

BLACKROCK MUNIHOLDINGS FUND INC
Form N-CSR
July 08, 2008

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

FORM N-CSR

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

Investment Company Act file number 811-08081

Name of Fund: BlackRock MuniHoldings Fund, Inc. (MHD)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock
MuniHoldings Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address:
P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 04/30/2008

Date of reporting period: 05/01/2007 - 04/30/2008

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

APRIL 30, 2008

[BlackRock MuniHoldings Fund, Inc. \(MHD\)](#)

[BlackRock MuniHoldings Insured Fund, Inc. \(MUS\)](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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A Letter to Shareholders

Dear Shareholder

Over the past several months, financial markets have been buffeted by the housing recession, the credit market unraveling and related liquidity freeze and steadily rising commodity prices. Counterbalancing these difficulties were booming export activity, a robust non-financial corporate sector and, notably, aggressive and timely monetary and fiscal policy actions.

Amid the market tumult, the Federal Reserve Board (the Fed) intervened with a series of moves to bolster liquidity and ensure financial market stability. Since September 2007, the central bank slashed the target federal funds rate 325 basis points (3.25%), bringing the rate to 2.0% as of period-end. Of greater magnitude, however, were the Fed's other policy decisions, which included opening the discount window directly to broker dealers and investment banks and backstopping the unprecedented rescue of Bear Stearns.

The Fed's response to the financial crisis helped to improve credit conditions and investor mood. After hitting a low point

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on March 17 (coinciding with the collapse of Bear Stearns), equity markets found a welcome respite in April, when the S&P 500 Index of U.S. stocks posted positive monthly performance for the first time since October 2007. International markets, which outpaced those of the U.S. for much of 2007, saw a reversal in that trend, as effects of the credit crisis and downward pressures on growth were far-reaching.

In contrast to equity markets, Treasury securities rallied (yields fell as prices correspondingly rose), as a broad flight-to quality theme persisted. The yield on 10-year Treasury issues, which touched 5.30% in June 2007 (its highest level in five years), fell to 4.04% by year-end and to 3.77% by April 30. Treasury issues relinquished some of their gains in April, however, as investor appetite for risk returned and other high-quality fixed income sectors outperformed.

Problems within the monoline insurance industry and the failure of auctions for auction rate securities plagued the municipal bond market, driving yields higher and prices lower across the curve. However, in conjunction with the more recent shift in sentiment, the sector delivered strong performance in the final month of the reporting period.

Overall, the major benchmark indexes generated results that generally reflected heightened investor risk aversion:

Total Returns as of April 30, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	9.64%	4.68%
Small cap U.S. equities (Russell 2000 Index)	12.92	10.96
International equities (MSCI Europe, Australasia, Far East Index)	9.21	1.78
Fixed income (Lehman Brothers U.S. Aggregate Index)	+ 4.08	+ 6.87
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+ 1.47	+ 2.79
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	0.73	0.80

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

As you navigate today's volatile markets, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more up-to-date commentary on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT

Fund Summary as of April 30, 2008**BlackRock MuniHoldings Fund, Inc.****Investment Objective**

BlackRock MuniHoldings Fund, Inc. (MHD) (the Fund) seeks to provide shareholders with current income exempt from federal income tax by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the Fund, is exempt from federal income taxes.

Performance

For the 12 months ended April 30, 2008, the Fund returned 4.74% based on market price, with dividends reinvested. The Fund's return based on net asset value (NAV) was 2.08%, with dividends reinvested. For the same period, the closed-end Lipper General Municipal Debt Funds (LGD) category posted an average return of 3.47% on a NAV basis. Comparative performance was enhanced by the Fund's overweight in high-quality municipal bonds, as credit spreads widened during the period. The relatively shorter duration of these securities also was a positive factor, as the differential between short- and long-term municipal yields increased significantly. Additionally, Fund performance benefited from an above-average distribution yield.

Fund Information

Symbol on New York Stock Exchange	MHD
Initial Offering Date	May 2, 1997
Yield on Closing Market Price as of April 30, 2008 (\$14.77)*	5.77%
Tax Equivalent Yield**	8.88%
Current Monthly Distribution per share of Common Stock***	\$0.071
Current Annualized Distribution per share of Common Stock***	\$0.852
Leverage as of April 30, 2008****	40%

* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

** Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

**** As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to Auction Market Preferred Stock (Preferred Stock) and Tender Option Bond Trusts (TOBs)) minus the sum of accrued liabilities (other than debt representing financial leverage).

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

	4/30/08	4/30/07	Change	High	Low
Market Price	\$14.77	\$16.49	(10.43%)	\$16.68	\$13.92
Net Asset Value	\$15.20	\$16.51	(7.93%)	\$16.53	\$14.57

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The following charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Sector	4/30/08	4/30/07
Hospital	21%	19%
City, County & State	16	14
Industrial & Pollution Control	15	19
Sales Tax	12	10
Education	9	10
Housing	8	4
Transportation	7	11
Power	6	3
Tobacco	5	6
Water & Sewer	1	1
Lease Revenue		3

Credit Quality Allocations¹

Credit Rating	4/30/08	4/30/07
AAA/Aaa	40%	37%
AA/Aa	12	10
A/A	18	16
BBB/Baa	8	15
BB/Ba	1	1
B/B	2	1
CCC/Caa	2	2
Not Rated ²	17	18

¹ Using the higher of Standard & Poor's or Moody's Investors Service ratings.

² The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of April 30, 2008 and 2007, the market value of these securities was \$10,735,995 representing 3% and \$23,744,601 representing 6%, respectively, of the Fund's long-term investments.

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Fund Summary as of April 30, 2008

BlackRock MuniHoldings Insured Fund, Inc.

Investment Objective

BlackRock MuniHoldings Insured Fund, Inc. (MUS) (the Fund) seeks to provide shareholders with current income exempt from federal income tax by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel, is exempt from federal income taxes. Under normal circumstances, the Fund also invests at least 80% of its total assets in municipal obligations that are covered by insurance.

Performance

For the 12 months ended April 30, 2008, the Fund returned 4.34% based on market price, with dividends reinvested. The Fund's return based on net asset value was 0.95%, with dividends reinvested. For the same period, the closed-end Lipper Insured Municipal Debt Funds (Leveraged) category posted an average return of 1.68% on a NAV basis. The Fund's performance benefited from an overweight in pre-refunded bonds, as the yield curve and shorter maturity issues outperformed. Conversely, problems within the monoline insurance industry had a negative impact on the entire municipal market, detracting from the Fund's performance for the period.

Fund Information

Symbol on New York Stock Exchange	MUS
Initial Offering Date	May 1, 1998
Yield on Closing Market Price as of April 30, 2008 (\$11.97)*	4.86%
Tax Equivalent Yield**	7.48%
Current Monthly Distribution per share of Common Stock***	\$0.0485
Current Annualized Distribution per share of Common Stock***	\$0.582
Leverage as of April 30, 2008****	45%

* Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

Past performance does not guarantee future results.

** Tax equivalent yield assumes the maximum federal tax rate of 35%.

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

**** As a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to Preferred Stock and TOBs) minus the sum of accrued liabilities (other than debt representing financial leverage).

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

	4/30/08	4/30/07	Change	High	Low
Market Price	\$11.97	\$13.13	(8.83%)	\$13.18	\$11.26
Net Asset Value	\$13.31	\$14.10	(5.60%)	\$14.11	\$12.38

The following charts show the portfolio composition and credit quality allocations of the Fund's long-term investments:

Portfolio Composition

Sector	4/30/08	4/30/07
Transportation	17%	10%
City, County & State	16	23

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Sales Tax	13	17
Lease Revenue	12	10
Education	9	14
Hospital	9	6
Housing	9	7
Power	7	2
Industrial & Pollution Control	4	6
Water & Sewer	3	2
Resource Recovery	1	1
Tobacco		2

Credit Quality Allocations¹

Credit Rating	4/30/08	4/30/07
AAA/Aaa	83%	89%
AA/Aa	8	4
A/A	8	3
BBB/Baa	1	4

¹ Using the higher of Standard & Poor's or Moody's Investors Service ratings.

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The Benefits and Risks of Leveraging

BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. (each a Fund and, collectively, the Funds) utilize leverage to seek to enhance the yield and NAV of their Common Stock. However, these objectives cannot be achieved in all interest rate environments.

To leverage, each Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of each Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. **If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.**

To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock for an additional \$50 million, creating a total value of \$150 million available for investment

in long-term municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns the income based on long-term interest rates.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, **the incremental yield pickup on the Common Stock will be reduced or eliminated completely.** At the same time, the market value on the fund's Common Stock (that is, its price as listed on the New York Stock

Exchange), may, as a result, decline. Furthermore, **if long-term interest rates rise, the Common Stock's NAV will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate.** In addition to the decline in NAV, the market value of the fund's Common Stock may also decline.

In addition, the Funds may from time to time leverage their assets through the use of tender option bond (TOB) programs. In a typical TOB program, the Fund transfers one or more municipal bonds to a TOB trust, which issues short-term variable rate securities to third-party investors and a residual interest to the Fund. The cash received by the TOB trust from the issuance of the short-term securities (less transaction expenses) is paid to the Fund, which invests the cash in additional portfolio securities. The distribution rate on the short-term securities is reset periodically (typically every seven days) through a remarketing of the short-term securities. Any income earned on the bonds in the TOB trust, net of expenses incurred by the TOB trust, that is not paid to the holders of the short-term securities is paid to the Fund. In connection with managing the Funds' assets, the Funds' investment advisor may at any time retrieve the bonds out of the TOB trust typically within seven days. **TOB investments generally will provide the Fund with economic benefits in periods of declining short-term interest rates, but expose the Fund to risks during periods of rising short-term interest rates similar to those associated with Preferred Stock issued by the Fund, as described above. Additionally, fluctuations in the market value of municipal securities deposited into the TOB trust may adversely affect the Funds' NAVs per share.** (See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOB trusts.)

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Stock in an amount up to 50% of their total managed assets at the time of issuance. Each Fund also anticipates that its total economic leverage will not exceed 50% of its total managed assets. Economic leverage includes Preferred Stock and TOBs. As of April 30,

2008, BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. had economic leverage of 40% and 45% of managed assets, respectively.

Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond

or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom each Fund has entered into a swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

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Schedule of Investments April 30, 2008 BlackRock MuniHoldings Fund, Inc.

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 2.7%		
Camden, Alabama, IDB, Exempt Facilities Revenue Bonds (Weyerhaeuser Company), Series A, 6.125%, 12/01/24	\$ 1,750	\$ 1,760,972
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5%, 1/01/24	4,550	3,958,546
		5,719,518
Arizona 6.5%		
Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A:		
6.50%, 7/01/12	900	824,130
6.75%, 7/01/29	2,200	1,990,274
Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT, 6.30%, 4/01/23	2,215	1,936,862

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Pinal County, Arizona, COP, 5%, 12/01/29	1,000	989,540
Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds:		
5%, 12/01/32	3,505	3,182,470
5%, 12/01/37	4,905	4,384,530
Show Low, Arizona, Improvement District Number 5, Special Assessment Bonds, 6.375%, 1/01/15	415	419,291
		13,727,097

California 17.0%

Agua Caliente Band of Cahuilla Indians, California, Casino Revenue Bonds, 5.60%, 7/01/13	875	859,714
California Pollution Control Financing Authority, PCR, Refunding (Pacific Gas & Electric), AMT, Series A, 5.35%, 12/01/16 (a)	6,810	7,062,651
California State, GO, Refunding, 5%, 6/01/32	2,455	2,460,229
California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5.25%, 6/01/28	6,800	6,908,120
California Statewide Communities Development Authority, Health Facility Revenue Bonds (Memorial Health Services), Series A, 6%, 10/01/23	3,870	4,060,791
East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5%, 8/01/21 (b)	2,000	2,087,580
Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series A-3, 7.875%, 6/01/13 (c)	1,165	1,398,734

Municipal Bonds	Par (000)	Value

California (concluded)

Montebello, California, Unified School District, GO (d)(e):		
5.61%, 8/01/22	\$ 2,405	\$1,139,513
5.61%, 8/01/23	2,455	1,092,401
Oceanside, California, Unified School District, GO (Election of 2000), Series C, 5.25%, 8/01/32 (a)	2,095	2,136,355
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (f)	2,115	2,084,502
Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50%, 7/01/35 (f)	3,490	3,723,690
Sunnyvale, California, School District, GO (Election of 2004), Series A, 5%, 9/01/26 (f)	1,000	1,037,210
		36,051,490

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Colorado 5.3%

Colorado Health Facilities Authority Revenue Bonds

(Catholic Health) (f):

Series C-3, 5.10%, 10/01/41	2,580	2,586,011
Series C-7, 5%, 9/01/36	1,650	1,653,861

Colorado Health Facilities Authority, Revenue

Refunding Bonds (Poudre Valley Health Care) (f):

5.20%, 3/01/31	500	508,260
Series B, 5.25%, 3/01/36	1,000	1,014,450
Series C, 5.25%, 3/01/40	1,750	1,772,890

Elk Valley, Colorado, Public Improvement Revenue

Bonds (Public Improvement Fee), Series A,

7.35%, 9/01/31	2,645	2,656,850
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Plaza Metropolitan District Number 1, Colorado, Tax

Allocation Revenue Bonds (Public Improvement

Fees), 8.125%, 12/01/25	1,000	1,004,360
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11,196,682

Connecticut 5.5%

Connecticut State Development Authority, Airport

Facility Revenue Bonds (Learjet Inc. Project), AMT,

7.95%, 4/01/26	2,165	2,338,287
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Connecticut State Development Authority, IDR (AFCO

Cargo BDL-LLC Project), AMT, 8%, 4/01/30

	2,735	2,830,178
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Connecticut State Health and Educational Facilities

Authority Revenue Bonds (Yale University):

Series T-1, 4.70%, 7/01/29	3,185	3,226,501
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Series X-3, 4.85%, 7/01/37	3,265	3,313,093
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11,708,059

Portfolio Abbreviations

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

AMT	Alternative Minimum Tax (subject to)	IDB	Industrial Development Board
COP	Certificates of Participation	IDR	Industrial Development Revenue Bonds
EDA	Economic Development Authority	M/F	Multi-Family
GO	General Obligation Bonds	PCR	Pollution Control Revenue Bonds
HDA	Housing Development Authority	S/F	Single-Family
HFA	Housing Finance Agency	VRDN	Variable Rate Demand Notes
IDA	Industrial Development Authority		

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniHoldings Fund, Inc.

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Florida 7.6%		
Greater Orlando Aviation Authority, Florida, Airport Facilities Revenue Bonds (JetBlue Airways Corp.), AMT, 6.50%, 11/15/36	\$ 2,095	\$1,730,323
Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25%, 7/01/37	3,190	3,056,690
Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (a)(e)	2,340	450,169
Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds:		
Series A, 6.25%, 5/01/37	2,250	2,083,500
Series B, 6.50%, 5/01/37	2,530	2,279,024
Orange County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Orlando Regional Healthcare), 6%, 12/01/12 (c)	3,225	3,623,320
Orlando, Florida, Urban Community Development District, Capital Improvement Special Assessment Bonds, Series A, 6.95%, 5/01/11 (c)	800	884,832
Palm Coast Park Community Development District, Florida, Special Assessment Revenue Bonds, 5.70%, 5/01/37	710	570,968
Preserve at Wilderness Lake, Florida, Community Development District, Capital Improvement Bonds, Series A, 5.90%, 5/01/34	1,580	1,421,763
		16,100,589
Georgia 3.5%		
Atlanta, Georgia, Tax Allocation Bonds (Atlantic Station Project), 7.90%, 12/01/11 (c)	1,750	2,068,675
Atlanta, Georgia, Tax Allocation Refunding Bonds (Atlantic Station Project) (g):		
5.25%, 12/01/20	1,000	1,057,120
5.25%, 12/01/21	2,000	2,099,940
5.25%, 12/01/22	1,000	1,043,580
Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.375%, 7/15/38	1,185	1,185,652
		7,454,967

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Illinois 3.3%

Chicago, Illinois, Board of Education, GO, VRDN, Series C-1, 2.62%, 3/01/31 (f)(h)	100	100,000
Chicago, Illinois, Special Assessment Bonds (Lake Shore East), 6.75%, 12/01/32	1,200	1,211,940
Illinois HDA, Homeowner Mortgage Revenue Bonds, AMT, Sub-Series C-2, 5.35%, 2/01/27	4,000	3,990,280
Illinois State Finance Authority Revenue Bonds, Series A: (Landing At Plymouth Place Project), 6%, 5/15/25	700	659,428
(Monarch Landing, Inc. Project), 7%, 12/01/37	1,010	991,376
		6,953,024

Indiana 2.6%

Allen County, Indiana, Redevelopment District Tax Increment Revenue Bonds (General Motors Development Area), 7%, 5/15/08 (c)(e)	7,645	5,421,605
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Municipal Bonds	Par (000)	Value
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Kentucky 1.0%

Louisville and Jefferson Counties, Kentucky, Metropolitan Sewer District, Sewer and Drain System Revenue Bonds, Series A, 5.50%, 5/15/34 (a)	\$ 2,000	\$2,076,280
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Louisiana 6.0%

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Westlake Chemical Corporation), 6.75%, 11/01/32	3,500	3,430,245
Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25%, 8/15/36	4,115	4,078,706
Louisiana Public Facilities Authority Revenue Bonds (Black & Gold Facilities Project), Series A, 5%, 7/01/39 (i)	3,815	3,394,549
New Orleans, Louisiana, Financing Authority Revenue Bonds (Xavier University of Louisiana Project), 5.30%, 6/01/26 (a)	1,750	1,778,140
		12,681,640

Maryland 7.9%

Anne Arundel County, Maryland, Special Obligation Revenue Bonds (Arundel Mills Project), 7.10%, 7/01/09 (c)	1,870	2,005,762
Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Series A, 5.25%, 9/01/39 (b)	10,835	11,188,546

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Maryland State Economic Development Corporation, Student Housing Revenue Bonds (University of Maryland College Park Project), 6%, 6/01/13 (c)	760	865,055
Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration-AES Warrior Run), AMT, 7.40%, 9/01/19	2,750	2,645,637
		16,705,000
Massachusetts 3.7%		
Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (f)	5,000	5,113,050
Massachusetts State, HFA, Housing Revenue Bonds, AMT, Series A, 5.25%, 12/01/48	2,900	2,715,937
		7,828,987
Michigan 2.7%		
Flint, Michigan, Hospital Building Authority, Revenue Refunding Bonds (Hurley Medical Center), Series A, 6%, 7/01/20 (j)	1,400	1,358,742
Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT, Series B, 5.65%, 9/01/29	3,000	3,011,490
Michigan State Strategic Fund, PCR (General Motors Corporation Project), VRDN, 7%, 12/01/08 (h)	1,300	1,300,000
		5,670,232
Minnesota 1.8%		
Minneapolis, Minnesota, Community Development Agency, Supported Development Revenue Refunding Bonds, Series G-3, 5.45%, 12/01/11 (c)	3,500	3,793,125

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniHoldings Fund, Inc.

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
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Mississippi 2.1%

Mississippi Business Finance Corporation, Mississippi, PCR, Refunding (System Energy Resources Inc. Project), 5.90%, 5/01/22	\$ 2,500	\$ 2,474,200
Mississippi Development Bank, Special Obligation Revenue Refunding Bonds (Gulfport Water and Sewer System Project) (f):		
5.25%, 7/01/17	1,000	1,104,800
5.25%, 7/01/19	810	883,127
		4,462,127

Missouri 1.5%

Fenton, Missouri, Tax Increment Revenue Refunding and Improvement Bonds (Gravois Bluffs), 7%, 10/01/11 (c)	1,915	2,185,455
Missouri State Development Finance Board, Infrastructure Facilities Revenue Refunding Bonds (Branson), Series A, 5.50%, 12/01/32	1,000	942,200
		3,127,655

New Jersey 10.3%

New Jersey EDA, Cigarette Tax Revenue Bonds:		
5.75%, 6/15/29	5,385	5,262,330
5.75%, 6/15/34	2,280	2,181,937
New Jersey EDA, Retirement Community Revenue Bonds, Series A (c):		
(Cedar Crest Village Inc.), 7.25%, 11/15/11	1,475	1,700,896
(Seabrook Village Inc.), 8.25%, 11/15/10	2,600	2,981,264
New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT:		
6.25%, 9/15/29	2,950	2,469,651
6.625%, 9/15/12	1,000	961,300
New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5%, 1/01/30 (f)	3,500	3,569,335
Tobacco Settlement Financing Corporation of New Jersey, Asset-Backed Revenue Bonds, 7%, 6/01/13 (c)	2,315	2,719,454
		21,846,167

New York 11.2%

Dutchess County, New York, IDA, Civic Facility Revenue Refunding Bonds (Saint Francis Hospital), Series A, 7.50%, 3/01/29	1,100	1,166,902
New York City, New York, City IDA, Civic Facility Revenue Bonds, Series C, 6.80%, 6/01/28	535	556,197
New York City, New York, City IDA, Special Facility		

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Revenue Bonds (Continental Airlines Inc. Project),
AMT:

8%, 11/01/12	725	722,847
8.375%, 11/01/16	725	730,235
New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A, 5%, 10/15/20 (a)	9,115	9,671,015

Municipal Bonds	Par (000)	Value
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New York (concluded)

Tobacco Settlement Financing Corporation of New York
Revenue Bonds:

Series A-1, 5.50%, 6/01/18	\$ 3,150	\$3,298,554
Series C-1, 5.50%, 6/01/17	3,500	3,635,415
Series C-1, 5.50%, 6/01/22	1,400	1,458,436
Westchester County, New York, IDA, Continuing Care Retirement, Mortgage Revenue Bonds (Kendal on Hudson Project), Series A, 6.50%, 1/01/13 (c)	2,080	2,359,947
		23,599,548

Ohio 1.0%

Buckeye Tobacco Settlement Financing Authority, Ohio,
Tobacco Settlement Asset-Backed Bonds, Series A-2,
6.50%, 6/01/47

	2,160	2,100,254
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Pennsylvania 5.8%

Bucks County, Pennsylvania, IDA, Retirement Community
Revenue Bonds (Ann's Choice Inc.), Series A,
6.25%, 1/01/35

	1,700	1,652,587
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Pennsylvania Economic Development Financing Authority,
Exempt Facilities Revenue Bonds (National Gypsum
Company), AMT, Series B, 6.125%, 11/01/27

	3,500	3,007,795
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Philadelphia, Pennsylvania, Authority for IDR, Commercial
Development, 7.75%, 12/01/17

	725	725,732
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Philadelphia, Pennsylvania, Authority for Industrial
Development, Senior Living Revenue Bonds:

(Arbor House Inc. Project), Series E, 6.10%, 7/01/33	1,105	1,097,574
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(Saligman House Project), Series C, 6.10%, 7/01/33	1,245	1,236,634
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Philadelphia, Pennsylvania, Water and
Wastewater Revenue Refunding Bonds, VRDN,
2.50%, 6/15/23 (f)(h)

	300	300,000
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Sayre, Pennsylvania, Health Care Facilities Authority,
Revenue Bonds (Guthrie Healthcare System), Series B,
7.125%, 12/01/11 (c)

	3,500	4,230,695
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			12,251,017
Rhode Island 1.5%			
Rhode Island State Health and Educational Building Corporation, Hospital Financing Revenue Bonds (Lifespan Obligation Group), 6.50%, 8/15/12 (c)		2,820	3,203,576
South Carolina 1.6%			
Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 6.375%, 8/15/12 (c)		3,020	3,428,697
South Dakota 0.8%			
South Dakota State Health and Educational Facilities Authority Revenue Bonds (Sanford Health), 5%, 11/01/40		1,825	1,728,403

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniHoldings Fund, Inc.

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Tennessee 7.0%		
Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75%, 8/01/17	\$ 4,030	\$4,057,565
Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds:		
(Methodist Healthcare), 6.50%, 9/01/12 (c)	1,845	2,110,477
(Methodist Healthcare), 6.50%, 9/01/12 (c)	2,730	3,122,820
(Saint Jude Children's Research Hospital), 5%, 7/01/31	2,250	2,266,358
Tennessee Educational Loan Revenue Bonds (Educational Funding South Inc.), AMT, Senior Series B, 6.20%, 12/01/21	3,160	3,170,396

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			14,727,616
Texas 11.1%			
Brazos River, Texas, Harbor Navigation District, Brazoria County Environmental Revenue Refunding Bonds (Dow Chemical Company Project), AMT, Series A-7, 6.625%, 5/15/33	3,655		3,746,631
Houston, Texas, Health Facilities Development Corporation, Retirement Facility Revenue Bonds (Buckingham Senior Living Community), Series A, 7.125%, 2/15/14 (c)	1,800		2,179,818
Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT, 6.375%, 4/01/27	3,000		3,002,730
Matagorda, Texas, Hospital District Revenue Bonds, 5%, 2/15/35 (k)	4,500		4,313,835
SA Energy Acquisition Public Facilities Corporation, Texas, Gas Supply Revenue Bonds:			
5.50%, 8/01/23	2,425		2,427,255
5.50%, 8/01/24	1,100		1,096,392
5.50%, 8/01/25	1,120		1,112,496
Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Bonds, AMT, Series A, 5.70%, 1/01/33 (l)	2,710		2,751,707
Texas State Department of Housing and Community Affairs, Residential Mortgage Revenue Refunding Bonds, AMT, Series B, 5.25%, 7/01/22 (l)	2,740		2,799,568
			23,430,432
Vermont 1.1%			
Vermont Educational and Health Buildings Financing Agency, Revenue Bonds (Developmental and Mental Health), Series A, 6%, 6/15/17	2,370		2,448,779
Virginia 5.1%			
Chesterfield County, Virginia, IDA, PCR (Virginia Electric and Power Company), Series A, 5.875%, 6/01/17	1,150		1,218,333
Fairfax County, Virginia, EDA, Resource Recovery Revenue Refunding Bonds, AMT, Series A, 6.10%, 2/01/11 (m)	3,000		3,160,380
Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds, Senior Series B, 8.40%, 8/15/08 (c)(e)	1,800		533,325
Tobacco Settlement Financing Corporation of Virginia, Asset-Backed Revenue Bonds, 5.625%, 6/01/15 (c)	3,035		3,394,556
Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (a)	2,370		2,391,235
			10,697,829

Municipal Bonds	Par (000)	Value
Washington 1.5%		
Central Puget Sound Regional Transportation Authority, Washington, Sales and Use Tax Revenue Bonds, Series A, 5%, 11/01/32 (f)	\$ 1,855	\$1,904,417
Seattle, Washington, Housing Authority Revenue Bonds (Replacement Housing Project), 6.125%, 12/01/32	1,340	1,337,374
		3,241,791
Wisconsin 1.2%		
Wisconsin State Health and Educational Facilities Authority Revenue Bonds: (New Castle Place Project), Series A, 7%, 12/01/31	825	831,336
(SynergyHealth Inc.), 6%, 11/15/32	1,755	1,715,303
		2,546,639
Puerto Rico 0.7%		
Puerto Rico Industrial, Medical and Environmental Pollution Control Facilities Financing Authority, Special Facilities Revenue Bonds (American Airlines Inc.), Series A, 6.45%, 12/01/25	2,060	1,522,113
U.S. Virgin Islands 1.7%		
Virgin Islands Government Refinery Facilities, Revenue Refunding Bonds (Hovensa Coker Project), AMT, 6.50%, 7/01/21	3,460	3,548,956
Total Municipal Bonds (Cost \$298,268,863) 142.3%		300,999,894
Municipal Bonds Transferred to Tender Option Bond Trusts (n)		
California 3.9%		
San Jose, California, Airport Revenue Refunding Bonds, Series A, 5.50%, 3/01/32 (m)	5,210	5,249,440
Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1), 5%, 9/1/32 (f)	2,910	2,947,131
		8,196,571

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New York 2.1%

New York City, New York, Sales Tax Asset

Receivable Corporation Revenue Bonds, Series A,
5.25%, 10/15/27 (m)

4,240

4,423,677

Texas 5.9%

Harris County, Texas, Toll Road Revenue Refunding

Bonds, Senior Lien, Series A, 5.25%, 8/15/35 (f)

11,760

12,487,944

Virginia 5.2%

Virginia State, HDA, Commonwealth Mortgage

Revenue Bonds, Series H, Sub-Series H-1,
5.375%, 7/1/36 (a)

10,940

10,976,977

Total Municipal Bonds Transferred to Tender Option

Bond Trusts (Cost \$36,314,742) 17.1%

36,085,169

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock MuniHoldings Fund, Inc.

(Percentages shown are based on Net Assets)

Short-Term Securities

Shares

Value

Merrill Lynch Institutional Tax-Exempt

Fund, 2.49% (o)(p)

8,971

\$ 8,971

Total Short-Term Securities

(Cost \$8,971) 0.0%

8,971

Total Investments (Cost \$334,592,576*) 159.4%

337,094,034

Other Assets Less Liabilities 8.0%

17,019,487

Liability for Trust Certificates, Including Interest

Expense and Fees Payable (8.3%)

(17,642,454)

Preferred Stock, at Redemption Value (59.1%)

(125,041,773)

Net Assets, Applicable to Common Stock 100.0%

\$ 211,429,294

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

Aggregate cost	\$ 316,797,841
Gross unrealized appreciation	\$ 10,149,523
Gross unrealized depreciation	(7,383,330)
Net unrealized appreciation	\$ 2,766,193

(a) MBIA Insured.

(b) XL Capital Insured.

(c) U.S. government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(d) FGIC Insured.

(e) Represents a zero coupon bond. Rate shown reflects the effective yield at the time of purchase.

(f) FSA Insured.

(g) Assured Guaranty Insured.

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

(i) CIFG Insured.

(j) ACA Insured.

(k) FHA Insured.

(l) FNMA/GNMA Collateralized.

(m) AMBAC Insured.

(n) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

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

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	51	\$279

(p) Represents the current yield as of report date.

See Notes to Financial Statements.

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(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Alabama 1.2%		
Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50%, 1/01/22	\$ 2,170	\$2,012,632
Arkansas 4.3%		
Arkansas State Development Finance Authority, M/F Mortgage Revenue Refunding Bonds, Series C, 5.35%, 12/01/35 (a)(b)	7,420	7,452,500
California 26.1%		
California State Public Works Board, Lease Revenue Bonds (Department of General Services Capitol East End Complex), Series A, 5%, 12/01/27 (c)	2,000	2,014,580
California State, Various Purpose, GO, 5.25%, 12/01/22 (d)	5,955	6,274,426
East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series B, 5%, 8/01/27 (e)	1,800	1,801,512
Modesto, California, Schools Infrastructure Financing Agency, Special Tax Bonds, 5.50%, 9/01/36 (c)	2,565	2,614,197
Palomar Pomerado Health Care District, California, GO (Election of 2004), Series A, 5.125%, 8/01/37 (b)	4,325	4,451,506
Rancho Cucamonga, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Rancho Redevelopment Project), Series A, 5%, 9/01/34 (b)	1,000	1,001,410
Sacramento County, California, Airport System Revenue Bonds, AMT, Senior Series B, 5.25%, 7/01/39 (d)	3,150	3,104,577
San Jose, California, GO (Libraries, Parks and Public Safety Projects), 5%, 9/01/30 (b)	1,265	1,287,428
San Pablo, California, Joint Powers Financing Authority, Tax Allocation Revenue Refunding Bonds (b)(f): 5.66%, 12/01/24	2,635	1,065,831
5.66%, 12/01/25	2,355	893,463
5.66%, 12/01/26	2,355	842,336
Santa Ana, California, Unified School District, GO, 5%, 8/01/32 (b)	4,265	4,302,063
Sequoia, California, Unified High School District, GO, Refunding, Series B, 5.50%, 7/01/35 (d)	3,145	3,355,589
Stockton, California, Public Financing Revenue Bonds (Redevelopment Projects), Series A, 5.25%, 9/01/31 (g)	4,540	4,545,720
Vista, California, COP (Community Projects), 5%, 5/01/37 (b)	3,600	3,623,328
West Contra Costa, California, Unified School District, GO, Series C, 5%, 8/01/21 (e)	3,480	3,557,256

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		44,735,222
Colorado 10.0%		
Aurora, Colorado, COP, 5.75%, 12/01/10 (c)(h)	10,620	11,460,361
Colorado Health Facilities Authority Revenue Bonds (Catholic Health), Series C-3, 5.10%, 10/01/41 (d)	5,600	5,613,048
		17,073,409
District of Columbia 0.9%		
District of Columbia, Deed Tax Revenue Bonds (Housing Production Trust Fund New Communities Project), Series A, 5%, 6/01/32 (b)	1,500	1,516,305
Municipal Bonds	(000)	Value
Florida 25.1%		
Brevard County, Florida, Health Facilities Authority, Healthcare Facilities Revenue Bonds (Health First Inc. Project), 5%, 4/01/34	\$ 1,650	\$ 1,543,162
Broward County, Florida, HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series E, 5.90%, 10/01/39 (i)(j)	1,470	1,490,506
Hillsborough County, Florida, HFA, S/F Mortgage Revenue Bonds, AMT, Series 1, 5.375%, 10/01/49 (i)(j)	2,100	2,025,828
Hillsborough County, Florida, IDA, Hospital Revenue Bonds (H. Lee Moffitt Cancer Center Project), Series A, 5.25%, 7/01/37	2,450	2,347,615
Hillsborough County, Florida, IDA, PCR, Refunding (Tampa Electric Company Project), Series B, 5.15%, 9/01/25	700	710,381
Jacksonville, Florida, Health Facilities Authority, Hospital Revenue Bonds (Baptist Medical Center Project), 5%, 8/15/37 (d)	4,515	4,534,640
Lee County, Florida, HFA, S/F Mortgage Revenue Bonds (Multi-County Program), AMT, Series A-2, 6%, 9/01/40 (i)(j)	2,500	2,596,525
Lee Memorial Health System, Florida, Hospital Revenue Bonds, Series A, 5%, 4/01/32 (c)	3,000	3,004,140
Miami, Florida, Special Obligation Revenue Bonds (Street and Sidewalk Improvement Program), 5%, 1/01/37 (b)	2,000	2,002,900
Miami-Dade County, Florida, School Board, COP, Series A, 5%, 5/01/21 (d)(e)	2,385	2,421,276
Miami-Dade County, Florida, Special Obligation Revenue Bonds, Sub-Series A, 5.24%, 10/01/37 (b)(f)	2,225	428,046
Okaloosa County, Florida, Water and Sewer Revenue Refunding Bonds, 5%, 7/01/36 (d)	1,000	1,016,700

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Orange County, Florida, School Board, COP, VRDN, Series B, 3.50%, 8/01/27 (b)(f)(k)	3,740	3,740,000
Orlando, Florida, Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series A, 5.25%, 11/01/38 (l)	2,000	2,066,480
Orlando-Orange County Expressway Authority, Florida, Expressway Revenue Bonds, VRDN, Sub-Series D, 3.34%, 7/01/40 (c)(k)	1,000	1,000,000
Pasco County, Florida, Half-Cent Sales Tax Revenue Bonds, 5.125%, 12/01/28 (c)	3,850	3,904,863
Saint Petersburg, Florida, Public Utilities Revenue Refunding Bonds, 5%, 10/01/35 (b)	4,295	4,355,946
Seminole County, Florida, Water and Sewer Revenue Bonds, 5%, 10/01/31	3,750	3,816,900
		43,005,908
Georgia 2.4%		
Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25%, 10/01/34 (d)	4,000	4,145,560
Illinois 12.5%		
Chicago, Illinois, GO, Series A, 6%, 7/01/10 (e)(h)	7,965	8,639,396
Chicago, Illinois, O Hare International Airport Revenue Bonds, Third Lien:		
AMT, Series B-2, 6%, 1/01/29 (m)	4,300	4,401,007
Series A, 5%, 1/01/31 (b)	1,000	983,940
Chicago, Illinois, Water Revenue Refunding Bonds, Second Lien, 5.25%, 11/01/33 (d)	2,500	2,634,150
Illinois State, GO, First Series, 6%, 1/01/18 (e)	4,500	4,674,690
Lake, Cook, Kane and McHenry Counties, Illinois, Community Unit School District Number 220, GO, 5.75%, 12/01/19 (e)	45	47,390
		21,380,573

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock MuniHoldings Insured Fund, Inc.

(Percentages shown are based on Net Assets)

Par

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Municipal Bonds	(000)	Value
Indiana 6.1%		
Indiana Municipal Power Agency, Power Supply System Revenue Bonds, Series A (b):		
5%, 1/01/37	\$ 4,460	\$4,459,688
5%, 1/01/42	6,000	5,965,680
		10,425,368
Louisiana 0.5%		
Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 5%, 5/01/41 (e)	940	944,926
Massachusetts 8.5%		
Massachusetts Bay Transportation Authority, Sales Tax Revenue Refunding Bonds, Senior Series A, 5%, 7/01/35	3,375	3,394,035
Massachusetts State, HFA, Housing Development Revenue Refunding Bonds, AMT, Series A, 5.15%, 6/01/11 (b)	565	571,255
Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.50%, 7/01/32 (d)	2,440	2,488,898
Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5%, 8/15/30 (d)	8,000	8,180,880
		14,635,068
Michigan 5.3%		
Boyne City, Michigan, Public School District, GO, 5.75%, 5/01/09 (e)(h)	2,035	2,107,914
Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (m):		
Series A, 5.50%, 6/01/30	2,000	1,997,360
Series B, 5.65%, 9/01/29	1,500	1,515,735
Series C, 5.65%, 9/01/29	3,500	3,536,715
		9,157,724
Minnesota 2.5%		
Sauk Rapids, Minnesota, Independent School District Number 47, GO, Series A, 5.65%, 2/01/19 (b)	4,015	4,308,858
Missouri 5.4%		
Cape Girardeau, Missouri, School District Number 063, GO (Missouri Direct Deposit Program), 5.50%, 3/01/18 (e)	2,000	2,096,280

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Mehlville, Montana, School District Number R-9, COP,

Series A (d):

5.50%, 3/01/11 (h)	5,510	5,934,049
5.50%, 3/01/14	360	383,188
5.50%, 3/01/15	405	431,086
5.50%, 3/01/16	215	228,848
5.50%, 3/01/17	280	297,408
		9,370,859

New Jersey 9.6%

New Jersey EDA, Cigarette Tax Revenue Bonds,

5.75%, 6/15/34 (l)	3,800	3,985,288
New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25%, 7/01/33 (b)	6,700	6,873,262
New Jersey State Turnpike Authority, Turnpike Revenue Bonds, Series C, 5%, 1/01/30 (d)	5,500	5,608,955
		16,467,505

Municipal Bonds

Par
(000)

Value

New York 15.7%

Nassau Health Care Corporation, New York, Health

System Revenue Bonds, 5.75%, 8/01/09 (d)(h)	\$10,000	\$ 10,633,900
New York City, New York, GO, Series E, 5%, 11/01/17 (d)	4,000	4,311,680
New York City, New York, Sales Tax Asset Receivable Corporation Revenue Bonds, Series A (c):		
5.25%, 10/15/27	4,095	4,272,395
5%, 10/15/32	4,000	4,077,240
New York State Dormitory Authority Revenue Bonds (School Districts Financing Program), Series D,		
5.25%, 10/01/23 (b)	3,505	3,663,636
		26,958,851

Oregon 0.9%

Portland, Oregon, Urban Renewal and Redevelopment

Tax Allocation Bonds (Oregon Convention Center), Series A, 5.75%, 6/15/15 (c)	1,400	1,486,646
---	-------	-----------

Rhode Island 4.8%

Providence, Rhode Island, Redevelopment Agency

Revenue Refunding Bonds (Public Safety and Municipal Buildings), Series A, 5.75%, 4/01/10 (c)(h)	5,000	5,361,000
Rhode Island State Health and Educational Building Corporation Revenue Bonds (Rhode Island School of		

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Design), Series D, 5.50%, 8/15/31 (m)	2,870	2,898,585
		8,259,585
South Carolina 0.9%		
Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series A, 5.25%, 2/15/25 (a)(b)	1,525	1,571,787
Tennessee 2.6%		
Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), AMT, Series A (d):		
5.25%, 7/01/22	2,300	2,307,797
5.35%, 1/01/26	2,115	2,116,058
		4,423,855
Texas 18.7%		
Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series B, 6%, 11/01/23 (b)	700	707,287
Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 5.50%, 11/01/33 (b)	8,000	8,003,760
Houston, Texas, Community College System, Participation Interests, COP (Alief Center Project), 5.75%, 8/15/22 (b)	2,595	2,667,194
North Texas Tollway Authority, System Revenue Refunding Bonds (b):		
5.75%, 1/01/40	6,710	7,081,063
Series A, 5.625%, 1/01/33	6,585	6,917,608
Series B, 5.75%, 1/01/40	6,275	6,626,965
		32,003,877
Virginia 0.9%		
Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.35%, 7/01/31 (b)	1,500	1,513,440

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock MuniHoldings Insured Fund, Inc.

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(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
Washington 4.9%		
Bellevue, Washington, GO, Refunding, 5.50%, 12/01/39 (b)	\$ 4,000	\$ 4,160,160
Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45%, 7/01/37 (c)	2,310	2,283,204
Snohomish County, Washington, Public Utility District Number 001, Electric Revenue Bonds, 5.50%, 12/01/22 (d)	1,810	1,940,682
		8,384,046
West Virginia 2.9%		
West Virginia State Housing Development Fund, Housing Finance Revenue Refunding Bonds, Series D, 5.20%, 11/01/21 (b)	5,000	5,062,250
Wisconsin 0.3%		
Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Blood Center of Southeastern Wisconsin Project), 5.50%, 6/01/24	500	507,975
Puerto Rico 1.1%		
Puerto Rico Public Buildings Authority, Government Facilities Revenue Refunding Bonds, Series D, 5.25%, 7/01/36	1,870	1,805,878
Total Municipal Bonds (Cost \$297,209,507) 174.1%		298,610,607

**Municipal Bonds Transferred to
Tender Option Bond Trusts (n)**

California 2.9%		
Tustin, California, Unified School District, Senior Lien Special Tax Bonds (Community Facilities District Number 97-1) (d):		
5%, 9/01/32	2,180	2,207,817
5%, 9/01/38	2,800	2,829,148
		5,036,965

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Illinois 4.8%

Chicago, Illinois, O Hare International Airport, General
Airport Revenue Refunding Bonds, Airport and Marina
Imports, Series A, 5%, 1/01/38 (d)

8,000

8,145,280

Municipal Bonds Transferred to Tender Option

Bond Trusts (Cost \$12,689,260) 7.7%

13,182,245

Short-Term Securities

Shares

Merrill Lynch Institutional Tax-Exempt
Fund, 2.49% (o)(p)

20,821

20,821

Total Short-Term Securities

(Cost \$20,821) 0.0%

20,821

Total Investments (Cost \$309,919,588*) 181.8%

311,813,673

Other Assets Less Liabilities 0.2%

261,869

Liability for Trust Certificates, Including Interest

Expense and Fees Payable (3.8%)

(6,512,302)

Preferred Stock, at Redemption Value (78.2%)

(134,052,778)

Net Assets Applicable to Common Stock 100.0%

\$ 171,510,462

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

Aggregate cost

\$ 303,046,013

Gross unrealized appreciation

\$ 5,511,153

Gross unrealized depreciation

(3,233,493)

Net unrealized appreciation

\$ 2,277,660

(a) FHA Insured.

(b) MBIA Insured.

(c) AMBAC Insured.

(d) FSA Insured.

(e) FGIC Insured.

(f) Represents a zero coupon bond. Rate shown reflects the effective yield at the
time of purchase.

(g) Radian Insured.

(h) U.S. government securities, held in escrow, are used to pay interest on this

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security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(i) FHLMC Collateralized.

(j) FNMA/GNMA Collateralized.

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

(l) Assured Guaranty Insured.

(m) XL Capital Insured.

(n) Securities represent bonds transferred to a tender option bond trust in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

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

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(26)	\$5,085

(p) Represents the current yield as of report date.

See Notes to Financial Statements.
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Statements of Assets and Liabilities

April 30, 2008	BlackRock MuniHoldings Fund, Inc.	BlackRock MuniHoldings Insured Fund, Inc.
Assets		
Investments at value unaffiliated ¹	\$ 337,085,063	\$ 311,792,852
Investments at value affiliated ²	8,971	20,821
Cash	95,042	75,003
Investments sold receivable	25,232,097	
Interest receivable	5,518,786	4,081,634
Prepaid expenses	15,443	13,526
Total assets	367,955,402	315,983,836
Accrued Liabilities		
Investments purchased payable	12,602,306	3,074,211
Income dividends payable	987,824	624,981

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Investment advisory fees payable	151,596	118,384
Interest expense and fees payable	112,454	22,302
Other affiliates payable	1,974	1,776
Officer and Directors' fees payable	300	271
Other accrued expenses payable	97,881	88,671
Total accrued liabilities	13,954,335	3,930,596
Other Liabilities		
Trust certificates ³	17,530,000	6,490,000
Total Liabilities	31,484,335	10,420,596
Preferred Stock		
Preferred Stock, at redemption value, par value \$0.10 per share ⁴ at \$25,000 per share liquidation preference	125,041,773	134,052,778
Net Assets Applicable to Common Stock		
Net assets applicable to Common Stock	\$ 211,429,294	\$ 171,510,462
Net Assets Applicable to Common Stock Shareholders Consist of		
Common Stock, par value \$0.10 per share ⁵	\$ 1,391,301	\$ 1,288,620
Paid-in capital in excess of par	205,793,237	181,957,307
Undistributed net investment income	1,608,417	1,070,407
Accumulated net realized gain (loss)	134,881	(14,699,957)
Net unrealized appreciation/depreciation	2,501,458	1,894,085
Net Assets Applicable to Common Stock Shareholders	\$ 211,429,294	\$ 171,510,462
Net asset value per share of Common Stock	\$ 15.20	\$ 13.31
¹ Cost unaffiliated	\$ 334,583,605	\$ 309,898,767
² Cost affiliated	\$ 8,971	\$ 20,821
³ Represents short-term floating rate certificates issued by tender option bond trusts.		
⁴ Preferred Stock authorized, issued and outstanding:		
Series A Shares	2,200	2,680
Series B Shares	2,200	2,680
Series C Shares	600	

⁵ Common Stock issued and outstanding

13,913,010

12,886,200

See Notes to Financial Statements.

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Statements of Operations

Year Ended April 30, 2008	BlackRock MuniHoldings Fund, Inc.	BlackRock MuniHoldings Insured Fund, Inc.
Investment Income		
Interest	\$ 19,544,487	\$ 16,219,993
Dividends from affiliates	279	5,085
Total income	19,544,766	16,225,078
Expenses		
Investment advisory	1,901,295	1,700,850
Commissions for Preferred Stock	320,566	343,254
Professional	130,760	119,133
Accounting services	119,114	111,780
Printing	37,688	32,553
Transfer agent	29,093	28,292
Officer and Directors	25,743	23,387
Custodian	20,540	19,436
Registration	8,947	8,868
Miscellaneous	65,500	62,088
Total expenses excluding interest expense and fees	2,659,246	2,449,641
Interest expense and fees ¹	793,243	429,058
Total expenses	3,452,489	2,878,699
Less fees waived by advisor	(18)	(218,534)
Total expenses after waiver	3,452,471	2,660,165
Net investment income	16,092,295	13,564,913

Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Investments	551,656	(2,328,173)	
Forward interest rate swaps	66,610	207,456	
	618,266	(2,120,717)	
Net change in unrealized appreciation/depreciation on:			
Investments	(17,097,855)	(8,986,817)	
Forward interest rate swaps		(31,667)	
	(17,097,855)	(9,018,484)	
Total realized and unrealized loss	(16,479,589)	(11,139,201)	
Dividends and Distributions to Preferred Stock Shareholders from			
Net investment income	(4,329,651)	(4,926,956)	
Net realized gain	(478,218)		
Total dividends and distributions to Preferred Stock shareholders	(4,807,869)	(4,926,956)	
Net Decrease in Net Assets Resulting from Operations	\$ (5,195,163)	\$ (2,501,244)	

¹ Related to tender option bond trusts.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

	BlackRock MuniHoldings Fund, Inc.		BlackRock MuniHoldings Insured Fund, Inc.	
	Year Ended April 30,		Year Ended April 30,	
Increase (Decrease) in Net Assets:	2008	2007	2008	2007
Operations				

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Net investment income	\$ 16,092,295	\$ 16,239,704	\$ 13,564,913	\$ 11,974,605
Net realized gain (loss)	618,266	1,240,725	(2,120,717)	611,540
Net change in unrealized appreciation/depreciation	(17,097,855)	4,521,157	(9,018,484)	4,113,935
Dividends to Preferred Stock shareholders from:				
Net investment income	(4,329,651)	(4,394,391)	(4,926,956)	(4,679,918)
Net realized gain	(478,218)			

Net increase (decrease) in net assets applicable to Common Stock shareholders resulting from operations	(5,195,163)	17,607,195	(2,501,244)	12,020,162
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Dividends and Distributions to Common Stock Shareholders from

Net investment income	(11,848,523)	(12,475,627)	(7,628,630)	(8,169,851)
Net realized gain	(1,156,764)			

Decrease in net assets resulting from dividends and distributions to Common Stock shareholders	(13,005,287)	(12,475,627)	(7,628,630)	(8,169,851)
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Common Stock Transactions

Reinvestment of common dividends	253,398	587,176		
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Net Assets Applicable to Common Stock Shareholders

Total increase (decrease) in net assets applicable to Common Stock	(17,947,052)	5,718,744	(10,129,874)	3,850,311
Beginning of year	229,376,346	223,657,602	181,640,336	177,790,025
End of year	\$ 211,429,294	\$ 229,376,346	\$ 171,510,462	\$ 181,640,336
End of year undistributed net investment income	\$ 1,608,417	\$ 1,777,949	\$ 1,070,407	\$ 61,080

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniHoldings Fund, Inc.

Year Ended April
30,

2008	2007	2006	2005	2004
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Per Share Operating Performance					
Net asset value, beginning of year	\$ 16.51	\$ 16.14	\$ 16.31	\$ 15.54	\$ 15.07
Net investment income ¹	1.16	1.17	1.16	1.20	1.25
Net realized and unrealized gain (loss)	(1.20)	0.42	²	0.84	0.40
Dividends and Distributions to Preferred Stock shareholders from:					
Net investment income	(0.31)	(0.32)	(0.23)	(0.12)	(0.07)
Net realized gain	(0.03)				
Net increase (decrease) from investment operations	(0.38)	1.27	0.93	1.92	1.58
Less Dividends and Distributions to Common Stock shareholders from:					
Net investment income	(0.85)	(0.90)	(1.08)	(1.15)	(1.11)
Net realized gain	(0.08)				
Total dividends and distributions to Common Stock shareholders	(0.93)	(0.90)	(1.08)	(1.15)	(1.11)
Offering and underwriting costs resulting from the issuance of Preferred Stock			(0.02)		
Net asset value, end of year	\$ 15.20	\$ 16.51	\$ 16.14	\$ 16.31	\$ 15.54
Market price, end of year	\$ 14.77	\$ 16.49	\$ 16.20	\$ 16.12	\$ 14.43
Total Investment Return³					
Based on net asset value	(2.08%)	8.06%	5.69%	12.95%	10.94%
Based on market price	(4.74%)	7.52%	7.34%	20.22%	7.58%
Ratios to Average Net Assets Applicable to Common Stock					
Total expenses after waiver and excluding interest expense and fees ^{4,5}	1.20%	1.17%	1.15%	1.13%	1.14%
Total expenses after waiver ⁴	1.56%	1.54%	1.30%	1.15%	1.23%
Total expenses ⁴	1.56%	1.54%	1.30%	1.15%	1.24%
Net investment income ⁴	7.27%	7.14%	7.15%	7.61%	7.98%
Dividends to Preferred Stock shareholders	1.96%	1.93%	1.45%	0.74%	0.45%
Net investment income to Common Stock shareholders	5.31%	5.20%	5.70%	6.87%	7.53%
Supplemental Data					

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Net assets applicable to Common Stock, end of year (000)	\$ 211,429	\$229,376	\$223,658	\$225,218	\$214,473
Preferred Stock outstanding at liquidation preference, end of year (000)	\$ 125,000	\$125,000	\$125,000	\$110,000	\$110,000
Portfolio turnover	30%	20%	45%	34%	41%
Asset coverage end of year (000)	\$ 2,691	\$ 2,835	\$ 2,789	\$ 3,047	\$ 2,950

1 Based on average shares outstanding.

2 Amount is less than \$(0.01).

3 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

4 Do not reflect the effect of dividends to Preferred Stock shareholders.

5 Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

See Notes to Financial Statements.

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APRIL 30, 2008

Financial Highlights

**BlackRock MuniHoldings Insured
Fund, Inc.**

	Year Ended April 30,				
	2008	2007	2006	2005	2004
Per Share Operating Performance					
Net asset value, beginning of year	\$ 14.10	\$ 13.80	\$ 14.44	\$ 14.12	\$ 14.48
Net investment income ¹	1.05	0.93	0.97	1.01	1.04
Net realized and unrealized gain (loss)	(0.87)	0.36	(0.50)	0.38	(0.42)
Dividends to Preferred Stock shareholders from net investment income	(0.38)	(0.36)	(0.28)	(0.16)	(0.09)
Net increase (decrease) from investment operations	(0.20)	0.93	0.19	1.23	0.53
Dividends to Common Stock shareholders from net investment income	(0.59)	(0.63)	(0.83)	(0.91)	(0.89)
Net asset value, end of year	\$ 13.31	\$ 14.10	\$ 13.80	\$ 14.44	\$ 14.12
Market price, end of year	\$ 11.97	\$ 13.13	\$ 13.10	\$ 13.70	\$ 12.64

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Total Investment Return²					
Based on net asset value	(0.95%)	7.29%	1.46%	9.35%	4.07%
Based on market price	(4.34%)	5.25%	1.51%	15.90%	(0.07%)
Ratios to Average Net Assets Applicable to Common Stock					
Total expenses after waiver and excluding interest expense and fees ^{3,4}	1.27%	1.23%	1.24%	1.24%	1.24%
Total expenses after waiver ³	1.51%	1.56%	1.54%	1.60%	1.57%
Total expenses ³	1.64%	1.67%	1.65%	1.70%	1.67%
Net investment income ³	7.72%	6.62%	6.87%	7.09%	7.12%
Dividends to Preferred Stock shareholders	2.80%	2.59%	2.00%	1.09%	0.65%
Net investment income to Common Stock shareholders	4.92%	4.03%	4.87%	6.00%	6.47%
Supplemental Data					
Net assets applicable to Common Stock, end of year (000)	\$ 171,510	\$181,640	\$177,790	\$185,821	\$181,726
Preferred Stock outstanding at liquidation preference, end of year (000)	\$ 134,000	\$134,000	\$134,000	\$134,000	\$134,000
Portfolio turnover	57%	29%	59%	43%	41%
Asset coverage, end of year (000)	\$ 2,280	\$ 2,356	\$ 2,327	\$ 2,387	\$ 2,356

1 Based on average shares outstanding.

2 Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Total investment returns exclude the effects of sales charges.

3 Do not reflect the effect of dividends to Preferred Stock shareholders.

4 Interest expense and fees relate to tender option bond trusts. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to tender option bond trusts.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Significant Accounting Policies:

BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. (the Funds or individually as the Fund), are registered under the Investment Company Act of 1940, as amended (the 1940 Act), as non-diversified, closed-end management investment companies. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine and make available for publication the net asset values of their Common Stock on a daily basis.

The following is a summary of significant accounting policies followed by the Funds:

Valuation of investments: Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services selected under the supervision of each Fund's Board of Directors (the Board). In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and various relationships between investments. Swap agreements are valued by quoted fair values received by the Funds' pricing service. Short-term securities are valued at amortized cost.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment, the investment will be valued by a method approved by the Board as reflecting fair value (Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or sub-advisor seeks to determine the price that the Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

Derivative Financial Information: The Funds may engage in various portfolio investment strategies to increase the return of the Funds and to hedge, or protect, their exposure to interest rate movements and movements in the securities markets. Losses may arise if the value of the contract decreases due to an unfavorable change in the price of

the underlying security or if the counterparty does not perform under the contract.

Forward interest rate swaps The Funds may enter into forward interest rate swaps. In a forward interest rate swap, the Funds and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective

date, unless terminated earlier. These periodic payments received or made by the Funds are recorded in the accompanying Statements of Operations as realized gains or losses, respectively. Gains or losses are realized upon termination of the swap agreements. Swaps are marked-to market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. The Funds generally intend to close each forward interest rate swap before the accrual date specified in the agreement and therefore avoid entering into the interest rate swap underlying each forward interest rate swap.

Forward Commitments and When-Issued Delayed Delivery Securities:

The Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions only with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the purchaser is not entitled to any of the interest earned prior to settlement. Upon making a commitment to purchase a security on a when-issued basis, the Funds will hold liquid assets worth at least the equivalent of the amount due.

Municipal Bonds Transferred to Tender Option Bond Trusts: The Funds leverage their assets through the use of tender option bond trusts (TOBs). A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal securities. Other funds managed by the investment advisor may also contribute municipal securities to a TOB into which the Funds have contributed securities. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates (TOB Residuals), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Fund include the right of the Fund (1) to cause the holders of a proportional share of the floating rate certificates to tender their certificates at par, and (2) to transfer, within seven days, a corresponding share of the municipal securities from the TOB to the Fund. The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction

expenses, is paid to the Fund, which typically invests the cash in additional municipal securities. Each Fund's transfer of the municipal securities to a TOB is accounted for as a secured borrowing, therefore the municipal securities deposited into a TOB are presented in the Fund's Schedule of Investments and the proceeds from the transaction are reported as a liability of the Fund.

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Notes to Financial Statements (continued)

Interest income from the underlying securities is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are reported as expenses of the Funds. The floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. As of April 30, 2008, the aggregate value of the underlying municipal securities transferred to TOBs, the related liability for trust certificates and the range of interest rates on trust certificates during the period were as follows:

	Underlying Municipal Bonds Transferred to TOBs	Liability for Trust Certificates	Range of Interest Rates
BlackRock MuniHoldings Fund, Inc	\$36,085,169	\$17,530,000	2.395% 3.374%
BlackRock MuniHoldings Insured Fund, Inc	\$13,182,245	\$ 6,490,000	2.309% 2.395%

Financial transactions executed through TOBs generally will underperform the market for fixed rate municipal bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Should short-term interest rates rise, the Funds' investments in TOBs likely will adversely affect the Funds' investment income and dividends to common stock shareholders. Fluctuations in the market value of municipal securities deposited into the TOB may adversely affect the Funds' net asset values per share.

Zero-Coupon Bonds: The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not

provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Segregation: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that the Funds segregate assets in connection with certain investments (e.g., swaps and when-issued securities), the Funds will, consistent with certain interpretive letters issued by the SEC, designate on its books and records cash or other liquid debt securities having a market value at least equal to the amount that would otherwise be required to be physically segregated.

Investment Transactions and Investment Income: Investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual method. The Funds amortize all premiums and discounts on debt securities.

Dividends and Distributions: Dividends from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. Dividends and distributions to preferred shareholders are accrued and determined as described in Note 4.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

Effective October 31, 2007, the Funds implemented Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. The investment advisor has evaluated the application of FIN 48 to each Fund, and has determined that the adoption of FIN 48 does not have a material impact on each Fund's financial statements. The Funds file U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund's U.S. federal tax returns remain open for the years ended April 30, 2005 through April 30, 2007. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Pronouncements: In September 2006, Statement of Financial Accounting Standards No. 157, Fair Value Measurements

(FAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The impact on the Funds' financial statements disclosures, if any, is currently being assessed.

In addition, in February 2007, Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. FAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. The impact on the Funds' financial statement disclosures, if any, is currently being assessed.

In March 2008, Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 (FAS 161) was issued and

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Notes to Financial Statements (continued)

is effective for fiscal years beginning after November 15, 2008. FAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. The investment advisor is currently evaluating the implications of FAS 161 and the impact on the Funds' financial statement disclosures, if any, is currently being assessed.

Deferred Compensation and BlackRock Closed-End Share Equivalent

Investment Plan: Under the deferred compensation plan approved by each Fund's Board, non-interested Directors (Independent Directors) may defer a portion of their annual complex-wide compensation.

Deferred amounts earn an approximate return as though equivalent dollar amounts have been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in the other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common stock of the other certain BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations.

Other: Expenses directly related to each Fund are charged to that Fund. Other operating expenses shared by several funds are pro-rated among those funds on the basis of relative net assets or other appropriate methods.

2. Investment Advisory Agreement and Other Transactions with Affiliates:

The Funds have entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Advisor), an indirect, wholly-owned subsidiary of BlackRock, Inc., to provide investment advisory and administration services. Merrill Lynch & Co., Inc. (Merrill Lynch) and The PNC Financial Services Group, Inc. are principal owners of BlackRock, Inc.

The Advisor is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays a monthly fee at an annual rate of 0.55% of each Fund's average daily net assets, including proceeds from the issuance of Preferred Stock and TOBs.

The Advisor has agreed to waive its advisory fees by the amount of investment advisory fees each Fund pays to the Advisor indirectly through its investment in affiliated money market funds. These amounts are included in fees waived by the Advisor on the Statements of Operations. For the year ended April 30, 2008, the amounts were as follows:

	Fees Waived by Advisor
BlackRock MuniHoldings Fund, Inc	\$ 18
BlackRock MuniHoldings Insured Fund, Inc	\$ 331

The Advisor for MuniHoldings Insured Fund, Inc. has agreed to waive its investment advisory fee on the proceeds of Preferred Stock that exceed 35% of the Fund's total net assets. These amounts are included in fees waived by advisor on the Statements of Operations. For the year ended April 30, 2008, the waiver was as follows:

Fees Waived
by Advisor

BlackRock MuniHoldings Insured Fund, Inc	\$ 218,203
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The Advisor has entered into separate sub-advisory agreements with BlackRock Investment Management, LLC (BIM) an affiliate of the Advisor, with respect to each Fund, under which the Advisor pays BIM for services it provides, a monthly fee that is a percentage of the investment advisory fee paid by each Fund to the Advisor.

For the year ended April 30, 2008, the Funds reimbursed the Advisor for certain accounting services, which are included in accounting services expenses on the Statements of Operations. The reimbursements were as follows:

	Reimbursement to Advisor
BlackRock MuniHoldings Fund, Inc	\$ 6,207
BlackRock MuniHoldings Insured Fund, Inc	\$ 5,542

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock, Inc. or its affiliates.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended April 30, 2008 were as follows:

	Total Purchases	Total Sales
BlackRock MuniHoldings Fund, Inc	\$108,363,851	\$113,152,898
BlackRock MuniHoldings Insured Fund, Inc	\$178,708,210	\$188,875,694

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Notes to Financial Statements (continued)

4. Capital Stock Transactions:

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Each Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value \$0.10 per share, all of which were initially classified as Common Stock. The Board is authorized, however, to reclassify any unissued shares of stock without approval of holders of Common Stock.

Common Stock

BlackRock MuniHoldings Fund, Inc.

Shares issued and outstanding during the years ended April 30, 2008 and April 30, 2007 increased by 16,210 and 35,650, respectively, as a result of dividend reinvestment.

BlackRock MuniHoldings Insured Fund, Inc.

Shares issued and outstanding during the years ended April 30, 2008 and April 30, 2007 remained constant.

Preferred Stock

Preferred Stock of the Funds has a par value of \$0.10 per share and a liquidation preference of \$25,000 per share, plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at varying annualized rates for each dividend period. The yields in effect at April 30, 2008 were as follows:

	BlackRock MuniHoldings Fund, Inc.	BlackRock MuniHoldings Insured Fund, Inc.
Series A	3.78%	3.59%
Series B	3.59%	3.59%
Series C	4.37%	

BlackRock MuniHoldings Fund, Inc.

Shares issued and outstanding during the years ended April 30, 2008 and April 30, 2007 remained constant.

BlackRock MuniHoldings Insured Fund, Inc.

Shares issued and outstanding during the years ended April 30, 2008 and April 30, 2007 remained constant.

Each Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate of 0.25%, calculated on the aggregate principal amount. For the year ended April 30, 2008, Merrill Lynch, Pierce, Fenner & Smith Incorporated earned commissions as follows:

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	Commissions
BlackRock MuniHoldings Fund, Inc	\$137,897
BlackRock MuniHoldings Insured Fund, Inc	\$154,960

Dividends on seven-day Preferred Stock are cumulative at a rate which is reset every seven days based on the results of an auction. If the Preferred Stock fails to clear the auction on an auction date, each Fund is required to pay the maximum applicable rate on the Preferred Stock to holders of such shares for each successive dividend period until such time as the stock is successfully auctioned. The maximum applicable rate on the Preferred Stock for all of the series except BlackRock MuniHoldings Fund, Inc. Series C is the higher of 110% of the AA commercial paper rate or 110% of 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate. The maximum applicable rate on the Preferred Stock of BlackRock MuniHoldings Fund, Inc. Series C is the higher of 110% plus or times the Telerate/BBA LIBOR or 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate. For the year ended April 30, 2008, the Preferred Stock of each Fund was successfully auctioned at each auction date until February 13, 2008. The low, high and average dividend rates on the Preferred Stock for each Fund for the year ended April 30, 2008 were as follows:

BlackRock MuniHoldings Fund, Inc.	Low	High	Average
Series A	2.833%	4.75%	3.683%
Series B	2.866%	4.75%	3.676%
Series C	2.966%	5.198%	3.828%

BlackRock MuniHoldings Insured Fund, Inc.	Low	High	Average
Series A	2.866%	4.60%	3.678%
Series B	2.756%	4.508%	3.652%

Since February 13, 2008 the Preferred Stock of each Fund failed to clear any auctions. As a result, the Preferred Stock dividend rates were reset to the maximum applicable rate, which ranged from 2.756% to 5.198% . A failed auction is not an event of default for the Fund but it is a liquidity event for the holders of the Preferred Stock. A failed auction occurs when there are more sellers of a fund s auction rate preferred stock than buyers. It is impossible to predict how long this imbalance will last. An auction for each Fund s Preferred Stock may not occur for some time, if ever, and even if liquidity does resume, holders of Preferred

Stock may not have the ability to sell the Preferred Stock at its liquidation preference.

The Funds may not declare dividends or make other distributions on Common Stock or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Stock is less than 200%.

The Preferred Stock is redeemable at the option of each Fund, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated unpaid dividends whether or not declared. The Preferred Stock is also subject to mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared,

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Notes to Financial Statements (continued)

if certain requirements relating to the composition of the assets and liabilities of the Fund, as set forth in each Fund's Articles Supplementary, are not satisfied.

The holders of Preferred Stock have voting rights equal to the holders of Common Stock (one vote per share) and will vote together with holders of Common Stock (one vote per share) as a single class. However, holders of Preferred Stock, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Stock, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Stock, (b) change each Fund's subclassification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

5. Income Tax Information:

Reclassifications: U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, the current year's permanent book/tax differences for the Funds have been reclassified as follows:

BlackRock MuniHoldings Fund, Inc.

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\$83,653 has been reclassified between undistributed net investment income and accumulated net realized gain as a result of permanent differences attributable to the reclassification of distributions. This reclassification has no effect on net assets or net asset value per share.

BlackRock MuniHoldings Insured Fund, Inc.

\$8,509,208 has been reclassified between paid-in-capital in excess of par and accumulated net realized loss as a result of permanent differences attributable to the expiration of capital loss carryforwards. This reclassification has no effect on net assets or net asset value per share.

BlackRock MuniHoldings Fund, Inc.

The tax character of distributions paid during the fiscal years ended April 30, 2008 and April 30, 2007 was as follows:

	4/30/2008	4/30/2007
Distributions paid from:		
Tax-exempt income	\$ 16,178,174	\$16,870,018
Ordinary income	\$ 100,708	
Long-term capital gains	1,534,274	
Total distributions	\$ 17,813,156	\$16,870,018

As of April 30, 2008, the components of accumulated earnings on a tax basis were as follows:

Undistributed tax-exempt net income	\$ 1,136,504	
Undistributed long-term net capital gains		342,059
Total undistributed net earnings	1,478,563	
Net unrealized gains	2,766,193*	
Total accumulated net earnings	\$ 4,244,756	

* The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the difference between book and tax amortization methods for premiums and discounts on fixed income securities and the difference between book and tax treatment of residual interest in tender option bonds.

BlackRock MuniHoldings Insured Fund, Inc.

The tax character of distributions paid during the fiscal years ended April 30, 2008 and April 30, 2007 was as follows:

	4/30/2008	4/30/2007
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Distributions paid from:

Tax-exempt income	\$ 12,555,586	\$12,849,769
Total distributions	\$ 12,555,586	\$12,849,769

As of April 30, 2008, the components of accumulated losses on a tax basis were as follows:

Undistributed tax-exempt net income	\$ 321,416
Undistributed long-term net capital gains	
Total undistributed net earnings	321,416
Capital loss carryforward	(10,207,633)*
Net unrealized losses	(1,849,248)**
Total accumulated net losses	\$ (11,735,465)

* On April 30, 2008, the Fund had a capital loss carryforward of \$10,207,633, of which \$9,583,913 expires in 2009 and \$623,720 expires in 2016. This amount will be available to offset future realized capital gains.

** The difference between book-basis and tax-basis net unrealized losses is attributable primarily to tax deferral of losses on wash sales, the tax deferral of losses on straddles, the difference between book and tax amortization methods for premiums and discounts on fixed income securities and the difference between book and tax treatment of residual interest in tender option bonds.

6. Concentration Risk:

Each Fund's investments are concentrated in certain states, which may be affected by adverse financial, social, environmental, economic, regulatory and political factors.

Many municipalities insure repayment of their bonds, which reduces the risk of loss due to issuer default. The market value of these bonds may fluctuate for other reasons and there is no assurance that the insurer will meet its obligation.

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Notes to Financial Statements (concluded)

7. Restatement Information:

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Subsequent to the initial issuance of their April 30, 2006 financial statements, the Funds determined that the criteria for sale accounting in FAS 140 had not been met for certain transfers of municipal bonds related to investments in TOB Residuals, and that these transfers should have been accounted for as secured borrowings rather than as sales. As a result, certain financial highlights for each of the two years in the period ended April 30, 2005 have been restated to give effect to recording the transfers of the municipal bonds as secured borrowings, including recording interest on the bonds as interest income and interest on the secured borrowings as interest expense.

MuniHoldings Fund, Inc.

Financial Highlights

For the Years Ended April 30, 2005 and 2004

	2005		2004	
	Previously Reported	Restated	Previously Reported	Restated
Total expenses, net of reimbursement*	1.13%	1.15%	1.14%	1.23%
Total expenses*	1.13%	1.15%	1.15%	1.24%
Portfolio turnover	36.23%	34%	42.89%	41%

* Do not reflect the effect of dividends to Preferred Stock shareholders.

MuniHoldings Insured Fund, Inc.

Financial Highlights

For the Years Ended April 30, 2005 and 2004

	2005		2004	
	Previously Reported	Restated	Previously Reported	Restated
Total expenses, net of reimbursement**	1.24%	1.60%	1.24%	1.57%
Total expenses**	1.35%	1.70%	1.34%	1.67%
Portfolio turnover	51.81%	43%	39.94%	41%

** Do not reflect the effect of dividends to Preferred Stock shareholders.

8. Subsequent Events:

Each Fund paid a tax-exempt income dividend to holders of Common Stock in the amounts of \$0.07100 per share and \$.048500 per share relating to BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc., respectively, on June 2, 2008 to shareholders of record on May 15, 2008.

The dividends declared on Preferred Stock for the period May 1, 2008 to May 31, 2008 for each of the Funds were as follows:

BlackRock MuniHoldings Fund, Inc.	Dividends Declared
Series A	\$154,375
Series B	\$152,691
Series C	\$ 53,947

BlackRock MuniHoldings Insured Fund, Inc.	Dividends Declared
Series A	\$197,623
Series B	\$165,731

On June 2, 2008, the Funds announced the following redemptions of Preferred Stock at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

BlackRock MuniHoldings Fund, Inc.:	Redemption Date	Shares to be Redeemed	Aggregate Price
Series A	6/25/2008	582	\$14,550,000
Series B	6/27/2008	582	\$14,550,000
Series C	6/24/2008	159	\$ 3,975,000

BlackRock MuniHoldings Insured Fund, Inc.:	Redemption Date	Shares to be Redeemed	Aggregate Price
Series A	6/27/2008	796	\$19,900,000
Series B	6/24/2008	796	\$19,900,000

The Funds will finance the Preferred Stock redemptions with cash

received from TOB transactions.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Boards of Directors of BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc.:

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. (the Funds) as of April 30, 2008, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the financial statements and financial highlights based on our audits. The financial highlights for each of the two years in the period ended April 30, 2005 (before the restatement described in Note 7) were audited by other auditors whose report, dated June 10, 2005, expressed a qualified opinion on the financial highlights because of the errors described in Note 7.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of April 30, 2008, by correspondence with the custodians and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights of BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. referred to above, present fairly, in all material respects, their financial position as of April 30, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited the adjustments, applied by management, to restate certain financial highlights for each of the two years in the period ended April 30, 2005 to correct the errors described in Note 7. These adjustments are the responsibility of the Funds' management. The audit procedures that we performed with respect to the adjustments included such tests as we considered necessary in the circumstances and were designed to obtain reasonable assurance about whether the adjustments are appropriate and have been properly applied, in all material respects, to the restated financial highlights for each of the two years in the period ended April 30, 2005. We did not perform any audit procedures designed to assess whether any additional adjustments to such financial highlights might be necessary in order for such financial highlights to be presented in conformity with generally accepted accounting principles. In our opinion, the adjustments to the financial highlights for each of the two years in the period ended April 30, 2005 described in Note 7 are appropriate and have been properly applied, in all material respects. However, we were not engaged to audit, review, or apply any procedures to such financial highlights other than with respect to the adjustments described in Note 7 and, accordingly, we do not express an opinion or any other form of assurance on such financial highlights.

Deloitte & Touche LLP
Princeton, New Jersey

June 24, 2008

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Important Tax Information

All of the net investment income distributions paid by BlackRock MuniHoldings Fund, Inc. and BlackRock MuniHoldings Insured Fund, Inc. during the taxable year ended April 30, 2008 qualify as tax-exempt interest dividends for federal income tax purposes.

Additionally, the following table summarizes the taxable per share distributions paid by MuniHoldings Fund, Inc. during the year:

	Payable Date	Short-Term Capital Gains	Long-Term Capital Gains
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Common Stock Shareholders		12/31/2007	\$0.005123	\$0.078062
Preferred Stock Shareholders:				
	Series A	11/21/2007	\$1.58	\$24.23
		11/28/2007	\$1.82	\$27.69
		12/05/2007	\$2.00	\$30.46
		12/19/2007	\$0.50	\$ 7.49
	Series B	11/16/2007	\$1.58	\$24.23
		11/23/2007	\$1.60	\$24.22
		11/30/2007	\$1.86	\$28.38
		12/14/2007	\$0.84	\$12.71
	Series C	11/20/2007	\$1.57	\$23.88
		11/27/2007	\$1.63	\$24.77
		12/04/2007	\$1.91	\$29.08
		12/18/2007	\$0.81	\$12.35

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Automatic Dividend Reinvestment Plan

How the Plan Works The Funds offer a Dividend Reinvestment Plan (the Plan) under which income and capital gains dividends paid by a Fund are automatically reinvested in additional shares of Common Stock of the Fund. The Plan is administered on behalf of the shareholders by The BNY Shareowner Services (the Plan Agent). Under the Plan, whenever a Fund declares a dividend, participants in the Plan will receive the equivalent in shares of Common Stock of the Fund. The Plan Agent will acquire the shares for the participant's account either (i) through receipt of additional unissued but authorized shares of the Funds (newly issued shares) or (ii) by purchase of outstanding shares of Common Stock on the open market on the New York Stock Exchange or elsewhere. If, on the dividend payment date, the Fund's net asset value per share is equal to or less than the market price per share plus estimated brokerage commissions (a condition often referred to as a market premium), the Plan Agent will invest the dividend amount in newly issued shares. If the Fund's net asset value per share is greater than the market price per share (a condition often referred to as a market discount), the Plan Agent will invest the dividend amount by purchasing on the open market additional shares. If the Plan Agent is unable to invest the full dividend amount in open market purchases, or if the market discount shifts to a market premium during the purchase period, the Plan Agent will invest any uninvested portion in newly issued shares. The shares acquired are credited to each shareholder's account. The amount credited is deter-

mined by dividing the dollar amount of the dividend by either (i) when the shares are newly issued, the net asset value per share on the date the shares are issued or (ii) when shares are purchased in the open market, the average purchase price per share.

Participation in the Plan Participation in the Plan is automatic, that is, a shareholder is automatically enrolled in the Plan when he or she purchases shares of Common Stock of the Funds unless the shareholder specifically elects not to participate in the Plan. Shareholders who elect not to participate will receive all dividend distributions in cash. Shareholders who do not wish to participate in the Plan must advise the Plan Agent in writing (at the address set forth below) that they elect not to participate in the Plan. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by writing to the Plan Agent.

Benefits of the Plan The Plan provides an easy, convenient way for shareholders to make additional, regular investments in the Funds. The Plan promotes a long-term strategy of investing at a lower cost. All shares acquired pursuant to the Plan receive voting rights. In addition, if the market price plus commissions of a Fund's shares is above the net asset value, participants in the Plan will receive shares of the Fund for less than they could otherwise purchase them and with a cash value greater than the value of any cash distribution they would have received. However, there may not be enough shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Funds do not redeem shares, the price on resale may be more or less than the net asset value.

Plan Fees There are no enrollment fees or brokerage fees for participating in the Plan. The Plan Agent's service fees for handling the reinvestment of distributions are paid for by the Funds. However, brokerage commissions may be incurred when the Funds purchase shares on the open market and shareholders will pay a pro rata share of any such commissions.

Tax Implications The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Therefore, income and capital gains may still be realized even though shareholders do not receive cash. Participation in the Plan generally will not affect the tax-exempt status of exempt interest dividends paid by the Funds. If, when the Funds' shares are trading at a market premium, the Funds issue shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of the discount from the market value (which may not exceed 5% of the fair market value of the Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who

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do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Contact Information All correspondence concerning the Plan, including any questions about the Plan, should be directed to the Plan Agent at BNY Mellon Shareowner Services, .O. Box 358035, Pittsburgh, PA, 15252-8035, Telephone: (866) 216-0242.

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Officers and Directors

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served as a Director**	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Funds and Portfolios Overseen
Non-Interested Directors*				
G. Nicholas Beckwith, III 40 East 52nd Street New York, NY 10022 1945	Director	Since 2007	Chairman and Chief Executive Officer, Arch Street Management, LLC (Beckwith Family Foundation) and various Beckwith property companies since 2005; Chairman of the Board of Directors, University of Pittsburgh Medical Center since 2002; Board of Directors, Shady Side Hospital Foundation since 1977; Board of Directors, Beckwith Institute for Innovation In Patient Care since 1991; Member, Advisory Council on Biology and Medicine, Brown University since 2002; Trustee, Claude Worthington Benedum Foundation (charitable foundation) since 1989; Board of Trustees, Chatham College since 1981; Board of Trustees, University of Pittsburgh since 2002; Emeritus Trustee, Shady Side Academy since 1977; Formerly Chairman and Manager, Penn West Industrial Trucks LLC (sales, rental and servicing of material handling equipment) from 2005 to 2007; Formerly Chairman, President and Chief Executive Officer, Beckwith Machinery Company (sales, rental and servicing of construction and equipment) from 1985 to 2005; Formerly Board of Directors, National Retail Properties (REIT) from 2006 to 2007.	112 Funds 109 Portfolios
Richard E. Cavanagh 40 East 52nd Street New York, NY 10022 1946	Director and Chair of the Board of Directors	Since 2007	Trustee, Aircraft Finance Trust since 1999; Director, The Guardian Life Insurance Company of America since 1998; Chairman and Trustee, Educational Testing Service since 1997; Director, The Fremont Group since 1996; Formerly President and Chief Executive Officer of The Conference Board, Inc. (global business research organization) from 1995 to 2007.	113 Funds 110 Portfolios

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Kent Dixon 40 East 52nd Street New York, NY 10022 1937	Director and Member of the Audit Committee	Since 2007	Consultant/Investor since 1988.	113 Funds 110 Portfolios
Frank J. Fabozzi 40 East 52nd Street New York, NY 10022 1948	Director and Member of the Audit Committee	Since 2007	Consultant/Editor of The Journal of Portfolio Management since 2006; Professor in the Practice of Finance and Becton Fellow, Yale University, School of Management, since 2006; Formerly Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006.	113 Funds 110 Portfolios
Kathleen F. Feldstein 40 East 52nd Street New York, NY 10022 1941	Director	Since 2007	President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital since 2000; Member of the Corporation of Partners Community Healthcare, Inc. since 2005; Member of the Corporation of Partners HealthCare since 1995; Member of the Corporation of Sherrill House (healthcare) since 1990; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Trustee, The Committee for Economic Development (research organization) since 1990; Member of the Advisory Board to the International School of Business, Brandeis University since 2002; Formerly Director of Bell South (communications) from 1998 to 2006; Formerly Director of Ionics (water purification) from 1992 to 2005; Formerly Director of John Hancock Financial Services from 1994 to 2003; Formerly Director of Knight Ridder (media) from 1998 to 2006.	113 Funds 110 Portfolios
James T. Flynn 40 East 52nd Street New York, NY 10022 1939	Director and Member of the Audit Committee	Since 2007	Formerly Chief Financial Officer of JP Morgan & Co., Inc. from 1990 to 1995.	112 Funds 109 Portfolios
Jerrold B. Harris 40 East 52nd Street New York, NY 10022 1942	Director	Since 2007	Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000.	112 Funds 109 Portfolios

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Officers and Directors (continued)

Position(s)	Length of Time	Number of BlackRock-Advised Funds
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Name, Address and Year of Birth	Held with Funds	Served as a Director**	Principal Occupation(s) During Past 5 Years	and Portfolios Overseen
Non-Interested Directors* (concluded)				
R. Glenn Hubbard 40 East 52nd Street New York, NY 10022 1958	Director	Since 2007	Dean of Columbia Business School since 2004; Columbia faculty member since 1988; Formerly Co-Director of Columbia Business School's Entrepreneurship Program from 1997 to 2004; Visiting Professor at the John F. Kennedy School of Government at Harvard University and the Harvard Business School since 1985 and at the University of Chicago since 1994; Formerly Chairman of the U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003.	113 Funds 110 Portfolios
W. Carl Kester 40 East 52nd Street New York, NY 10022 1951	Director and Member of the Audit Committee	Since 2007	Mizuho Financial Group Professor of Finance, Harvard Business School. Deputy Dean for Academic Affairs since 2006; Unit Head, Finance, Harvard Business School, from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School, from 1999 to 2005; Member of the faculty of Harvard Business School since 1981; Independent Consultant since 1978.	112 Funds 109 Portfolios
Karen . Robards 40 East 52nd Street New York, NY 10022 1950	Director and Chair of the Audit Committee	Since 2007	Partner of Robards & Company, LLC, (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development, (a not-for-profit organization) since 1987; Formerly Director of Enable Medical Corp. from 1996 to 2005; Formerly an investment banker at Morgan Stanley from 1976 to 1987.	112 Funds 109 Portfolios
Robert S. Salomon, Jr. 40 East 52nd Street New York, NY 10022 1936	Director and Member of the Audit Committee	Since 2007	Formerly Principal of STI Management LLC (investment adviser) from 1994 to 2005.	112 Funds 109 Portfolios

* Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

** Following the combination of Merrill Lynch Investment Managers, L (MLIM) and BlackRock, Inc. (BlackRock) in September 2006, the

various legacy MLIM and legacy BlackRock Fund boards were realigned and consolidated into three new Fund boards in 2007. As a result,

although the chart shows certain directors as joining the Fund s board in 2007, those directors first became a member of the board of

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directors of other legacy MLIM or legacy BlackRock Funds as follows: G. Nicholas Beckwith, III since 1999; Richard E. Cavanagh since 1994;

Kent Dixon since 1988; Frank J. Fabozzi since 1988; Kathleen F. Feldstein since 2005; James T. Flynn since 1996; Jerrold B. Harris since

1999; R. Glenn Hubbard since 2004; W. Carl Kester since 1998; Karen . Robards since 1998 and Robert S. Salomon, Jr. since 1996.

Interested Directors*

Richard S. Davis 40 East 52nd Street New York, NY 10022 1945	Director	Since 2007	Managing Director, BlackRock, Inc. since 2005; Formerly Chief Executive Officer, State Street Research & Management Company from 2000 to 2005; Formerly Chairman of the Board of Trustees, State Street Research Mutual Funds from 2000 to 2005; Formerly Chairman, SSR Realty from 2000 to 2004	185 Funds 295 Portfolios	None
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Henry Gabbay 40 East 52nd Street New York, NY 10022 1947	Director	Since 2007	Consultant, BlackRock, Inc. since 2007; Formerly Managing Director, BlackRock, Inc. from 1989 to 2007; Formerly Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; Formerly President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007 and Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006.	184 Funds 294 Portfolios	None
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* Messrs. Davis and Gabbay are both interested persons, as defined in the Investment Company Act of 1940, of the Funds based on their positions with BlackRock, Inc. and its affiliates. Directors serve until their resignation, removal or death, or until December 31 of the year in which they turn 72.

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Officers and Directors (concluded)

Name, Address and Year of Birth	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
Fund Officers*			
Donald C. Burke 40 East 52nd Street New York, NY 10022 1960	Fund President and Chief Executive Officer	Since 2007	Managing Director of BlackRock, Inc. since 2006; Formerly Managing Director of Merrill Lynch Investment Managers, L (MLIM) and Fund Asset Management, L (FAM) in 2006; First Vice President thereof 1997 to 2005; Treasurer thereof from 1999 to 2006 and Vice President thereof from 1990 to 1997.
Anne F. Ackerley	Vice	Since	Managing Director of BlackRock, Inc. since 2000 and First Vice President and Chief Operating Officer

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40 East 52nd Street New York, NY 10022 1962	President	2007	and Acquisitions Group from 1997 to 2000; First Vice President and Chief Operating Officer of Public Group thereof from 1995 to 1997; First Vice President of Emerging Markets Fixed Income Research Lynch & Co., Inc. from 1994 to 1995.
Neal J. Andrews 40 East 52nd Street New York, NY 10022 1966	Chief Financial Officer	Since 2007	Managing Director of BlackRock, Inc. since 2006; Formerly Senior Vice President and Line of Business Fund Accounting and Administration at PFPC Inc. from 1992 to 2006.
Jay M. Fife 40 East 52nd Street New York, NY 10022 1970	Treasurer	Since 2007	Managing Director of BlackRock, Inc. since 2007 and Director in 2006; Formerly Assistant Treasurer of MLIM/FAM advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006.
Brian . Kindelan 40 East 52nd Street New York, NY 10022 1959	Chief Compliance Officer of the Funds	Since 2007	Chief Compliance Officer of the BlackRock-advised Funds since 2007; Anti-Money Laundering Officer since 2007; Managing Director and Senior Counsel of BlackRock, Inc. since 2005; Director and Senior Counsel of BlackRock Advisors, Inc. from 2001 to 2004 and Vice President and Senior Counsel thereof from 1999 to 2001; Senior Counsel of The PNC Bank Corp. from 1995 to 1998.
Howard Surloff 40 East 52nd Street New York, NY 10022 1965	Secretary	Since 2007	Managing Director of BlackRock, Inc. and General Counsel of U.S. Funds at BlackRock, Inc. since 2006; General Counsel (U.S.) of Goldman Sachs Asset Management, L from 1993 to 2006.

* Officers of the Funds serve at the pleasure of the Board of Directors.

Custodian	Transfer Agent	Accounting Agent	Independent Registered Public	Legal Counsel
The Bank of New York Mellon and New York, NY 10286	Common Stock Preferred Stock BNY Mellon Shareowner Services Jersey City, NJ 07310	State Street Bank and Trust Company Princeton, NJ 08540	Accounting Firm Deloitte & Touche LLP Princeton, NJ 08540	Skadden, Arnes, Looney, Rutz & Taub LLP Meagher & Geary New York, NY 10036

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Additional Information

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to its shareholders on a monthly basis. In order to

provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month.

As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

Fund Certification

The Funds listed for trading on the New York Stock Exchange (NYSE) have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Funds filed

with the Securities and Exchange Commission (SEC) the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room

in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

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Additional Information (continued)

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

General Information

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of the Funds have not been updated after completion of the Funds' offering and the information contained in the Funds' Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Funds' investment objective or policies or to the Funds' charter or by-laws that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and it is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Funds at (800) 441-7762.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website into this report.

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Additional Information (concluded)

Deposit Securities

Effective May 30, 2008, following approval by the Funds' Board and the applicable ratings agencies, the definition of Deposited Securities in the Funds' Articles Supplementary was amended in order to facilitate the redemption of the Funds' Preferred Stock. The following phrase was added to the definition of Deposit Securities found in the Funds' Articles Supplementary:

; provided, however, that solely in connection with any redemption of AMPS, the term Deposit Securities shall include (i) any committed financing pursuant to a credit agreement, reverse repurchase agreement facility or similar credit arrangement, in each case which makes available to the Corporation, no later than the day preceding the applicable redemption date, cash in an amount not less than the aggregate amount due to Holders by reason of the redemption of their shares of AMPS on such redemption date; and (ii) cash amounts due and payable to the Corporation out of a sale of its securities if such cash amount is not less than the aggregate amount due to Holders by reason of the redemption of their shares of AMPS on such redemption date and such sale will be settled not later than the day preceding the applicable redemption date.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their non-public 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 non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated 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 non-public 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 non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Stock, which creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock, currently set at the maximum reset rate as a result of failed auctions, may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-441-7762; (2) at www.blackrock.com; and (3) on the Securities and Exchange Commission's website at <http://www.sec.gov>. Information about how the Funds voted proxies relating to securities held in the Funds' portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at www.blackrock.com or by calling (800) 441-7762 and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

BlackRock MuniHoldings Fund, Inc.
BlackRock MuniHoldings Insured Fund, Inc.
100 Bellevue Parkway
Wilmington, DE 19809

#MH1INS-4/08

Item 2 Code of Ethics The registrant (or the Fund) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer,

principal financial officer and principal accounting officer, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 Audit Committee Financial Expert The registrant's board of directors or trustees, as applicable (the board of directors) has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Kent Dixon (term began effective November 1, 2007)
 Frank J. Fabozzi (term began effective November 1, 2007)
 James T. Flynn (term began effective November 1, 2007)
 Ronald W. Forbes (term ended effective November 1, 2007)
 W. Carl Kester (term began effective November 1, 2007)
 Karen P. Robards (term began effective November 1, 2007)
 Robert S. Salomon, Jr. (term began effective November 1, 2007)
 Richard R. West (term ended effective November 1, 2007)

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an expert for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification.

Item 4 Principal Accountant Fees and Services

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	(a) Audit Fees		(b) Audit-Related Fees ¹		(c) Tax Fees ²		(d) All Other Fees ³	
<u>Entity Name</u>	<u>Current Fiscal Year End</u>	<u>Previous Fiscal Year End</u>	<u>Current Fiscal Year End</u>	<u>Previous Fiscal Year End</u>	<u>Current Fiscal Year End</u>	<u>Previous Fiscal Year End</u>	<u>Current Fiscal Year End</u>	<u>Previous Fiscal Year End</u>
BlackRock MuniHoldings Fund, Inc.	\$29,000	\$29,400	\$3,500	\$3,500	\$6,100	\$6,100	\$1,049	\$0

(f) Not Applicable

(g) Affiliates Aggregate Non-Audit Fees:

<u>Entity Name</u>	<u>Current Fiscal Year End</u>	<u>Previous Fiscal Year End</u>
BlackRock MuniHoldings Fund, Inc.	\$292,049	\$3,005,683

(h) The registrant's audit committee has considered and determined that the provision of

1 The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

2 The nature of the services include tax compliance, tax advice and tax planning.

3 The nature of the services include a review of compliance procedures and attestation thereto.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The registrant's audit committee (the Committee) has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis (general pre-approval). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operation or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 for all of the registrants the Committee oversees. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to one or more of its members the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

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(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

non-audit services that were rendered to the registrant's investment adviser (not including any non-affiliated sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by the registrant's investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Regulation S-X Rule 2-01(c)(7)(ii) \$287,500, 0%

Item 5 Audit Committee of Listed Registrants The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Kent Dixon (term began effective November 1, 2007)
Frank J. Fabozzi (term began effective November 1, 2007)
James T. Flynn (term began effective November 1, 2007)
Ronald W. Forbes (term ended effective November 1, 2007)
W. Carl Kester (term began effective November 1, 2007)
Cynthia A. Montgomery (term ended effective November 1, 2007)
Jean Margo Reid (term ended effective November 1, 2007)
Karen P. Robards (term began effective November 1, 2007)
Robert S. Salomon, Jr. (term began effective November 1, 2007)
Roscoe S. Suddarth (not reappointed to audit committee effective November 1, 2007; retired effective December 31, 2007)
Richard R. West (term ended effective November 1, 2007)

Item 6 Investments

- (a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this form.
- (b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies The registrant has delegated the voting of proxies relating to Fund portfolio securities to its investment adviser, BlackRock Advisors, LLC and its sub-adviser, as applicable. The Proxy Voting Policies of the Fund are attached hereto as Exhibit 99.PROXYPOL.

Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12 month period ended June 30 is available without charge (1) at www.blackrock.com and (2) on the Commission's web site at <http://www.sec.gov>.

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of April 30, 2008.

- (a)(1) BlackRock MuniHoldings Fund, Inc. is managed by a team of investment

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professionals comprised of Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock, and Walter O Connor, Managing Director at BlackRock. Each is a member of BlackRock's municipal tax-exempt management group. Mr. Jaeckel and Mr. O Connor are responsible for the day-to-day management of the Fund's portfolio, including setting the

Fund's overall investment strategy, overseeing the management of the Fund and/or selecting the Fund's investments. Messrs. O Connor and Jaeckel have been the Fund's portfolio managers since 2006.

Mr. Jaeckel joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of Merrill Lynch Investment Managers, L.P. (MLIM) from 2005 to 2006 and a Director of MLIM from 1997 to 2005. He has been a portfolio manager with BlackRock or MLIM since 1991.

Mr. O Connor joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of MLIM from 2003 to 2006 and was a Director of MLIM from 1997 to 2002. He has been a portfolio manager with BlackRock or MLIM since 1991.

(a)(2) As of April 30, 2008:

(i) Name of Portfolio Manager	(ii) Number of Other Accounts Managed and Assets by Account Type			(iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based		
	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
Theodore R. Jaeckel, Jr.	81	1	0	0	1	0
	\$27.85 Billion	\$13.2 Million	\$0	\$0	\$13.2 Million	\$0
Walter O Connor	81	0	0	0	0	0
	\$27.85 Billion	\$0	\$0	\$0	\$0	\$0

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made for the Funds. In addition, BlackRock, its affiliates and any officer, director, stockholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates, or any officer, director, stockholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or the officers, directors or employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy

utilized for a Fund. In this regard, it should be noted that Mr. Jaeckel currently manages certain accounts that are subject to performance fees. In addition, Mr. Jaeckel assists in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a)(3) As of April 30, 2008:

Portfolio Manager Compensation Overview

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various

benefits programs and one or more of the incentive compensation programs established by BlackRock such as its Long-Term Retention and Incentive Plan.

Base compensation. Generally, portfolio managers receive base compensation based on their seniority and/or their position with the firm. Senior portfolio managers who perform additional management functions within the portfolio management group or within BlackRock may receive additional compensation for serving in these other capacities.

Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's seniority, role within the portfolio management team, teamwork and contribution to the overall performance of these portfolios and BlackRock. In most cases, including for the portfolio managers of the Fund, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Fund or other accounts managed by the portfolio managers are measured. BlackRock's Chief Investment Officers determine the benchmarks against which the performance of funds and other accounts managed by each portfolio manager is compared and the period of time over which performance is evaluated. With respect to the portfolio managers, such benchmarks for the Fund include a combination of market-based indices (e.g., Lehman Brothers Municipal Bond Index), certain customized indices and certain fund industry peer groups.

BlackRock's Chief Investment Officers make a subjective determination with respect to the portfolio managers' compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks noted above. Performance is measured on both a pre-tax and after-tax basis over various time periods including 1, 3, 5 and 10-year periods, as applicable.

Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. The BlackRock, Inc. restricted stock units, if properly vested, will be settled in BlackRock, Inc. common stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year at risk based on the BlackRock's ability to sustain and improve its performance over future periods.

Long-Term Retention and Incentive Plan (LTIP) The LTIP is a long-term incentive plan that seeks to reward certain key employees. Beginning in 2006, awards are granted under the LTIP in the form of BlackRock, Inc. restricted stock units that, if properly vested and subject to the attainment of certain performance goals, will be settled in BlackRock, Inc. common stock. Each portfolio manager has received awards under the LTIP.

Deferred Compensation Program A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred into an account that tracks the

performance of certain of the firm's investment products. Each participant in the deferred compensation program is permitted to allocate his deferred amounts among the various investment options. Each portfolio manager has participated in the deferred compensation program.

Other compensation benefits. In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

Incentive Savings Plans BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 6% of eligible pay contributed to the plan capped at \$4,000 per year, and a company retirement contribution equal to 3% of eligible compensation, plus an additional contribution of 2% for any year in which BlackRock has positive net operating income. The RSP offers a range of investment options, including registered investment companies managed by the firm. BlackRock contributions follow the investment direction set by participants for their own contributions or, absent employee investment direction, are invested into a balanced portfolio. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares or a dollar value of \$25,000. Each portfolio manager is eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities.* As of April 30, 2008, Mr. Jaeckel beneficially owned stock issued by the Fund in the range of \$1 - \$10,000. As of April 30, 2008, Mr. O'Connor did not beneficially own any stock issued by the Fund.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable due to no such purchases during the period covered by this report.

Item 10 Submission of Matters to a Vote of Security Holders The registrant's Nominating and Governance Committee will consider nominees to the Board recommended by shareholders when a vacancy becomes available. Shareholders who wish to recommend a nominee should send nominations which include biographical information and set forth the qualifications of the proposed nominee to the registrant's Secretary. There have been no material changes to these procedures.

Item 11 Controls and Procedures

11(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

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11(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

12(a)(1) Code of Ethics See Item 2

12(a)(2) Certifications Attached hereto

12(a)(3) Not Applicable

12(b) Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniHoldings Fund, Inc.

By: /s/ Donald C. Burke

Donald C. Burke

Chief Executive Officer of

BlackRock MuniHoldings Fund, Inc.

Date: June 23, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Burke

Donald C. Burke

Chief Executive Officer (principal executive officer) of

BlackRock MuniHoldings Fund, Inc.

Date: June 23, 2008

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock MuniHoldings Fund, Inc.

Date: June 23, 2008
