

BLACKROCK MUNICIPAL 2018 TERM TRUST

Form N-30D

March 08, 2002

Municipal 2018 Term Trust

Annual Report December 31, 2001

**BLACKROCK MUNICIPAL 2018 TERM TRUST
ANNUAL REPORT TO SHAREHOLDERS
REPORT OF INVESTMENT ADVISOR**

January 31, 2002

Dear Shareholder:

Economic activity slowed significantly during the year, continuing the downturn that began in March 2000. The September 11 attacks on the World Trade Center and the Pentagon accelerated this decline by injecting fear and further uncertainty into an already weak economy. In response to the dramatic slowdown in the U.S. economy, the Federal Reserve Board aggressively lowered interest rates over the year. The Federal Open Market Committee (FOMC) cut interest rates eleven times in 2001 reducing interest rates by 4.75%, bringing the current Federal Funds rate to 1.75%, its lowest level since September 1961.

The weakening U.S. economic environment and the accompanying Federal Reserve activity have had a positive effect on the fixed income markets. Virtually all sectors of the domestic fixed income market posted positive returns over the year. As short-term interest rates declined faster than long-term interest rates over the year, the yield curve reached historically steep levels, making it a very attractive environment for leveraged bond funds. Because these funds borrow at short-term rates and invest in long-term securities, the amount they earn grows as the difference between short-term and longer-term rates increases. Furthermore, economic indicators continue to suggest that inflation should remain benign, which should support high-quality fixed income securities, especially those with longer maturities.

While still relatively weak, economic activity in the second half of the fourth quarter started to recover leading many consumers and investors to be hopeful of a V-shaped economic recovery. While we concur that some level of recovery is underway, we are more cautious than the consensus with regard to the magnitude and timing of the recovery. Our view is that any recovery this year will be moderate, as corporate profits will remain under pressure as a result of lower capital spending, excess capacity and lack of pricing power. Continued pressure on profits will likely lead to additional job cuts, which will create an even more difficult environment for consumers, given their already high level of debt. Given our outlook, we expect a period of prolonged lower interest rates and have positioned the portfolios to take advantage of these low rates. These low short-term rates, coupled with little movement on the long end of the municipal yield curve over the year, have the yield curve at its steepest levels in a decade. As such, we find longer maturities between the 15-year and 20-year part of the curve the most attractive as we can use these maturities to best take advantage of the steepness of the curve. In addition, we expect higher quality and higher coupon securities to perform well as retail investors continue to spark demand for these products in 2002 as they did in 2001.

This annual report contains a summary of market conditions during the annual period and a review of portfolio strategy by your Trust's managers in addition to the Trust's audited financial statements and a listing of the Portfolio's holdings. Continued thanks for your confidence in BlackRock. We appreciate the opportunity to help you achieve your long-term investment goals.

Sincerely,

Laurence D. Fink
Chairman

Ralph L. Schlosstein
President

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January 31, 2002

Dear Shareholder:

We are pleased to present the first audited annual report for The BlackRock Municipal 2018 Term Trust Inc. (the Trust) for the fiscal year ended December 31, 2001. We would like to take this opportunity to review the Trust's share price and net asset value (NAV) change, summarize developments in the fixed income markets and discuss recent portfolio management activity.

The Trust is a diversified closed-end bond fund whose shares are traded on the New York Stock Exchange under the symbol BPK. The Trust's investment objectives are to provide current income that is exempt from regular Federal income tax and to return \$15 per common share (an amount equal to the Trust's initial public offering price) to holders of common shares on or about December 31, 2018. The Trust will invest at least 80% of its total assets in municipal bonds that, at the time of investment, are investment grade quality (rated Baa or BBB or better by a major rating agency or of equivalent quality). The Trust may invest up to 20% of its total assets in municipal bonds that at the time of investment are non-investment grade (rated Ba/BB or B by a major rating agency that are unrated, but deemed to be of comparable quality by the Advisor).

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

		12/31/01		High		Low
Share Price	\$	13.06	\$	15.05	\$	12.94
Net Asset Value (NAV)	\$	13.66	\$	14.38	\$	13.61

The Fixed Income Markets

Investor hopes for a soft landing quickly turned to fears of a recession as the U.S. economy rapidly deteriorated over the year. Prior to the events of September 11 our economic outlook envisioned an extended period of sluggish growth, with the risk of a more severe deterioration if consumer confidence and spending declined by any considerable degree. Economic data prior to the attacks suggests that the scenario of a more severe contraction may have been in the works. Year-over-year industrial production was down 4.8% in August, the largest yearly decline since 1982. The unemployment rate had drifted up to 4.9% from a low of 3.9% in October of last year, and the four-week average of initial jobless claims rose to its highest level in nearly a decade. Consumer confidence was starting to wane, and consumer credit outstanding had begun to decline. The events of September 11 undoubtedly further weakened consumer sentiment. The Conference Board's consumer confidence index posted its biggest one-month decline since 1990. According to the minutes of the October 2, 2001 Federal Open Market Committee meeting, "The terrorist attacks have significantly heightened uncertainty in an economy that was already weak. Business and household spending as a consequence are being further dampened. Nonetheless, the long-term prospects for productivity growth and the economy remain favorable and should become evident once the unusual forces restraining demand abate. During the year ended December 31, 2001, the Federal Reserve aggressively lowered the Federal Funds rate by a total of 4.75% bringing the current Fed Funds rate to 1.75%."

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Over the course of the year, the Treasury yield curve steepened significantly as the bond market rallied in response to the slowing U.S. economy and the aggressive interest rate cuts by the Federal Reserve. Treasury yields on the short-end of the yield curve, as measured by the 2-year Treasury, fell sharply from 5.09% on December 31, 2000 to 3.02% on December 31, 2001. During the same period, however, yields on longer-term bonds remained relatively unchanged with 10-year Treasuries decreasing 6 basis points and 30-year Treasuries increasing 1 basis point. Despite longer-term yields remaining relatively unchanged, there was an increase in volatility in the marketplace due to anticipated Fed easing and increased supply. On October 31, 2001, the U.S. Treasury announced plans to stop selling 30-year U.S. Treasuries maintaining that the government does not need the 30-year bond to meet [its] current financing needs. On the news that the Treasury would discontinue a program that issued a total of \$600 billion in debt since its official inception in 1977, the 30-year bond price increased by more than 5% and yields, which react inversely to changes in price, fell over 36 basis points.

For the annual period ended December 31, 2001, municipal bonds slightly underperformed the taxable domestic bond market on a tax-adjusted basis, returning 8.36% (as measured by the *Lehman Municipal Index* at a tax bracket of 38.6%) versus

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the *Lehman Aggregate Index* s 8.44%. Strong demand for municipals due to turmoil in the equity markets and diversification into fixed income securities was met by \$286 billion worth of new issuance, a 44% increase from last year. For the upcoming year, we anticipate new issue supply to continue at 2001's pace as municipalities have increasing financing needs due to decreasing revenues and higher demand for expenditures due to the slowdown in the U.S. economy.

The Trust s Portfolio and Investment Strategy

The Trust s portfolio is actively managed to diversify exposure to various sectors, issuers, revenue sources and security types. BlackRock s investment strategy emphasizes a relative value approach, which allows the Trust to capitalize upon changing market conditions by rotating municipal sectors and coupons. Additionally, the Trust emphasizes securities whose maturity dates match the termination date of the Trust.

Additionally, the Trust employs leverage to enhance its income by borrowing at short-term rates and investing the proceeds in longer maturity issues that have higher yields. The degree to which the Trust can benefit from its use of leverage may affect its ability to pay high monthly income. At the end of the period, the Trust s leverage amount was 38% of total assets.

The following charts show the Trust s asset composition and credit quality allocations:

Sector Breakdown

Sector	December 31, 2001
Industrial & Pollution Control	17%
Hospitals	14%
Housing	14%
City, County & State	11%
Education	9%
Water & Sewer	8%
Lease Revenue	8%
Transportation	7%

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Tobacco	6%
Utility/Power	6%
Credit Rating*	December 31, 2001
AAA/Aaa	38%
AA/Aa	19%
A/A	24%
BBB/Baa	16%
BB/Ba	3%

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

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We look forward to continuing to manage the Trust to benefit from the opportunities available in the fixed income markets and to meet its investment objectives. We thank you for your investment in the BlackRock Municipal 2018 Term Trust Inc. Please feel free to contact our marketing center at (800) 227-7BFM (7236) if you have any specific questions which were not addressed in this report.

Sincerely,

Robert S. Kapito
Vice Chairman and Portfolio Manager

Kevin M. Klingert
Managing Director and Portfolio Manager

BlackRock Municipal 2018 Term Trust

Symbol on New York Stock Exchange:	BPK
Initial Offering Date:	October 26, 2001
Closing Share Price as of 12/31/01:	\$ 13.06
Net Asset Value as of 12/31/01:	\$ 13.66
Yield on Closing Share Price as of 12/31/01 (\$13.06) ¹ :	5.97%
Current Monthly Distribution per Share ² :	\$ 0.065
Current Annualized Distribution per Share ² :	\$ 0.78

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¹ Yield on Closing Share Price is calculated by dividing the current annualized distribution per share by the closing share price.

² The distribution is not constant and is subject to change.

Privacy Principles of the Trust

The Trust is committed to maintaining the privacy of shareholders and to safeguarding its non-public personal information. The following information is provided to help you understand what personal information the Trust collects, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Trust does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Trust. The Trust does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Trust restricts access to non-public personal information about the shareholders to BlackRock employees with a legitimate business need for the information. The Trust maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

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BlackRock Municipal 2018 Term Trust Portfolio of Investments December 31, 2001

Rating* (Unaudited)	Principal Amount (000)	Description	Option Call Provisions (Unaudited)	Value (Note 1)
LONG-TERM INVESTMENTS 162.0%				
Alabama 2.3%				
Baa2	\$ 5,000	Courtland Ind. Dev. Brd. P.C.R, Champion Intl. Corp. Proj., 6.15%, 6/01/19	6/05 @ 102	\$ 5,007,650
California 3.2%				
AAA	7,115	Los Angeles Regl. Arpt. Corp. Lease Rev., Laxfuel Corp., 5.375%, 1/01/21, AMBAC	1/12 @ 100	6,896,071
Florida 7.5%				
Aaa	15,000	Escambia Cnty. Hlth. Facs. Auth. Hlth. Care. Fac. Rev., 5.95%, 7/01/20, AMBAC	No Opt. Call	16,214,100
Georgia 2.4%				
Gainesville & Hall Cnty. Georgia Hosp. Auth. Rev. Antic. Cert.,				
A-	2,700	Northeast Georgia Hlth. Sys. Inc. Proj., 5.25%, 5/15/18	5/11 @ 100	2,567,619
A-	2,800	Northeast Georgia Hlth. Sys. Inc. Proj., 5.50%, 5/15/21	5/11 @ 100	2,667,616
				5,235,235
Illinois 17.6%				
Chicago Hsg. Auth. Cap. Proj. Rev.,				
AA	10,000	5.00%, 7/01/19	7/12 @ 100	9,181,300
AA	4,000	5.375%, 7/01/19	7/12 @ 100	3,926,640

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AAA	5,000	Chicago Wtr. Rev., 5.50%, 11/01/17, AMBAC	11/11 @ 100	5,123,100
A-	7,500	Illinois Dev. Fin. Auth. Hosp. Rev., Adventist Hlth. Sys. Sunbelt Obl., 5.50%, 11/15/20	11/09 @ 101	6,929,850
A	10,000	Illinois Dev. Fin. Auth. P.C.R., Ser. C, 5.95%, 8/15/26	12/06 @ 101	10,003,900
AAA	3,000	Illinois St., G.O., First Ser., 5.375%, 11/01/19, FGIC	11/11 @ 100	3,033,690
				38,198,480
		Indiana 11.3%		
Aa3	13,970	Indiana Hlth. Fac. Fin. Auth. Rev., Hlth. Sys. Sisters of St. Francis, 5.75%, 11/01/21	11/11 @ 101	13,690,740
BBB	6,500	Indianapolis Arpt. Auth. Rev., Fed. Express Corp. Proj., 7.10%, 1/15/17	7/04 @ 102	6,874,725
A3	4,000	Petersburg P.C.R., Indiana Pwr. & Lt. Conv., 5.75%, 8/01/21	8/11 @ 102	3,920,680
				24,486,145
		Louisiana 8.8%		
BBB	10,000	Morehouse Parish P.C.R., Intl. Paper Co. Proj., Ser. A, 5.25%, 11/15/13	No Opt. Call	9,502,200
A1	10,000	Tobacco Settlement Fin. Corp. Louisiana Rev., Ser. B, 5.875%, 5/15/39	5/11 @ 101	9,671,100
				19,173,300
		Massachusetts 4.4%		
AAA	9,750	Massachusetts St., G.O., Ser. D, 5.00%, 11/01/21, MBIA	11/11 @ 100	9,450,675
		Michigan 16.5%		
BBB	5,000	Dickinson Cnty. Econ. Dev. Corp. P.C.R., Champion Intl. Corp. Proj., 5.85%, 10/01/18	10/03 @ 102	4,867,200
Aaa	11,300	Forest Hills Pub. Schs., G.O., 5.25%, 5/01/20, FGIC	5/10 @ 100	11,368,365
AA+	5,000	Michigan St. Bldg. Auth. Rev., Facs. Proj., Ser. I, 5.125%, 10/15/20	10/11 @ 100	4,925,150
AAA	15,005	Wayne Charter Cnty. Arpt. Rev., Ser. A, 5.25%, 12/01/18, MBIA	12/08 @ 101	14,737,911
				35,898,626

See Notes to Financial Statements.

Rating* (Unaudited)	Principal Amount (000)	Description	Option Call Provisions (Unaudited)	Value (Note 1)
		Mississippi 4.9%		
A-	\$ 9,800	Lowndes Cnty. Sld. Wst. Disp. & P.C.R., Weyerhaeuser Co. Proj., Ser. A, 6.80%, 4/01/22	No Opt. Call	\$ 10,613,498
		New Hampshire 6.5%		
A+	2,025	New Hampshire Hlth. & Ed. Facs., Exeter Proj., 6.00%, 10/01/24	10/11 @ 101	2,009,772
AAA	12,000	New Hampshire St. Bus. Fin. Auth. P.C.R., Pub. Svc. Co. New Hampshire Proj.,		

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		Ser. C, 5.45%, 5/01/21, MBIA	5/12 @ 101	12,105,240
				<hr/>
				14,115,012
				<hr/>
		New Jersey 4.7%		
		New Jersey Econ. Dev. Auth. Spec. Fac. Rev., Continental Airlines Inc. Proj.,		
BB-	6,750	Ser. A, 7.20%, 11/15/30	11/10 @ 101	5,851,035
BB-	5,250	Ser. B, 7.00%, 11/15/30	11/10 @ 101	4,437,563
				<hr/>
				10,288,598
				<hr/>
		Pennsylvania 7.1%		
		Philadelphia Auth. For Ind. Dev. Lease Rev., Ser. B, FSA,		
AAA	5,000	5.50%, 10/01/18	10/11 @ 101	5,115,600
AAA	5,000	5.50%, 10/01/19	10/11 @ 101	5,086,700
		West Cornwall Twnshp. Mun. Auth. Coll. Rev., Elizabethtown Coll. Proj.,		
BBB+	2,500	5.90%, 12/15/18	12/11 @ 100	2,494,125
BBB+	2,650	6.00%, 12/15/22	12/11 @ 100	2,646,581
				<hr/>
				15,343,006
				<hr/>
		South Carolina 5.1%		
A1	10,960	Tobacco Settlement Rev. Mgmt. Auth. South Carolina, Ser. B, 6.00%, 5/15/22	5/11 @ 101	11,059,955
				<hr/>
		Texas 39.6%		
BBB+	13,625	Brazos River Auth. P.C.R., TXU Elec. Co. Proj., Ser. C, Zero Coupon, 5/01/36	No Opt. Call	13,290,098
AAA	5,125	Carrollton Fmrs. Branch Indpt. Sch. Dist., G.O., 5.00%, 2/15/19	8/10 @ 101	4,957,925
		Dallas Ft. Worth Intl. Arpt. Rev., Ser. A, FGIC,		
AAA	5,000	5.875%, 11/01/17	11/11 @ 100	5,134,150
AAA	5,000	5.875%, 11/01/18	11/11 @ 100	5,115,100
AAA	15,000	Lower Colorado River Auth. Texas Rev., Ser. A, 5.00%, 5/15/21, MBIA	5/11 @ 100	14,299,800
		San Antonio Texas, G.O.,		
AA+	6,000	5.00%, 2/01/20	2/11 @ 100	5,764,320
AA+	2,000	5.00%, 2/01/21	2/11 @ 100	1,909,760
AA+	4,715	Texas A & M Univ. Rev., Ser. B, 5.00%, 5/15/19	5/11 @ 100	4,565,157
Aa1	5,730	Texas St., G.O., 5.00%, 8/01/21	8/11 @ 100	5,310,507
		Texas St. Affordable Hsg. Corp. Mult. Fam. Hsg Rev.,		
		Arborstone/Baybrook Oaks, Ser. A,		
A3	12,695	5.55%, 11/01/18	11/11 @ 102	12,263,243
A3	9,800	5.75%, 11/01/22	11/11 @ 102	9,431,128
AAA	4,150	Univ. of Texas Univ. Rev., Fin. Sys., Ser. B, 5.00%, 8/15/22	8/11 @ 100	3,954,535
				<hr/>
				85,995,723
				<hr/>
		Utah 2.3%		
AAA	5,000	Salt Lake City Mun. Bldg. Auth. Lease Rev., Ser. A, 5.40%, 10/15/19, AMBAC	10/09 @ 101	5,038,550
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		Virginia 6.7%		
AA+	15,000	Virginia St. Hsg. Dev. Auth., Comwlth. Mtg., Ser. I, 5.40%, 7/01/21	7/11 @ 100	14,629,350
		Washington 9.0%		
		Energy Northwest Wind Proj. Rev.,		
Baa1	5,000	Ser. A, 6.00%, 7/01/23	1/07 @ 103	4,847,000
Baa1	6,175	Ser. B, 5.875%, 7/01/20	1/07 @ 103	5,928,556
AAA	9,250	Seattle Mun. Lt. & Pwr. Rev., 5.00%, 3/01/20, FSA	3/11 @ 100	8,854,285
				<u>19,629,841</u>

See Notes to Financial Statements.

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Rating* (Unaudited)	Principal Amount (000)	Description	Option Call Provisions (Unaudited)	Value (Note 1)
		Wisconsin 2.1%		
A+	\$ 5,000	Wisconsin St. Hlth. & Edl. Facs. Auth. Rev., Froedert & Cmnty. Hlth. Oblig., 5.375%, 10/01/21	10/11 @ 101	\$ 4,610,900
		Total Long-Term Investments (cost \$360,798,763)		<u>351,884,715</u>
		SHORT-TERM INVESTMENTS 3.0%**		
		Alabama 0.5%		
A1+	1,100	Jefferson Cnty., G.O., Ser. B, 1.35%, 1/02/02, FRDD	N/A	1,100,000
		California 0.3%		
VMIG1	750	Rancho Mirage Jt. Pwrs. Fin. Auth., C.O.P., Eisenhower Med. Ctr., Ser. B, 1.42%, 1/02/02, MBIA	No Opt. Call	750,000
		Maryland 2.2%		
A1+	4,700	Maryland St. Hlth. & Higher Edl. Facs. Auth. Lease Rev., Ser. D, 1.55%, 1/02/02, FRDD, BOA	N/A	4,700,000
		New York 0.0%		
A1+	100	Jay St. Dev. Corp. Lease Rev., Ser. A, 1.75%, 1/02/02, FRDD	N/A	100,000
		Total Short-Term Investments (cost \$6,650,000)		<u>6,650,000</u>
		Total Investments 165.0% (cost \$367,448,763)		<u>358,534,715</u>
		Liabilities in excess of other assets (1.7)%		(3,705,244)
		Liquidation value of preferred shares (63.3)%		(137,600,000)
		Net Assets Applicable to Common Shareholders 100%		<u>\$ 217,229,471</u>

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

** For purposes of amortized cost valuation, the maturity date of these instruments is considered to be the earlier of the next date on which the security can be redeemed at par, or the next date on which the rate of interest is adjusted.

Option call provisions: date (month/year) and price of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

KEY TO ABBREVIATIONS

AMBAC American Municipal Bond Assurance Corporation	FSA Financial Security Assurance
C.O.P. Certification of Participation	G.O. General Obligation
FGIC Financial Guaranty Insurance Company	MBIA Municipal Bond Insurance Association
FRDD Floating Rate Daily Demand	P.C.R. Pollution Control Revenue

See Notes to Financial Statements.

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BlackRock Municipal 2018 Term Trust Statement of Assets and Liabilities December 31, 2001

Assets

Investments, at value (cost \$367,448,763) (Note 1)	\$	358,534,715
Cash		13,000
Receivable from investments sold		30,000
Interest receivable		3,454,248
		362,031,963

Liabilities

Payable for investments purchased		5,423,318
Dividends payable - common shares		1,034,022
Dividends payable - preferred shares		98,393
Organization and offering costs payable		331,743
Investment advisory fee payable (Note 2)		179,716
Other accrued expenses		135,300
		7,202,492

Net Investment Assets

\$ 354,829,471

Net investment assets were comprised of:

Common shares of beneficial interest:

Par value (Note 4)	\$	15,908
Paid-in capital in excess of par		225,681,850
Preferred shares (Note 4)		137,600,000

363,297,758

Undistributed net investment income (Note 1)		445,761
Net unrealized depreciation (Note 1)		(8,914,048)

Net investment assets, December 31, 2001	\$ 354,829,471
Net assets applicable to common shareholders	\$ 217,229,471
Net asset value per common share of beneficial interest: (\$217,229,471 ÷ 15,908,028 common shares of beneficial interest issued and outstanding)	\$13.66

**BlackRock Municipal 2018 Term Trust
Statement of Operations
For the period October 30, 2001
(commencement of investment operations)
to December 31, 2001**

Net Investment Income

Income	
Interest (Note 1)	\$ 1,893,426
Expenses	
Investment advisory	179,716
Independent accountants	38,502
Reports to shareholders	35,138
Organization expenses	15,000
Custodian	13,822
Auction agent	13,000
Trustees	9,565
Transfer agent	8,962
Legal	460
Miscellaneous	16,085
Total expenses	330,250
Net investment income	1,563,176
Net Change in Unrealized Appreciation on Investments	(8,914,048)
Net Decrease in Net Investment Assets Resulting from Operations	\$ (7,350,872)

See Notes to Financial Statements.

**BlackRock Municipal 2018 Term Trust
Statement of Changes in Net Investment Assets**

For the period

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Net unrealized loss on investments	(0.55)
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Net decrease from investment operations	(0.45)
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Dividends and distributions:	
Dividends from net investment income to:	
Common shareholders	(0.07)
Preferred shareholders	(0.01)
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Total dividends and distributions	(0.08)
	<hr/>
Capital charges with respect to issuance of:	
Common shares	(0.03)
Preferred shares	(0.11)
	<hr/>
Total capital charges	(0.14)
	<hr/>
Net asset value, end of period ³	\$ 13.66
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Market value, end of period ³	\$ 13.06
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TOTAL INVESTMENT RETURN⁴	(12.51)%
	<hr/>

RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS:⁵

Expenses	0.93% ⁶
Net investment income before preferred share dividends	4.39% ⁶
Preferred share dividends	0.28% ⁶
Net investment income available to common shareholders	4.11% ⁶

SUPPLEMENTAL DATA:

Average net assets of common shareholders (000)	\$	206,486
Portfolio turnover		0%
Net assets of common shareholders, end of period (000)	\$	217,229
Preferred shares outstanding (000)	\$	137,600
Asset coverage per preferred shares, end of period	\$	64,485

¹ Commencement of investment operations. This information includes the initial investment by BlackRock Advisors, Inc. (Note 1) Net asset value immediately after the closing of the public offering was \$14.30.

² Calculated using the average shares method.

³ Net asset value and market value are published in *Barron's* on Saturday and *The Wall Street Journal* on Monday.

⁴ Total investment return is calculated assuming a purchase of common shares at the current market price on the first day and a sale at the current market price on the last day of the period 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. Past performance is not a guarantee of future results.

⁵ Ratios are calculated on the basis of income and expenses applicable to both the common and preferred shares relative to the average net assets of the common shareholders.

⁶ Annualized.

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

See Notes to Financial Statements.

BlackRock Municipal 2018 Term Trust
Notes to Financial Statements

Note 1. Organization & Accounting Policies

The BlackRock Municipal 2018 Term Trust (the Trust) was organized as a Delaware business trust on September 2001 and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940. The Trust had no transactions until October 18, 2001 when it sold 8,028 common shares for \$115,001 to BlackRock Advisors, Inc. Investment operations commenced on October 30, 2001. The Trust's investment objectives are to provide current income that is exempt from regular Federal income tax and to return \$15 per common share to holders of common shares on or about December 31, 2018. The ability of issuers of debt securities held by the Trust to meet their obligations may be affected by economic developments in certain states, a specific industry or region. No assurance can be given that the Trust's investment objectives will be achieved.

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

Securities Valuation: Municipal securities (including commitments to purchase such securities on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services approved by the Trustees. In determining the value of a particular security, pricing services may use certain information with respect to transactions in such securities, quotations from bond dealers, market transactions in comparable securities and various relationships between securities. Short-term investments are valued at amortized cost. Any securities or other assets for which such current market quotations are not readily available are valued at fair value as determined in good faith under procedures established by and under the general supervision and responsibility of the Trustees.

Securities Transactions and Investment Income: Securities transactions are recorded on trade date. Realized and unrealized gains and losses are calculated on the identified cost basis. The Trust also records interest income on an accrual basis and amortizes premium and accretes discount to interest income on securities purchased using the interest method.

Federal Income Taxes: It is the Trust's intention to elect to be treated as a regulated investment company under the Internal Revenue Code and to distribute sufficient net income to shareholders. Therefore, no Federal income tax provision is required.

Dividends and Distributions: The Trust declares and pays dividends and distributions to common shareholders monthly, first from net investment income, then from net realized short-term capital gains and other sources, if necessary. Net long-term capital gains, if any, in excess of loss carryforwards, may be distributed annually. Dividends and distributions are recorded on the ex-dividend date. Dividends and distributions to preferred shareholders are accrued and determined as described in Note 4.

Reclassification of Capital Accounts: The Trust accounts for and reports distributions to shareholders in accordance with the American Institute of Certified Public Accountants' Statement of Position 93-2: Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, Return of Capital Distributions by Investment Companies. The effect caused by applying this statement was to increase undistributed net investment income and decrease paid in capital in excess of par by \$15,000 as a result of differences between financial reporting and tax accounting.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Compensation Plan: Under a deferred compensation plan approved by the Board of Trustees on September 24, 2001, non-interested Trustees may elect to defer receipt of all or a portion of their annual compensation.

Deferred amounts earn a return as though equivalent dollar amounts had been invested in common shares of other BlackRock funds selected by the Trustees. This has the same economic effect as if the Trustees had invested the deferred amounts in such other BlackRock funds.

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The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of the Trust. The Trust may, however, elect to invest in common shares of those funds selected by the Trustees in order to match its deferred compensation obligations.

Note 2. Agreements

The Trust has an Investment Advisory Agreement with BlackRock Advisors, Inc. (the Advisor), a wholly owned subsidiary of BlackRock, Inc. BlackRock Financial Management, Inc., a wholly owned subsidiary of BlackRock, Inc., serves as sub-advisor to the Trust. BlackRock, Inc. is an indirect majority-owned subsidiary of PNC Financial Services Group, Inc. The investment management agreement covers both investment advisory and administration services.

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The investment advisory fee paid to the Advisor is computed weekly and payable monthly at an annual rate of 0.40% of the Trust's average weekly managed assets.

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

Note 3. Portfolio Securities

Purchases of investments, other than short-term investments, for the period ended December 31, 2001 aggregated \$360,828,196. There were no sales of investments, other than short-term investments, for the period ended December 31, 2001.

The Federal income tax basis of the Trust's investments at December 31, 2001 was \$367,447,368, and accordingly, net unrealized depreciation was \$8,912,653 (gross unrealized appreciation \$331,902, gross unrealized depreciation \$9,244,555). There were no sales of investments, other than short-term investments, for the period ended December 31, 2001.

Note 4. Capital

There are an unlimited number of \$.001 par value common shares of beneficial interest authorized. The Trust may classify or reclassify any unissued common shares of beneficial interest into one or more series of preferred shares. Of the 15,908,028 common shares of beneficial interest outstanding at December 31, 2001, the Advisor owned 8,028 shares.

Transactions in common shares of beneficial interest for the period October 30, 2001 (commencement of investment operations) to December 31, 2001 were as follows:

Shares issued in connection with initial public offering	14,708,028
Shares issued in connection with the exercise of the underwriters over-allotment option	1,200,000
	<hr/>
Net increase in shares outstanding	15,908,028
	<hr/>

Offering costs of \$462,000 incurred in connection with the Trust's offering of common shares have been charged to paid-in capital in excess of par of the common shares.

On December 14, 2001 the Trust reclassified 5,504 common shares of beneficial interest and issued two series of Auction Market Preferred Shares (preferred shares) Series W7 2,752 and Series R7 2,752. The preferred shares have a liquidation value of \$25,000 per share plus any accumulated unpaid dividends. Underwriting discounts of \$1,376,000 and offering costs of \$331,743 incurred in connection with the preferred share offering have been charged to paid-in capital in excess of par of the common

shares.

Dividends on Series W7 and Series R7 are cumulative at a rate which is reset every 7 days based on the results of an auction. The dividend rate during the period ended December 31, 2001 for each series was 1.45%.

The Trust may not declare dividends or make other distributions to common shares or purchase any such shares if, at the time of the declaration, distribution, or purchase, asset coverage with respect to the outstanding preferred shares would be less than 200%.

The preferred shares are redeemable at the option of the Trust, in whole or in part, on any dividend payment date at \$25,000 per share plus any accumulated or unpaid dividends whether or not declared. The preferred shares are also subject to mandatory redemption at \$25,000 per share plus any accumulated or unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of the Trust as set forth in the Declaration of Trust are not satisfied.

The holders of preferred shares have voting rights equal to the holders of common shares (one vote per share) and will vote together with holders of common shares as a single class. However, holders of preferred shares are also entitled to elect two of the Trust's Trustees. In addition, the Investment Company Act of 1940 requires that, along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding preferred shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the preferred shares, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Trust's subclassification as a closed-end investment company or changes in its fundamental investment restrictions.

Note 5. Dividends

Subsequent to December 31, 2001, the Board of Trustees of the Trust declared a dividend of \$0.065 per common share payable February 1, 2002, to shareholders of record on January 15, 2002.

For the period January 1, 2002 through January 31, 2002, dividends declared on preferred shares totaled \$159,444.

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BLACKROCK MUNICIPAL 2018 TERM TRUST REPORT OF INDEPENDENT AUDITORS

To the Shareholders and Board of Trustees of
BlackRock Municipal 2018 Term Trust:

We have audited the accompanying statement of assets and liabilities of BlackRock Municipal 2018 Term Trust (the Trust), including the portfolio of investments, as of December 31, 2001, and the related statement of operations, statement of changes in net investment assets and financial highlights for the period from October 30, 2001 (commencement of investment operations) to December 31, 2001. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 securities owned as of December 31, 2001, 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Municipal 2018 Term Trust as of December 31, 2001, the results of its operations, changes in its net investment assets and financial highlights for the period from October 30, 2001 (commencement of investment operations) to December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

Boston, Massachusetts February 8, 2002

**BLACKROCK MUNICIPAL 2018 TERM TRUST
TRUSTEE INFORMATION**

Independent Trustees

Name, address, age	Andrew F. Brimmer	Richard E. Cavanagh	Kent Dixon	Frank J. Fabozzi
	P.O. Box 4546	P.O. Box 4546	P.O. Box 4546	P.O. Box 4546
	New York, NY 10163-4546	New York, NY 10163-4546	New York, NY 10163-4546	New York, NY 10163-4546
	Age: 75	Age: 55	Age: 64	Age: 53
Current positions held with the Funds	Lead Trustee	Trustee	Trustee	Trustee
Term of office and length of time served	3 years ² / since inception ³	3 years ² / since inception ³	3 years ² / since inception ³	3 years ² / since inception ³
Principal occupations during the past five years	President of Brimmer & Company, Inc., a Washington, D.C.-based economic and financial consulting firm.	President and Chief Executive Officer of The Conference Board, Inc., a leading global business membership organization, from 1995-present. Former Executive Dean of the John F. Kennedy School of Government at Harvard University from 1988-1995. Acting Director, Harvard Center for Business and Government (1991-1993). Formerly Partner (principal) of McKinsey & Company, Inc. (1980-1988). Former Executive Director of Federal Cash Management, White House Office of Management and Budget (1977-1979). Co-author, THE WINNING PERFORMANCE (best selling management book published in 13 national editions).	Consultant/Investor. Former President and Chief Executive Officer of Empire Federal Savings Bank of America and Banc PLUS Savings Association, former Chairman of the Board, President and Chief Executive Officer of Northeast Savings.	Consultant. Editor of THE JOURNAL OF PORTFOLIO MANAGEMENT and Adjunct Professor of Finance at the School of Management at Yale University. Author and editor of several books on fixed income portfolio management. Visiting Professor of Finance and Accounting at the Sloan School of Management, Massachusetts Institute of Technology from 1986 to August 1992.
Number of portfolios over-	294	294	294	294

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seen within the fund complex

Other Directorships held outside of the fund complex	Director of CarrAmerica Realty Corporation and Borg-Warner Auto-motive. Formerly member of the Board of Governors of the Federal Reserve System. Formerly Director of AirBorne Express, BankAmerica Corporation (Bank of America), Bell South Corporation, College Retirement Equities Fund (Trustee), Commodity Exchange, Inc. (Public Governor), Connecticut Mutual Life Insurance Company, E.I. Dupont de Nemours & Company, Equitable Life Assurance Society of the United States, Gannett Company, Mercedes-Benz of North America, MNC Financial Corporation (American Security Bank), NMC Capital Management, Navistar International Corporation, PHH Corp. and UAL Corporation (United Airlines).	Trustee Emeritus, Wesleyan University, Trustee: Drucker Foundation, Airplanes Group, Aircraft Finance Trust (AFT) and Educational Testing Service (ETS). Director, Arch Chemicals, Fremont Group and The Guardian Life Insurance Company of America.	Former Director of ISFA (the owner of INVEST, a national securities brokerage service designed for banks and thrift institutions).	Director, Guardian Mutual Funds Group.
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For Interested Trustee Relationships, events or transactions by reason of which the trustee is an interested person as defined in Section 2(a)(19)(1940 Act)

- ¹ Interested Trustee as defined by Section 2(a)(19) of the Investment Company Act of 1940.
- ² The Board of Trustees is classified into three classes of which one class is elected annually. Each Trustee serves a three year term concurrent with the class from which he is elected
- ³ Commencement of investment operations 10/30/2001.
- ⁴ The fund complex currently consists of 29 separate closed-end funds, each with one investment portfolio.

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Independent Trustees (continued)

James Clayburn La Force, Jr.
P.O. Box 4546
New York, NY 10163-4546
Age: 73

Walter F. Mondale
P.O. Box 4546
New York, NY 10163-4546
Age: 74

Trustee

Trustee

3 years² / since inception³

3 years² / since inception³

Dean Emeritus of The John E. Anderson Graduate School of Management, University of California since July 1, 1993. Acting Dean of The School of Business, Hong Kong University of Science and Technology 1990-1993. From 1978 to September 1993, Dean of The John E. Anderson Graduate School of Management, University of California.

Partner, Dorsey & Whitney, a law firm (December 1996-present, September 1987-August 1993). Formerly U.S. Ambassador to Japan (1993-1996). Formerly Vice President of the United States, U.S. Senator and Attorney General of the State of Minnesota. 1984 Democratic Nominee for President of the United States.

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Director, Jacobs Engineering Group, Inc., Payden & Rygel Investment Trust, Provident Investment Counsel Funds, Timken Company, and Trust for Investment Managers.

Director, Northwest Airlines Corp., UnitedHealth Group.

Interested Trustees¹

Laurence D. Fink¹
345 Park Avenue
New York, NY 10154
Age: 49

Ralph L. Schlosstein¹
345 Park Avenue
New York, NY 10154
Age: 51

Chairman of the Board

President and Trustee

3 years² / since inception³

3 years² / since inception³

Chairman and Chief Executive Officer of BlackRock, Inc. since its formation in 1998 and of BlackRock, Inc.'s predecessor entities since 1988. Chairman of the Management Committee. Formerly, Managing Director of the First Boston Corporation, Member of its Management Committee, Co-head of its Taxable Fixed Income Division and Head of its Mortgage and Real Estate Products Group. Currently, Chairman of the Board of each of the closed-end Trusts in which BlackRock Advisors, Inc. acts as investment advisor.

Director since 1999 and President of BlackRock, Inc. since its formation in 1998 and of BlackRock, Inc.'s predecessor entities since 1988. Member of the Management Committee and Investment Strategy Group of BlackRock, Inc. Formerly, Managing Director of Lehman Brothers, Inc. and Co-head of its Mortgage and Savings Institutions Group. Currently, President and Director of each of the closed-end Trusts in which BlackRock Advisors, Inc. acts as investment advisor.

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President, Treasurer and a Trustee of the BlackRock Funds, Chairman of the Board and Director of Anthracite Capital, Inc., a Director of BlackRock's offshore funds and several BlackRock's alternative investment vehicles and Chairman of the Board of Nomura BlackRock Asset Management Co., Ltd. Currently, Co-Chairman of the Board of

Chairman and President of the BlackRock Provident Institutional Funds and Director of several of BlackRock's alternative investment vehicles. Currently, a Member of the Visiting Board of Overseers of the John F. Kennedy School of Government at Harvard University, the Financial Institutions Center Board of the Wharton School of the

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Trustees of Mount Sinai-New York University Medical Center and Health System and a Member of the Board of Phoenix House.	University of Pennsylvania, a Trustee of Trinity School in New York City and a Trustee of New Visions for Public Education in New York City. Formerly, a Director of Pulte Corporation and a Member of Fannie Mae's Advisory Council.
--	---

Chairman and Chief Executive Officer of the Advisor.	Director and President of the Advisor.
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BLACKROCK MUNICIPAL 2018 TERM TRUST TAX INFORMATION

We are required by the Internal Revenue Code to advise you within 60 days of the Trust's tax year end as to the Federally tax-exempt interest dividends received by you during such tax year. Accordingly, all dividends paid by the Trust during the year are Federally tax-exempt.

For purposes of preparing your annual Federal income tax return, you should report the amounts as reflected on the appropriate Form 1099-DIV or substitute 1099 DIV.

DIVIDEND REINVESTMENT PLAN

Pursuant to the Trust's Dividend Reinvestment Plan (the Plan), common shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by EquiServe Trust Company, N.A. (the Plan Agent) in Trust shares pursuant to the Plan. Shareholders who elect not to participate in the Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street or nominee name, then to the nominee) by the Plan Agent. You may elect not to participate in the Plan and to receive all dividends in cash by contacting the Plan Agent. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date; otherwise such termination will be effective with respect to any subsequently declared dividend.

The Plan Agent serves as agent for the shareholders in administering the Plan. After the Trust declares a dividend or other capital gain distribution, the Plan Agent will acquire shares for the participants' accounts, by the purchase of outstanding shares on the open market (open market purchases), on the New York Stock Exchange or elsewhere. The Trust will not issue any new shares under the Plan.

The Plan Agent's fees for 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 in connection with open market purchases. The automatic reinvestment of dividends and distributions will not relieve participants of any Federal income tax that may be payable on such dividends or distributions.

The Trust reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Trust reserves the right to amend the Plan to include a service charge payable by the participants. All correspondence concerning the Plan should be directed to the Plan Agent at (800) 699-1BFM or 150 Royall Street, Canton, MA 02021.

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.

Quarterly performance and other information regarding the Trust may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com/funds/cefunds.html>. This reference to BlackRock's website is intended to allow investors public access to quarterly information regarding the Trust and is not intended to incorporate BlackRock's website into this report.

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BLACKROCK MUNICIPAL 2018 TERM TRUST INVESTMENT SUMMARY

The Trust's Investment Objectives

The BlackRock Municipal 2018 Term Trust's investment objectives are to provide current income that is exempt from regular Federal income tax and to return \$15 per common share to holders of common shares on or about December 31, 2018.

Who Manages the Trust?

BlackRock Advisors, Inc. (the Advisor) manages the Trust. The Advisor is a wholly-owned subsidiary of BlackRock, Inc. (BlackRock), which is one of the largest publicly traded investment management firms in the United States with approximately \$239 billion of assets under management as of December 31, 2001. BlackRock manages assets on behalf of institutional and individual investors worldwide through a variety of equity, fixed income, liquidity and alternative investment separate accounts and mutual funds, including *BlackRock Funds* and *BlackRock Provident Institutional Funds*. In addition, BlackRock provides risk management and investment system services to institutional investors under the *BlackRock Solutions* name. Clients are served from BlackRock's headquarters in New York City, as well as offices in Wilmington, DE, San Francisco, Boston, Edinburgh, Tokyo, and Hong Kong. BlackRock is a member of The PNC Financial Services Group (NYSE: PNC), one of the largest diversified financial services organizations in the United States, and is majority-owned by PNC and by BlackRock employees.

What Can the Trust Invest In?

Under normal conditions, the Trust expects to continue to manage its assets so that at least 80% of its investments are rated at least investment grade (BBB by Standard & Poor's or Baa by Moody's Investor Services) and up to 20% of its assets are rated below investment grade (Ba/BB or B) or that are unrated but deemed to be of comparable quality by the Advisor.

What is the Advisor's Investment Strategy?

The Advisor will seek to meet the Trust's investment objective by managing the assets of the Trust so as to return the initial offering price of (\$15 per share) on or about December 31, 2018. The Advisor will implement a strategy that will seek to closely match the maturity or call provisions of the assets of the portfolio with the future return of the initial investment at the end of 2018. 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 or are called, if any, 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 portfolio of municipal obligations and retaining a portion of its income each year.

In addition to seeking the return of the initial offering price, the Advisor also seeks to provide current income exempt from regular Federal income tax to investors. The portfolio managers will attempt to achieve this objective by investing in securities that provide competitive tax-exempt income. In addition, leverage will be used to enhance the income of the portfolio. In order to maintain competitive yields as the Trust approaches maturity and depending on market conditions, the Advisor 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 may be reinvested in securities with maturities which coincide with the remaining term of the Trust. 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. If market conditions, such as high interest

rate volatility, force a choice between current income and risking the return of the initial offering price, it is likely that the return of the initial offering price will be emphasized.

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

The Trust's common 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 first business day of the month. For shares held in the shareholder's name, dividends may be reinvested in additional shares of the Trust through the Trust's transfer agent, EquiServe Trust Company, N.A. 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 the Trust

The Trust employs leverage primarily through the issuance of preferred stock. 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.

Leverage increases the duration (or price sensitivity of the net assets with respect to changes in interest rates) of the Trust, which can improve the performance of the Trust in a declining rate environment, but can cause net assets to decline faster in a rapidly rising interest rate environment. The Advisor'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 the Advisor consider that reduction to be in the best interests of the shareholders.

Special Considerations and Risk Factors Relevant to the Trust

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

Investment Objectives. Although the objectives of the Trust are to provide current income that is exempt from regular Federal income tax and to return \$15 per common share to holders of common shares on or about December 31, 2018, there can be no assurance that these objectives will be achieved.

Dividend Considerations. The income and dividends paid by the Trust are likely to vary over time as fixed income market conditions change. Future dividends may be higher or lower than the dividend the Trust is currently paying.

Leverage. The Trust utilizes leverage through the issuance of preferred stock, 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 (NYSE symbol: BPK) 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.

Municipal Obligations. The value of municipal debt securities generally varies inversely with changes in prevailing market interest rates. Depending on the amount of call protection that the securities in the Trust have, the Trust may be subject to certain reinvestment risks in environments of declining interest rates.

High Yield Risk. The Trust may invest in high yield bonds, which involves additional risks, including credit risk. The value of high yield, lower quality bonds is affected by the creditworthiness of the issuers of the securities and by general economic and specific industry conditions. Issuers of high yield bonds are not as strong financially as those with higher credit ratings. The Trust's investment in lower grade securities will expose the Trust to greater risk than if the Trust owned only higher grade securities.

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.

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

Alternative Minimum Tax (AMT). The Trust may invest in securities subject to alternative minimum tax.

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BLACKROCK MUNICIPAL 2018 TERM TRUST GLOSSARY

Closed-End Fund: Investment vehicle which initially offers a fixed number of shares and trades on a stock exchange. The Trust invests in a portfolio of securities in accordance with its stated investment objectives and policies.

Discount: When a Trust's net asset value is greater than its market price the Trust is said to be trading at a discount.

Dividend: Income generated by securities in a portfolio and distributed to shareholders after the deduction of expenses. This Trust declares and pays dividends to common shareholders on a monthly basis.

Dividend Reinvestment: Shareholders may have all dividends and distributions of capital gains automatically reinvested into additional shares of a Trust.

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 Trust trades on the stock exchange. If you were to buy or sell shares, you would pay or receive the market price.

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

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

Prerefunded Bonds: These securities are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the tax exempt issue and retire the bond in full at the date indicated, typically at a premium to par.

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Trustees

Laurence D. Fink, *Chairman*

Andrew F. Brimmer

Richard E. Cavanagh

Kent Dixon

Frank J. Fabozzi

James Clayburn La Force, Jr.

Walter F. Mondale

Ralph L. Schlosstein

Officers

Ralph L. Schlosstein, *President*

Robert S. Kapito, *Vice President*

Kevin M. Klingert, *Vice President*

Richard M. Shea, *Vice President/Tax*

Henry Gabbay, *Treasurer*

James Kong, *Assistant Treasurer*

Anne Ackerley, *Secretary*

Investment Advisor

BlackRock Advisors, Inc.

100 Bellevue Parkway

Wilmington, DE 19809

(800) 227-7BFM

Sub-Advisor

BlackRock Financial Management, Inc.

345 Park Avenue

New York, NY 10154

Custodian

State Street Bank and Trust Company

One Heritage Drive

North Quincy, MA 02171

Transfer Agent

EquiServe Trust Company, N.A.

150 Royall Street

Canton, MA 02021

(800) 699-1BFM

Auction Agent

Bank of New York

5 Penn Plaza, 13th Floor

New York, NY 10001

Independent Auditors

Deloitte & Touche LLP

200 Berkeley Street

Boston, MA 02116

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square

New York, NY 10036

Legal Counsel Independent Trustees

Debevoise & Plimpton

919 Third Avenue

New York, NY 10022

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

Statements and other information contained in this report are as dated and are subject to change.

BlackRock

Municipal 2018 Term Trust

c/o BlackRock Advisors, Inc.

100 Bellevue Parkway

Wilmington, DE 19809

(800) 227-7BFM

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