5,139
BlackRock Core Bond Trust	$ 6,474	$ 6,474	$ 6,474	$ 5,994	$ 5,994
BlackRock Strategic Bond Trust	$ 1,961	$ 1,961	$ 1,961	$ 1,837	$ 1,837
BlackRock Broad Investment Grade 2009 Term Trust, Inc.	$ 1,305	$ 1,305	$ 1,305	$ 1,250	$ 1,250
BlackRock High Yield Trust	$ 1,313	$ 1,313	$ 1,313	$ 1,250	$ 1,250
BlackRock Income Trust, Inc.	$ 6,645	$ 6,645	$ 6,645	$ 6,114	$ 6,114

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Fund (1)	**Richard E. Cavanagh (2)**	**Kent Dixon (3)**	**Frank J. Fabozzi (4)**	**Kathleen F. Feldstein (5)**	**R. Glenn Hubbard (6)**
BlackRock Income Opportunity Trust, Inc.	$ 6,539	$ 6,539	$ 6,539	$ 6,044	$ 6,044
BlackRock International Growth and Income Trust(8)	$ 0	$ 0	$ 0	$ 0	$ 0
Total Compensation from Fund Complex(7)	$ 226,000	$ 226,000	$ 226,000	$ 196,000	$ 196,000
Number of Funds in Fund Complex Overseen by Board Member	60	60	60	60	60

(1) Information is for the Fund s most recent fiscal year.
(2) Total amount of deferred compensation, including interest, payable to Board Member or accrued is $330,640 as of May 31, 2007.
(3) Total amount of deferred compensation, including interest, payable to Board Member or accrued is $256,408 as of May 31, 2007.
(4) Total amount of deferred compensation, including interest, payable to Board Member or accrued is $230,603 as of May 31, 2007.
(5) Total amount of deferred compensation, including interest, payable to Board Member or accrued is $92,889 as of May 31, 2007.
(6) Total amount of deferred compensation, including interest, payable to Board Member or accrued is $456,971 as of May 31, 2007.
(7) Represents the aggregate compensation earned by such persons during the calendar year ended December 31, 2006. Of this amount, Mr. Cavanagh, Mr. Dixon, Mr. Fabozzi, Ms. Feldstein and Mr. Hubbard deferred $50,000, $50,000, $50,000, $30,000 and $196,000, respectively, pursuant to the Fund complex s deferred compensation plan.
(8) BlackRock Global Equity Income Trust, BlackRock Preferred and Equity Advantage Trust and BlackRock International Growth and Income Trust commenced operations on March 30, 2007, December 27, 2006 and May 30, 2007, respectively, and have not completed a full fiscal year.

None of the Funds currently provides any pension or retirement benefits to the Board Members of Board 5 or officers.

As of May 31, 2007, all Board Members of Board 5 and officers as a group owned less than 1% of the outstanding shares of each Fund.

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Appendix D

Equity Securities Owned by Nominees

The following table shows the amount of equity securities owned by the Nominees in the Funds that they are nominated to oversee as of March 31, 2007, except as otherwise indicated.

Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
Interested Nominees:								
Richard S. Davis	None	None	None	None	Over $100,000			Over $100,000
Henry Gabbay (1)	BlackRock Strategic Dividend Achievers™ Trust	1,000	None	$10,001 $50,000	Over $100,000			Over $100,000
	BlackRock Global Energy and Resources Trust	500	None	$10,001 $50,000				
	BlackRock Dividend Achievers™ Trust	1,000	None	$10,001 $50,000				
	BlackRock Health Sciences Trust	550	None	$10,001 $50,000				
	BlackRock S&P Quality Rankings Global Equity Managed Trust	840	None	$10,001 $50,000				
	BlackRock Real Asset Equity Trust	950	None	$10,001 $50,000				
	BlackRock International Growth and Income Trust	900	None	$10,001 $50,000				
Independent Nominees:								
G. Nicholas Beckwith, III	None	None	None	None	None			None
		100	None	$1 $10,000	Over $100,000	2,329	$10,001 $50,000	Over $100,000

Richard E. Cavanagh	BlackRock Broad Investment Grade 2009 Term Trust, Inc.							
	BlackRock Strategic Bond Trust	300	None	$1	$10,000	2,582	$10,001	$50,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Core Bond Trust	500	None	$1 $10,000		2,717	$10,001 $50,000	
	BlackRock High Yield Trust	200	None	$1 $10,000		8,398	$50,001 $100,000	
	BlackRock Income Trust, Inc.	500	None	$1 $10,000		10,806	$50,001 $100,000	
	BlackRock Income Opportunity Trust, Inc.	100	None	$1 $10,000		3,137	$10,001 $50,000	
	BlackRock Global Opportunities Equity Trust	100	None	$1 $10,000				
	BlackRock Insured Municipal Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock Insured Municipal 2008 Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock New York Insured Municipal 2008 Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock Investment Quality Municipal Trust, Inc.	500	None	$1 $10,000				
	BlackRock New York Investment Quality Municipal Trust, Inc.	100	None	$1 $10,000				
	BlackRock Strategic Municipal Trust	500	None	$1 $10,000				
	BlackRock New York Municipal Income Trust	300	None	$1 $10,000				
		300	None	$1 $10,000				

BlackRock Municipal Income Trust

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Municipal 2018 Term Trust	300	None	$1 $10,000				
	BlackRock New York Municipal 2018 Term Trust	100	None	$1 $10,000				
	BlackRock Insured Municipal Income Trust	200	None	$1 $10,000				
	BlackRock New York Insured Municipal Income Trust	200	None	$1 $10,000				
	BlackRock Municipal Income Trust II	100	None	$1 $10,000				
	BlackRock New York Municipal Income Trust II	100	None	$1 $10,000				
	BlackRock Municipal 2020 Term Trust	100	None	$1 $10,000				
	BlackRock Limited Duration Income Trust	100	None	$1 $10,000				
	BlackRock Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock Global Floating Rate Income Trust	200	None	$1 $10,000				
	BlackRock Global Energy and Resources Trust	100	None	$1 $10,000				

BlackRock S&P Quality Rankings Global Equity Managed Trust	100	None	$1	$10,000
BlackRock Long-Term Municipal Advantage Trust	200	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock New York Municipal Bond Trust	100	None	$1 $10,000				
	BlackRock Municipal Bond Trust	100	None	$1 $10,000				
	BlackRock Preferred and Equity Advantage Trust	200	None	$1 $10,000				
	BlackRock Strategic Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock Preferred Opportunity Trust	100	None	$1 $10,000				
	BlackRock Health Sciences Trust	100	None	$1 $10,000				
	BlackRock High Income Shares	100	None	$1 $10,000				
	BlackRock Enhanced Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock World Investment Trust	100	None	$1 $10,000				
	BlackRock Real Asset Equity Trust	200	None	$1 $10,000				
Kent Dixon	BlackRock Broad Investment Grade 2009 Term Trust, Inc.	100	None	$1 $10,000	Over $100,000	2,367	$10,001 $50,000	Over $100,000
	BlackRock Strategic Bond Trust	100	None	$1 $10,000		2,532	$10,001 $50,000	
	BlackRock Core Bond Trust	100	None	$1 $10,000		2,720	$10,001 $50,000	

BlackRock High Yield Trust	5,000	None	$10,001	$50,000	4,108	$10,001	$50,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Income Trust, Inc.	100	None	$1 $10,000		5,158	$10,001 $50,000	
	BlackRock Income Opportunity Trust, Inc.	100	None	$1 $10,000		3,009	$10,001 $50,000	
	BlackRock Global Opportunities Equity Trust	2,000	None	$50,001 $100,000				
	BlackRock Strategic Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock Preferred Opportunity Trust	100	None	$1 $10,000				
	BlackRock Limited Duration Income Trust	1,000	None	$10,001 $50,000				
	BlackRock Dividend Achievers™ Trust	3,000	None	$10,001 $50,000				
	BlackRock Global Floating Rate Income Trust	500	None	$10,001 $50,000				
	BlackRock Global Energy and Resources Trust	500	None	$10,001 $50,000				
	BlackRock Health Sciences Trust	100	None	$10,001 $50,000				
	BlackRock High Income Shares	500	None	$10,001 $50,000				
	BlackRock Enhanced Dividend Achievers™ Trust	3,000	None	$10,001 $50,000				
	BlackRock World Investment Trust	1,000	None	$10,001 $50,000				

Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock S&P Quality Rankings Global Equity Managed Trust	100	None	$1 $10,000				
	BlackRock Real Asset Equity Trust	1,000	None	$10,001 $50,000				
	BlackRock Core Bond Trust	100	None	$1 $10,000				
	BlackRock Insured Municipal Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock Insured Municipal 2008 Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock Investment Quality Municipal Trust, Inc.	100	None	$1 $10,000				
	BlackRock Florida Insured Municipal 2008 Term Trust	100	None	$1 $10,000				
	BlackRock Florida Investment Quality Municipal Trust	100	None	$1 $10,000				
	BlackRock Strategic Municipal Trust	100	None	$1 $10,000				
	BlackRock Florida Municipal Income Trust	2,100	None	$10,001 $50,000				
	BlackRock Municipal Income Trust	5,100	None	$50,001 $100,000				

BlackRock Municipal 2018 Term Trust	100	None	$1	$10,000
BlackRock Insured Municipal Income Trust	5,100	None	$50,001	$100,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Florida Insured Municipal Income Trust	100	None	$1 $10,000				
	BlackRock Municipal Income Trust II	100	None	$1 $10,000				
	BlackRock Municipal 2020 Term Trust	100	None	$1 $10,000				
	BlackRock California Insured Municipal 2008 Term Trust, Inc.	100	None	$1 $10,000				
	BlackRock Long-Term Municipal Advantage Trust	100	None	$1 $10,000				
	BlackRock Florida Municipal Bond Trust	100	None	$1 $10,000				
	BlackRock Municipal Bond Trust	5,000	None	$50,001 $100,000				
Frank J. Fabozzi (1)	BlackRock Broad Investment Grade 2009 Term Trust, Inc.	10	None	$1 $10,000	$50,001 $100,000	2,025	$10,001 $50,000	Over $100,000
	BlackRock Strategic Bond Trust	100	None	$1 $10,000		2,097	$10,001 $50,000	
	BlackRock Core Bond Trust	20	None	$1 $10,000		2,350	$10,001 $50,000	
	BlackRock High Yield Trust	10	None	$1 $10,000		3,647	$10,001 $50,000	
	BlackRock Income Trust, Inc.	2,010	None	$10,001 $50,000		4,711	$10,001 $50,000	
	BlackRock Income Opportunity Trust, Inc.	10	None	$1 $10,000		2,742	$10,001 $50,000	

BlackRock Global Opportunities Equity Trust	100	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Strategic Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock Insured Municipal Term Trust, Inc.	10	None	$1 $10,000				
	BlackRock Insured Municipal 2008 Term Trust, Inc.	10	None	$1 $10,000				
	BlackRock Investment Quality Municipal Trust, Inc.	10	None	$1 $10,000				
	BlackRock Pennsylvania Strategic Municipal Trust	100	None	$1 $10,000				
	BlackRock Strategic Municipal Trust	100	None	$1 $10,000				
	BlackRock Municipal Income Trust	20	None	$1 $10,000				
	BlackRock Municipal 2018 Term Trust	20	None	$1 $10,000				
	BlackRock Insured Municipal Income Trust	10	None	$1 $10,000				
	BlackRock Municipal Income Trust II	10	None	$1 $10,000				
	BlackRock Preferred Opportunity Trust	100	None	$1 $10,000				
	BlackRock Municipal 2020 Term Trust	100	None	$1 $10,000				
		100	None	$1 $10,000				

BlackRock Limited Duration Income Trust				
BlackRock Dividend Achievers™ Trust	300	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Global Floating Rate Income Trust	100	None	$1 $10,000				
	BlackRock Global Energy and Resources Trust	100	None	$1 $10,000				
	BlackRock Health Sciences Trust	100	None	$1 $10,000				
	BlackRock High Income Shares	100	None	$1 $10,000				
	BlackRock Enhanced Dividend Achievers™ Trust	100	None	$1 $10,000				
	BlackRock World Investment Trust	100	None	$1 $10,000				
	BlackRock S&P Quality Rankings Global Equity Managed Trust	100	None	$1 $10,000				
	BlackRock Long-Term Municipal Advantage Trust	100	None	$1 $10,000				
	BlackRock Real Asset Equity Trust	100	None	$1 $10,000				
	BlackRock Municipal Bond Trust	20	None	$1 $10,000				
	BlackRock Preferred and Equity Advantage Trust	100	None	$1 $10,000				
		60	None	$1 $10,000	$10,001 $50,000	688	$10,001 $50,000	$50,001 $100,000

Kathleen F. Feldstein (1)	BlackRock Broad Investment Grade 2009 Term Trust, Inc.							
	BlackRock Strategic Bond Trust	60	None	$1	$10,000	790	$10,001	$50,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Core Bond Trust	60	None	$1 $10,000		784	$10,001 $50,000	
	BlackRock High Yield Trust	60	None	$1 $10,000		1,268	$10,001 $50,000	
	BlackRock Income Trust, Inc.	58	None	$1 $10,000		1,643	$10,001 $50,000	
	BlackRock Income Opportunity Trust, Inc.	60	None	$1 $10,000		959	$10,001 $50,000	
	BlackRock Global Opportunities Equity Trust	100	None	$1 $10,000				
	BlackRock Strategic Dividend Achievers™ Trust	57	None	$1 $10,000				
	BlackRock Insured Municipal Term Trust, Inc.	55	None	$1 $10,000				
	BlackRock Insured Municipal 2008 Term Trust, Inc.	56	None	$1 $10,000				
	BlackRock Investment Quality Municipal Trust, Inc.	57	None	$1 $10,000				
	BlackRock Strategic Municipal Trust	57	None	$1 $10,000				
	BlackRock Municipal Income Trust	57	None	$1 $10,000				
	BlackRock Strategic Bond Trust	60	None	$1 $10,000				
	BlackRock Municipal 2018 Term Trust	56	None	$1 $10,000				
		56	None	$1 $10,000				

BlackRock
Insured
Municipal
Income Trust

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Municipal Income Trust II	57	None	$1 $10,000				
	BlackRock Preferred Opportunity Trust	60	None	$1 $10,000				
	BlackRock Municipal 2020 Term Trust	56	None	$1 $10,000				
	BlackRock Limited Duration Income Trust	60	None	$1 $10,000				
	BlackRock Dividend Achievers™ Trust	57	None	$1 $10,000				
	BlackRock Global Floating Rate Income Trust	59	None	$1 $10,000				
	BlackRock Global Energy and Resources Trust	50	None	$1 $10,000				
	BlackRock Health Sciences Trust	116	None	$1 $10,000				
	BlackRock High Income Shares	116	None	$1 $10,000				
	BlackRock Enhanced Dividend Achievers™ Trust	113	None	$1 $10,000				
	BlackRock World Investment Trust	115	None	$1 $10,000				
	BlackRock S&P Quality Rankings Global Equity Managed	57	None	$1 $10,000				

Trust				
BlackRock Long-Term Municipal Advantage Trust	101	None	$1	$10,000
BlackRock Real Asset Equity Trust	102	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Municipal Bond Trust	57	None	$1 $10,000				
	BlackRock Preferred and Equity Advantage Trust	102	None	$1 $10,000				
James T. Flynn	BlackRock Senior Floating Rate Fund, Inc.	28,837	None	Over $100,000	Over $100,000			Over $100,000
	BlackRock Senior Floating Rate Fund II, Inc.	26,010	None	Over $100,000				
	BlackRock Preferred Income Strategies Fund, Inc.	3,300	None	$50,001 $100,000				
	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	3,000	None	$10,001 $50,000				
Jerrold B. Harris	None	None	None	None	None			None
R. Glenn Hubbard	BlackRock Broad Investment Grade 2009 Term Trust, Inc.	120	None	$1 $10,000	Over $100,000	4,672	$50,001 $100,000	Over $100,000
	BlackRock Strategic Bond Trust	120	None	$1 $10,000		5,244	$50,001 $100,000	
	BlackRock Core Bond Trust	120	None	$1 $10,000		5,385	$50,001 $100,000	
	BlackRock High Yield Trust	120	None	$1 $10,000		6,900	$50,001 $100,000	
	BlackRock Income Trust, Inc.	117	None	$1 $10,000		11,085	$50,001 $100,000	
	BlackRock Income Opportunity Trust, Inc.	119	None	$1 $10,000		6,643	$50,001 $100,000	
		117	None	$1 $10,000				

BlackRock
Global
Opportunities
Equity Trust

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Strategic Dividend Achievers™ Trust	113	None	$1 $10,000				
	BlackRock Insured Municipal Term Trust, Inc.	110	None	$1 $10,000				
	BlackRock Insured Municipal 2008 Term Trust, Inc.	111	None	$1 $10,000				
	BlackRock New York Insured Municipal 2008 Term Trust, Inc.	110	None	$1 $10,000				
	BlackRock Investment Quality Municipal Trust, Inc.	113	None	$1 $10,000				
	BlackRock New York Investment Quality Municipal Trust, Inc.	113	None	$1 $10,000				
	BlackRock Strategic Municipal Trust	114	None	$1 $10,000				
	BlackRock New York Municipal Income Trust	112	None	$1 $10,000				
	BlackRock Municipal Income Trust	114	None	$1 $10,000				
	BlackRock Municipal 2018 Term Trust	112	None	$1 $10,000				
	BlackRock New York Municipal 2018 Term Trust	110	None	$1 $10,000				

BlackRock Insured Municipal Income Trust	112	None	$1	$10,000
BlackRock New York Insured Municipal Income Trust	112	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Municipal Income Trust II	114	None	$1 $10,000				
	BlackRock New York Municipal Income Trust II	112	None	$1 $10,000				
	BlackRock Preferred Opportunity Trust	121	None	$1 $10,000				
	BlackRock Municipal 2020 Term Trust	112	None	$1 $10,000				
	BlackRock Limited Duration Income Trust	119	None	$1 $10,000				
	BlackRock Dividend Achievers™ Trust	113	None	$1 $10,000				
	BlackRock Global Floating Rate Income Trust	118	None	$1 $10,000				
	BlackRock Global Energy and Resources Trust	119	None	$1 $10,000				
	BlackRock Health Sciences Trust	115	None	$1 $10,000				
	BlackRock High Income Shares	118	None	$1 $10,000				
	BlackRock World Investment Trust	114	None	$1 $10,000				
	BlackRock S&P Quality Rankings Global Equity	114	None	$1 $10,000				

Managed Trust				
BlackRock Long-Term Municipal Advantage Trust	100	None	$1	$10,000
BlackRock Real Asset Equity Trust	101	None	$1	$10,000

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock New York Municipal Bond Trust	113	None	$1 $10,000				
	BlackRock Municipal Bond Trust	114	None	$1 $10,000				
	BlackRock Preferred and Equity Advantage Trust	101	None	$1 $10,000				
W. Carl Kester	BlackRock Enhanced Capital and Income Fund, Inc.	1,000	None	$10,001 $50,000	Over $100,000			Over $100,000
	BlackRock Preferred Income Strategies Fund, Inc.	1,000	None	$10,001 $50,000				
	BlackRock Enhanced Equity Yield Fund, Inc.	500	None	$1 $10,000				
	BlackRock Enhanced Equity Yield & Premium Fund, Inc.	500	None	$1 $10,000				
	BlackRock Enhanced Government Fund, Inc.	1,000	None	$10,001 $50,000				
	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	1,000	None	$10,001 $50,000				
Karen P. Robards	BlackRock Enhanced Capital and Income Fund, Inc.	915	None	$10,001 $50,000	$50,001 $100,000			$50,001 $100,000
	BlackRock Enhanced Equity Yield Fund, Inc.	819	None	$10,001 $50,000				
	BlackRock Preferred	690	None	$10,001 $50,000				

Income
Strategies
Fund, Inc.

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Name of Nominee	Fund Name	Number of Shares of Common Stock	Number of Shares of AMPS	Aggregate Dollar Range of Equity Securities in Each Fund	Aggregate Dollar Range of Equity Securities in All Funds Overseen or To Be Overseen by the Nominee in Fund Complex	Number of Share Equivalents (2)	Aggregate Dollar Range of Share Equivalents in Each Fund	Aggregate Dollar Range of Common Stock and Share Equivalents in all Funds
	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	675	None	$10,001 $50,000				
Robert S. Salomon, Jr.	None	None	None	None	Over $100,000			Over $100,000

(1) Information is as of June 26, 2007.

(2) Represents, as of March 31, 2007, the approximate number of share equivalents owned under the deferred compensation plan in each Fund by certain Independent Board Members who have participated in the deferred compensation plan. Under the deferred compensation plan, BlackRock Broad Investment Grade 2009 Term Trust, Inc., BlackRock High Yield Trust, BlackRock Income Trust, Inc., BlackRock Income Opportunity Trust, Inc., BlackRock Strategic Bond Trust and BlackRock Core Bond Trust are eligible investments.

The Nominees and officers as a group owned less than 1% of outstanding shares of each Fund for which they are nominated to oversee.

None of the independent Nominees or their family members had any interest in BlackRock or any person directly or indirectly controlling, controlled by, or under common control with BlackRock as of May 31, 2007.

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Appendix E

Meetings of the Boards

During the most recent full fiscal for each Fund as grouped in the table below, the Boards met the following number of times:

Board 1

Fund	Fiscal Year End	Number of Board Meetings
BlackRock Muni Intermediate Duration Fund, Inc., BlackRock Muni New York Intermediate Duration Fund, Inc.	May 31	9
BlackRock S&P 500® Protected Equity Fund, Inc.	September 30	14
BlackRock MuniYield Florida Insured Fund, BlackRock MuniYield Michigan Insured Fund, Inc., BlackRock MuniYield Pennsylvania Insured Fund, BlackRock MuniYield New Jersey Insured Fund, Inc.	October 31	13

Board 2

Fund	Fiscal Year End	Number of Board Meetings
BlackRock Floating Rate Income Strategies Fund II, Inc., BlackRock Senior High Income Fund, Inc.	February 28	11
BlackRock Debt Strategies Fund, Inc.	February 28	12
BlackRock MuniHoldings Fund, Inc., BlackRock MuniHoldings Insured Fund, Inc.	April 30	8
BlackRock MuniHoldings Fund II, Inc., BlackRock MuniHoldings New Jersey Insured Fund, Inc.	July 31	11
BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock MuniVest Fund, Inc., Master Senior Floating Rate LLC, BlackRock Senior Floating Rate Fund, Inc., BlackRock Senior Floating Rate Fund II, Inc., BlackRock Diversified Income Strategies Fund, Inc., BlackRock MuniHoldings Florida Insured Fund, BlackRock MuniHoldings New York Insured Fund, Inc.	August 31	11
BlackRock MuniVest Fund II, Inc.	October 31	12

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Board 3

Fund	Fiscal Year End	Number of Board Meetings
BlackRock MuniEnhanced Fund, Inc.	January 31	11
BlackRock Corporate High Yield Fund, Inc., BlackRock Corporate High Yield Fund III, Inc., BlackRock MuniAssets Fund, Inc.	May 31	7
BlackRock Apex Municipal Fund, Inc., BlackRock MuniHoldings California Insured Fund, Inc.	June 30	6
BlackRock Corporate High Yield Fund V, Inc., BlackRock Corporate High Yield Fund VI, Inc.	August 31	11
BlackRock MuniHoldings Insured Fund II, Inc.	September 30	11
BlackRock MuniYield Fund, Inc., BlackRock MuniYield Quality Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., BlackRock MuniYield California Insured Fund, Inc., BlackRock MuniYield Florida Fund, BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Michigan Insured Fund II, Inc., BlackRock MuniYield New York Insured Fund, Inc., BlackRock MuniYield Quality Fund II, Inc.	October 31	11
BlackRock MuniYield New Jersey Fund, Inc.	November 30	12

Board 4

Fund	Fiscal Year End	Number of Board Meetings
BlackRock Multi-Strategy Hedge Opportunities LLC, BlackRock Multi-Strategy Hedge Advantage	March 31	8
BlackRock Preferred Income Strategies Fund, Inc., BlackRock Preferred and Corporate Income Strategies Fund, Inc.	October 31	10
BlackRock Enhanced Equity Yield Fund, Inc., BlackRock Enhanced Equity Yield & Premium Fund, Inc., BlackRock Enhanced Government Fund, Inc., BlackRock Enhanced Capital and Income Fund, Inc.	December 31	10

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Board 5

Fund*	**Fiscal Year End**	**Number of Board Meetings**	
BlackRock Insured Municipal Income Trust, BlackRock California Insured Municipal Income Trust, BlackRock Florida Insured Municipal Income Trust, BlackRock New York Insured Municipal Income Trust, BlackRock Municipal Income Trust II, BlackRock New York Municipal Income Trust II, BlackRock California Municipal Income Trust II, BlackRock Municipal Bond Trust, BlackRock California Municipal Bond Trust, BlackRock Florida Municipal Bond Trust, BlackRock Maryland Municipal Bond Trust, BlackRock New Jersey Municipal Bond Trust, BlackRock New York Municipal Bond Trust, BlackRock Virginia Municipal Bond Trust	August 31	7	
BlackRock Long-Term Municipal Advantage Trust, BlackRock California Municipal Income Trust, BlackRock Municipal Income Trust, BlackRock Florida Municipal Income Trust, BlackRockdth:4.38%;">			
%	$ 3,329		
As percentage of total revenue		30.5%	27.1%

Research and development expenses consist primarily of salaries and other related costs for research and development personnel, quality assurance personnel, product localization, fees to outside contractors and the cost of facilities and depreciation of capital equipment. We invest in research and development both for new products and to provide continuing enhancements to existing products. Our engineering group is currently focused on developing new functionality for wireless handhelds, smartphones, laptops and tablets, on extending our core synchronization technology to increase scalability and extensibility, and on supporting next generation wireless technology and device platforms. The increase in research and development spending was due to the added headcount due to the acquisition of approximately 25 engineers from acquisitions of Tourmaline and PDAapps during the second half of fiscal 2005. The increase was also due to $599,000 of noncash stock compensation expense as described below. We expect that research and development expenses will increase in absolute dollars as we continue to increase associated costs to pursue additional new product development opportunities, but such expenses will fluctuate as a percentage of revenue due to changes in sales volume.

Sales and Marketing

	Three Months Ended October 31,				
	2005	Percent Change		2004	
	(In thousands, except percentages)				
Sales and marketing	$	8,583	53.6%	$	5,589
As percentage of total revenue		52.5%			45.4%

Sales and marketing expenses consist primarily of salaries, commissions, promotional expenses (marketing and sales literature and presentations), marketing programs (trade shows, public relations) and other costs relating to sales and marketing employees. Sales and marketing expenses also include costs relating to technical support personnel associated with pre-sales activities such as building brand awareness, performing product and technical presentations and answering customers product and service inquiries. Sales and marketing expenses for the first quarter of fiscal 2006 as compared with those for the corresponding quarter of fiscal 2005 increased due to $854,000 of noncash stock compensation (further discussed below) and an increase in number of sales people worldwide as we increased our selling efforts in the mobile carrier sales channel. The added personnel costs resulted in an increase of approximately $368,000 in the first quarter of fiscal 2006.

The increase in sales and marketing expenses for the first quarter of fiscal 2006 was also due to an increase in marketing programs and other related activities of approximately $1,772,000 to support increased revenue activities driven by establishing strategic relationships with our existing and prospective enterprise customers. We intend to increase awareness and market presence of our existing and new products, services or technology over time, which may require us to substantially increase the amount we spend on sales and marketing in future periods. We expect that our sales and marketing expenses will continue to increase in terms of absolute dollars as we increase and expand our sales and marketing efforts worldwide.

General and Administrative

	Three Months Ended October 31,				
	2005	Percent Change		2004	
	(In thousands, except percentages)				
General and administrative	$	4,201	105.0%	$	2,049
As percentage of total revenue		25.7%			16.7%

General and administrative expenses consist primarily of salaries and other costs relating to administrative, executive and financial personnel and outside professional fees. The increase in general and administrative spending for the first quarter of fiscal 2006 as compared with those for the corresponding quarter of fiscal 2005 was due to an increase in audit and consulting fees of approximately $924,000 which were related to complying with the new reporting requirements under the Sarbanes-Oxley Act of 2002. The increase was also due to the noncash stock compensation charge of approximately $603,000 (further described below), the additional rent expense we incurred for an idle facility of $135,000 (discussed below) and all other immaterial charges.

For the first quarter of fiscal 2006, we recorded an adjustment related to the under accrual of restructuring costs for an idle facility. The out-of-period adjustment recorded was for $135,000 additional rent expense in the first quarter relating to prior periods. We believe that such amount is not material to previously reported financial statements. There was no impact on net loss per share from these adjustments.

Stock Based Compensation Expense

On August 1, 2005, we adopted Statement of Financial Accounting Standards (SFAS) No. 123(R), which requires the measurement and recognition of compensation expense for all share-based payment awards made to our employees and directors including employee stock options and employee stock purchases related to the stock purchase plan based on estimated fair values. The following table summarizes stock-based compensation expense related to employee stock options and employee stock purchases under SFAS No. 123(R) for the three months ended October 31, 2005 which was allocated as follows (in thousands, except per share amount):

		Three Months Ended October 31, 2005
Stock-based compensation expense:		
Cost of revenue	$	175
Research and development		599
Sales and marketing		854
General and administrative		603
Total stock-based compensation expense		2,231
Tax effect on stock-based compensation expense		21
Net effect on net loss	$	2,210
Effect on loss per share:		
Basic and diluted	$	0.03

Amortization of Other Intangibles

	Three Months Ended October 31,		
	2005	Percent Change	2004
	(In thousands, except percentages)		
Amortization of other intangibles	$ 1,048	0.2%	$ 1,046
As percentage of total revenue	6.4%		8.5%

Based on acquisitions completed as of October 31, 2005, we expect the future amortization expense of other intangible assets is as follows (in thousands):

Nine months ending July 31, 2006	$	2,576
Fiscal year ending July 31,		
2007		3,106
2008		1,835
2009		994
2010 and thereafter		1,841
	$	10,352

We expect that we may acquire additional intangibles associated with any acquisitions we may complete in the future. As a result, we may further increase our amortization expense of other intangibles.

Restructuring and Merger Charges.

	Three Months Ended October 31,		
	2005	Percent Change	2004
	(In thousands, except percentages)		
Restructuring and merger charges	$ 606	N/A	$
As percentage of total revenue	3.7%		%

Restructuring Accrual. We implemented a number of cost-reduction plans over the past few years aimed at reducing costs that were not integral to our overall strategy, better aligning our expense levels with current revenue levels and ensuring conservative spending during periods of economic uncertainty. These initiatives included a reduction in workforce and facilities consolidation.

During the first fiscal quarter of 2006, we implemented a reduction in workforce aimed at continued efforts to streamline operations, affecting 19 employees in various business functions (four in research and development, six in sales and marketing, four in general and administrative and five in information technology). The program was completed by the end of September 2005, and the associated severance costs incurred were approximately $334,000, approximately $31,000 of which remained unused as of October 31, 2005. The remaining unpaid amount was paid in November 2005.

In addition, we recorded $135,000 additional exit costs for an idle facility in Santa Cruz, California.

The following table sets forth the activities in the restructuring accrual account during the first quarter of fiscal 2006 (in thousands):

	Workforce Reduction	Consolidation of Excess Facilities	Total
Balance at July 31, 2005	$	$ 86	$ 86
Restructuring provision	334		334
Adjustment		135	135
Cash payments	(303)	(54)	(357)
Balance at October 31, 2005	$ 31	$ 167	$ 198

The remaining unpaid amount as of October 31, 2005 of $167,000 related to the net lease expense due to the consolidation of excess facilities will be paid over the respective lease terms through June 2006 using cash from operations. The total restructuring accrual of $198,000 is reflected accordingly in Accrued Liabilities in the condensed consolidated balance sheet as of October 31, 2005.

We continually evaluate the balance of the restructuring reserve it records in prior periods based on the remaining estimated amounts to be paid. Differences, if any, between the estimated amounts accrued and the actual amounts paid will be reflected in operating expenses in future periods.

Costs Relating to Proposed Merger with Nokia.. **We incurred approximately $272,000 for mainly legal expenses relating to the proposed merger with Nokia, Inc. during the first quarter of fiscal 2006. We expect that we will incur additional costs of $1,800,000 during the second quarter of fiscal 2006 in connection with the proposed merger.**

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Costs Relating to Proposed Merger with Nokia.. We incurred approximately $272,000 for mainly legal expenses rela

Interest Income

	Three Months Ended October 31,				
		2005	Percent Change		2004
	(In thousands, except percentages)				
Interest income	$	310	31.4%	$	236
As percentage of total revenue		1.9%			1.9%

Interest income represents interest earned on cash and short-term investments and realized gains on miscellaneous investments. The increase in net interest income was due to higher yield, averaging 3.3 % for the first quarter of fiscal 2006, on our cash balances and investments,.as compared with 2.2% for the corresponding period of fiscal 2005.

Interest Expense

	Three Months Ended October 31,				
		2005	Percent Change		2004
	(In thousands, except percentages)				
Interest expense	$	(563)	134.6%	$	(240)
As percentage of total revenue		(3.5)%			1.9%

Interest expense for the first quarter of fiscal 2006 reflects primarily a higher variable interest rate, averaging 3.8% for the first quarter of fiscal 2006, associated with convertible senior notes, as compared with 1.8% for the corresponding period of fiscal 2005.

During fiscal 2004, we entered into an interest rate swap agreement with a financial institution for two interest rate swaps on a total notional amount of $60,000,000, whereby we receive fixed-rate interest of 3% in exchange for variable interest payments. The interest rate swaps expire upon the maturity of our $60,000,000, 3% convertible senior notes in March 2009, and effectively convert fixed-rate notes into variable-rate borrowings. The interest rate is reset semi-annually and is equal to the 6-month LIBOR rate less a rate spread. The total variable interest rate was approximately 3.8% at October 31, 2005.

Other, Net

	Three Months Ended October 31,				
		2005	Percent Change		2004
	(In thousands, except percentages)				
Other, net	$	(250)	39.7%	$	(179)
As percentage of total revenue		(1.5)%			1.5%

Costs Relating to Proposed Merger with Nokia.. We incurred approximately $272,000 for mainly legal expenses rela

Other, net, represents amortization of debt issuance costs, miscellaneous bank fees and charges and realized gains or losses on foreign exchange and investments. Other, net, for the first quarter of fiscal 2006 reflects $164,000 of amortization of debt issuance costs associated with the convertible senior notes we issued in March 2004, $31,000 of bank charges and investment management fees, and $55,000 of net realized losses on foreign exchange and other expenses. Other, net, for the first quarter of fiscal 2004 reflects $159,000 of amortization of debt issuance costs amortization expense associated with the convertible senior notes we issued in March 2004 and $20,000 of bank charges and investment management fees, net realized gains on foreign exchange and other expenses.

Costs Relating to Proposed Merger with Nokia.. We incurred approximately $272,000 for mainly legal expenses rela

Provision for Income Taxes

	Three Months Ended October 31, 2005	Percent Change	2004
	(In thousands, except percentages)		
Provision for income taxes	$ (107)	7.0%	$ (115)
As percentage of total revenue	(0.6)%		(0.9)%

The provision for income taxes primarily represents foreign withholding taxes on royalties earned from certain foreign customers and state franchise and income taxes and estimated taxes for foreign subsidiaries. We expect our effective income tax rate to remain at a relatively low rate in fiscal 2006.

Recently Issued Accounting Pronouncements

Share-Based Payment

In September 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) No. FAS 123(R)-1, *Classification and Measurement of Freestanding Financial Instruments Originally Issued in Exchange for Employee Services under FASB Statement No. 123(R)*, to defer the requirement of SFAS No. 123(R) that a freestanding financial instrument originally subject to SFAS No. 123(R) becomes subject to the recognition and measurement requirements of other applicable GAAP when the rights conveyed by the instrument to the holder are no longer dependent on the holder being an employee of the entity. The rights under stock-based payment awards we issued to our employees are all dependent on the recipient being an employee of Intellisync. Therefore, this FSP currently does not have an impact on our consolidated financial statements and its measurement of stock-based compensation in accordance with SFAS No. 123(R).

In October 2005, the FASB issued FSP No. FAS 123(R)-2, *Practical Accommodation to the Application of Grant Date as Defined in FASB Statement No. 123(R)*, to provide guidance on determining the grant date for an award as defined in SFAS No. 123(R). This FSP stipulates that assuming all other criteria in the grant date definition are met, a mutual understanding of the key terms and conditions of an award to an individual employee is presumed to exist upon the award s approval in accordance with the relevant corporate governance requirements, provided that the key terms and conditions of an award (a) cannot be negotiated by the recipient with the employer because the award is a unilateral grant, and (b) are expected to be communicated to an individual recipient within a relatively short time period from the date of approval. We have applied the principles set forth in this FSP upon our adoption of SFAS No. 123(R).

Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143

In March 2005, the FASB issued Interpretation (FIN) No. 47, *Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143, Accounting for Asset Retirement Obligations.* FIN No. 47 clarifies when an entity would be required to recognize a liability for the fair value of an asset retirement obligation that is conditional on a future event if the liability s fair value can be reasonably estimated. Uncertainty surrounding the timing and method of settlement that may be conditional on events occurring in the future would be factored into the measurement of the liability rather than the recognition of the liability. FIN No. 47 is effective no later than the end of fiscal years ending after December 15, 2005. We do not expect the adoption of this statement will have a material impact on our financial statements.

Accounting Changes and Error Corrections

In June 2005, the FASB issued SFAS No. 154, *Accounting Changes and Error Corrections*, which replaces Accounting Principles Board (APB) Opinion No. 20, *Accounting Changes*, and SFAS No. 3, *Reporting Accounting Changes in Interim Financial Statements*. SFAS No. 154 changes the requirements for the accounting and reporting of a change in accounting principle. APB Opinion No. 20 previously required that most voluntary changes in an accounting principle be recognized by including the cumulative effect of the new accounting principle in net income of the period of the change. SFAS No. 154 now requires retrospective application of changes in an accounting principle to prior period financial statements, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. The Statement is effective for fiscal years beginning after December 15, 2005. We do not expect the adoption of this statement on August 1, 2006 will have a material impact on our financial statements.

Other-Than-Temporary Impairment

In June 2005, the FASB decided not to provide additional guidance on the meaning of other-than-temporary impairment, and directed the staff to issue proposed FSP EITF 03-1-a, *Implementation Guidance for the Application of Paragraph 16 of EITF Issue No. 03-1*, as final. The final FSP will supersede EITF Issue No. 03-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*, and EITF Topic No. D-44, *Recognition of Other-Than-Temporary Impairment upon the Planned Sale of a Security Whose Cost Exceeds Fair Value*. The final FSP (retitled FSP FAS No. 115-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*) will replace the guidance set forth in paragraphs 10-18 of EITF No. 03-1 with references to existing other-than-temporary impairment guidance, such as SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, SEC Staff Accounting Bulletin (SAB) No. 59, *Accounting for Noncurrent Marketable Equity Securities*, and APB Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock.* FSP FAS No. 115-1 will codify the guidance set forth in EITF Topic D-44 and clarify that an investor should recognize an impairment loss no later than when the impairment is deemed other than temporary, even if a decision to sell has not been made. FSP FAS No. 115-1 will be effective for other-than-temporary impairment analysis conducted in periods beginning after September 15, 2005. We do not believe the adoption of FSP FAS No. 115-1 will have a significant impact on our consolidated results of operations or financial position.

Amortization Period for Leasehold Improvements

In June 2005, the EITF reached a consensus on Issue No. 05-06, *Determining the Amortization Period for Leasehold Improvements.* The guidance requires that leasehold improvements acquired in a business combination or purchased subsequent to the inception of a lease be amortized over the lesser of the useful life of the assets or a term that includes renewals that are reasonably assured at the date of the business combination or purchase. The guidance is effective for periods beginning after June 29, 2005. The adoption of this guidance did not and is not expected to have an impact on our financial position, results of operations or cash flows in the future.

Rental Costs Incurred during a Construction Period

On October 6, 2005, the FASB issued FSP No. 13-1, *Accounting for Rental Costs Incurred during a Construction Period.* FSP No. 13-1 requires that rental costs associated with ground or building operating leases that are incurred during a construction period be recognized as rental expense. FSP No. 13-1 is effective for the first reporting period after December 15, 2005. We have historically expensed rental costs incurred during a construction period; therefore, the adoption of this guidance did not and is not expected to have an impact on our net earnings, cash flows or financial position in the future.

Liquidity and Capital Resources

Working Capital

The following summarizes our cash and cash equivalents, short-term investments and working capital:

	October 31, 2005	Percent Change	July 31, 2005
	(In thousands, except percentages and ratios)		
Cash and cash equivalents	$ 19,246	(1.5)%	$ 19,533
Short-term investments	$ 16,448	(14.9)%	$ 19,319
Working capital	$ 35,021	(8.0)%	$ 38,068
Current ratio	3.0		3.2

We invest excess cash in fixed income securities that are highly liquid, of high-quality investment grade. We intend to make such funds readily available for operating purposes, if needed. In addition to the above cash, cash equivalents and short-term investments at October 31, 2005, we have a total of $5,102,000 restricted cash that is pledged as collateral for certain stand-by letters of credit issued by certain financial institutions and collateral to match any unfavorable mark-to-market exposure on our interest swap agreement. Refer to the discussion under the caption *Restricted Cash* set forth below for more information.

The significant factors underlying the decrease in cash, cash equivalents and investments during the first quarter of fiscal 2006 were net cash flow used in operations of $2,589,000, capital acquisitions of $880,000 and an increase in restricted cash of $685,000, offset by the proceeds from stock issuance of $1,035,000. This decrease in cash, cash equivalents and short-term investments resulted in a decrease in working capital.

Cash Flows

Operating Activities. Significant items included in cash flows from operating activities are as follows (in thousands):

	Three Months Ended October 31,		
	2005	Change	2004
Net cash used in operating activities	$ (2,589)	$ (1,491)	$ (1,098)

The majority of cash applied to working capital for the current fiscal year resulted from a decrease in other current assets of $658,000 and an increase in deferred revenue of $598,000. Offsetting the net decrease in working capital was an increase in accounts receivable of $278,000 and a decrease in accounts payable and accrued liabilities of $473,000. The majority of cash applied to cash working capital for the previous fiscal year resulted from a decrease in accrued liabilities of $1,179,000 due to timing of payments particularly of the interest associated with our senior notes.

We have not experienced any significant trends in accounts receivable other than changes relative to the increase in our revenue. Fluctuations in accounts receivable from period to period relative to changes in revenue are a result of timing of customer invoicing and receipt of payments from customers. Days sales outstanding (average collection period) remained relatively unchanged at 78 days for the first fiscal quarter of 2006 compared with 79 days for the same period in 2004.

Investing Activities. Significant items included in cash flows from investing activities are as follows (in thousands):

	Three Months Ended October 31,		
	2005	Change	2004
Net sale/maturities (purchase) of short-term investments	$ 2,888	$ 2,416	$ 472
Capital expenditures	(880)	(125)	(755)
Decrease (Increase) in restricted cash	(685)	(1,101)	416
Net cash provided by investing activities	$ 1,323	$ 1,190	$ 133

The net cash flows provided in investing activities during the first fiscal quarter of fiscal 2006 were due primarily to cash movement between investments and cash and cash equivalents, partially offset by capital expenditures and the increase in restricted cash associated as required under the interest rate swap agreement. The net cash flows provided in investing activities during the first quarter of fiscal 2005 were due primarily to cash movement between investments and cash and cash equivalents and the decrease in restricted cash associated with the collateral under the interest rate swap agreement, partially offset by capital expenditures.

Financing Activities. Significant items included in cash flows from financing activities are as follows (in thousands):

	Three Months Ended October 31,		
	2005	Change	2004
Proceeds from stock option exercises	$ 1,035	$ 574	$ 461
Debt issuance costs and repayment of capital lease	(32)	81	(113)
Net cash provided by financing activities	$ 1,003	$ 655	$ 348

During the first quarter of fiscal 2006 and 2005, cash flows generated from financing activities were primarily from stock option exercises and employee stock purchases under the employee stock purchase plan. Our future cash flows from stock options are difficult to project as such amounts are a function of our stock price, the number of options outstanding, and the decisions by employees to exercise stock options. In general, we expect proceeds from stock option exercises to increase during periods in which our stock price has increased relative to historical levels.

Commitments

Capital Leases. During fiscal 2005, we entered into a capital lease agreement for computer peripherals, which expires in September 2007. In addition, during fiscal 2004, we entered into a capital lease agreement for a phone system, which expires in February 2008. The agreements resulted in capitalized costs of $296,000 and $231,000 during fiscal 2005 and 2004, respectively. Current and long-term portions of the capital leases amounted to $154,000 and $173,000, respectively, at October 31, 2005.

Operating Leases. We lease our facilities under operating leases that expire at various dates through December 2008. The leases provide for escalating lease payments.

3% Convertible Senior Notes. **During the third quarter of fiscal 2004, we completed the offering of $60,000,000 of 3% convertible senior notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act. The notes are convertible into shares of our common stock at any time prior to the close of business on the final maturity date of the notes, subject to prior redemption of the notes. The initial conversion rate is 250.0000 shares per each $1,000 principal amount of notes which represents an initial conversion price of $4.00 per share. The conversion rate is subject to adjustment for certain events, including the payment of dividends, and other events specified in the indenture including a change of control. The notes bear interest at a rate of 3% per annum. Interest on the notes is paid on March 1 and on September 1 of each year.**

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Interest Rate Swap. During fiscal 2004, we entered into an interest rate swap agreement with a financial institution for two interest rate swaps on a total notional amount of $60,000,000, whereby we receive a fixed-rate interest of 3% in exchange for variable interest payments. The interest rate swaps expire upon the maturity of our $60,000,000, 3% convertible senior notes in March 2009, and effectively convert fixed-rate notes into variable-rate borrowings. The interest rate is reset semi-annually and is equal to the 6-month LIBOR rate less a rate spread. The total variable interest rate was approximately 3.8% at October 31, 2005. Under the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, the interest rate swaps have been designated and qualify as an effective fair value hedge of interest rate risk related to the $60,000,000 convertible senior notes. As the terms of the swaps match those of the underlying hedged debt, the changes in the fair value of these swaps are offset by corresponding changes in the carrying value of the hedged debt, and therefore do not impact our net earnings. As of October 31, 2005, the fair value of the interest rate swaps was approximately $3,037,000 and is recorded in Other Liabilities with an equal adjustment recorded to the carrying value of the $60,000,000 convertible senior notes.

The following table summarizes our material obligations and commitments to make future payments, for which we anticipate using cash from operations, under certain contracts, including long-term debt obligations and operating leases as of October 31, 2005 (in thousands):

		Nine months	Fiscal year ending July 31,			
	Total	**ending July 31, 2006**	**2007**	**2008**	**2009**	**2010 and Thereafter**
Long-term debt(1):						
Principal	$ 60,000	$	$	$	$ 60,000	$
Interest	9,487	1,153	2,756	2,770	2,808	
Capital lease obligation(2)	364	136	182	46		
Operating leases:						
Operating leases	4,559	2,242	1,099	849	369	
Proceeds from subleases	(21)	(21)				
Net operating leases	4,538	2,221	1,099	849	369	
Future minimum lease payments	$ 74,389	$ 3,510	$ 4,037	$ 3,665	$ 63,177	$

(1) Represents our 3% convertible senior notes and the associated interest rate swaps. Interest on the senior notes and interest rate swap is payable in cash on March 1 and September 1 of each year. The senior notes mature on March 1, 2009.

(2) Includes interest payments due.

Contingent Earnout Consideration. In June 2005, we completed our acquisition of all of the issued and outstanding stock of PDAapps. Under the terms of an Agreement and Plan of Merger, dated as of June 23, 2005, the outstanding shares of PDAapps common stock were converted into the right to receive (i) an aggregate of approximately $4,000,000 in aggregate initial cash consideration and (ii) an aggregate of up to $2,600,000 in cash earnout consideration (based on future revenue we generated from the former PDAapps client base), subject to the deposit of $1,000,000 in escrow to be available to compensate Intellisync pursuant to the indemnification obligations of the holders of PDAapps common stock. The earnout consideration, if achieved, is due and payable shortly following the first anniversary of the acquisition.

In March 2005, we completed our acquisition of all of the issued and outstanding stock of Tourmaline. Under the terms of an Agreement and Plan of Merger, dated as of February 9, 2005, the outstanding shares of Tourmaline common stock were converted into the right to receive (i) an

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aggregate of approximately $4,118,000 in aggregate initial cash consideration and (ii) an aggregate of up to $2,881,918 in cash earnout consideration (based on future revenue we generated from the former Tourmaline client base), subject to the deposit of a certain portion of the initial cash consideration and earnout consideration in escrow to be available to compensate Intellisync pursuant to the indemnification obligations of the holders of Tourmaline common stock. The earnout consideration, if achieved, is due and payable shortly following the first anniversary of the acquisition.

As of October 31, 2005, we have not accrued any contingent earnout payment amounts discussed above. Any earnout consideration paid will be recorded as additional goodwill associated with the respective acquisition.

Other. In the event of early termination of our service agreement with e deltacom, a division of ITC^DeltaCom, Inc. and a managed service provider, we may be required to pay e deltacom a penalty fee of up to approximately $45,000.

Capital Expenditures

We expect total capital expenditures of approximately $3,000,000 for the remaining nine months of fiscal 2006, primarily to support hosting operations and various other system upgrades.

Officers Resignations

On August 29, 2005, we entered into a severance agreement and mutual release with our Chief Strategy Officer, Steve Goldberg, in connection with Mr. Goldberg s resignation from employment effective August 31, 2005. Pursuant to the terms of the agreement, Mr. Goldberg will receive, among other items, a lump sum payment of $110,000, twelve months of accelerated vesting of his options to purchase shares of our common stock, the right to exercise his vested options until six months following his termination date and six months of COBRA premiums paid by Intellisync. The agreement includes a general mutual release by Intellisync and Mr. Goldberg and a non-solicitation agreement by Mr. Goldberg for twelve months following the effective date of the agreement.

On October 15, 2005, we entered into a severance agreement and mutual release with our Chief Technology Officer, Said Mohammadioun, in connection with Mr. Mohammadioun s resignation from employment by Intellisync effective October 15, 2005. Pursuant to the terms of the agreement, Mr. Mohammadioun will receive, among other items, a lump sum payment of $46,875, two and a half months of accelerated vesting of his options to purchase shares of our common stock, the right to exercise his vested options until six months following his termination date and two and a half months of COBRA premiums paid by Intellisync. The agreement includes a general mutual release by Intellisync and Mr. Mohammadioun and a non-solicitation agreement by Mr. Mohammadioun for twelve months following the effective date of the agreement.

Restricted Cash

We have three letters of credit that collateralize certain operating lease obligations and total approximately $281,000 and $321,000 at October 31, 2005 and July 31, 2005, respectively. We collateralize these letters of credit with cash deposits made with two financial institutions and have classified the short-term and the long-term portions of approximately $211,000 and $70,000 at October 31, 2005, and $196,000 and $125,000 at July 31, 2005 as Other Current Assets and Restricted Cash, respectively, in the condensed consolidated balance sheets. The long-term portion expires June 2006. The holders of the letters of credit are able to draw on each respective letter of credit in the event that we are found to be in default of its obligations under each of its operating leases.

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Under the terms of the interest rate swap agreement into which we entered during fiscal 2004, we must provide collateral to match any unfavorable mark-to-market exposure (fair value) on the swaps. The amount of collateral required totals a minimum of $1,800,000 plus an amount equal to the unfavorable mark-to-market exposure on the swaps. Generally, the required collateral will rise as interest rates rise. As of October 31, 2005, and July 31, 2005, we have provided approximately $4,821,000 and $4,181,000, respectively, of cash collateral under this swap agreement which is included in Restricted Cash in the condensed consolidated balance sheet.

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Litigation

On October 5, 2005, Spontaneous Technology, Inc. served us with a complaint filed in the Third Judicial District Court, of Salt Lake County, State of Utah. In the Complaint, Spontaneous Technology asserts a cause of action for breach of contract related to the calculation of an earnout payment in the Asset Purchase Agreement entered into between the parties on July 30, 2003. Spontaneous Technology seeks compensatory damages in the amount of $673,750 and recovery of its attorneys fees and costs. We are investigating this matter, and at this time, do not believe this matter will have a material adverse effect on our consolidated financial position, results of operation or liquidity.

We are also involved in various litigation and claims arising in the normal course of business. In management s opinion, these matters are not expected to have a material impact on our consolidated results of operations or financial condition or cash flows.

We believe that our current cash, cash equivalents and short-term investment balances, including cash generated from operations, if any, will be sufficient to meet our working capital and other cash requirements for at least the next 12 months. Beyond the next 12 months, we expect our future cash flow from operations and the remaining proceeds from the convertible senior notes we issued in fiscal 2004 to remain sufficient to fund any ongoing investments in capital equipment and interest payments on our senior notes. We expect to have available to us enough cash from operations to also pay the principal of our notes. There are no arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of our requirements for capital.

We believe that the most strategic use of our cash resources include strategic investments and acquisitions to gain access to new technologies, as well as increased spending in research and development and working capital needs. To the extent that our current cash, cash equivalents and short-term investment balances and cash flow from operations are insufficient to fund any new acquisition, business opportunity or venture, as well as to fund future operating requirements, we may seek to raise cash through further issuance of debt or equity securities. We cannot be certain that such financing would be available to us at all, or on terms favorable to us.

Factors That May Affect Future Operating Results

There are many factors that affect our business and the results of our operations, some of which are beyond our control. The following is a description of some of the important factors that may cause the actual results of our operations in future periods to differ materially from those currently expected or desired.

Failure to complete our proposed acquisition by Nokia could adversely affect our stock price and future business and operations.

On November 16, 2005, we announced that we had entered into a definitive agreement to be acquired by Nokia Inc. in an all-cash transaction. The proposed acquisition by Nokia is subject to the satisfaction of closing conditions, including the approval by our stockholders and other conditions described in the agreement and plan of merger. We cannot assure you that these conditions will be satisfied or that the acquisition will be successfully completed. In the event that the acquisition is not completed:

we would not realize the potential benefits of the acquisition, including the potentially enhanced financial and competitive position of combining our company with Nokia;

management s attention from our day-to-day business may be diverted, we may lose key employees and our relationships with customers and partners may be disrupted as a result of uncertainties with regard to our business and prospects;

the market price of shares of our common stock may decline to the extent that the current market price of those shares reflects a market assumption that the acquisition will be completed; and

we must pay significant costs related to the acquisition, such as legal, accounting and advisory fees.

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Any such events could adversely affect our stock price and harm our business and operating results.

Our business could suffer due to the announcement and consummation of the proposed acquisition by Nokia.

The announcement and consummation of the acquisition may have a negative impact on our ability to sell our products and services, attract and retain key management, technical, sales or other personnel, maintain and attract new customers and maintain strategic relationships with third parties. For example, we may experience the deferral, cancellation or a decline in the size or rate of orders for our products or services or a deterioration in our customer relationships. Any such events could harm our operating results and financial condition.

We have historically incurred losses and we expect these losses to continue in the future. We may not be able to sustain consistent future revenue growth on a quarterly or annual basis, or achieve or maintain profitability.

We have not been profitable since fiscal 1998. Although we reported record revenue for fiscal 2005, we cannot be certain that our revenue will continue to grow, that we will produce sufficient revenue to achieve profitability or that our revenue will not decline in the future. We have experienced losses of $8,014,000 for the three months ended October 31, 2005 and $3,506,000 million for the corresponding period in fiscal 2005. At October 31, 2005, we had an accumulated deficit of $152,544,000. To become profitable and sustain profitability, we will need to generate additional revenues to offset our expenses. We may not achieve or sustain revenue growth and our losses may continue or increase in the future. The synchronization market is evolving, and as a result we cannot accurately predict either the future growth rate, if any, or the ultimate size of the market for our products and services. Because our operating expenses are relatively fixed in the short term, any shortfalls in revenues would materially affect our results of operations.

Our quarterly revenue and operating results are subject to significant fluctuations, and our stock price may decline if we do not meet the expectations of investors and analysts.

Our quarterly revenue and operating results are difficult to predict and have and may in the future fluctuate significantly from quarter to quarter due to a number of factors, many of which are outside our control. These factors include, but are not limited to:

- growth in the market for enterprise synchronization applications and our ability to successfully address this market;
- our reliance on international sales and growth;
- our ability to penetrate the international market;

market acceptance of products in which our software is integrated by original equipment manufacturers, or OEMs;

our ability to realize our goals with respect to recent and potential future acquisitions;

our need and ability to generate and manage growth;

rapid evolution of technology;

our evolving business model;

litigation-related expenses;

fluctuations in gross margins;

the seasonal nature of the market for some of our products;

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changes in the market for mobility and identity search/screening software;

introduction of new products and services by us or our competitors;

the recent decline in the market for traditional personal digital assistants;

changes in our mix of sources of revenue; and

entrenched and substantial competition.

Additionally, we generally derive our technology licensing revenue from multi-year contracts with enterprise and other customers that frequently include license fees, professional services fees, royalty payments and maintenance. We typically earn both the license fees and the professional services in the initial one or two quarters subsequent to the signing of a contract. We periodically have large professional services implementations that individually contribute as much as 5% or more to quarterly revenue. Combined with related license revenue, total revenue from individual customers in the initial quarters of a contract may exceed the revenue we earn during subsequent periods covered by the contract. To the extent that we do not secure additional contracts with the same customer or secure comparably sized commitments from other customers, we may not be able to sustain or grow our revenue.

Beginning with fiscal year 2006, we are required to recognize expense for stock-based compensation related to employee stock options and stock purchases and there is no assurance that the expense that we are required to recognize measures accurately the value of our share-based payment awards and the recognition of this expense could cause the trading price of our common stock to decline.

On August 1, 2005, we adopted Statement of Financial Accounting Standards (SFAS) No. 123(R) *Share-Based Payment, an amendment of FASB Statements Nos. 123 and 95*, which requires the measurement and recognition of compensation expense for all stock-based compensation based on estimated fair values. As a result, our operating results for the fiscal quarter ending October 31, 2005 contain, and our operating results for future periods will contain, a charge for stock-based compensation related to employee stock options and employee stock purchases. The application of SFAS No. 123(R) requires the use of an option-pricing model to determine the fair value of share-based payment awards. This determination of fair value is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Option-pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions and are fully transferable. Because our employee stock options have certain characteristics that are significantly different from traded options, and because changes in the subjective assumptions can materially affect the estimated value, in management s opinion the existing valuation models may not provide an accurate measure of the fair value of our employee stock options. Although the fair value of employee stock options is determined in accordance with SFAS No. 123(R) using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

As a result of our adoption of SFAS No. 123(R), our earnings for the fiscal quarter ending October 31, 2005 were lower than they would have been had we not been required to adopt SFAS No. 123(R). This will continue to be the case for future periods. We cannot predict the effect that

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this adverse impact on our reported operating results will have on the trading price of our common stock.

We face intense competition in the market for mobile computing synchronization products and services, which could reduce our market share and revenue.

Our market contains few substantial barriers to entry. We believe we will face additional competition from existing competitors and new market entrants in the future. We are subject to current and potential competition with respect to our Intellisync Handheld Edition, Intellisync Handheld Edition for Enterprise, Intellisync Mobile Suite, Intellisync SyncML and Identity Search Servers.

Intellisync Mobile Suite enterprise server software CommonTime, Good Technology, Inc., Research In Motion Limited, Sybase Inc. s iAnywhere, and others.

Intellisync Mobile Suite and Intellisync SyncML software for mobile carriers Good Technology, Inc., Research In Motion Limited, Seven Networks, Inc., Visto Corporation, and others.

Intellisync consumer and enterprise desktop sync products Chapura, Inc. s Pocket Mirror, CommonTime s Cadenza mNotes, IBM Corporation, Microsoft Corporation ActiveSync, Palm Desktop from PalmSource, Inc., Sybase Inc. s iAnywhere, and others.

Identity Search Server Ascential, Dataflux, Firstlogic, Group1, IBM Corporation, Intelligent Search Technology, Language Analysis Systems, Trillium Software, and others.

In addition to the direct competition noted above, we face indirect competition from existing and potential customers that may provide internally developed solutions for each of our technology licensing components. As a result, we must educate prospective customers as to the advantage of our products compared to internally developed solutions. We currently face limited direct competition from major applications and operating systems software vendors who may in the future choose to incorporate data synchronization functionality into their operating systems software, thereby potentially reducing the need for OEMs to include our products in their devices. For example, Microsoft s inclusion of certain features permitting data synchronization between computers utilizing the Windows Mobile and Exchange operating systems, or the Exchange 2003 platform, may have the effect of reducing revenue from our software if users of these operating systems perceive that their data synchronization needs are adequately met by Microsoft.

Many of our competitors have substantially greater financial, technical and marketing resources, larger customer bases, longer operating histories, greater brand recognition and more established relationships in the industry than we do. Our larger competitors may be able to provide customers with additional benefits in connection with their products and costs, including reduced communications costs. As a result, these companies may be able to price their products and services more competitively than we can and respond more quickly to new or emerging technologies and changes in customer requirements. If we are unable to compete successfully against our current or future competitors, we may lose market share, and our business and prospects would suffer.

Consolidation in wireless messaging and mobile computing synchronization industry may strengthen our competitors position in our market. Consolidation of our competitors has occurred, and we expect it to continue to occur in the foreseeable future. Acquisitions may further strengthen our competitors financial, technical and marketing resources.

If we fail to develop and sell products designed for OEMs, enterprises and mobile carriers, our revenue and operating results will be adversely affected.

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We have recently made substantial investments to develop and offer an expanded range of enterprise synchronization applications, including our acquisition of PDAapps, Tourmaline, Synchrologic and Identity Systems. Our operating plans assume revenue growth from the enterprise market. Enterprise sales present a variety of challenges that are different from those inherent in our historical licensing and consumer business model, and we have limited experience addressing these challenges. For example, enterprise sales typically involve large up-front license fees, which can result in lengthy sales cycles and uncertainties as to the timing of sales driven by customers budgetary processes. As a result, we generally have less visibility into future enterprise sales than is typically the case in our royalty-based technology licensing business. In addition, while enterprise sales generally result in ongoing maintenance revenue and may lead to follow-on purchases or upgrades, we are typically dependent on sales to new customers for a significant portion of our enterprise revenue in a given quarter. If our product and service offerings fail to achieve market acceptance, or if enterprise sales fail to meet our expectations in a particular quarter, our revenue and operating results may be materially and adversely affected.

Our business and prospects depend, to a significant degree, on demand for wireless and other mobile computing devices.

The use of wireless and other mobile computing devices for retrieving, sharing and transferring information among businesses, consumers, suppliers and partners has begun to develop only in recent years. Our success will depend in large part on continued growth in the use of wireless and other mobile computing devices, including handheld computers, smart phones, pagers and other mobile devices. In addition, our markets face critical unresolved issues concerning the commercial use of wireless and other mobile computing devices, including security, reliability, cost, ease of access and use, quality of service, regulatory initiatives and necessary increases in bandwidth availability. Demand for, and market acceptance of, wireless and other mobile computing devices which require our products and services are subject to a high level of uncertainty and are dependent on a number of factors, including:

growth in sales of handheld devices, smart phones and other mobile computing devices supported by our software and growth in wireless network capabilities to match end-user demand and requirements;

emergence of a viable and sustainable market for wireless and mobile computing services;

our product and service differentiation and quality;

the development of technologies that facilitate interactive communication between organizations;

our distribution and pricing strategies as compared with those of our competitors;

the growth in access to, and market acceptance of, new interactive technologies;

increases in bandwidth for data transmission;

the effectiveness of our marketing strategy and efforts;

our industry reputation; and

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general industry and economic conditions such as slowdowns in the computer or software markets or the economy in general.

If the market for wireless and other mobile computing devices as a commercial or business medium does not develop, or develops more slowly than expected, our business, results of operations and financial condition will be seriously harmed.

Even if the wireless and mobile computing services market does develop, our products and services may not achieve widespread market acceptance. If our target customers do not adopt, purchase and successfully deploy our other current and planned products and services, our revenue will not grow significantly and our business, results of operations and financial condition will be seriously harmed.

We are exposed to potential risks and we will continue to incur increased costs as a result of the internal control testing and evaluation process mandated by Section 404 of the Sarbanes-Oxley Act of 2002.

Although we have now completed the documentation and testing of the effectiveness of our internal control over financial reporting for fiscal 2005, as required by Section 404 of the Sarbanes-Oxley Act of 2002, we expect we will have to incur continuing costs, including increased accounting fees and increased staffing levels, in order to maintain compliance with that section of the Sarbanes-Oxley Act. In the future, if we fail to complete the Sarbanes-Oxley 404 evaluation in a timely manner, or if our independent registered public accounting firm cannot attest in a timely manner to our evaluation, we could be subject to regulatory scrutiny and a loss of public confidence in our internal controls. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

Also, if our efforts to comply with new or changed laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to our practices, our reputation may be harmed or we may be subject to litigation.

Future acquisitions of companies, some of which may have operations outside the United States, may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities law in the United States. Although we intend to devote substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, we cannot be certain that we will be successful in complying with Section 404.

We are placing increasing emphasis on our hosting services, of which potential growth may be difficult to manage effectively, and, as a result, our results of operations could be adversely affected.

We are increasingly focusing our sales and marketing and engineering efforts on hosting services. This focus may cause increased business risks associated specifically with our ability to manage the level of complexity involved in executing successfully our strategies to provide superior services for mobile carriers. The rapid growth of our hosting business may place a significant strain on our management, operations and resources. Our future performance and profitability will depend on our ability to:

- increase our capital investments and further build our infrastructure to meet the demands of our carrier customers;
- maintain technical capabilities to compete effectively in the hosting business; and
- effectively oversee and manage our outsourced hosting center.

There can be no assurance that our systems, procedures and controls will be adequate to support rapid expansion of our hosting services. If we are unable to manage such growth successfully, our business and results of operations could be harmed.

Revenue from hosting services may carry lower gross margins and an overall increase in such revenue as a percentage of total revenue could have an adverse impact on our business.

Our commitment to providing quality services to our enterprise and mobile carrier customers may result in our hosting service revenue having a lower gross margin than other services and license revenue. Due to the lower margin, an increase in the hosting service revenue as a percentage of total revenue could have a detrimental impact on our overall gross margins and could adversely affect operating results. In addition, a change in the mix between services that are provided by our own employees and those services provided by third-party vendors may negatively affect our gross margins.

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System failures or accidental or intentional security breaches could disrupt our operations, cause us to incur significant expenses, expose us to liability and harm our reputation.

Our operations, including hosting services, depend upon our ability to maintain and protect our computer systems and core business applications, which are located at our offices, as well as hosted by third-party vendors. Although we are taking various precautions to maintain and protect our systems, they could still be vulnerable to damage from break-ins, unauthorized access, vandalism, fire, floods, earthquakes, power loss, telecommunications failures and similar events. We maintain insurance against break-in, unauthorized access, vandalism, fires, floods, earthquakes and general business interruptions. The amount of coverage, however, may not be adequate in any particular case, and will not likely compensate us for all the damages caused by these or similar events. In addition, while we put various security measures in place to detect any unauthorized access to our computers and computer networks, we may be unable to prevent computer programmers or hackers from penetrating our network security or creating viruses to sabotage or otherwise attack our computer networks from time to time. A breach of our security could seriously damage our operations or reputation. In addition, because a hacker who penetrates our network security could misappropriate proprietary information or cause interruptions in our services, we might be required to expend significant resources to protect against, or to alleviate, problems caused by hackers. We might also face liability to persons harmed by misappropriation of secure information if it is determined that we did not exercise sufficient care to protect our systems.

Systems failure or damage could cause an interruption of our services and result in loss of customers, difficulties in attracting new customers and could adversely impact our operating results. In addition, if the number of customers who purchase our hosting services increases over time, our systems must be able to accommodate increased usage. If we are unable to increase our capacity to accommodate growth in usage, we could encounter system performance issues, which could harm our relationships with customers and our reputation.

We expect that we may become increasingly dependent on mobile carriers for the success of our wireless software.

The success of our wireless business strategy is increasingly becoming dependent on our ability to establish new relationships and build on our existing relationships with domestic and international mobile carriers. We cannot assure you that we will be successful in establishing new relationships or advancing existing relationships with mobile carriers or that these mobile carriers will act in a manner that will promote the success of our wireless products. Factors that are largely within the control of mobile carriers but which are important to our success, include:

the degree to which mobile carriers facilitate the introduction of and actively promote, distribute and resell our products;

testing of our products on mobile carriers networks;

quality and coverage area of wireless services offered by the mobile carriers;

the extent to which mobile carriers require specific hardware and software features on our products to be used on their networks;

contractual terms and conditions imposed on us by mobile carriers that, in some circumstances, could limit our ability to make similar products available through competitive carriers in some market segments; and

mobile carriers pricing requirements and subsidy programs.

Mobile carriers have significant bargaining power as we negotiate agreements with them. They could require contract terms that are difficult for us to meet and could result in higher costs to complete certification requirements and negatively impact our results of operations and financial condition. Mobile carriers also place significant conditions on our ability to develop and launch products for use on their wireless networks. If we fail to address the needs of mobile carriers, identify new product and service opportunities or modify or improve our products in response to changes in technology, industry standards or mobile carrier requirements, our products could rapidly become less competitive or obsolete. If we fail to timely develop products that meet carrier product planning cycles or fail to deliver sufficient quantities of products in a timely manner to mobile carriers, those carriers may choose to offer similar products from our competitors and thereby reduce their focus on and cease offering our products which would have a negative impact on our business, results of operations and financial condition.

In addition, the potential rapid growth of our business, as we become more dependent on mobile carriers, may place a strain on our management, operations, employees, or resources. We may not be able to maintain a rapid growth rate, effectively manage our expanding operations, or achieve planned growth on a timely or profitable basis. If we are unable to manage our growth effectively, we may experience operating inefficiencies, and our net income may be materially adversely affected.

Most sales with mobile carriers and enterprises have a long sales cycle process, which increases the cost of completing sales and renders completion of sales less predictable.

The sales cycle process with mobile carriers could be long, making it difficult to predict the quarter in which we may recognize revenue from a sale, if at all. The general length of the sales cycle increases our costs and may cause license revenue and other operating results to vary significantly from period to period. Our products or technology often are part of significant strategic decisions by our customers regarding their information systems. Accordingly, the decision to license our products typically requires significant pre-purchase evaluation. We spend substantial time providing information to prospective customers regarding the use and benefits of our products. During this evaluation period, we may expend significant funds in sales and marketing efforts. If anticipated sales from a specific customer for a particular quarter are not realized in that quarter, our operating results may be adversely affected.

Our stock price has historically been and may continue to be volatile, which may cause you to lose money and could lead to costly litigation against us that could divert our resources.

Stock markets have recently experienced dramatic price and volume fluctuations, particularly for shares of technology companies. These fluctuations can be unrelated to the operating performance of these companies. Broad market fluctuations may reduce the market price of our common stock and cause you to lose some or all of your investment. These fluctuations may be exaggerated if the trading volume of our common stock is low. In addition, due to the technology-intensive nature and growth rate of our business and the mobile computing synchronization market, the market price of our common stock has in the past and may in the future rise and fall in response to:

- quarterly variations in operating results;
- seasonal fluctuations on product sales;
- announcements of technological innovations;
- announcements of new software or services by us or our competitors;
- acquisitions or strategic alliances by us or by our competitors;
- commencement or outcome of litigation involving us;
- changes in financial estimates by securities analysts; and

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other events beyond our control, including general market conditions.

Furthermore, our operating results and prospects from time to time may be below the expectations of public market analysts or investors. Any negative change in the public s perception of companies in the wireless communications market could depress our stock price regardless of our operating results. Recently, companies experiencing high volatility or significant drops in their stock prices have faced securities class action lawsuits when the market price of a stock has been volatile. Holders of that stock have often instituted securities class action litigation against the company that issued the stock when such stock declines. If any of our stockholders brought such a lawsuit against us, we could incur substantial costs defending the lawsuit. We maintain some level of insurance for such matters however we cannot guarantee that such insurance will be available or will cover the amount of any award. The lawsuit could also divert the time and attention of our management. Further, any settlement of such a lawsuit could adversely affect us.

We may be unable to adequately protect our proprietary rights.

The rights we rely upon to protect our intellectual property underlying our products and services may not be adequate, which could enable third parties to use our technology and would reduce our ability to compete in the market. To protect our proprietary rights, we rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. These efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology. These efforts also may not prevent others from developing products or technologies similar to, competitive with, or superior to those we develop. Any of these results could reduce the value of our intellectual property. We may be forced to litigate to enforce or defend our intellectual property rights and to protect our trade secrets. Any such litigation could be very costly and could distract our management from focusing on operating our business. Moreover, our business could be harmed if our patents were determined to be invalid.

We may be subject to intellectual property infringement claims, which are costly to defend and could limit our ability to use certain technologies in the future.

Third parties may assert infringement or other intellectual property claims against us. From time to time, we receive notices from third parties alleging that our products or services infringe proprietary rights held by them. Our customers also may receive notices of patent or other infringement from third parties and ask for indemnification in the future. We cannot predict whether third parties will assert claims of infringement against us, or whether any past, present or future claims will prevent us from offering products or operating our business as planned.

Due to the inherently uncertain nature of intellectual property protection and the competitive area in which we operate our business, it is possible that some or all of our products and services could be found to be infringing on the intellectual property of others. We may have to pay substantial damages, including treble damages, for past infringement if it is ultimately determined that our products or services infringe a third party s proprietary rights. We may have to comply with injunctions, or stop distributing our products and services while we re-engineer them or seek licenses to necessary technology, which might not be available on reasonable terms, or at all. We could also be subject to claims for indemnification resulting from infringement claims made against our customers, which could increase our defense costs and potential damages. Even if the claims are without merit, defending a lawsuit takes significant time, may be expensive and may divert management s attention from other business concerns.

We have been, are and may in the future be involved in litigation that could result in significant costs to us.

In order to protect our proprietary rights, we may decide to sue other companies. Litigation proceedings are inherently uncertain, and we may not prevail in our defenses or claims. In addition, such litigation is expensive and time-consuming, and management has been in the past and may in the future be required to spend significant time in the prosecution of such suits. If we do not prevail in our claims, we might be forced to accept an unfavorable settlement or judgment and even be required to reimburse other companies in a suit for their legal expenses in defending the suit. An unfavorable settlement or judgment could also materially harm our ability to use existing intellectual property and severely harm our business as a result.

Future sales of our common stock, including the shares underlying the convertible senior notes we recently issued, may depress our stock price.

If our current stockholders sell substantial amounts of common stock in the public market, the market price of our common stock could fall. In addition, these sales of common stock could adversely affect the trading price of our recently issued convertible senior notes and impede our ability to raise funds in the future at an advantageous price, or at all, through another sales of securities.

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As of October 31, 2005, we had approximately 67,281,000 shares of common stock outstanding. Assuming that the maximum number of shares and options are issued and registered by us in connection with all of our recent acquisitions and assuming that all shares subject to vested options to purchase common stock under our stock plans are issued, additional shares of our common stock could become issued or issuable and freely tradeable in the public market through approximately October 31, 2006, as follows:

approximately 720,000 shares of our common stock that may be issued in February 2006 and August 2006 under our employee stock purchase plan; and

approximately 7,460,000 shares issuable upon exercise of outstanding options that will be vested by October 31, 2006.

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In addition, conversion of some or all of the $60,000,000 aggregate principal amount of convertible subordinated notes that we issued in March 2004 will dilute the ownership interests of investors. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices for our common stock.

If we fail to maintain our existing relationships or enter into new relationships with OEM and business development organizations, or if products offered by our OEM partners fail to achieve or maintain market acceptance, our brand awareness, the sales of our products and use of our services would suffer.

Our revenue from technology licensing depends, in large part, on our ability to develop and maintain relationships with OEMs and business development organizations that help distribute our products and promote our services. We depend on these relationships to:

- distribute our products to purchasers of mobile devices;
- increase the use of our technology licensing components;
- build brand awareness through product marketing; and
- market our products and services cooperatively.

If the products that these equipment manufacturers or business development organizations sell, or if the operating systems upon which these products are based, fail to achieve or sustain market acceptance, or if any of these companies cease to use our product and service offerings in significant volumes, our product sales would decline and our business would suffer. For example, if growth in the number of devices sold by our OEM partners is delayed or did not occur, our business would suffer.

Although several OEMs are subject to certain contractual minimum purchase obligations, we cannot be certain that any particular OEM will satisfy its minimum obligations. Weakening demand from any key OEM and the inability to replace revenue provided by such an OEM could have a material adverse effect on our business, operating results and financial condition. We maintain individually significant receivable balances from major OEMs. If these OEMs fail to meet their payment obligations, our operating results could be materially and adversely affected.

Our agreements with OEMs, distributors, and resellers generally are nonexclusive and may be terminated on short notice by either party without cause. Furthermore, our OEMs, distributors and resellers are not within our control, are not obligated to purchase products from us, and may represent other lines of products, including competing products. A reduction in sales effort or discontinuance of sales of our products by our OEMs, distributors, and resellers could lead to reduced sales and could materially adversely affect our operating results.

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Our market changes rapidly due to evolution in technology and industry standards. If we do not adapt to meet the sophisticated needs of our customers, our business and prospects will suffer.

The market for our products and services is characterized by rapidly changing technology, evolving industry standards and frequent new product and service introductions. For example, the traditional personal digital assistant market, is declining and may continue to do so. Our future success will depend to a substantial degree on our ability to offer products and services that adapt to these changing markets, incorporate leading technology, address the increasingly sophisticated and varied needs of our current and prospective customers and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. Our rapidly evolving market makes it more likely that:

our technology or products may become obsolete upon the introduction of alternative technologies;

we may not have sufficient resources to develop or acquire new technologies or to introduce new products or services capable of competing with future technologies or service offerings of other companies; and

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we may not have sufficient resources to develop or acquire new technologies or to introduce new products or services capable of competing with future technologies or service offerings of other companies.

To the extent we determine that new technologies and equipment are required to remain competitive, the development, acquisition and implementation of these technologies and equipment are likely to continue to require significant capital investment by us. Moreover, we cannot be certain that we can develop, market and deliver new products and technology on a timely basis. Sufficient capital may not be available for this purpose in the future, and even if it is available, investments in new technologies may not result in commercially viable technological processes and there may not be commercial applications for such technologies. If we do not develop, acquire and introduce new products and services and achieve market acceptance in a timely manner, our business and prospects will suffer.

If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could harm our business.

Effective internal controls are necessary for us to provide reliable financial reports and to detect and prevent fraud. We periodically assess our system of internal controls, and the internal controls of service providers upon which we rely, to review their effectiveness and identify potential areas of improvement. These assessments may conclude that enhancements, modifications or changes to our system of internal controls are necessary. In addition, from time to time we acquire businesses, many of which have limited infrastructure and systems of internal controls. Performing assessments of internal controls, implementing necessary changes, and maintaining an effective internal controls process is expensive and requires considerable management attention, particularly in the case of newly acquired entities. Internal control systems are designed in part upon assumptions about the likelihood of future events, and all such systems, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. If we fail to implement and maintain an effective system of internal controls or prevent fraud, we could suffer losses, could be subject to costly litigation, investors could lose confidence in our reported financial information and our brand and operating results could be harmed, which could have a negative effect on the trading price of our common stock.

We are dependent on our international operations for a significant portion of our revenue.

International revenue, primarily from customers based in Europe and Asia Pacific, accounted for 31% of our revenue for the three months ended October 31, 2005 and 34% for the corresponding period in fiscal 2005. In the future, we may further expand our international presence. As we continue to expand internationally, we are increasingly subject to risks of doing business internationally, including:

longer payment cycles and problems in collecting accounts receivable;

seasonal reductions in business activity during the summer months in Europe and certain other parts of the world;

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unexpected changes in regulatory requirements and tariffs;

export controls relating to encryption technology and other export restrictions;

reduced protection for intellectual property rights in some countries;

fluctuations in currency exchange rates, against which we do not currently hedge;

difficulties in staffing and managing international operations; and

an adverse effect on our provision for income taxes based on the amount and mix of income from international customers.

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Our international sales growth will be limited if we, in the future, are unable to expand international sales channel management and support, customize products for local markets, and develop relationships with international service providers, distributors and device manufacturers. For example, in recent quarters we have invested substantially in expanding sales operations, and these investments may not generate offsetting increases in revenue. Even if we are able to expand international operations successfully, we cannot be certain that we will succeed in maintaining or expanding international market demand for our products.

Geographic expansion and growth, including the establishment of new sales or engineering operations, may negatively affect our overall operations and cause us to incur significant additional costs and expenses.

We have an engineering facility in Delhi, India, gained through our acquisition of PDAapps, and we established engineering facilities in Sofia, Bulgaria and Cluj-Napoca, Romania. In the future, we may further expand our engineering or sales operations to other geographic areas within the United States and internationally. Our expansion may cause us to incur various costs and expenses, and may place a significant strain upon our operating and financial systems and resources that could materially adversely affect our financial results following such an expansion. We also face significant business risks related to the difficulty in assimilating new operations and the diversion of management s attention from other business. Additionally, if we fail to align employee skills and populations with revenue and market requirements, it may have a material adverse impact on our business and operating results. Moreover, these newly established operations may not contribute significantly to our sales or earnings.

Foreign exchange fluctuations could decrease our revenue or cause us to lose money, especially since we do not hedge against currency fluctuations.

We believe that in the future, an increasing portion of our costs will be denominated in foreign currencies as we increase operations in Europe and open offices in other countries. We currently do not engage in foreign exchange hedging activities and, although we have not yet experienced any material losses due to foreign currency fluctuation, a portion of our international revenue are currently subject to the risks of foreign currency fluctuations, and these risks will increase as our international revenue increases.

Our recent and any potential acquisitions could require significant management attention and prove difficult to integrate with our business, which could distract our management, disrupt our business, dilute stockholder value and adversely affect our operating results.

As part of our strategy, we intend to continue to make investments in complementary companies, products or technologies. We recently acquired PDAapps, Inc. (June 2005), Tourmaline Networks, Inc. (in March 2005), SoftVision SRL s workforce (through a transfer in June 2004), Identity Systems (in March 2004), Synchrologic, Inc. (in December 2003) and Spontaneous Technology, Inc. (in September 2003). We may not realize future benefits from any of these acquisitions, or from any acquisition we may make in the future. If we fail to integrate successfully our past [and future acquisitions], or the technologies associated with such acquisitions, into our company, the revenue and operating results of the combined company could be adversely affected. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. If our customers are uncertain about our ability to operate on a combined basis, they could delay or cancel orders for our products. We may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges.

Acquisitions involve a number of additional difficulties and risks to our business, including, but not limited to, the following:

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failure to integrate management information systems, personnel, research and development and marketing, sales and support operations;

potential loss of key employees from Intellisync or the acquired company;

disruption of our ongoing business;

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potential loss of the acquired company s customers;

failure to develop further the acquired company s technology successfully, resulting in the potential impairment of amounts capitalized as intangible assets under SFAS No. 142, *Goodwill and Other Intangible Assets* and SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets;*

unanticipated costs and liabilities, including those that may arise from disputes over the earnout provision of the acquisition agreement; and

amortization expenses related to intangible assets (other than goodwill).

Further, we have issued common stock and paid cash for recent acquisitions and may have to pay cash, incur debt or issue equity securities to pay for any future acquisition, each of which could affect our financial condition or the market price of our common stock. The sale of additional equity or debt to finance such future acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

Goodwill and other intangibles resulting from our acquisitions could become impaired.

As of October 31, 2005, our goodwill, developed and core technology and other intangibles amounted to $92,141,000, net of accumulated amortization. We ceased to amortize our existing goodwill upon our adoption of SFAS No. 142 in the beginning of fiscal 2003. We will amortize approximately $6,311,000 for the nine months ended July 31, 2006, and $7,978,000, $4,403,000, $2,189,000 and $2,766,000 for fiscal 2007, 2008, 2009 and thereafter, respectively, of developed and core technology and other intangibles. We expect, however, that amortization expense may increase significantly as a result of any future acquisitions. To the extent we do not generate sufficient cash flows to recover the net amount of any investment in goodwill and other intangibles recorded, the investment could be considered impaired and subject to write-off. We expect to record further goodwill and other intangible assets as a result of any future acquisitions we may complete. Future amortization of such other intangible assets or impairments, if any, of goodwill would adversely affect our results of operations in any given period.

We depend on key employees in a competitive market for skilled personnel.

The success of our business will continue to depend upon certain key technical and senior management personnel, including our president and chief executive officer, chief operating officer, chief marketing officer, chief financial officer and other key senior executives, many of whom would be extremely difficult to replace. Competition for such personnel is intense, and we cannot be certain that we will be able to retain our existing key managerial, technical, or sales and marketing personnel. The loss of these officers and other or key employees in the future might adversely affect our business and impede the achievement of our business objectives. We believe our ability to achieve increased revenue and to develop successful new products and product enhancements will depend in part upon our ability to attract and retain highly skilled sales and marketing and qualified product development personnel. In addition, competition for employees in our industry and geographic location could be intense. We may not be able to continue to attract and retain skilled and experienced personnel on acceptable terms. Our ability to hire and retain such personnel will depend in part upon our ability to raise capital or achieve increased revenue levels to fund the costs associated with such personnel. Failure to attract and retain key personnel may adversely affect our business.

If we are unable to provide satisfactory and high quality services through our professional services group, customer satisfaction and demand for our products will suffer.

Many of our customers have been successful in implementing our various technology initiatives without further provision of technical service. However, we believe that building strong relationships with our customers, as well as future growth in our product sales, depends on our ability to provide our customers with professional services, including customer support, training, consulting and initial implementation and deployment of our products when

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necessary. We have an in-house professional services group and use international software development partners with a workforce that can perform these tasks and that also educates third-party systems integrators in the use of our products so that these systems integrators can provide these services to our customers. If we are unable to develop sufficient relationships with third-party systems integrators and other customers, unable to complete product implementations in a timely manner, or unable to provide customers with satisfactory and quality support, consulting, maintenance and other services, we could face customer dissatisfaction, damage to our reputation, decreased overall demand for our products and loss of revenue.

We may have to spend substantial funds on sales and marketing in the future.

To increase awareness for our new and existing products, technology and services, we may have to spend significantly more on sales and marketing in the future. We also plan to continue to leverage our relationships with industry leaders and to expand and diversify our sales and marketing initiatives to increase our sales to mobile carriers and enterprises. If our marketing strategy is unsuccessful, we may not be able to recover these expenses or even generate any revenue. We will be required to develop a marketing and sales campaign that will effectively demonstrate the advantages of our products, technology and services. We may also elect to enter into agreements or relationships with third parties regarding the promotion or marketing of our products, technology and services. We cannot be certain that we will be able to establish adequate sales and marketing capabilities, that we will be able to enter into marketing agreements or relationships with third parties on financially acceptable terms, or that any third parties with whom we enter into such arrangements will be successful in marketing and promoting the products, technology and services offered by us.

Our products may contain errors that could subject us to product-related claims.

Our products may contain undetected errors or failures, which can result in loss of or delay in market acceptance and could adversely impact future operating results. Our insurance may not cover us for certain claims related to product failures. Although our license agreements contain provisions limiting our liability in the case of damages resulting from use of the software, in the event of such damages, we may be found liable, and in such event, such damages could materially affect our business, operating results and financial condition.

Our revenue from consumer sales is subject to risks associated with the declining wired PDA market and reliance on sales distribution channels.

While the market for converged mobile devices or smartphones and other wireless mobile devices has experienced growth recently, the market for traditional personal digital assistants, or PDAs, has declined. The decline in traditional PDA sales had a direct impact on sales of our Intellisync products through the consumer and online channels, where sales of our synchronization software typically occur at the same time a PDA is purchased, or shortly thereafter. The increase in demand for smartphones and other such devices may not offset the decline in traditional PDA sales. Our consumer sales are also dependent upon distribution and marketing channels outside our control. There are also a significant number of our customers that purchase our products and services through other resellers, and we anticipate they will continue to do so as we expand our product offerings. Our sales, therefore, could also be negatively affected by disruptions in our relationships with resellers or disruptions in the relationships between our resellers and customers. Resellers may also choose not to emphasize our products to their customers. If we are unable to offset declining revenue from PDA-related software, or if we experience disruption in, or reduced selling efforts from, our distribution channels, our revenue derived from consumer sales would be adversely affected.

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We may need to raise additional capital in the future resulting in dilution to our stockholders.

We may need to raise additional funds for our business operations and to execute our business strategy. We may seek to sell additional equity or debt securities or to obtain an additional credit facility. The sale of additional equity or convertible debt securities could result in additional dilution to our stockholders. If additional funds are raised through the issuance of debt securities, these securities could have rights that are senior to holders of common stock and could contain covenants that would restrict our operations. Any additional financing may not be available in amounts or on terms acceptable to us, if at all.

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We may not have sufficient cash flow to make payments on any debt we may incur.

Our ability to pay principal and interest on our existing and any future indebtedness and to fund our planned capital expenditures depends on our future operating performance. Our future operating performance is subject to a number of risks and uncertainties that are often beyond our control, including general economic conditions and financial, competitive and regulatory factors. Consequently, we cannot assure you that we will have sufficient cash flow to meet our liquidity needs, including making payments on existing and any future indebtedness.

The fundamental change redemption rights in our outstanding convertible senior notes could discourage a potential acquirer.

If we engage in any transaction or event in connection with which all or substantially all of our common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive, consideration which is not all or substantially all common stock listed on a United States national securities exchange or approved for quotation on the Nasdaq National Market or any similar United States system of automated dissemination of quotations of securities prices, or, if for any reason, our common stock is no longer listed for trading on a United States national securities exchange nor approved for trading on the Nasdaq National Market (a fundamental change), we may be required to redeem all or part of the notes and this could discourage a potential acquirer. However, this redemption feature is not the result of management s knowledge of any specific effort to obtain control of us by means of a merger, tender offer or solicitation, or part of a plan by management to adopt a series of anti-takeover provisions. The term fundamental change is limited to specified transactions and may not include other events that might adversely affect our financial condition or business operations. Our obligation to offer to redeem the notes upon a fundamental change would not necessarily afford you protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

We may not have the ability to raise the funds necessary to finance the fundamental change redemption option associated with our outstanding convertible senior notes.

If we engage in any transaction or event in connection with which all or substantially all of our common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration which is not all or substantially all common stock listed on a United States national securities exchange or approved for quotation on the Nasdaq National Market or any similar United States system of automated dissemination of quotations of securities prices, or, if for any reason, our common stock is no longer listed for trading on a United States national securities exchange nor approved for trading on the Nasdaq National Market, we may be required to redeem all or part of the notes. We may not have enough funds to pay the redemption price for all tendered notes. In addition, any credit agreement or other agreements relating to our indebtedness may contain provisions prohibiting redemption of the notes under certain circumstances, or expressly prohibit our redemption of the notes upon a designated event or may provide that a designated event constitutes an event of default under that agreement. Our failure to redeem tendered notes would constitute an event of default under the indenture, which might also constitute a default under the terms of our other indebtedness.

Our certificate of incorporation, our bylaws, Delaware law and our stockholder rights plan contain provisions that could discourage a takeover.

Provisions of our certificate of incorporation, our bylaws, Delaware law and our stockholder rights plan contain provisions that may discourage, delay or prevent a merger or acquisition or other change of control that a stockholder may consider favorable.

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3% Convertible Senior Notes. During the third quarter of fiscal 2004, we completed the offering of $60,000,000 of 3

Item 3. **Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to a variety of risks, including changes in interest rates and foreign currency fluctuations, which could impact our results of operations and financial condition.

Interest Rate Risk

In addition to our cash holdings of $12,336,000, at October 31, 2005, we had an investment portfolio of mostly fixed income securities, including those classified as cash equivalents and securities available-for-sale, of $23,358,000. These securities, like all fixed income instruments, are subject to interest rate risk and will fall in value if market interest rates increase. If market interest rates were to increase immediately and uniformly by 10% from levels as of October 31, 2005, the decline of the fair value of the portfolio would be immaterial. We attempt to mitigate risk by holding our fixed income investments until maturity to avoid recognizing an adverse impact in income or cash flows in the event of an increase in market interest rates, but an increase in our liquidity needs may require us to sell fixed-rate securities prior to maturity.

The table below presents the carrying value (which approximates fair value) and related weighted average coupon interest rates for our investment portfolio at October 31, 2005 (in thousands, except interest rates).

		Carrying Amount		Average Coupon Interest Rate	
Cash equivalents	$	6,910		3.6	%
Securities due within one year or less		8,508		2.8	%
Auction rate receipts due after 25 years through 40 years		4,700		3.9	%
Annuities, auction rate preferred stock and other, with no maturity		3,240		3.2	%
Total portfolio	$	23,358		3.3	%

Debt and Interest Expense. We incurred $60,000,000 of principal indebtedness from the issuance of convertible senior notes in March 2004. The fair market value of these 3% convertible senior notes is sensitive to changes in interest rates and to the prices of our common stock into which it can be converted as well as our financial stability. In order to manage interest costs and risk, we entered into an interest rate swap agreement during fiscal 2004 with a financial institution for two interest rate swaps with a total notional amount of $50,000,000 and $10,000,000, respectively, whereby we receive fixed-rate interest of 3% in exchange for variable interest payments. The interest rate swaps expire upon the maturity of our $60,000,000, 3% convertible senior notes in March 2009, and effectively converts those fixed-rate notes into variable-rate borrowings. The interest rate is reset semi-annually and is equal to the 6-month LIBOR rate less a rate spread. The total variable interest rate was approximately 3.8% at October 31, 2005. Under the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended, this arrangement has been designated and qualifies as an effective fair value hedge of interest rate risk related to the $60,000,000 convertible senior notes. As the terms of the swaps match those of the underlying hedged debt, the changes in the fair value of these swaps are offset by corresponding changes in the carrying value of the hedged debt, and therefore does not impact our net earnings. As of October 31, 2005, the fair value of the interest rate swaps was

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approximately $3,037,000 with an equal adjustment recorded to the carrying value of the $60,000,000 convertible senior notes. Assuming a one percentage point increase in the prevailing LIBOR rate, holding other terms of the swap constant, the fair value of the interest rate swap and the underlying senior notes would change by approximately $1,720,000.

Foreign Currency Risk

Since our acquisitions of Synchrologic, Inc. and Identity Systems in fiscal 2004, more of our product and service revenue has been derived from international markets and denominated in the currency of the applicable market. As we increasingly pursue business opportunities in foreign countries, our foreign revenue and operating results may

3% Convertible Senior Notes. During the third quarter of fiscal 2004, we completed the offering of $60,000,000 of 3

become subject to significant currency fluctuation risk based upon changes in exchange rates of certain currencies in relation to the United States dollar.

We are also exposed to foreign currency exchange rate fluctuations as the financial statements of foreign subsidiaries are translated into United States dollar in consolidation. As exchange rates vary, these results, when translated, may vary from expectations and adversely impact overall expected profitability. Assets and liabilities of most of our subsidiaries are translated into United States dollars at exchange rates in effect as of the applicable balance sheet date and any resulting translation adjustments are included as an adjustment to stockholders equity. Revenue and expenses generated from these subsidiaries are translated at average monthly exchange rates during the quarter the transactions occur. Gains and losses from these currency transactions are included in net earnings. Recently, we have increasingly generated a portion of our revenue and incurred a portion of our expenses in euros, British pounds, the Japanese yen and Australian dollars.

We currently do not have any hedging or similar foreign currency contracts to mitigate our exposure to the risk of changes in foreign currency rates. Although we may begin to hedge in the future, we cannot be sure that any hedging techniques we may implement will be successful or that our business, results of operations, financial condition or cash flows will not be adversely affected by exchange rate fluctuations.

We may continue to expand internationally in the future and become increasingly subject to other risks of doing business internationally including, but not limited to, differing economic conditions, changes in political climate, differing tax structures, and other regulations and restrictions. We will also be exposed to increased risk of non-payment by our customers in foreign countries, especially those of highly inflationary economies. Accordingly, our future results could be materially adversely impacted by changes in these and other factors. Furthermore, to the extent that we engage in international sales denominated in United States dollars, an increase in the value of the United States dollar relative to foreign currencies could make our products and services less competitive in international markets.

Item 4. Controls And Procedures

Evaluation of disclosure controls and procedures

Based on our management s evaluation (with the participation of our principal executive officer and principal financial officer), as of the end of the period covered by this report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the Exchange Act)) are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting during our first quarter of fiscal 2006 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

INTELLISYNC CORPORATION

PART II - OTHER INFORMATION

Item 1. Legal proceedings

On October 5, 2005, Spontaneous Technology, Inc. served us with a complaint filed in the Third Judicial District Court, of Salt Lake County, State of Utah. In the Complaint, Spontaneous Technology asserts a cause of action for breach of contract related to the calculation of an earnout payment in the Asset Purchase Agreement entered into between the parties on July 30, 2003. Spontaneous Technology seeks compensatory damages in the amount of $673,750 and recovery of its attorneys fees and costs. We are investigating this matter, and at this time, do not believe this matter will have a material adverse effect on our consolidated financial position, results of operation or liquidity.

We are party to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business, including proceedings and claims that relate to acquisitions we have completed or to companies we have acquired, commercial, employment and other matters. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these claims or any of the above mentioned legal matters will have a material adverse effect on our consolidated financial position, results of operations or cash flow. In accordance with generally accepted accounting principles, we make a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable. However, we believe that we have valid defenses with respect to the legal matters pending against Intellisync. It is possible, nevertheless, that our consolidated financial position, cash flows or results of operations could be affected by the resolution of one or more of these contingencies.

Refer to the discussion set forth in Item 1 under the caption *Risk Factors We may be unable to adequately protect our proprietary rights; Risk Factors We may be subject to intellectual property infringement claims, which are costly to defend and could limit our ability to use certain technologies in the future and Risk Factors We have been, are and may in the future be involved in litigation that could result in significant costs to us.*

Item 2. Changes in securities and use of proceeds Not Applicable.

Item 3. Defaults upon senior securities Not Applicable.

Item 4. Submission of matters to a vote of security holders

We held our annual meeting of stockholders on December 2, 2005. At that meeting, the following individuals were elected to serve as directors until the next annual meeting of stockholders or until their earliest resignation or removal:

Nominee	For	Withheld
Woodson Hobbs	58,303,589	1,347,356
Michael M. Clair	57,006,474	2,644,471
Kirsten Berg-Painter	57,588,372	2,062,573
Richard Arnold	58,405,425	1,245,520
Terrence Valeski	58,370,850	1,280,095
Keith Cornell	58,105,705	1,545,240

Also at that meeting, the following matters were voted upon with the number of votes cast for, against or withheld as set forth in the columns opposite the respective matters.

Matter	**For**	**Against**	**Abstain**
To consider and vote upon an amendment to Intellisync s 2002 Stock Option Plan to add Restricted Stock units	19,525,407	3,860,383	112,959
To ratify the appointment of PricewaterhouseCoopers LLP as Intellisync s independent registered public accounting firm for the fiscal year ending July 31, 2006	58,184,854	1,407,302	58,789

Item 5. Other information Not Applicable.

Item 6. Exhibits

a) **Exhibits**

31.1 Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.1 Indemnity Agreement, dated as of November 14, 2005, is made by and between Intellisync Corporation and David Eichler

99.2 Indemnity Agreement, dated as of November 14, 2005, is made by and between Intellisync Corporation and Rip Gerber

99.3 Indemnity Agreement, dated as of November 14, 2005, is made by and between Intellisync Corporation and Blair Hankins

99.4 Indemnity Agreement, dated as of November 14, 2005, is made by and between Intellisync Corporation and Scott Hrastar

99.5 Indemnity Agreement, dated as of November 14, 2005, is made by and between Intellisync Corporation and Said Mohammadioun

SIGNATURE

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTELLISYNC CORPORATION
(Registrant)

Date: December 12, 2004	By:	/s/ DAVID P. EICHLER
		David P. Eichler
		Chief Financial Officer
	(Principal Financial and Accounting Officer)	

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