FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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BLACKROCK 2001 TERM TRUST INC

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	2127132741

THE BLACKROCK 2001 TERM TRUST INC.
ANNUAL REPORT TO SHAREHOLDERS
REPORT OF INVESTMENT ADVISER

July 31, 1996

Dear Trust Shareholder:

After posting strong returns during 1995, the fixed income markets have given back much of their gains in 1996 in response to a strengthening U.S. economy. Accelerating economic growth has raised concerns about an increased inflationary environment, which could erode the value of fixed income investments. The stronger economy also has led some market participants to consider the possibility that the Federal Reserve may increase interest rates to thwart inflation threats after three interest rate reductions over the past twelve months.

Despite the pick-up in economic growth, we believe that current inflationary fears will subside. Commodity prices have risen but manufacturers will have difficulty passing along the increased costs of raw materials to consumers, whose debt levels as a percentage of disposable income are at the highest point since the recessionary highs of 1990. We believe that the overleveraged consumer will have to retrench, restricting future economic expansion and creating a positive environment for bonds in the latter half of this year.

The following annual report provides detailed market commentary and a review of portfolio management activity. We believe that BlackRock's duration controlled management style and risk management capabilities will allow each of our Trusts to achieve its long-term investment objective.

We look forward to maintaining your respect and confidence and to serving your financial needs in the coming years.

Sincerely,

Laurence D. Fink
Chairman

Ralph L. Schlosstein
President

July 31, 1996

Dear Shareholder:

We are pleased to present the annual report for The BlackRock 2001 Term Trust Inc. ("the Trust") for the fiscal year ended June 30, 1996. We would like to take this opportunity to review the Trust's stock price and net asset value (NAV) performance, summarize market developments and discuss recent portfolio management activity.

The Trust is a diversified, actively managed closed-end bond fund whose shares are traded on the New York Stock Exchange under the symbol "BLK". The Trust's investment objective is to return $10 per share (its initial offering price) to shareholders on or about June 30, 2001 while providing high current income. The Trust seeks these objectives by investing in investment grade fixed income securities, including corporate debt securities, mortgage-backed securities backed by U.S. Government agencies (such as Fannie Mae, Freddie Mac or Ginnie Mae), asset-backed securities and commercial mortgage-backed securities. All of the Trust's assets must be rated "BBB" by Standard & Poor's or "Baa" by Moody's at time of purchase or be issued or guaranteed by the U.S. government or its agencies.

The table below summarizes the performance of the Trust's stock price and NAV (the market value of its assets per share) over the period:

	6/30/96	6/30/95	Change	High	Low
Stock Price	$7.625	$7.50	1.67%	$7.75	$7.125

Net Asset Value (NAV)	$8.68	$8.72	(0.46%)	$9.09	$8.55

The Fixed Income Markets

The domestic fixed income markets witnessed two profoundly different environments during the past twelve months, providing an exciting and challenging environment in which to manage the Trust. Interest rates fell as the Treasury market rallied throughout 1995 into the middle of February 1996, as market demand for fixed income securities remained strong due to a combination of moderate economic growth, low absolute levels of inflation and two reductions of the Fed funds target rate. The rally halted during mid-February 1996, however, as data indicating accelerating economic growth rekindled inflationary concerns. The strengthening of the economy continued throughout the second quarter, leading market participants to become more resolute in their belief that the Federal Reserve will tighten monetary policy during the second half of 1996, which would result in rising interest rates. These fears translated into a sharp rise in bond yields across the Treasury yield curve, resulting in the fixed income markets rescinding much of their 1995 gains.

Interest rate movements reflected the change in investor sentiment toward fixed income securities. Interest rates across the Treasury yield curve fell dramatically from June 30, 1995 through mid-February 1996, as evidenced by the decline in yield levels on the 10-year Treasury. Beginning the period at 6.21%, the yield of the 10-year Treasury fell to 5.52% on January 19, its lowest yield since October 1993. However, data released during February suggesting renewed economic vigor placed pressure on bond prices, as the possibility of a stronger economy dampened investor expectations that interest rates would continue to fall. These fears translated into a sharp rise in bond yields across the Treasury yield curve. The yield of the ten-year Treasury ended the annual period at 6.71%, an increase of 120 basis points (1.20%) from its January 19 low and a net increase of 50 basis points over the year.

The mortgage-backed securities (MBS) market outperformed Treasuries for the period, as rising interest rates coupled with a reduction in prepayment risk provided investors an opportunity to fundamentally reassess mortgages after 1995's Treasury market rally. Still, many investors remained on the sidelines, convinced that even historically wide mortgage yield

spreads offered inadequate compensation for the perceived risks of owning mortgages. As a result of this narrow participation, MBS performance in 1996 has been good but somewhat short of expectations given the sharp rise in interest rates.

After outperforming other fixed income sectors during the second half of 1995, corporate bond performance relative to Treasuries year-to-date has been hampered by heavy net new issue supply, which expanded above 1995 levels despite rising interest rates. The yield premium, or "spread", offered by corporate bonds has remained narrow throughout 1996 despite increased supply. Corporate yield spreads are not expected to widen significantly, as a subsiding of recessionary fears in response to the strengthening U.S. economy is expected to support corporate bond prices.

The Trust's Portfolio and Investment Strategy

BlackRock actively manages the Trust's portfolio holdings consistent with BlackRock's overall market outlook and the Trust's investment objectives. The following chart compares the Trust's current and June 30, 1995 asset composition.

The BlackRock 2001 Term Trust Inc.

Composition	June 30, 1996	June 30, 1995
Mortgage Pass-Throughs	24%	33%
Taxable Zero Coupon Bonds	18%	23%
Corporate Bonds	15%	2%
U.S. Treasury Securities	10%	10%
Adjustable Rate Mortgages	9%	8%
Stripped Mortgage-Backed Securities	8%	4%
Agency Multiple Class Mortgage Pass-Throughs	7%	15%
Commercial Mortgage-Backed Securities	3%	2%

Asset-Backed Securities	3%	0%
Non-Agency Multiple Class Mortgage Pass-Through	1%	1%
Municipal Bonds	1%	1%
CMO Residuals	1%	1%

Rating % of Corporates		
Credit Rating	June 30, 1996	June 30, 1995
A or equivalent	54%	100%
BBB or equivalent	34%	0%
AA or equivalent	11%	0%
AAA or equivalent	1%	0%

The Trust maintained its focus on the primary investment objective of returning $10 per share to investors on or about its termination date. In conjunction with this objective, the Trust has been reducing its holdings which are subject to cash flow risk or which can extend beyond the Trust's scheduled maturity date. BlackRock has been opportunistically selling bonds with these characteristics, or "tail risk", and emphasized securities offering attractive yield spreads over Treasury securities, cash flows prior to termination date or fixed maturities approximating the Trust's termination date. To that end, the Trust significantly increased its allocation to investment grade corporate bonds, which now comprise approximately 15% of

portfolio assets. Corporate bonds allow the Trust to both match the maturity date of the bond with the Trust's scheduled termination date by providing a definite maturity value when they mature and a more defined cash flow. The Trust also increased its exposure to asset-backed securities (ABS), which are generally collateralized by auto or credit card loans. ABS offer attractive yields relative to comparable duration securities in addition to more predictable cash flows than mortgage-backed securities.

The increased corporate bond and asset-backed security positions were accompanied by a corresponding decrease in securities which offer less predictable cash flow streams and maturity dates. Specifically, the Trust has sold mortgage-backed securities such as agency pass-throughs and collateralized mortgage-backed obligations, which have characteristics that are typically more sensitive to interest rate movements than most fixed maturity securities. For example, the maturity of a mortgage bond can extend if interest rates rise; conversely, a sharp decline in interest rates can cause a mortgage bond to prepay, which exposes the Trust to reinvestment risk in a lower interest rate environment. Over the annual period, and particularly during the first half of 1996, this strategy has worked to the Trust's benefit as mortgages outperformed most sectors of the taxable fixed income market. The Trust expects to continue its tail risk reduction strategy as the Trust's maturity date approaches.

We look forward to continuing to manage the Trust to benefit from the opportunities available to investors in the fixed income markets. BlackRock remains confident in the Trust's ability to return its initial offering price at its scheduled termination date. We thank you for your investment in The BlackRock 2001 Term Trust Inc. Please feel free to contact our marketing center at (800) 227-7BFM (7236) if you have specific questions which were not addressed in this report.

Sincerely,

Robert S. Kapito
Vice Chairman and Portfolio Manager
BlackRock Financial Management, Inc.

Michael P. Lustig
Vice President and Portfolio Manager
BlackRock Financial Management, Inc.

Symbol on New York Stock Exchange:	BLK
Initial Offering Date:	July 23, 1992
Closing Stock Price as of 6/30/96:	$7.625
Net Asset Value as of 6/30/96:	$8.68
Yield on Closing Stock Price as of 6/30/96 ($7.625)1:	5.25%
Current Monthly Distribution per Share2:	$0.03333
Current Annualized Distribution per Share2:	$0.40

1Yield on Closing Stock Price is calculated by dividing the current annualized distribution per share by the closing stock price per share.
2Distribution not constant and is subject to change.
3Distribution rate effective with July 1996 payment.

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The BlackRock 2001 Term Trust Inc.
Portfolio of Investments
June 30, 1996

Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		LONG-TERM INVESTMENTS-139.6%	
		Mortgage Pass-Throughs-40.7%	
		Federal Home Loan Mortgage Corporation,	
	$11,972	6.50%, 09/01/25 - 01/01/99	$ 11,212,586
	3,696	7.50%, 07/01/13 - 11/01/23	3,649,475
	19,488	8.00%, 09/01/11 - 03/01/23	19,731,631
	25,789	8.50%, 06/01/11 - 09/01/24	26,558,909
	10,437+	8.60%, 05/01/02, 7 Year Multifamily	10,939,165
		Federal National Mortgage Association,	
	8,131	6.125%, Series 1993-M2, Class M2-H, 11/25/03, Multifamily	7,889,531
	111,000	7.00%, 01/01/99, 7 Year	110,652,570
	24,066	7.00%, 10/01/22 - 06/01/26	23,148,464
	9,827	7.50%, 09/01/07 - 07/01/23	9,834,327
	6,589	7.66%, 01/01/01, 7 Year Multifamily	6,705,463
	10,708	7.695%, 04/01/01, Multifamily	10,847,979
	11,442(d)	7.79%, 02/01/01, 7 Year Multifamily	11,700,633
	15,196	8.00%, 03/01/01, 7 Year Multifamily	15,617,444
	12,333	8.00% 10/01/09 - 10/01/23	12,544,320
	3,746	8.49%, 04/01/01, 7 Year Multifamily	3,902,239
	10,729(d)	8.50%, 09/01/96 - 07/01/10	11,086,174
	2,464	8.69%, 04/01/01, 7 Year Multifamily	2,570,140
		Government National Mortgage Association,	
	9,400	6.00%, 01/20/99, 1 Year CMT (ARM)	9,314,813
	18,500	6.50%, 12/15/99, 1 Year CMT (ARM)	18,528,906
	48,983(d)	7.00%, 10/20/23 - 10/20/24, 1 Year CMT (ARM)	49,645,135
	23,343	7.00%, 01/01/99 - 09/15/24	22,379,821
	9,119	7.125%, 04/20/25, 1 Year CMT (ARM)	9,271,876
	10,141	8.00%, 01/15/23 - 06/15/24	10,230,027
	7,902	8.50%, 05/15/18 - 06/15/23	8,124,243
	52,310	9.00%, 04/15/16 - 11/15/17	55,317,396
	18,986	9.50%, 03/15/16 - 12/15/17	20,383,797
			501,787,064

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Multiple Class Mortgage Pass-Throughs-15.8%	
AAA	$ 626	Collateralized Mortgage Securities Corporation, Series F, Class F-4A, 11/01/15	$ 639,481
		Federal Home Loan Mortgage Corporation, Multiclass Mortgage Participation Certificates,	
	4,952	Series G-29, Class G-29-IA, 06/25/20 (I)	625,144
	27,631	Series G-30, Class G-30-J, 02/25/22 (I)	4,482,524
	27,223	Series G-32, Class G-32-PT, 02/25/19 (I)	3,937,260
	4,094	Series 269, Class 269-1, 08/01/22	4,285,076
	4,000	Series 1161, Class 1161-H, 11/15/20	4,085,720
	29,248	Series 1261, Class 1261-H, 08/15/19	29,403,360
	78	Series 1388, Class 1388-G, 05/15/06	1,437,953
	68,612	Series 1546, Class 1546-SF, 12/15/21 (I)	3,302,962
	101,882	Series 1564, Class 1564-S, 05/15/07	3,423,230
	48,136	Series 1605, Class 1605-S, 08/15/06 (ARM)	1,534,345
	2,825	Series 1606, Class 1606-SB, 11/15/08 (ARM)	2,627,144
	18,780	Series 1621, Class 1621-SJ, 10/15/20 (ARM)	1,077,972
	9,598	Series 1628, Class 1628-SJ, 12/15/23 (ARM)	8,439,928
	7,340	Series 1629, Class 1629-MS, 11/15/21	6,187,239
	4,648	Series 1704, Class 1704-S, 03/15/09 (ARM)	3,507,919
	52,664	Series 1790, Class 1790-D, 11/15/23 (ARM)	1,086,198
	143,000	Series 1809, Class 1809-SC, 12/15/23 (ARM)	12,512,500
	5,416	Series 1849, Class 1849-EL, 12/15/08 (ARM)	947,724

See Notes to Financial Statements.

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Multiple Class Mortgage Pass-Throughs (cont'd)	
		Federal National Mortgage Association, REMIC Pass-Through Certificates,	
	$ 5,755	Trust 1990-144, Class 144-W, 12/25/20	$ 6,186,268
	93	Trust 1991-163, Class 163-SA, 12/25/21 (ARM)	1,090,755
	15,000	Trust 1992-43, Class 43-SE, 04/25/22	14,684,700
	3,188	Trust G1992-50, Class 50-S, 08/25/22 (ARM)	661,468
	4,278	Trust G1992-52, Class 52-SB, 08/25/20 (ARM)	4,181,805
	2,386	Trust 1992-93, Class 93-KA, 07/25/07	2,364,881
	10,000	Trust 1992-122, Class 122-PJ,	

	06/25/19	10,228,900
1,490	Trust 1992-184, Class 184-SA, 06/25/22 (ARM)	1,345,224
1,500	Trust G1993-17, Class 17-SH, 04/25/23 (ARM)	850,380
73,688	Trust G1993-31, Class 31-PS, 08/25/18 (ARM)	2,994,661
1,735	Trust 1993-58, Class 58-C, 04/25/23 (ARM)	1,267,744
11,318	Trust 1993-68, Class 68-PJ, 11/25/06 (I)	1,182,589
2,050	Trust 1993-71, Class 71-PG, 07/25/07	1,997,561
2,210	Trust 1993-99, Class 99-SB, 07/25/23 (ARM)	2,061,311
1,899	Trust 1993-117, Class 117-S, 07/25/08 (ARM)	1,729,793
1,585	Trust 1993-121, Class 121-SE, 02/25/23 (ARM)	1,121,295
15,350	Trust 1993-152, Class 152-D, 08/25/23 (P)	11,867,392
10,049	Trust 1993-196, Class 196-SM, 10/25/08 (ARM)	8,247,105
84,548	Trust 1993-202, Class 202-SL, 11/25/23 (ARM)	3,936,789
7,698	Trust 1993-214, Class 214-SO, 12/25/08 (ARM)	6,793,321
39,646	Trust 1993-240, Class 240-PS, 09/25/12 (ARM)	1,189,371
3,167	Trust 1994-42, Class 42-SM, 01/25/24 (ARM)	2,989,886
9,292	Trust 1994-46, Class 46-B, 11/25/23 (P)	8,033,603
7,300	Trust 1996-24, Class 24-SB, 10/25/08 (ARM)	1,405,250
11,386	Trust 1996-24, Class 24-SV, 02/25/08 (ARM)	1,394,777
5,785	Government National Mortgage Association, Trust 1994-1, Class 1-PL, 06/16/24 (I)	1,001,399

		194,351,907

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Commercial Mortgage Backed Securities-4.1%	
BBB	$10,000	CBA Mortgage Corporation, Series 1993-C-1, Class D, 12/25/03	$ 9,901,958
AA	2,000	KPAC, Series 1994-C1, Class B, 02/01/06	1,961,338
AAA	5,200	PaineWebber Mortgage Acceptance Corp., Series 1995-M1, Class 1, 01/15/07	5,100,348
BBB+	6,000	Phoenix Real Estate Incorporated, Series 1993-1, 11/25/23	6,018,750
		Resolution Trust Corporation,	
AA-	7,123	Series 1992-C6, Class B, 07/25/24	7,147,639
A	5,766	Series 1994-C2, Class D, 04/25/25	5,784,467
BBB	3,000	Series 1995-C1, Class D, 02/25/27	2,735,625
AAA	12,800	Structured Asset Securities Corporation, Series 1996-1, 02/25/28	12,238,159

			50,888,284

		Corporate Bonds-21.0%	
		Banking and Finance-9.8%	
A3	1,300	Amsouth Bancorporation, 6.75%, 11/01/25	1,246,257
A-	5,000	Aristar Incorporated, 7.25%, 06/15/01	5,057,979
		Associates Corporation,	
AA-	5,000	6.68%, 07/25/00	4,973,285

AA-	5,000	7.46%, 03/28/00	5,111,459
AA-	1,000	7.875%, 09/30/01	1,040,347
BBB	7,500	Erac Usa Finance Company, 7.00%, 06/15/00	7,496,191
A+	6,750	Goldman Sachs Group LP, 6.20%, 12/15/00	6,523,065
BBB+	5,000	Great Western Financial Corporation, 6.375%, 07/01/00	4,904,437
		Household Finance Corporation,	
A	7,000	6.65%, 05/26/98	7,025,480
A	4,000	7.45%, 04/01/00	4,064,640
A1	5,700	Meridian Bancorp Incorporated, 6.625%, 06/15/00	5,657,278
		Merrill Lynch & Co. Incorporated,	
A+	7,200	6.00%, 01/15/01	6,944,976
A+	5,800	6.00%, 03/01/01	5,591,694
A+	3,800	Morgan Stanley Incorporated, 5.75%, 02/15/01	3,618,952
		Salomon Incorporated,	
BBB+	8,000	7.59%, 01/28/00	8,095,759
Baa1	4,500	7.75%, 05/15/00	4,580,892
		Smith Barney Holdings Incorporated,	
A2	3,000	6.00%, 03/15/97	2,996,670
A2	3,000	6.625%, 06/01/00	2,972,880
A2	3,600	7.00%, 05/15/00	3,615,686
A2	6,500	7.98%, 03/01/00	6,737,310
BBB-	6,880	Terra Nova Insurance United Kingdom Holdings PLC, 10.75%, 07/01/05	7,636,800
A	15,000	Transamerica Finance Corporation, 6.75%, 06/01/00	14,916,098
			120,808,135

See Notes to Financial Statements.

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Corporate Bonds-(cont'd)	
		Industrial-5.2%	
A+	$10,000	Ford Motor Credit, 6.18%, 12/27/01	$ 9,603,454
A-	20,600	General Motors Acceptance Corporation, 6.125%, 09/18/98	20,380,065
		RJR Nabisco Brands Incorporated,	
BBB	9,000	8.00%, 01/15/00	9,280,455
BBB-	6,000	8.00%, 07/15/01	5,953,705
BBB-	3,500	Royal Caribbean Cruises Limited, 7.125%, 09/18/02	3,389,846
		Sears Roebuck & Company,	
A2	4,250	6.50%, 06/15/00	4,201,593
A2	5,000	7.29%, 04/24/00	5,059,037
Baa2	5,900	Tenneco Credit Corporation, 9.625%, 08/15/01	6,507,120
			64,375,275
		Corporate Bonds-(cont'd)	
		Utility-0.7%	
BBB	9,000	Pacificorp Holdings, 6.75%, 04/01/01	8,884,394
		Corporate Bonds-(cont'd)	
		Yankee-5.3%	
		African Development,	
AA1	5,000	7.75%, 12/15/01	5,187,792
Aaa	3,350	8.825%, 05/01/01	3,596,603
BBB-	8,000	Columbia (Republic of), 8.00%, 06/14/01	7,965,247
BBB-	15,000	Empresa Electric Guacolda, 7.60%, 04/30/01	14,932,875

AAA	3,000	European Investment Bank, 8.875%, 03/01/01	3,242,898
AA	14,000	Italy (Republic of), Zero Coupon, 01/10/01	10,304,000
		Quebec (Province of),	
A+	8,000	9.00%, 05/08/01	8,606,708
A+	10,000	9.125%, 08/22/01	10,853,601
			64,689,724
		Asset-Backed Securities-5.0%	
AAA	35,000	Citibank Credit Card Trust, Series 1996-I, Class A, 5.79% 02/07/03	25,648,350
AAA	15,000	Discover Card Master Trust, Series 1994-2, Class A, 5.85% 10/16/04	15,096,094
AAA@	13,000	First Chicago Master Trust, Series 1994-J, Class A, 01/16/01	13,032,500
AAA	8,110	Nationsbank Auto Grantor Trust, Series 1995-A, Class A, 5.85% 06/15/02	8,079,575
			61,856,519

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Stripped Mortgage-Backed Securities-11.9%	
Aaa	$ 72	CMO Mortgage Investors Trust, Collateralized Mortgage Obligations, Trust 7, Series P, 09/22/21 (I/O)	$ 2,307,401
		Collateralized Mortgage Securities Corporation,	
AAA	21	Series 1990-5, Class 5-L, 09/20/20 (I/O)	422,201
AAA	54	Series 1991-9, Class M, 11/20/21 (I/O)	980,401
		Federal Home Loan Mortgage Corporation,	
	80	Series G-002, Class G-002-N, 03/25/22 (I/O)	4,160,000
	75	Series 113, Class 113-N, 05/15/21 (I/O)	2,025,628
	135	Series 181, Class 181-F, 08/15/21 (I/O)	2,970,000
	77	Series 1018, Class 1018-I, 11/15/20 (I/O)	2,677,500
	19	Series 1125, Class 1125-F, 08/15/21 (I/O)	611,265
	60	Series 1185, Class 1185-C, 12/15/06 (I/O)	1,296,082
	25	Series 1189, Class 1189-I, 01/15/22 (I/O)	837,407
	25	Series 1190, Class 1190-V, 01/15/22 (I/O)	1,009,515
	42	Series 1274, Class 1274-Y, 05/15/22 (I/O)	1,391,920
	44	Series 1283, Class 1283-X, 06/15/22 (I/O)	1,467,198
	1,116	Series 1338, Class 1338-Q, 08/15/07 (P/O)	909,423
	95	Series 1404, Class 1404-E, 01/15/06 (I/O)	1,567,033
	30	Series 1418, Class 1418-K, 06/15/22 (I/O)	2,000,100
	8,216	Series 1422, Class 1422-IB, 11/15/07 (I/O)	1,635,563
	19,273	Series 1432, Class 1432-JA, 12/15/06 (I/O)	2,306,693
	8,615	Series 1662, Class 1662-PO, 01/15/09 (P/O)	6,281,108
	42,760	Series 1696, Class 1696-A, 11/15/23 (P/O)	13,442,607
	3,271	Series 1721, Class 1721-OC,	

		05/15/24 (P/O)	1,149,971
		Federal National Mortgage Association,	
	31	Trust 1991-G46, Class G46-K, 12/25/09 (I/O)	819,142
	924	Trust 1991-167, Class 167-B, 10/25/17 (P/O)	435,371

See Notes to Financial Statements.

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)
		Stripped Mortgage-Backed Securities-(Con't)	
		Federal National Mortgage Association,	
	$ 3,265	Trust 2, Class 2, 02/01/17 (I/O)	$ 1,120,782
	4,470	Trust 3, Class 1, 02/01/17 (P/O)	3,224,108
	3,465	Trust 5, Class 1, 09/01/17 (P/O)	2,484,269
	5,516	Trust 6, Class 2, 01/01/17 (I/O)	1,922,378
	18,359	Trust 25, Class 2, 02/01/13 (I/O)	1,979,363
	2,263	Trust 34, Class 2, 05/01/18 (I/O)	696,338
	885	Trust 58, Class 2, 12/01/18 (I/O)	286,289
	1,901	Trust 60, Class 1, 01/01/19 (P/O)	1,437,370
	9,880	Trust 95, Class 2, 10/01/20 (I/O)	3,113,804
	60,733	Trust 226, Class 2, 06/01/23 (I/O)	18,124,637
	24	Trust 1990-76, Class 76-N, 07/25/20 (I/O)	75,731
	31	Trust 1990-106, Class 106-K, 09/25/20 (I/O)	973,629
	38	Trust 1991-17, Class 17-H, 03/25/21 (I/O)	1,360,412
	14	Trust 1991-29, Class 29-J, 04/25/21 (I/O)	499,622
	42	Trust 1991-80, Class 80-Q, 07/25/21 (I/O)	1,395,421
	44	Trust 1991-160, Class 160-PM, 12/25/21 (I/O)	2,211,437
	1,365	Trust 1991-167, Class 167-B, 10/25/17 (P/O)	388,875
	30	Trust G1992-5, Class 5-E, 01/25/22 (I/O)	1,467,270
	74	Trust 1992-44, Class 44-L, 04/25/07 (I/O)	2,520,190
	16,118	Trust 1992-G45, Class G45-B, 08/25/22 (I/O)	4,608,629
	26	Trust 1992-48, Class 48-J, 04/25/07 (I/O)	880,775
	128	Trust 1993-20, Class 20-PT, 02/25/19 (I/O)	2,965,201
	1,667	Trust 1993-32, Class 32-C, 09/25/23 (P/O)	1,357,423
	5,369	Trust 1993-48, Class 48-B, 04/25/08 (P/O)	4,063,756
	4,786	Trust 1993-128, Class 128-B, 07/25/23 (P/O)	4,198,219
	10,000	Trust 1993-150, Class 150-B, 09/25/20 (P/O)	8,991,000
	2,402	Trust 1993-151, Class 151-E, 05/25/23 (P/O)	2,187,351

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)

	$11,509	Trust 1994-8, Class 8-G, 11/25/23 (P/O)	$ 7,283,377
	4,703	Trust 1994-53, Class 53-EA, 11/25/23 (P/O)	2,172,158
	19,385	Trust 1994-61, Class 61-DB, 03/25/24 (P/O)	10,371,087
			147,064,430
		Collateralized Mortgage Obligation Residuals**-0.3%	
	3	Federal Home Loan Mortgage Corporation, Multiclass Mortgage Participation Certificates, Series 1017, Class 1017-R (REMIC), 11/15/20	584,942
AAA	10	Fleet Mortgage Securities, Inc., Series 1989-3, Class R, 09/01/19#	700,821
AAA	10,000	Residential Resources Incorporated, Mortgage Collateral Bond, Series 9, Class R, 10/01/18#	1,786,425
AAA	499	Shearson Lehman Brothers, Series F, Class R, 02/20/18#	420,252
AAA	10,000	Smith Barney Mortgage Capital Trust, Series 10, Class R, 10/01/19#	227,079
			3,719,519
		U.S. Government Security-13.4%	
	102,350(d)	U.S. Treasury Bonds, 6.875%, 8/15/25	101,310,124
		U.S. Treasury Notes,	
	22,000(d)	5.000%, 02/15/99	21,343,520
	8,600	5.125%, 02/28/98	8,473,666
	21,125(dd)	5.250%, 01/31/01	20,164,446
	250	5.500%, 11/15/98	246,055
	13,600(d)	6.375%, 05/15/99	13,629,784
			165,167,595
		Taxable Zero Coupon Bonds-25.2%	
		Financing Corporation (FICO Strips),	
	5,311	02/08/01	3,926,635
	4,472	03/26/01	3,277,529
	1,660	04/05/01	1,214,506
	7,334	05/02/01	5,337,465
	2,513	05/11/01	1,826,549
	22,134	06/06/01	16,014,613
	26,270	06/27/01	18,934,365
	2,000	08/03/01	1,430,140
	5,311	08/08/01	3,794,285
	2,360	10/05/01	1,667,434
		Government Trust Certificates,	
	2,500	11/15/99	2,005,500
	20,340	11/15/01	14,214,202
	6,597	05/15/02	4,441,166
	4,000	11/15/02	2,597,920
		U.S. Treasury Receipt,	
	30,000(d)	02/15/01	22,334,100
	282,000(d)	05/15/01	206,572,160
	1,016	U.S. Treasury Obligation, 11/15/01	719,775
			310,308,344

See Notes to Financial Statements.

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Rating* (Unaudited)	Principal Amount (000)	Description	Value (Note 1)

		Municipal Bonds-2.2%	
AAA	$ 1,000	Kern County California Pension Obligation, 6.27%, 08/15/01	$ 976,500
AAA	2,035	Long Beach California Pension Obligation, 6.45%, 09/01/01	2,002,562
AAA	6,000	Los Angeles County California Pension, Series D, 6.38%, 06/30/01	5,889,660
AAA	6,810	Massachusetts Housing Finance Agency, Series 1991-B, Class B, 6.85%, 10/01/20	6,126,140
BBB+	10,000	New York City, G.O., Series 1, 6.40%, 03/15/01	9,709,600
Baa1	2,000	New York State Urban Development, 6.90%, 04/01/01	1,967,780
			26,672,242
		Total investments before investment sold short-139.6% (cost $1,783,086,533)	1,720,573,432
		INVESTMENT SOLD SHORT-(14.8%)	
	205,500	U.S. Treasury Bonds, 6.00%, 02/15/26 (proceeds $176,209,922)	(182,220,960)
		Total investments net of investment sold short-124.8% (cost $1,606,876,611)	1,538,352,472
		Liabilities in excess of other assets-(24.8%)	(305,550,540)
		NET ASSETS-100%	$1,232,801,932

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*Using the higher of Standard & Poor's or Moody's rating.

**Illiquid securities representing 0.2% of portfolio assets.

#Private placements restricted as to resale.

(d) Partial principal amount pledged as collateral for reverse repurchase agreements.

(dd) Entire principal amount pledged as collateral for reverse repurchase agreements.

@Partial principal amount pledged as collateral for futures transactions.

KEY TO ABBREVIATIONS

ARM	-Adjustable Rate Mortgage.
CMO	-Collateralized Mortgage Obligation.
CMT	-Constant Maturity Treasury.
I	-Denotes CMO with Interest Only Characteristics.
I/O	-Interest Only.
P	-Denotes CMO with Principal Only Characteristics.
P/O	-Principal Only.
REMIC	-Real Estate Mortgage Investment Conduit.

See Notes to Financial Statements.

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The BlackRock 2001 Term Trust Inc.
Statement of Assets and Liabilities
June 30, 1996

Assets	
Investments, at value (cost $1,783,086,533) (Note 1)	$1,720,573,432
Cash	63,249
Deposits with brokers as collateral for investments sold short (Note 1)	186,480,000

Receivable for investments sold	21,826,677
Interest receivable	17,653,543
Due from broker-variation margin	3,592
Deferred organization expenses and other assets	106,898
	1,946,707,391

Liabilities

Reverse repurchase agreements (Note 4)	352,757,438
Investments sold short, at value (proceeds $176,209,922) (Note 1)	182,220,960
Payable for investments purchased	170,358,856
Interest payable	6,182,971
Unrealized depreciation on interest rate cap (Notes 1 & 3)	751,500
Dividends payable	634,244
Advisory fee payable (Note 2)	401,147
Administration fee payable (Note 2)	100,287
Other accrued expenses	498,056
	713,905,459
Net Assets	$1,232,801,932

Net assets were comprised of:	
Common stock, at par (Note 5)	$ 1,420,106
Paid-in capital in excess of par	1,338,223,236
	1,339,643,342
Undistributed net investment income	22,156,596
Accumulated net realized loss	(59,728,906)
Net unrealized depreciation	(69,269,100)
Net assets, June 30, 1996	$1,232,801,932

Net asset value per share: ($1,232,801,932 / 142,010,583 shares of common stock issued and outstanding)	$8.68

(right column)

The BlackRock 2001 Term Trust Inc.
Statement of Operations
For the Year Ended June 30, 1996

Net Investment Income

Income	
Interest (including net accretion of premium of $1,988,487 and net of interest expense of $31,637,184)	$90,062,717
Operating expenses	
Investment advisory	4,994,716
Administration	1,248,679
Custodian	599,092
Reports to shareholders	486,668
Transfer agent	139,677
Audit	86,497
Directors	71,597
Legal	37,681
Miscellaneous	274,148
Total operating expenses	7,938,755
Net investment income before excise tax	82,123,962
Excise tax	81,036
Net investment income	82,042,926

Realized and Unrealized Gain (Loss) on Investments (Note 3)

Net realized gain (loss) on:	
Investments	8,398,413

Short sales	1,903,750
Futures	(13,009,966)
	(2,707,803)

Net change in unrealized appreciation (depreciation) on:	
Investments	(21,928,771)
Short sales	829,479
Futures	81,352
	(21,017,940)
Net loss on investments	(23,725,743)
Net Increase in Net Assets Resulting from Operations	$58,317,183

See Notes to Financial Statements.

(left column)

The BlackRock 2001 Term Trust Inc.
Statement of Cash Flows
For the Year Ended June 30, 1996

Increase (Decrease) in Cash	
Cash flows provided by operating activities:	
Interest received, net of interest purchased	$115,714,390
Operating expenses and excise taxes paid	(8,078,461)
Interest expense paid (27,553,416)	
Purchase of long-term portfolio investments	(4,704,022,681)
Sale of long-term portfolio investments	4,821,799,653
Other	22,312
Net cash flows provided by operating activities	197,881,797
Cash flows used for financing activities:	
Decrease in reverse repurchase agreements	(136,577,156)
Dividends paid	(64,253,612)
Net cash flows used for financing activities	(200,830,768)
Net decrease in cash	(2,948,971)
Cash at beginning of year	3,012,220
Cash at end of year	$ 63,249

Reconciliation of Net Increase in Net Assets Resulting from Operations to Net Cash Flows Provided by Operating Activities	
Net increase in net assets resulting from operations	$ 58,317,183
Decrease in investments	32,067,600
Net realized gain	2,707,803
Increase in unrealized depreciation	21,017,940
Increase in unrealized depreciation on interest rate cap	751,500
Increase in interest receivable	(5,985,511)
Decrease in receivable for investments sold	69,558,493
Decrease in broker-variation margin	9,781
Increase in deposits with brokers	(106,234,125)
Decrease in deferred and prepaid assets	22,312
Increase in payable for investments purchased	18,500,400
Increase in payable for securities sold short	103,123,323
Increase in interest payable	4,083,768
Decrease in accrued expenses and other liabilities	(58,670)
Total adjustments	139,564,614
Net cash flows provided by operating activities	$ 197,881,797

(Right Column)

The BlackRock 2001 Term Trust Inc.
Statements of Changes
in Net Assets

	Year Ended June 30, 1996	Year Ended June 30, 1995
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	$ 82,042,926	$ 86,059,039
Net realized gain (loss) on investments, short sales and futures	(2,707,803)	(33,684,786)
Net change in unrealized appreciation (depreciation) on investments, short sales and futures	(21,017,940)	92,654,488
Net increase in net assets resulting from operations	58,317,183	145,028,741
Dividends from net investment income	(63,904,500)	(88,759,294)
Net increase (decrease)	(5,587,317)	56,269,447
Net Assets		
Beginning of year	1,238,389,249	1,182,119,802
End of year	$1,232,801,932	$1,238,389,249

See Notes to Financial Statements.

The BlackRock 2001 Term Trust Inc.
Financial Highlights

<TABLE>
<CAPTION>

	Year Ended June 30, 1996	1995	1994	August 28, 1992* to June 30, 1993
<S>	<C>	<C>	<C>	<C>
PER SHARE OPERATING PERFORMANCE:				
Net asset value, beginning of period	$ 8.72	$ 8.32	$ 9.62	$ 9.45
Net investment income (net of $0.22, $0.27, $0.12 and $0.04, respectively, of interest expense)	0.58	0.61	0.64	0.66
Net realized and unrealized gain (loss) on investments, short sales and futures	(0.17)	0.42	(1.23)	0.07
Net increase (decrease) from investment operations	0.41	1.03	(0.59)	0.73
Dividends from net investment income	(0.45)	(0.63)	(0.71)	(0.54)
Capital charge with respect to issuance of shares	-	-	-	(0.02)
Net asset value, end of year**	$ 8.68	$ 8.72	$ 8.32	$ 9.62
Market value, end of year**	$ 7.625	$ 7.50	$ 8.00	$ 9.375#
TOTAL INVESTMENT RETURN(d)	7.83%	1.61%	(7.73)%	4.99%
RATIOS TO AVERAGE NET ASSETS:				
Operating expenses(ddd)	0.64%	0.63%	0.67%	0.60%(dd)
Net investment income	6.57%	7.28%	6.97%	8.41%(dd)
SUPPLEMENTAL DATA:				
Average net assets (in thousands)	$1,248,679	$1,181,411	$1,295,131	$1,327,571
Portfolio turnover	216%	107%	91%	210%
Net assets, end of period (in thousands)	$1,232,802	$1,238,389	$1,182,120	$1,366,284

Reverse repurchase agreements outstanding, end of period (in thousands)	$ 352,757	$ 489,335	$ 395,559	$ 498,618
Asset coverage@	$ 4,495	$ 3,531	$ 3,988	$ 3,740

<FN>

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* Commencement of investment operations.

** Net asset value and market value published in The Wall Street Journal each Monday.

\# Net asset value immediately after the closing of the first public offering was $9.44.

(d) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day and a sale at the current market price on the last day of the periods reported. Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Trust's dividend reinvestment plan. Total investment return does not reflect brokerage commissions. Total investment return for periods of less than one full year are not annualized.

(dd) Annualized.

(ddd) The ratios of operating expenses, including interest expense, to average net assets were 3.17%, 3.89%, 1.98%, and 0.97% for the periods indicated above, respectively. The ratios of operating expenses, including interest expense and excise taxes, to average net assets were 3.17%, 3.89%, 1.99% and 1.01% for the periods indicated above, respectively.

@ Per $1,000 of reverse repurchase agreements outstanding.

The information above represents the audited operating performance data for a share of common stock outstanding, total investment return, ratios to average net assets and other supplemental data for the periods indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Trust's shares.

</FN>
</TABLE>

See Notes to Financial Statements.

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Note 1. Organization and Accounting Policies

The BlackRock 2001 Term Trust Inc. (the "Trust"), a Maryland corporation, is a diversified, closed-end management investment company. The investment objective of the Trust is to manage a portfolio of investment grade fixed income securities that will return $10 per share (the initial public offering price per share) to investors on or about June 30, 2001 while providing high monthly income. The ability of issuers of debt securities held by the Trust to meet their obligations may be affected by economic developments in a specific industry or region. No assurance can be given that the Trust's investment objective will be achieved.

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

Securities Valuation: The Trust values mortgage-backed, asset-backed, and other debt securities on the basis of current market quotations provided by dealers or pricing services approved by the Trust's Board of Directors. In determining the value of a particular security, pricing services may use certain information with respect to transactions in such securities, quotations from dealers, market transactions in comparable securities, various relationships observed in the market between securities, and calculated yield measures based on valuation technology commonly employed in the market for such securities. Exchange-traded options are valued at their last sales price as of the close of options trading on applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. A futures contract is valued at the last sale price as of the close of the commodities exchange on which it trades unless the Trust's Board of Directors determine that such price does not reflect its fair value, in which case it will be valued at its fair value as determined by the Trust's Board of Directors. Any securities or other assets for which such current market quotations are not readily available are valued at fair market value as determined in good faith under procedures established by and under the general supervision and responsibility of the Trust's Board of Directors.

Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized

(Right Column)

cost, if their term to maturity from date of purchase was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if their original term to maturity from date of purchase exceeded 60 days.

In connection with transactions in repurchase agreements, the Trust's custodian takes possession of the underlying collateral securities, the value of which at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Trust may be delayed or limited.

Option Selling/Purchasing: When the Trust sells (or purchases) an option, an amount equal to the premium received or paid by the Trust is recorded as a liability or an asset and is subsequently adjusted to the current market value of the option written (or purchased). Premiums received or paid from writing (or purchasing) options which expire unexercised are treated by the Trust on the expiration date as realized gains or losses. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction, including brokerage commissions, is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is added to the proceeds from the sale or cost of the purchase in determining whether the Trust has realized a gain or a loss on investment transactions. The Trust, as writer of an option, may have no control over whether the underlying securities may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the security underlying the written option.

Options, when used by the Trust, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of five would imply that the price would move approximately five percent in relation to a one percent change in interest rates.

Option selling and purchasing is used by the Trust to effectively "hedge" more volatile positions so that changes in interest rates do not change the duration of the portfolio unexpectedly. In general, the Trust uses options to hedge a

(Left Column)

long or short position or an overall portfolio that is longer or shorter than the benchmark security. A call option gives the purchaser of the option the right (but not obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying position at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying position at the exercise price at any time or at a specified time during the option period. Put options can be purchased to effectively hedge a position or a portfolio against price declines if a portfolio is long. In the same sense, call options can be purchased to hedge a portfolio that is shorter than its benchmark against price changes. The Trust can also sell (or write) covered call options and put options to hedge portfolio positions.

The main risk that is associated with purchasing options is that the option expires without being exercised. In this case, the option expires worthless and the premium paid for the option is considered the loss. The risk associated with writing call options is that the Trust may forego the opportunity for a profit if the market value of the underlying position increases and the option is exercised. The risk in writing put options is that the Trust may incur a loss if the market value of the underlying position decreases and the option is exercised. In addition, as with futures contracts, the Trust risks not being able to enter into a closing transaction for the written option as the result of an illiquid market.

Financial Futures Contracts: A futures contract is an agreement between two parties to buy or sell a financial instrument for a set price on a future date. Initial margin deposits are made upon entering into futures contracts and can be either cash or securities. During the period that futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized gains or losses are incurred. When the contract is closed, the Trust records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trust's basis in the contract.

Financial futures contracts, when used by the Trust, help in maintaining a targeted duration. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five

(Right Column)

percent in relation to a one percent change in interest rates. Futures contracts can be sold to effectively shorten an otherwise longer duration portfolio. In the same sense, futures contracts can be purchased to lengthen a portfolio that is shorter than its duration target. Thus, by buying or selling futures contracts, the Trust can effectively hedge more volatile positions so that changes in interest rates do not change the duration of the portfolio unexpectedly.

The Trust may invest in financial futures contracts primarily for the purpose of hedging its existing portfolio securities or securities the Trust intends to purchase against fluctuations in value caused by changes in prevailing market interest rates. Should interest rates move unexpectedly, the Trust may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates and the underlying hedged assets. The Trust is also at risk of not being able to enter into a closing transaction for the futures contract because of an illiquid secondary market. In addition, since futures are used to shorten or lengthen a portfolio's duration, there is a risk that the portfolio may have temporarily performed better without the hedge or that the Trust may lose the opportunity to realize appreciation in the market price of the underlying positions.

Short Sales: The Trust may make short sales of securities as a method of hedging potential price declines in similar securities owned. When the Trust makes a short sale, it may borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the sale. The Trust may have to pay a fee to borrow the particular securities and may be obligated to pay over any payments received on such borrowed securities. A gain, limited to the price at which the Trust sold the security short, or a loss, unlimited as to dollar amount, will be recognized upon the termination of a short sale if the market price is greater or less than the proceeds originally received.

Securities Lending: The Trust may lend its portfolio securities to qualified institutions. The loans are secured by collateral at least equal, at all times, to the market value of the securities loaned. The Trust may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower of the securities fail financially. The Trust receives compensation for lending its securities in the form of interest on the loan. The Trust also continues to receive interest on the securities loaned, and any gain or loss in the market price of the securities loaned that may occur during the term of the loan will be for the account of

(Left Column)

the Trust. The Trust did not engage in securities lending during the year ended June 30, 1996.

Interest Rate Caps: Interest rate caps are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the excess if any, of a floating rate over a specified fixed rate.

Interest rate caps are intended to both manage the duration of the Trust's portfolio and its exposure to changes in short-term rates. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five percent in relation to a one percent change in interest rates. Owning interest rate caps reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from rising short term rates, which the Trust experiences primarily in the form of leverage.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate cap. However, the Trust does not anticipate non-performance by any counterparty.

Interest Rate Floors: Interest rate floors are similar to interest rate swaps, except that one party agrees to pay a fee, while the other party pays the deficiency, if any, of a floating rate under a specified fixed rate.

Interest rate floors are used by the Trust to both manage the duration of the portfolio and its exposure to changes in short-term interest rates. Duration is a measure of the price sensitivity of a security or a portfolio to relative changes in interest rates. For instance, a duration of "one" means that a portfolio's or a security's price would be expected to change by approximately one percent with a one percent change in interest rates, while a duration of "five" would imply that the price would move approximately five percent in relation to a one percent change in interest rates. Owning interest rate floors reduces the portfolio's duration, making it less sensitive to changes in interest rates from a market value perspective. The effect on income involves protection from falling short term rates, which the Trust experiences primarily in the form of leverage.

The Trust is exposed to credit loss in the event of non-performance by the other party to the interest rate floor. However, the Trust does not anticipate non-performance by any counterparty.

Securities Transactions and Investment Income: Security transactions are recorded on the trade date. Realized and

(Right Column)

unrealized gains and losses are calculated on the identified cost basis. Interest income is recorded on the accrual basis and the Trust amortizes premium and accretes discount on securities purchased using the interest method.

Taxes: It is the Trust's intention to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to shareholders. Therefore, no federal income tax provision is required. As part of its tax planning strategy, the Trust intends to retain a portion of its taxable income and pay an excise tax on the undistributed amount.

Dividends and Distributions: The Trust declares and pays dividends and distributions monthly, first from net investment income, then from realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards, are distributed annually. Dividends and distributions are recorded on the ex-dividend date.

Deferred Organization Expenses: A total of $75,000 was incurred in connection with the organization of the Trust. These costs have been deferred and are being amortized ratably over a period of sixty months from the date the Trust commenced operations.

Note 2. Agreements

The Trust has an Investment Advisory Agreement with BlackRock Financial Management, Inc. (the "Adviser") a wholly-owned corporate subsidiary of PNC Asset Management Group, Inc., the holding company for PNC's asset management business, and an Administration Agreement with Mitchell Hutchins Asset Management Inc. (the "Administrator"), a wholly-owned subsidiary of PaineWebber Incorporated.

The investment advisory fee paid to the Adviser is computed weekly and payable monthly at an annual rate of 0.40% of the Trust's average weekly net assets. The administration fee paid to the Administrator is also computed weekly and payable monthly at an annual rate of 0.10% of the Trust's average weekly net assets.

Pursuant to the agreements, the Adviser provides continuous supervision of the investment portfolio and pays the compensation of officers of the Trust who are affiliated persons of the Adviser. The Administrator pays occupancy and certain clerical and accounting costs of the Trust. The Trust bears all other costs and expenses.

On February 28, 1995, the Adviser was acquired by PNC Bank, NA. Following the acquisition, the Adviser has become a wholly-owned corporate subsidiary of PNC Asset Management Group, Inc., the holding company for PNC's asset management businesses.

(Left Column)

Note 3. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments and dollar rolls, for the year ended June 30, 1996 aggregated $3,824,039,271 and $3,834,994,316, respectively.

The Trust may invest up to 40% of its total assets in securities which are not readily marketable, including those which are restricted as to disposition under securities law ("restricted securities"). At June 30, 1996, the Trust held 0.2% of its portfolio assets in illiquid securities including 0.1% of its portfolio assets in securities restricted as to resale.

The portfolio may from time to time purchase in the secondary market certain mortgage pass-through securities packaged or master serviced by PNC Mortgage Securities Corp. (or Sears Mortgage if PNC Mortgage Securities Corp. succeeded to rights and duties of Sears) or mortgage related securities containing loans or mortgages originated by PNC Bank or its affiliates. It is possible under certain circumstances, PNC Mortgage Securities Corp. or its affiliates could have interests that are in conflict with the holders of these mortgage backed securities, and such holders could have rights against PNC Mortgage Securities Corp. or its affiliates.

The federal income tax basis of the Trust's investments at June 30, 1996 was the same as the basis for financial reporting and, accordingly, net unrealized depreciation for federal income tax purposes was $69,269,100 (gross unrealized appreciation-$14,966,559; gross unrealized depreciation-$84,235,659).

For federal income tax purposes, the Trust had a capital loss carryforward at June 30, 1996 of approximately $59,730,000 which will expire in 2001. Accordingly, no capital gains distribution is expected to be paid to shareholders until net gains have been realized in excess of such amount.

During the year ended June 30, 1996, the Trust entered into financial futures contracts. Details of open contracts at June 30, 1996 are as follows:

Number of Contracts	Type	Expiration Date	Value at Trade Date	Value at June 30, 1996	Unrealized Appreciation
	Long positions:				
5	10 yr. T-Note	Sept. 1996	$530,961	$537,500	$6,539

The Trust entered into two interest rate caps which settled on April 3, 1996 with notional amounts of $500 million. Under one agreement, the Trust receives the excess, if any,

(Right Column)

of 3-month LIBOR over the fixed rate of 8%. Under the other agreement, the Trust pays the excess, if any, of 3-month LIBOR over the fixed rate of 7%. The agreements terminate on April 15, 1999. At June 30, 1996 net unrealized depreciation was $751,500.

Note 4. Borrowings

Reverse Repurchase Agreements: The Trust may enter into reverse repurchase agreements with qualified, third party broker-dealers as determined by and under the direction of the Trust's Board of Directors. Interest on the value of the reverse repurchase agreements issued and outstanding will be based upon competitive market rates at the time of issuance. At the time the Trust enters into a reverse repurchase agreement, it will establish and maintain a segregated account with the lender the value of which at least equals the principal amount of the reverse repurchase transaction, including accrued interest.

The average daily balance of reverse repurchase agreements outstanding during the year ended June 30, 1996, was approximately $467,370,000 at a weighted average interest rate of approximately 5.40%. The maximum amount of reverse repurchase agreements outstanding at any month end during the year ended June 30, 1996, was $477,002,875 as of January 31, 1996 which was 22.20% of total assets. The amount of reverse repurchase agreements outstanding at June 30, 1996 was $352,757,438, which was 18.12% of total assets.

Dollar Rolls: The Trust may enter into dollar rolls in which the Trust sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon and maturity) securities on a specified future date. During the roll period the Trust forgoes principal and interest paid on the securities. The Trust will be compensated by the interest earned on the cash proceeds of the initial sale and by the lower repurchase price at the future date.

The average monthly balance of dollar rolls outstanding during the year ended June 30, 1996, was approximately $136,138,604. For the year ended June 30, 1996, the maximum amount of dollar rolls outstanding at any month end was $191,759,700 as of September 30, 1995, which was 9.77% of total assets.

Note 5. Capital

There are 200 million shares of $.01 par value common stock authorized. Of the 142,010,583 common shares outstanding at June 30, 1996, the Adviser owned 10,583 shares.

(Left Column)

Note 6. Dividends

Subsequent to June 30, 1996, the Board of Directors of the Trust declared a dividend from undistributed earnings

(Right Column)

of $0.03333 per share payable July 31, 1996, to shareholders of record on July 15, 1996.

Note 7.
Quarterly Data (Unaudited)

<TABLE>
<CAPTION>

Quarterly period	Total Income	Net Investment Income Amount	Net Investment Income Per share	Net realized and unrealized gain (loss) on investments Amount	Net realized and unrealized gain (loss) on investments Per share	Net increase (decrease) in net assets resulting from operations Amount	Net increase (decrease) in net assets resulting from operations Per share	Dividends and Distributions Amount	Dividends and Distributions Per share	Share price High	Share price Low	Period and net asset value
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
July 1, 1994 to September 30, 1994 ...	$24,768,303	$24,587,197	$0.17	$(14,674,730)	$(0.10)	$ 9,912,467	$0.07	$23,964,278	$0.17	$8-1/4	$7-3/8	$8.23
October 1, 1994 to December 31, 1994 ...	23,422,397	19,730,413	0.14	(21,121,487)	(0.14)	(1,391,074)	0.00	23,964,272	0.17	7-7/8	7	8.05
January 1, 1995 to March 31, 1995 ...	21,633,042	19,861,828	0.14	50,559,812	0.35	70,421,640	0.49	20,415,369	0.14	7- 5/8	7-1/4	8.40
April 1, 1995 to June 30, 1995 ...	23,732,271	21,879,601	0.16	44,206,107	0.31	66,085,708	0.47	20,415,375	0.15	8-1/4	7-1/2	8.72
July 1, 1995 to September 30, 1995 ...	21,981,739	19,972,420	0.14	(808,514)	(0.00)	19,163,906	0.14	15,976,191	0.12	7-3/4	7-1/4	8.74
October 1, 1995 to December 31, 1995 ...	26,163,094	24,186,764	0.17	34,412,851	0.24	58,599,615	0.41	15,976,093	0.11	7-3/4	7-1/2	9.04
Jaunary 1, 1996 to March 31, 1996 ...	20,316,717	18,241,965	0.13	(42,252,690)	(0.30)	(24,010,725)	(0.17)	15,976,105	0.11	7-3/4	7-3/8	8.76
April 1, 1996 to June 30, 1996 ...	21,601,167	19,641,777	0.14	(15,077,390)	(0.11)	4,564,387	0.03	15,976,111	0.11	7-5/8	7-1/8	8.68

</TABLE>

THE BLACKROCK 2001 TERM TRUST INC.

REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors of
The BlackRock 2001 Term Trust Inc.:

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of The BlackRock 2001 Term Trust Inc. as of June 30, 1996 and the related statements of operations and of cash flows for the year then ended and of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the three years in the period then ended and the period August 28, 1992 (commencement of investment operations) to June 30, 1993. These financial statements and financial highlights are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of the securities owned at June 30, 1996 by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights present fairly, in all material respects, the financial position of The BlackRock 2001 Term Trust Inc. at June 30, 1996 and the results of its operations, its cash flows, the changes in its net assets and the financial highlights for the respective stated periods, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

New York, New York
August 23, 1996

THE BLACKROCK 2001 TERM TRUST INC.

TAX INFORMATION

We wish to advise you as to the federal tax status of dividends and distributions paid by the Trust during its fiscal year ended June 30, 1996

During the fiscal year ended June 30, 1996, the Trust paid aggregate dividends of $0.4500 per share from net investment income. For federal income tax purposees, the aggregate of any dividends and short-term capital gains distributions you received are reportable in your 1996 federal income tax return as ordinary income. Further, we wish to advise you that your income dividends do not qualify for the dividends received deduction.

For the purpose of preparing your 1996 annual federal income tax return, however, you should report the amounts as reflected on the appropriate Form 1099 DIV which will be mailed to you in January 1997.

DIVIDEND REINVESTMENT PLAN

Pursuant to the Trust's Dividend Reinvestment Plan (the "Plan"), shareholders may elect to have all distributions of dividends and capital gains automatically reinvested by State Street Bank and Trust Company (the "Plan Agent") in Trust shares pursuant to the Plan. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check in United States dollars mailed directly to the shareholders of record (or if the shares are held in street or other nominee name, then to the nominee) by the custodian, as dividend disbursing agent.

The Plan Agent serves as agent for the shareholders in administering the Plan. After the Trust declares a dividend or determines to make a capital gain distribution, the Plan Agent will, as agent for the participants, receive the cash payment and use it to buy Trust shares in the open market on the New York Stock Exchange or elsewhere, for the participants' accounts. The Trust will not issue shares under the Plan below net asset value.

Participants in the Plan may withdraw from the Plan upon written notice to the Plan Agent and will receive certificates for whole Trust shares and a cash payment will be made for any fraction of a Trust share.

The Plan Agent's fee for the handling of the reinvestment of dividends and distributions will be paid by the Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income taxes that may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Trust reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid subsequent to written notice of the change sent to all shareholders of the Trust at least 90 days before the record date for the dividend or distribution. The Plan also may be amended or terminated by the Plan Agent upon at least 90 days' written notice to all shareholders of the Trust. All correspondence concerning the Plan should be directed to the Plan Agent at (800) 699-1BFM. The addresses are on the front of this report.

ADDITIONAL INFORMATION

There have been no material changes in the Trust's investment objectives or policies that have not been approved by the shareholders, or to its charter or by-laws, or in the principal risk factors associated with investment in the Trust. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Trust's portfolio.

The Annual Meeting of Trust Shareholders was held May 8, 1996 to vote on the following matters:

(1) To elect three Directors to serve as follows:

Director	Class	Term	Expiring
Andrew F. Brimmer	III	3 years	1999
Kent Dixon	III	3 years	1999
Laurence D. Fink	III	3 years	1999

Directors whose term of office continues beyond this meeting are Richard E. Cavanagh, Frank J. Fabozzi, James Grosfeld, James Clayburn LaForce, Jr. and Ralph L. Schlosstein.

(2) To ratify the selection of Deloitte & Touche LLP as independent public accountants of the Trust for the fiscal year ending June30, 1997.

(3) To modify the investment restriction prohibiting investing for the purpose of exercising control over the management of a company.

Shareholders elected the three Directors, ratified the selection of Deloitte & Touche LLP and approved the modification of the investment restriction prohibiting investing for the purpose of exercising control over the management of a company. The results of the voting was as follows:

	Votes for	Votes Against	Abstentions
Andrew F. Brimmer	89,576,028	-	2,495,101
Kent Dixon	89,631,537	-	2,439,592
Laurence D. Fink	89,624,368	-	2,446,761
Ratification of Deloitte & Touche LLP	89,076,903	837,489	2,156,737
Investment restriction	63,119,954	2,387,721	3,547,850

THE BLACKROCK 2001 TERM TRUST INC.
INVESTMENT SUMMARY

The Trust's Investment Objective

The Trust's investment objective is to manage a portfolio of investment grade fixed income securities that will return $10 per share (the initial public offering price per share) to investors on or about June 30, 2001 while providing high monthly income.

Who Manages the Trust?

BlackRock Financial Management, Inc. ("BlackRock" or the "Adviser") is the investment adviser for the Trust. BlackRock is a registered investment adviser specializing in fixed income securities. Currently, BlackRock manages over $41 billion of assets across the government, mortgage, corporate and municipal sectors. These assets are managed on behalf of institutional and individual investors in 21 closed-end funds, on either the New York Stock Exchange or the American Stock Exchange, several open-end funds and separate accounts for more than 80 clients in the U.S. and overseas. BlackRock is a subsidiary of PNC Asset Management Group, Inc. which is a division of PNC Bank, one of the nation's largest banking organizations.

What Can the Trust Invest In?

The Trust may invest in all fixed income securities rated investment grade or higher ("AAA", "AA", "A" or "BBB"). Examples of securities in which the Trust may invest include U.S. government and government agency securities, zero coupon securities, mortgage-backed securities, corporate debt securities, asset-backed securities, U.S. dollar-denominated foreign debt securities and municipal securities. Under current market conditions, BlackRock expects that the primary investments of the Trust will be U.S. government securities, securities backed by government agencies (such as mortgage-backed securities) and corporate debt securities.

What is the Adviser's Investment Strategy?

The Adviser will seek to meet the Trust's investment objective by managing the assets of the Trust so as to return the initial offering price ($10 per share) at maturity. The Trust will implement a conservative strategy that will seek to closely match the maturity of the assets of the portfolio with the future return of the initial investment in June of 2001. At the Trust's termination, BlackRock expects that the value of the securities which have matured, combined with the value of the securities that are sold will be sufficient to return the initial offering price to investors. On a continuous basis, the Trust will seek its objective by actively managing its assets in relation to market conditions, interest rate changes and, importantly, the remaining term to maturity of the Trust.

In addition to seeking the return of the initial offering price, the Adviser also seeks to provide high monthly income to investors. The portfolio managers will attempt to achieve this objective by investing in securities that provide competitive income. In addition, leverage will be used (in an amount up to 33-1/3% of total assets) to enhance the income of the portfolio. In order to maintain competitive yields as the Trust approaches maturity and depending on market conditions, the Adviser will attempt to purchase securities with call protection or maturities as close to the Trust's maturity date as possible. Securities with call protection should provide the portfolio with some degree of protection against reinvestment risk during times of lower prevailing interest rates. Since the Trust's primary goal is to return the initial offering price at maturity, any cash that the Trust receives prior to its maturity date (i.e. cash from early and regularly scheduled payments of principal on mortgage-backed securities) will be reinvested in securities with maturities which coincide with the remaining term of the Trust. Since shorter-term securities typically yield less than longer-term securities, this strategy will likely result in a decline in the Trust's income over time. However, the Adviser will attempt to maintain a yield which is competitive with a comparable maturity Treasury at the same point on the yield curve (i.e. if the Trust has three years left until its maturity, the Adviser will attempt to maintain a yield at a spread over a 3-year Treasury). It is important to note that the Trust will be managed so as to preserve the integrity of the return of the initial offering price.

How Are the Trust's Shares Purchased and Sold?
Does the Trust Pay Dividends Regularly?

The Trust's shares are traded on the New York Stock Exchange which provides investors with liquidity on a daily basis. Orders to buy or sell shares of the Trust must be placed through a registered broker or financial advisor. The Trust pays monthly dividends which are typically paid on the last business day of the month. For shares held in the shareholder's name, dividends may be reinvested in additional shares of the fund through the Trust's transfer agent, State Street Bank & Trust Company. Investors who wish to hold shares in a brokerage account should check with their financial advisor to determine whether their brokerage firm offers dividend reinvestment services.

Leverage Considerations in a Term Trust

Under current market conditions, leverage increases the income earned by the Trust. The Trust employs leverage primarily through the use of reverse repurchase agreements and dollar rolls. Leverage permits the Trust to borrow money at short-term rates and reinvest that money in longer-term assets which typically offer higher interest rates. The difference between the cost of the borrowed funds and the income earned on the proceeds that are invested in longer term assets is the benefit to the Trust from leverage. In general, the portfolio is typically leveraged at approximately 33-1/3% of total assets.

Leverage also increases the duration (or price volatility of the net assets) of the Trust, which can improve the performance of the fund in a declining rate environment, but can cause net assets to decline faster than the market in a rising rate environment. BlackRock's portfolio managers continuously monitor and regularly review the Trust's use of leverage and the Trust may reduce, or unwind, the amount of leverage employed should BlackRock consider that reduction to be in the best interests of the shareholders.

Special Considerations and Risk Factors Relevant to Term Trusts

The Trust is intended to be a long-term investment and is not a short-term trading vehicle.

Return of Initial Investment. Although the objective of the Trust is to return its initial offering price upon termination, there can be no assurance that this objective will be achieved.

Dividend Considerations. The income and dividends paid by the Trust are likely to decline to some extent over the term of the Trust due to the anticipated shortening of the dollar-weighted average maturity of the Trust's assets.

Leverage. The Trust utilizes leverage through reverse repurchase agreements and dollar rolls, which involves special risks. The Trust's net asset value and market value may be more volatile due to its use of leverage.

Market Price of Shares. The shares of closed-end investment companies such as the Trust trade on the New York Stock Exchange and as such are subject to supply and demand influences. As a result, shares may trade at a discount or a premium to their net asset value.

Mortgage-Backed and Asset-Backed Securities. The cash flow and yield characteristics of these securities differ from traditional debt securities. The major differences typically include more frequent payments and the possibility of prepayments which will change the yield to maturity of the security.

Corporate Debt Securities. The value of corporate debt securities generally varies inversely with changes in prevailing market interest rates. The Trust may be subject to certain reinvestment risks in environments of declining interest rates.

Zero Coupon Securities. Such securities receive no cash flows prior to maturity, therefore, interim price movements on these securities are generally more sensitive to interest rate movements than securities that make periodic coupon payments. These securities appreciate in value over time and can play an important role in helping the Trust achieve its primary objective.

Illiquid Securities. The Trust may invest in securities that are illiquid, although under current market conditions the Trust expects to do so to only a limited extent. These securities involve special risks.

Non-U.S Securities. The Trust may invest less than 10% of its total assets in non-U.S. dollar-denominated securities which involve special risks such as currency, political and economic risks, although under current market conditions does not do so.

Antitakeover Provisions. Certain antitakeover provisions will make a change in the Trust's business or management more difficult without the approval of the Trust's Board of Directors and may have the effect of depriving shareholders of an opportunity to sell their shares at a premium above the prevailing market price.

GLOSSARY

Adjustable Rate Mortgage-Backed Securities (ARMs):	Mortgage instruments with interest rates that adjust at periodic intervals at a fixed amount over the market levels of interest rates as reflected in specified indexes. ARMS are backed by mortgage loans secured by real property.
Asset-Backed Securities:	Securities backed by various types of receivables such as automobile and credit card receivables.
Closed-End Fund:	Investment vehicle which initially offers a fixed number of shares and trades on a stock exchange. The fund invests in a portfolio of securities in accordance with its stated investment objectives and policies.
Collateralized Mortgage Obligations (CMOs):	Mortgage-backed securities which separate mortgage pools into short-, medium-, and long-term securities with different priorities for receipt of principal and interest. Each class is paid a fixed or floating rate of interest at regular intervals. Also known as multiple-class mortgage pass-throughs.
Discount:	When a fund's net asset value is greater than its stock price the fund is said to be trading at a discount.
Dividend:	This is income generated by securities in a portfolio and distributed to shareholders after the deduction of expenses. This Trust declares and pays dividends on a monthly basis.
Dividend Reinvestment:	Shareholders may elect to have all distributions of dividends and capital gains automatically reinvested into additional shares of the Trust.
FHA:	Federal Housing Administration, a government agency that facilitates a secondary mortgage market by providing an agency that guarantees timely payment of interest and principal on mortgages.
FHLMC:	Federal Home Loan Mortgage Corporation, a publicly owned, federally chartered corporation that facilitates a secondary mortgage market by purchasing mortgages from lenders such as savings institutions and reselling them to investors by means of mortgage-backed securities. Obligations of FHLMC are not guaranteed by the U.S. government however; they are backed by FHLMC's authority to borrow from the U.S. government. Also known as Freddie Mac.
FNMA:	Federal National Mortgage Association, a publicly owned, federally chartered corporation that facilitates a secondary mortgage market by purchasing mortgages from lenders such as savings institutions and reselling them to investors by

means of mortgage-backed securities. Obligations of FNMA are not guaranteed by the U.S. government, however; they are backed by FNMA's authority to borrow from the U.S. government. Also known as Fannie Mae.

GNMA: Government National Mortgage Association, a government agency that facilitates a secondary mortgage market by providing an agency that guarantees timely payment of interest and principal on mortgages. GNMA's obligations are supported by the full faith and credit of the U.S. Treasury. Also known as Ginnie Mae.

Government Securities: Securities issued or uaranteed by the U.S. government, or one of its agencies or instrumentalities, such as GNMA (Government National Mortgage Association), FNMA (Federal National Mortgage Association) and FHLMC (Federal Home Loan Mortgage Corporation).

Interest-Only Securities (I/O): Mortgage securities that receive only the interest cash flows from an underlying pool of mortgage loans or underlying pass-through securities. Also known as Strip.

Market Price: Price per share of a security trading in the secondary market. For a closed-end fund, this is the price at which one share of the fund trades on the stock exchange. If you were to buy or sell shares, you would pay or receive the market price.

Mortgage Dollar Rolls: A mortgage dollar roll is a transaction in which the Trust sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (although not the same) securities on a specified future date. During the "roll" period, the Trust does not receive principal and interest payments on the securities, but is compensated for giving up these payments by the difference in the current sales price (for which the security is sold) and lower price that the Trust pays for the similar security at the end date as well as the interest earned on the cash proceeds of the initial sale.

Mortgage Pass-Throughs: Mortgage-backed securities issued by Fannie Mae, Freddie Mac or Ginnie Mae.

Multiple-Class Pass-Throughs: Collateralized Mortgage Obligations.

Net Asset Value (NAV): Net asset value is the total market value of all securities and other assets held by the Trust, plus income accrued on its investments, minus any liabilities including accrued expenses, divided by the total number of outstanding shares. It is the underlying value of a single share on a given day. Net asset value for the Trust is calculated weekly and published in Barron's on Saturday and The New York Times or The Wall Street Journal each Monday.

Principal-Only Securities (P/O): Mortgage securities that receive only the principal cash flows from an underlying pool of mortgage loans or underlying pass-through securities. Also known as Strip.

Project Loans: Mortgages for multi-family, low- to middle-income housing.

Premium: When a fund's stock price is greater than its net asset value, the fund is said to be trading at a premium.

REMIC: A real estate mortgage investment conduit is a multiple-class security backed by mortgage-backed securities or whole mortgage loans and formed as a trust, corporation, partnership, or segregated pool of assets that elects to be treated as a REMIC for federal tax purposes. Generally, Fannie Mae REMICs are formed as trusts and are backed by mortgage-backed securities.

Residuals: Securities issued in connection with collateralized mortgage obligations that generally represent the excess cash flow from the mortgage assets underlying the CMO after payment of principal and interest on the other CMO securities and related administrative expenses.

Reverse Repurchase Agreements: In a reverse repurchase agreement, the Trust sells securities and agrees to repurchase them at a mutually agreed date and price. During this time, the Trust continues to receive the principal and interest payments from that security. At the end of the term, the Trust receives the same securities that were sold for the same initial dollar amount plus interest on the cash proceeds of the initial sale.

Stripped Mortgage Backed Securities: Arrangements in which a pool of assets is separated into two classes that receive different proportions of the interest and principal distributions from underlying mortgage-backed securities. IO's and PO's are examples of strips.

BlackRock Financial Management, Inc.
Summary of Closed-End Funds

Taxable Trusts

<TABLE>
<CAPTION>

Perpetual Trusts	Stock Symbol	Maturity
<S>	<C>	<C>
The BlackRock Income Trust Inc.	BKT	N/A
The BlackRock North American Government Income Trust Inc.	BNA	N/A
Term Trusts		
The BlackRock 1998 Term Trust Inc.	BBT	12/98
The BlackRock 1999 Term Trust Inc.	BNN	12/99
The BlackRock Target Term Trust Inc.	BTT	12/00
The BlackRock 2001 Term Trust Inc.	BLK	06/01
The BlackRock Strategic Term Trust Inc.	BGT	12/02
The BlackRock Investment Quality Term Trust Inc.	BQT	12/04
The BlackRock Advantage Term Trust Inc.	BAT	12/05
The BlackRock Broad Investment Grade 2009 Term Trust Inc.	BCT	12/09

</TABLE>

<TABLE>
Tax-Exempt Trusts

<CAPTION>

Perpetual Trusts	Stock Symbol	Maturity
<S>	<C>	<C>
The BlackRock Investment Quality Municipal Trust Inc.	BKN	N/A
The BlackRock California Investment Quality Municipal Trust Inc. ..	RAA	N/A
The BlackRock Florida Investment Quality Municipal Trust	RFA	N/A
The BlackRock New Jersey Investment Quality Municipal Trust Inc. ..	RNJ	N/A
The BlackRock New York Investment Quality Municipal Trust Inc.	RNY	N/A
Term Trusts		
The BlackRock Municipal Target Term Trust Inc.	BMN	12/06
The BlackRock Insured Municipal 2008 Term Trust Inc.	BRM	12/08
The BlackRock California Insured Municipal 2008 Term Trust Inc. ...	BFC	12/08
The BlackRock Florida Insured Municipal 2008 Term Trust	BRF	12/08
The BlackRock New York Insured Municipal 2008 Term Trust Inc.	BLN	12/08
The BlackRock Insured Municipal Term Trust Inc.	BMT	12/10

If you would like further information, please call BlackRock at (800) 227-7BFM (7236)

</TABLE>

BlackRock Financial Management, Inc.
An Overview

BlackRock Financial Management (BlackRock) is a registered investment adviser which specializes in managing high quality fixed income securities, both taxable and tax exempt. BlackRock currently manages approximately $41 billion of assets across the government, mortgage, corporate and municipal sectors. These assets are managed on behalf of institutional and individual investors in 21 closed-end funds traded either on the New York Stock Exchange or American Stock Exchange, several open-end funds and over 80 institutional clients in the United States and overseas. BlackRock's institutional investor base includes Chrysler Corporation Master Retirement Trust, General Retirement System of the City of Detroit, State Treasurer of Florida, Ford Motor Company Pension Plan, General Electric Pension Trust and Unisys Corporation Master Trust.

BlackRock was formed in April 1988 by fixed income professionals who sought to create an asset management firm specializing in managing fixed income securities for individuals and institutional investors. The professionals at BlackRock have extensive experience creating, analyzing and trading a variety of fixed income instruments, including the most complex structured securities. In fact, individuals at BlackRock are responsible for many of the major innovations in the mortgage-backed and asset-backed securities market, including the creation of the CMO, the floating rate CMO, the senior/subordinated pass-through and the multi-class asset-backed security.

BlackRock is unique among asset management and advisory firms in the significant emphasis it places on the development of proprietary analytical capabilities. A quarter of the professionals at BlackRock work full-time in the design, maintenance and use of such systems which are otherwise not generally available to investors. BlackRock's proprietary analytical tools are used for evaluating, investing in and designing investment strategies and portfolios of fixed income securities, including mortgage securities, corporate debt securities or tax-exempt securities and a variety of hedging instruments.

BlackRock has developed investment products which respond to investors' needs and has been responsible for several major innovations in closed-end funds. BlackRock introduced the first closed-end mortgage fund, the first taxable and tax-exempt closed-end funds to offer a finite term, the first closed-end fund to achieve a AAAf rating by Standard & Poor's, and the first closed-end fund to invest primarily in North American Government securities. BlackRock's closed-end funds currently have dividend reinvestment plans which are designed to provide an ongoing source of demand for the stock in the secondary market. BlackRock manages a ladder of alternative investment vehicles, with each fund having specific investment objectives and policies.

In view of our continued desire to provide a high level of service to all our shareholders, BlackRock maintains a toll-free number for your questions. The number is (800) 227-7BFM (7236). We encourage you to call us with any questions you may have about your BlackRock funds and thank you for the continued trust you place in our abilities.

(Left column)

BlackRock

Directors
Laurence D. Fink, Chairman
Andrew F. Brimmer
Richard E. Cavanagh
Kent Dixon
Frank J. Fabozzi
James Grosfeld
James Clayburn La Force, Jr.
Ralph L. Schlosstein

Officers
Ralph L. Schlosstein, President
Scott Amero, Vice President
Keith T. Anderson, Vice President
Michael C. Huebsch, Vice President
Robert S. Kapito, Vice President
Richard M. Shea, Vice President/Tax

Henry Gabbay, Treasurer
James Kong, Assistant Treasurer
Karen H. Sabath, Secretary

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This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Trust shares.

The BlackRock 2001 Term Trust Inc.
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