

BLACKROCK CREDIT ALLOCATION INCOME TRUST II
Form N-CSRS
July 06, 2011

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

FORM N-CSR

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

Investment Company Act file number 811-21286

Name of Fund: BlackRock Credit Allocation Income Trust II, Inc. (PSY)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock
Credit Allocation Income Trust II, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 10/31/2011

Date of reporting period: 04/30/2011

Item 1 Report to Stockholders

April 30, 2011

Semi-Annual Report (Unaudited)

} BlackRock Credit Allocation Income Trust I, Inc. (PSW)

} BlackRock Credit Allocation Income Trust II, Inc. (PSY)

} BlackRock Credit Allocation Income Trust III (BPP)

} BlackRock Credit Allocation Income Trust IV (BTZ)

} BlackRock Floating Rate Income Trust (BGT)

Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

Time and again, we have seen how various global events and developing trends can have significant influence on financial markets. I hope you find that the following review of recent market conditions provides additional perspective on the performance of your investments as you read this shareholder report.

Over the past 12 months, we have seen a sluggish, stimulus-driven economic recovery at long last gain real traction, accelerate, and transition into a consumption-driven expansion. For the most part, 2010 was plagued with widely fluctuating economic data, but as the year drew to a close, it became clear that cyclical stimulus had beaten out structural problems as economic data releases generally became more positive and financial markets showed signs of continuing improvement. Although the sovereign debt crisis in Europe and high inflation in developing markets that troubled the global economy in 2010 remain challenges today, overall investor confidence has improved considerably. During the first four months of 2011, that confidence was shaken by political turmoil in the Middle East/North Africa region, soaring prices of oil and other commodities, tremendous natural disasters in Japan and a change in the ratings outlook for US debt. However, strong corporate earnings prevailed and financial markets resumed their course while the global economy continued to garner strength.

Equity markets experienced uneven growth and high volatility in 2010, but ended the year with gains. Following a strong start to 2011, the series of confidence-shaking events brought spurts of heightened volatility to markets worldwide, but was not enough to derail the bull market. Overall, global equities posted strong returns over the past 12 months. Emerging market equities, which had outperformed developed markets earlier in the period, fell prey to heightened inflationary pressures and underperformed developed markets later in the period. In the United States, strong corporate earnings and positive signals from the labor market were sources of encouragement for equity investors, although the housing market did not budge from its slump. Early in 2011, the US Federal Reserve announced that it would continue its Treasury purchase program ("QE2") through to completion and keep interest rates low for an extended period. This compelled investors to continue buying riskier assets, furthering the trend of small cap stocks outperforming large caps.

While fixed income markets saw yields trend lower (pushing bond prices higher) through most of 2010, the abrupt reversal in investor sentiment and risk tolerance in the fourth quarter drove yields sharply upward. Global credit markets were surprisingly resilient in the face of recent headwinds and yields regained relative stability as the period came to a close. Yield curves globally remained steep by historical standards and higher-risk sectors continued to outperform higher-quality assets. The tax-exempt municipal market enjoyed a powerful rally during the period of low yields in 2010, but when that trend reversed, the market was dealt an additional blow as it became evident that the Build America Bond program would not be extended. Meanwhile, municipal finance troubles raised credit concerns among investors and tax-exempt mutual funds experienced heavy outflows, resulting in wider spreads and falling prices. The new year brought relief from these headwinds and a steady rebound in the tax-exempt municipal market.

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Cash investments, as represented by the 3-month Treasury bill, returned only a fraction over 0% for the 12-month period as short-term interest rates remained low. Yields on money market securities remain near all-time lows.

| Risk Assets Rallied on Growing Investor Confidence: Total Returns as of April 30, 2011 | 6-month | 12-month |
|---|----------------|-----------------|
| US large cap equities (S&P 500® Index) | 16.36% | 17.22% |
| US small cap equities (Russell 2000® Index) | 23.73 | 22.20 |
| International equities (MSCI Europe, Australasia, Far East Index) | 12.71 | 19.18 |
| Emerging market equities (MSCI Emerging Markets Index) | 9.74 | 20.67 |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.09 | 0.17 |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index) | (3.85) | 6.37 |
| US investment grade bonds (Barclays Capital US Aggregate Bond Index) | 0.02 | 5.36 |
| Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index) | (1.68) | 2.20 |
| US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index) | 6.18 | 13.32 |

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

While no one can peer into a crystal ball and eliminate the uncertainties presented by the economic landscape and financial markets, BlackRock can offer investors the next best thing: partnership with the world's largest asset management firm that delivers consistent long-term investment results with fewer surprises. For additional market perspective and investment insight, visit www.blackrock.com/shareholdermagazine, where you'll find the most recent issue of our award-winning Shareholder® magazine, as well as its quarterly companion newsletter, Shareholder Perspectives. As always, we thank you for entrusting BlackRock with your investments, and we look forward to your continued partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of April 30, 2011 BlackRock Credit Allocation Income Trust I, Inc.

Fund Overview

BlackRock Credit Allocation Income Trust I, Inc.'s (PSW) (the "Fund") primary investment objective is to provide holders of common shares ("Common Shareholders") with high current income. The secondary investment objective of the Fund is to provide Common Shareholders with capital appreciation.

The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds (commonly referred to as "junk" bonds), bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2011, the Fund returned (0.82)% based on market price and 3.73% based on net asset value ("NAV"). For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of (0.45)% based on market price and 2.46% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The primary driver of the Fund's positive performance was its allocation to high yield corporate credit, as the sector broadly rallied during the period on improving fundamentals and continued signs of economic recovery in the United States. Also contributing positively was the Fund's allocation and security selection within investment grade corporate credit. In particular, an allocation to capital securities, including trust preferreds and hybrid securities, had a positive impact due to a technical rally in that space sparked by the favorable outcome of financial regulatory reform. Within the industrials sector, the Fund's preference for media cable and media non-cable as well as wireless names boosted returns as these industries performed well during the period. The Fund also benefited from reducing its portfolio duration (sensitivity to interest rates) in the first half of the period, as interest rates rose following the announcement from the US Federal Reserve that it would implement a second round of quantitative easing.

Conversely, the Fund's shorter duration bias hurt performance in the later half of the period when interest rates turned lower on rising oil prices and the disastrous earthquake in Japan. In addition, as the yield curve steepened near the end of 2010 and into early 2011, the Fund's yield curve-flattening bias (fewer holdings of short-dated bonds in favor of longer-dated bonds) detracted from performance. Lastly, the Fund's financials and utilities holdings had a negative impact as both sectors underperformed for the six-month period.

Describe recent portfolio activity.

During the six-month period, the Fund increased exposure to high yield corporate credit in order to position itself to benefit from the positive effects of an accommodative monetary policy fueling an economic recovery and improving corporate fundamentals.

Describe Fund positioning at period end.

The Fund maintained diversified exposure across investment grade and high yield corporate credits with a quality bias toward lower-quality investment grade issues. The Fund ended the period with a smaller allocation to financials in favor of the industrials and utilities sectors, and a relatively short duration bias.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Credit Allocation Income Trust I, Inc.**Fund Information**

| | |
|--|----------------|
| Symbol on New York Stock Exchange ("NYSE") | PSW |
| Initial Offering Date | August 1, 2003 |
| Yield on Closing Market Price as of April 30, 2011 (\$9.28) ¹ | 6.40% |
| Current Monthly Distribution per Common Share ² | \$0.0495 |
| Current Annualized Distribution per Common Share ² | \$0.5940 |
| Leverage as of April 30, 2011 ³ | 25% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

| | 4/30/11 | 10/31/10 | Change | High | Low |
|-----------------|---------|----------|---------|---------|---------|
| Market Price | \$ 9.28 | \$ 9.67 | (4.03)% | \$ 9.89 | \$ 8.52 |
| Net Asset Value | \$10.79 | \$10.75 | 0.37% | \$10.85 | \$10.24 |

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

Portfolio Composition

| | 4/30/11 | 10/31/10 |
|---------------------------|---------|----------|
| Corporate Bonds | 77% | 69% |
| Preferred Securities | 20 | 16 |
| U.S. Treasury Obligations | 1 | 14 |
| Asset Backed Securities | 1 | — |
| Taxable Municipal Bonds | 1 | 1 |

Credit Quality Allocations⁴

| | 4/30/11 | 10/31/10 |
|------------------|---------|----------|
| AAA ⁵ | 1% | 14% |
| AA/Aa | 12 | 10 |
| A | 22 | 23 |

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| | | |
|-----------|----|----|
| BBB/Baa | 40 | 38 |
| BB/Ba | 14 | 12 |
| B | 7 | 1 |
| CCC/Caa | 2 | — |
| Not Rated | 2 | 2 |

⁴ Using the higher of Standard & Poor's ("S&P's") or Moody's Investors Service ("Moody's") ratings.

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of April 30, 2011 **BlackRock Credit Allocation Income Trust II, Inc.**

Fund Overview

BlackRock Credit Allocation Income Trust II, Inc.'s (PSY) (the "Fund") primary investment objective is to provide common shareholders with current income. The secondary investment objective of the Fund is to provide Common Shareholders with capital appreciation. The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds (commonly referred to as "junk" bonds), bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2011, the Fund returned 0.29% based on market price and 3.73% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of (0.45)% based on market price and 2.46% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The primary driver of the Fund's positive performance was its allocation to high yield corporate credit, as the sector broadly rallied during the period on improving fundamentals and continued signs of economic recovery in the United States. Also contributing positively was the Fund's allocation and security selection within investment grade corporate credit. In particular, an allocation to capital securities, including trust preferreds and hybrid securities, had a positive impact due to a technical rally in that space sparked by the favorable outcome of financial regulatory reform. Within the industrials sector, the Fund's preference for media cable and media non-cable as well as wireless names boosted returns as these industries performed well during the period. The Fund also benefited from reducing its portfolio duration (sensitivity to interest rates) in the first half of the period, as interest rates rose following the announcement from the US Federal Reserve that it would implement a second round of quantitative easing.

Conversely, the Fund's shorter duration bias hurt performance in the later half of the period when interest rates turned lower on rising oil prices and the disastrous earthquake in Japan. In addition, as the yield curve steepened near the end of 2010 and into early 2011, the Fund's

yield curve-flattening bias (fewer holdings of short-dated bonds in favor of longer-dated bonds) detracted from performance. Lastly, the Fund's financials and utilities holdings had a negative impact as both sectors underperformed for the six-month period.

Describe recent portfolio activity.

• During the six-month period, the Fund increased exposure to high yield corporate credit in order to position itself to benefit from the positive effects of an accommodative monetary policy fueling an economic recovery and improving corporate fundamentals.

Describe Fund positioning at period end.

• The Fund maintained diversified exposure across investment grade and high yield corporate credits with a quality bias toward lower-quality investment grade issues. The Fund ended the period with a smaller allocation to financials in favor of the industrials and utilities sectors, and a relatively short duration bias.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Credit Allocation Income Trust II, Inc.

Fund Information

| | |
|---|----------------|
| Symbol on NYSE | PSY |
| Initial Offering Date | March 28, 2003 |
| Yield on Closing Market Price as of April 30, 2011 (\$10.08) ¹ | 6.37% |
| Current Monthly Distribution per Common Share ² | \$0.0535 |
| Current Annualized Distribution per Common Share ² | \$0.6420 |
| Leverage as of April 30, 2011 ³ | 25% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

| | 4/30/11 | 10/31/10 | Change | High | Low |
|-----------------|---------|----------|---------|---------|---------|
| Market Price | \$10.08 | \$10.39 | (2.98)% | \$10.60 | \$ 9.23 |
| Net Asset Value | \$11.63 | \$11.59 | 0.35% | \$11.70 | \$11.01 |

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

Portfolio Composition

| | 4/30/11 | 10/31/10 |
|---------------------------|---------|----------|
| Corporate Bonds | 76% | 64% |
| Preferred Securities | 21 | 19 |
| U.S. Treasury Obligations | 1 | 16 |
| Taxable Municipal Bonds | 1 | 1 |
| Asset Backed Securities | 1 | — |

Credit Quality Allocations⁴

| | 4/30/11 | 10/31/10 |
|------------------|---------|----------|
| AAA ⁵ | 1% | 16% |
| AA/Aa | 9 | 7 |
| A | 23 | 21 |

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| | | |
|-----------|----|----|
| BBB/Baa | 41 | 42 |
| BB/Ba | 16 | 12 |
| B | 7 | 1 |
| CCC/Caa | 2 | — |
| Not Rated | 1 | 1 |

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of April 30, 2011 **BlackRock Credit Allocation Income Trust III**

Fund Overview

BlackRock Credit Allocation Income Trust III's (BPP) (the "Fund") investment objective is to provide high current income consistent with capital preservation. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds (commonly referred to as "junk" bonds), bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2011, the Fund returned (1.30)% based on market price and 3.95% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of (0.45)% based on market price and 2.46% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The primary driver of the Fund's positive performance was its allocation to high yield corporate credit, as the sector broadly rallied during the period on improving fundamentals and continued signs of economic recovery in the United States. Also contributing positively was the Fund's allocation and security selection within investment grade corporate credit. In particular, an allocation to capital securities, including trust preferreds and hybrid securities, had a positive impact due to a technical rally in that space sparked by the favorable outcome of financial regulatory reform. Within the industrials sector, the Fund's preference for media cable and media non-cable as well as wireless names boosted returns as these industries performed well during the period. The Fund also benefited from reducing its portfolio duration (sensitivity to interest rates) in the first half of the period, as interest rates rose following the announcement from the US Federal Reserve that it would implement a second round of quantitative easing.

Conversely, the Fund's shorter duration bias hurt performance in the later half of the period when interest rates turned lower on rising oil prices and the disastrous earthquake in Japan. In addition, as the yield

curve steepened near the end of 2010 and into early 2011, the Fund's yield curve-flattening bias (fewer holdings of short-dated bonds in favor of longer-dated bonds) detracted from performance. Lastly, the Fund's financials and utilities holdings had a negative impact as both sectors underperformed for the six-month period.

Describe recent portfolio activity.

• During the six-month period, the Fund increased exposure to high yield corporate credit in order to position itself to benefit from the positive effects of an accommodative monetary policy fueling an economic recovery and improving corporate fundamentals.

Describe Fund positioning at period end.

• The Fund maintained diversified exposure across investment grade and high yield corporate credits with a quality bias toward lower-quality investment grade issues. The Fund ended the period with a smaller allocation to financials in favor of the industrials and utilities sectors, and a relatively short duration bias.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Credit Allocation Income Trust III**Fund Information**

| | |
|---|-------------------|
| Symbol on NYSE | BPP |
| Initial Offering Date | February 28, 2003 |
| Yield on Closing Market Price as of April 30, 2011 (\$10.74) ¹ | 6.03% |
| Current Monthly Distribution per Common Share ² | \$0.054 |
| Current Annualized Distribution per Common Share ² | \$0.648 |
| Leverage as of April 30, 2011 ³ | 19% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

| | 4/30/11 | 10/31/10 | Change | High | Low |
|-----------------|---------|----------|---------|---------|---------|
| Market Price | \$10.74 | \$11.23 | (4.36)% | \$11.31 | \$10.01 |
| Net Asset Value | \$12.50 | \$12.41 | 0.73% | \$12.50 | \$11.79 |

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

Portfolio Composition

| | 4/30/11 | 10/31/10 |
|---------------------------|---------|----------|
| Corporate Bonds | 78% | 72% |
| Preferred Securities | 20 | 18 |
| Taxable Municipal Bonds | 1 | 1 |
| U.S. Treasury Obligations | 1 | 9 |

Credit Quality Allocations⁴

| | 4/30/11 | 10/31/10 |
|------------------|---------|----------|
| AAA ⁵ | 1% | 9% |
| AA/Aa | 10 | 8 |
| A | 18 | 26 |
| BBB/Baa | 43 | 40 |

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| | | |
|-----------|----|----|
| BB/Ba | 16 | 14 |
| B | 9 | 1 |
| CCC/Caa | 2 | 1 |
| Not Rated | 1 | 1 |

⁴ Using the higher of S&P's or Moody's ratings.

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of April 30, 2011 **BlackRock Credit Allocation Income Trust IV**

Fund Overview

BlackRock Credit Allocation Income Trust IV's (BTZ) (the "Fund") investment objective is to provide current income, current gains and capital appreciation.

The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds (commonly referred to as "junk" bonds), bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objective will be achieved.

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2011, the Fund returned (1.74)% based on market price and 3.15% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of (0.45)% based on market price and 2.46% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The primary driver of the Fund's positive performance was its allocation to high yield corporate credit, as the sector broadly rallied during the period on improving fundamentals and continued signs of economic recovery in the United States. Also contributing positively was the Fund's allocation and security selection within investment grade corporate credit. In particular, an allocation to capital securities, including trust preferreds and hybrid securities, had a positive impact due to a technical rally in that space sparked by the favorable outcome of financial regulatory reform. Within the industrials sector, the Fund's preference for media cable and media non-cable as well as wireless names boosted returns as these industries performed well during the period. The Fund also benefited from reducing its portfolio duration (sensitivity to interest rates) in the first half of the period, as interest rates rose following the announcement from the US Federal Reserve that it would implement a second round of quantitative easing.

Conversely, the Fund's shorter duration bias hurt performance in the later half of the period when interest rates turned lower on rising oil prices and the disastrous earthquake in Japan. In addition, as the yield

curve steepened near the end of 2010 and into early 2011, the Fund's yield curve-flattening bias (fewer holdings of short-dated bonds in favor of longer-dated bonds) detracted from performance. Lastly, the Fund's financials and utilities holdings had a negative impact as both sectors underperformed for the six-month period.

Describe recent portfolio activity.

• During the six-month period, the Fund increased exposure to high yield corporate credit in order to position itself to benefit from the positive effects of an accommodative monetary policy fueling an economic recovery and improving corporate fundamentals.

Describe Fund positioning at period end.

• The Fund maintained diversified exposure across investment grade and high yield corporate credits with a quality bias toward lower-quality investment grade issues. The Fund ended the period with a smaller allocation to financials in favor of the industrials and utilities sectors, and a relatively short duration bias.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Credit Allocation Income Trust IV**Fund Information**

| | |
|---|-------------------|
| Symbol on NYSE | BTZ |
| Initial Offering Date | December 27, 2006 |
| Yield on Closing Market Price as of April 30, 2011 (\$12.36) ¹ | 6.70% |
| Current Monthly Distribution per Common Share ² | \$0.069 |
| Current Annualized Distribution per Common Share ² | \$0.828 |
| Leverage as of April 30, 2011 ³ | 21% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

| | 4/30/11 | 10/31/10 | Change | High | Low |
|-----------------|---------|----------|---------|---------|---------|
| Market Price | \$12.36 | \$13.02 | (5.07)% | \$13.20 | \$11.66 |
| Net Asset Value | \$14.41 | \$14.46 | (0.35)% | \$14.56 | \$13.69 |

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

Portfolio Composition

| | 4/30/11 | 10/31/10 |
|---------------------------|---------|----------|
| Corporate Bonds | 73% | 64% |
| Preferred Securities | 22 | 19 |
| U.S. Treasury Obligations | 2 | 15 |
| Taxable Municipal Bonds | 2 | 2 |
| Asset Backed Securities | 1 | — |

Credit Quality Allocations⁴

| | 4/30/11 | 10/31/10 |
|-------|---------|----------|
| AA/Aa | 7% | 11% |
| A | 26 | 22 |

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| | | |
|-----------|----|----|
| BBB/Baa | 40 | 44 |
| BB/Ba | 15 | 19 |
| B | 7 | 2 |
| CCC/Caa | 2 | — |
| Not Rated | 3 | 2 |

⁴ Using the higher of S&P's or Moody's ratings.

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Fund Summary as of April 30, 2011 **BlackRock Floating Rate Income Trust**

Fund Overview

BlackRock Floating Rate Income Trust's (BGT) (the "Fund") primary investment objective is to provide a high level of current income. The Fund's secondary investment objective is to seek the preservation of capital. The Fund seeks to achieve its investment objectives by investing primarily, under normal conditions, at least 80% of its assets in floating and variable rate instruments of US and non-US issuers, including a substantial portion of its assets in global floating and variable rate securities including senior secured floating rate loans made to corporate and other business entities. Under normal market conditions, the Fund expects that the average effective duration of its portfolio will be no more than 1.5 years. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund's investment objectives will be achieved.

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2011, the Fund returned 12.37% based on market price and 6.49% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 11.45% based on market price and 6.56% based on NAV. All returns reflect reinvestment of dividends. The Fund's premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The main driver of positive performance for the period was the Fund's allocation (approximately 10% of the portfolio) to high yield bonds, as the asset class outperformed Floating Rate Loan Interests (bank loans). In addition, the Fund maintained its level of leverage at or above the Lipper category average, which benefited the Fund's performance relative to its peer group competitors that do not employ leverage, as would be expected when markets are advancing.

As a matter of investment style, the Fund holds a considerable allocation to foreign bonds (approximately 30% of the portfolio). Many of those non-US issuers have investment grade credit quality ratings, such as Gazprom (Russia), which underperformed the Fund's high yield bond holdings.

The Fund uses foreign currency exchange contracts to manage currency risk in the portfolio. The net effect of the contracts during the period

was negative.

Describe recent portfolio activity.

During the six-month period, the Fund decreased its exposure to higher-quality high yield credits and increased exposure to high yield credits with mid-range quality ratings as the economy gradually expanded and a robust new-issue market provided greater access to attractive opportunities. Relative to its competitors, the Fund continues to maintain a bias towards higher-quality and more liquid borrowers, sectors and loan structures, particularly as loan prices generally are approaching par.

Describe Fund positioning at period end.

At period end, the Fund held 85% of its total portfolio in bank loans and 15% in fixed-rate bonds, primarily high yield, with the remainder invested in a mix of convertible bonds, preferred securities, equities and cash. The Fund ended the period with leverage at approximately 31% of its total managed assets.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

BlackRock Floating Rate Income Trust**Fund Information**

| | |
|---|-----------------|
| Symbol on NYSE | BGT |
| Initial Offering Date | August 30, 2004 |
| Yield on Closing Market Price as of April 30, 2011 (\$15.65) ¹ | 5.94% |
| Current Monthly Distribution per Common Share ² | \$0.0775 |
| Current Annualized Distribution per Common Share ² | \$0.9300 |
| Leverage as of April 30, 2011 ³ | 31% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

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

³ Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 14.

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

| | 4/30/11 | 10/31/10 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$15.65 | \$14.52 | 7.78% | \$17.00 | \$14.04 |
| Net Asset Value | \$14.79 | \$14.48 | 2.14% | \$14.80 | \$14.35 |

The following charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's long-term investments excluding common stocks and floating rate loan interests:

Portfolio Composition

| | 4/30/11 | 10/31/10 |
|------------------------------|---------|----------|
| Floating Rate Loan Interests | 85% | 79% |
| Corporate Bonds | 11 | 16 |
| Foreign Agency Obligations | 2 | 4 |
| Other Interests | 1 | 1 |
| Asset Backed Securities | 1 | — |

Credit Quality Allocations⁴

| | 4/30/11 | 10/31/10 |
|-------|---------|----------|
| AA/Aa | 3% | — |
| A | 9 | 4% |

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| | | |
|-----------|----|-----------------|
| BBB/Baa | 10 | 21 |
| BB/Ba | 21 | 23 |
| B | 37 | 29 |
| CCC/Caa | — | 1 |
| Not Rated | 20 | 22 ⁵ |

⁴ Using the higher of S&P's or Moody's ratings.

⁵ The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of October 31, 2010, the market value of these securities was \$606,918 representing 1% of the Fund's long-term investments.

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The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their common shares ("Common Shares"). However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage by borrowing through a credit facility or entering into reverse repurchase agreements. PSW, PSY, BPP, BTZ and BGT had auction market preferred shares ("Preferred Shares") issuances outstanding during the six-month period ended April 30, 2011. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's Common Shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to Common Shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV of each Fund's Common Shares. However, in order to benefit Common Shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to Common Shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing cost and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing cost and interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

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Furthermore, the value of a Fund's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence each Fund's NAV positively or negatively in addition to the impact on Fund performance from leverage and borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, each Fund is permitted to borrow up to $33\frac{1}{3}\%$ of its total managed assets. Under normal circumstances, each Fund anticipates that the total economic leverage from reverse repurchase agreements and credit facility borrowings will not exceed $33\frac{1}{3}\%$ of its total managed assets at the time such leverage is incurred. As of April 30, 2011, the Funds had economic leverage from reverse repurchase agreements and/or credit facility borrowings as a percentage of their total managed assets as follows:

| | Percent of Leverage |
|-----|--------------------------------|
| PSW | 25% |
| PSY | 25% |
| BPP | 19% |
| BTZ | 21% |
| BGT | 31% |

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, swaps, options and foreign currency exchange contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, foreign currency exchange rate, interest rate and/or other risks. Such derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Funds' ability to use a derivative instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

BlackRock Credit Allocation Income Trust I, Inc. (PSW)**Schedule of Investments** April 30, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Asset-Backed Securities | | |
| Atrium CDO Corp., Series 5A, Class A4, 2.83%, 7/20/20 (a)(b) | \$ 650 | \$ 542,750 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.51%, 6/15/21 (b) | 573 | 558,562 |
| Total Asset-Backed Securities — 1.0% | | 1,101,312 |
| Corporate Bonds | | |
| Aerospace & Defense — 1.8% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 560 | 624,400 |
| Bombardier, Inc., 7.75%, 3/15/20 (a) | 720 | 801,900 |
| Huntington Ingalls Industries, Inc. (a): | | |
| 6.88%, 3/15/18 | 90 | 94,725 |
| 7.13%, 3/15/21 | 90 | 94,725 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (a) | 342 | 375,345 |
| | | 1,991,095 |
| Airlines — 0.9% | | |
| American Airlines Pass-Through Trust, Series 2011-1, Class A, 5.25%, 7/31/22 | 325 | 315,250 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 356 | 375,789 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 294 | 297,722 |
| | | 988,761 |
| Auto Components — 0.7% | | |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 200 | 206,000 |
| 8.00%, 1/15/18 | 500 | 516,250 |
| | | 722,250 |
| Beverages — 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 460 | 501,400 |
| Building Products — 0.5% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 85 | 88,613 |
| 6.75%, 5/01/21 | 270 | 273,712 |
| Nortek, Inc., 10.00%, 12/01/18 (a) | 220 | 235,400 |

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| | | |
|---|--------------|--------------|
| | | 597,725 |
| Capital Markets — 4.1% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 | 750 | 810,774 |
| The Goldman Sachs Group, Inc., 6.25%, 2/01/41 (c) | 1,050 | 1,077,214 |
| Macquarie Bank Ltd., 6.63%, 4/07/21 (a)(c) | 525 | 543,407 |
| Morgan Stanley, 5.75%, 1/25/21 (c) | 1,025 | 1,066,167 |
| UBS AG (c): | | |
| 2.25%, 1/28/14 | 375 | 379,631 |
| 5.88%, 7/15/16 | 650 | 714,591 |
| | | 4,591,784 |
| Chemicals — 0.4% | | |
| CF Industries, Inc., 7.13%, 5/01/20 | 250 | 286,250 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (a) | 170 | 174,250 |
| | | 460,500 |
| Commercial Banks — 8.4% | | |
| Amsouth Bank, 4.85%, 4/01/13 | 200 | 203,739 |
| Associated Banc-Corp., 5.13%, 3/28/16 | 515 | 524,774 |
| BNP Paribas, 3.60%, 2/23/16 (c) | 1,020 | 1,037,168 |
| Branch Banking & Trust Co. (b): | | |
| 1.00%, 9/13/16 | 250 | 241,091 |
| 1.00%, 5/23/17 | 150 | 140,613 |
| | | |
| | Par | |
| | (000) | Value |
| Corporate Bonds | | |
| Commercial Banks (concluded) | | |
| CIT Group, Inc., 6.63%, 4/01/18 (a) | \$ 378 | \$ 406,034 |
| City National Corp., 5.25%, 9/15/20 | 550 | 560,534 |
| Comerica, Inc., 3.00%, 9/16/15 | 550 | 553,027 |
| Credit Agricole SA, 8.38%, 10/29/49 (a)(b)(c)(d) | 350 | 382,375 |
| Discover Bank, 8.70%, 11/18/19 | 300 | 368,905 |
| Fifth Third Bancorp, 3.63%, 1/25/16 | 650 | 659,479 |
| HSBC Holdings Plc, 5.10%, 4/05/21 (c) | 1,300 | 1,338,016 |
| KeyCorp, 5.10%, 3/24/21 | 180 | 184,359 |
| Lloyds TSB Bank Plc, 4.88%, 1/21/16 | 200 | 209,937 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 600 | 610,877 |
| 5.75%, 6/15/15 | 460 | 473,800 |
| SVB Financial Group, 5.38%, 9/15/20 | 550 | 546,967 |
| Societe Generale, 5.20%, 4/15/21 (a) | 700 | 706,093 |
| SunTrust Banks, Inc., 3.60%, 4/15/16 | 200 | 202,578 |

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| | | |
|---|-------|-----------|
| | | 9,350,366 |
| Commercial Services & Supplies — 3.8% | | |
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 (c) | 2,200 | 2,280,823 |
| 6.75%, 4/06/21 | 550 | 554,306 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (a) | 149 | 152,352 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 306 | 327,420 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 775 | 848,625 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a) | 65 | 69,063 |
| | | 4,232,589 |
| Communications Equipment — 1.2% | | |
| Avaya, Inc.: | | |
| 9.75%, 11/01/15 | 200 | 206,500 |
| 7.00%, 4/01/19 (a) | 125 | 123,750 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 700 | 761,250 |
| CC Holdings GS V LLC, 7.75%, 5/01/17 (a) | 220 | 243,100 |
| | | 1,334,600 |
| Construction Materials — 0.2% | | |
| Inversiones CMPC SA, 4.75%, 1/19/18 (a) | 200 | 197,334 |
| Consumer Finance — 5.6% | | |
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 1,400 | 1,395,572 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 775 | 992,535 |
| Ford Motor Credit Co. LLC, 7.00%, 4/15/15 | 100 | 109,829 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 520 | 549,900 |
| SLM Corp., 6.25%, 1/25/16 | 3,050 | 3,234,049 |
| | | 6,281,885 |
| Containers & Packaging — 1.5% | | |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 400 | 436,000 |
| 6.75%, 9/15/20 | 505 | 531,512 |
| Bemis Co., Inc., 6.80%, 8/01/19 | 200 | 230,622 |
| Crown Americas LLC, 6.25%, 2/01/21 (a) | 200 | 205,500 |
| Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14 | 135 | 137,869 |
| Rock-Tenn Co., 9.25%, 3/15/16 | 75 | 81,750 |
| | | 1,623,253 |
| Diversified Financial Services — 6.0% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 225 | 227,250 |
| 8.30%, 2/12/15 | 390 | 438,750 |
| 8.00%, 11/01/31 | 470 | 529,925 |
| Bank of America Corp., 3.63%, 3/17/16 | 1,175 | 1,180,968 |

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| | | |
|--|-------|-----------|
| Citigroup, Inc., 4.59%, 12/15/15 | 225 | 238,108 |
| General Electric Capital Corp., 5.30%, 2/11/21 (c) | 1,125 | 1,167,338 |
| Moody's Corp., 6.06%, 9/07/17 | 2,500 | 2,575,147 |

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names of many of the securities have been abbreviated according to the following list:

| | | | |
|------------|-------------------|--------------|-------------------------------|
| CAD | Canadian Dollar | GO | General Obligation Bonds |
| CHF | Swiss Franc | LIBOR | London InterBank Offered Rate |
| EUR | Euro | RB | Revenue Bonds |
| FKA | Formerly Known As | USD | US Dollar |
| GBP | British Pound | | |

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust I, Inc. (PSW)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Corporate Bonds | | |
| Diversified Financial Services (concluded) | | |
| Reynolds Group Issuer, Inc. (a): | | |
| 6.88%, 2/15/21 | \$ 155 | \$ 159,844 |
| 8.25%, 2/15/21 | 190 | 193,088 |
| | | 6,710,418 |
| Diversified Telecommunication Services — 4.7% | | |
| AT&T, Inc., 6.30%, 1/15/38 | 1,000 | 1,054,861 |
| Level 3 Financing, Inc.: | | |
| 8.75%, 2/15/17 | 390 | 403,650 |
| 10.00%, 2/01/18 | 130 | 140,400 |
| 9.38%, 4/01/19 (a) | 210 | 223,125 |
| Qwest Corp., 8.38%, 5/01/16 | 390 | 463,125 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 225 | 245,394 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 310 | 321,752 |
| Verizon Communications, Inc.: | | |
| 1.95%, 3/28/14 (c) | 875 | 882,521 |
| 7.35%, 4/01/39 | 925 | 1,107,538 |
| Windstream Corp., 7.88%, 11/01/17 | 400 | 432,000 |
| | | 5,274,366 |
| Electric Utilities — 1.0% | | |
| Progress Energy, Inc., 7.00%, 10/30/31 | 1,000 | 1,166,797 |
| Electronic Equipment, Instruments & Components — 0.8% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 200 | 229,500 |
| NXP BV, 3.05%, 10/15/13 (b) | 700 | 696,500 |
| | | 926,000 |
| Energy Equipment & Services — 0.9% | | |
| Ensco Plc, 4.70%, 3/15/21 | 460 | 464,427 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 85 | 90,525 |
| Key Energy Service, Inc., 6.75%, 3/01/21 | 175 | 179,812 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 225 | 230,906 |
| | | 965,670 |
| Food & Staples Retailing — 2.5% | | |
| CVS Caremark Corp., 6.30%, 6/01/62 (b) | 800 | 792,000 |

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| | | |
|--|-------|-----------|
| Wal-Mart Stores, Inc., 6.20%, 4/15/38 | 1,825 | 2,017,103 |
| | | 2,809,103 |
| Food Products — 1.0% | | |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a) | 100 | 102,375 |
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 385 | 446,565 |
| 6.13%, 8/23/18 | 390 | 442,247 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 86 | 101,910 |
| | | 1,093,097 |
| Gas Utilities — 0.1% | | |
| Targa Resources Partners LP, 6.88%, 2/01/21 (a) | 115 | 114,425 |
| Health Care Equipment & Supplies — 1.5% | | |
| Boston Scientific Corp.: | | |
| 4.50%, 1/15/15 | 51 | 53,492 |
| 6.40%, 6/15/16 | 45 | 50,412 |
| 5.13%, 1/12/17 | 181 | 190,419 |
| 7.38%, 1/15/40 | 690 | 798,000 |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 500 | 573,125 |
| | | 1,665,448 |
| Health Care Providers & Services — 2.7% | | |
| Aetna, Inc., 6.75%, 12/15/37 | 800 | 910,806 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a) | 105 | 110,775 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 125 | 138,750 |
| 7.25%, 9/15/20 | 195 | 209,625 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 350 | 406,000 |
| 8.88%, 7/01/19 | 250 | 282,500 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 | 800 | 919,714 |
| | | 2,978,170 |
| Household Durables — 0.3% | | |
| Cemex Espana Luxembourg, 9.25%, 5/12/20 (a) | 365 | 373,212 |

| Corporate Bonds | Par | |
|---------------------------|--------------|--------------|
| | (000) | Value |
| IT Services — 0.5% | | |
| First Data Corp. (a): | | |
| 7.38%, 6/15/19 | \$ 170 | \$ 173,187 |
| 8.25%, 1/15/21 | 40 | 39,800 |
| 12.63%, 1/15/21 | 275 | 301,469 |

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| | | |
|---|-------|-----------|
| | | 514,456 |
| Independent Power Producers & Energy Traders — 0.7% | | |
| AES Corp., 9.75%, 4/15/16 | 235 | 272,012 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 345 | 370,903 |
| NRG Energy, Inc., 8.25%, 9/01/20 | 115 | 121,038 |
| | | 763,953 |
| Insurance — 7.0% | | |
| The Allstate Corp., 7.45%, 5/16/19 | 900 | 1,084,129 |
| American International Group, Inc., 6.40%, 12/15/20 (c)(d) | 410 | 448,547 |
| Aon Corp., 5.00%, 9/30/20 (c) | 1,600 | 1,642,432 |
| Dai-ichi Life Insurance Co., Ltd., 7.25%, 12/31/49 (a)(b)(d) | 138 | 138,609 |
| Forethugh Financial Group, 8.63%, 4/15/21 (a) | 250 | 251,894 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 225 | 231,090 |
| Lincoln National Corp., 6.25%, 2/15/20 (c) | 800 | 898,462 |
| Manulife Financial Corp., 4.90%, 9/17/20 (c) | 1,000 | 1,001,433 |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c) | 900 | 967,536 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 225 | 288,098 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 800 | 892,352 |
| | | 7,844,582 |
| Life Sciences Tools & Services — 1.9% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 865 | 962,312 |
| Life Technologies Corp., 6.00%, 3/01/20 | 1,000 | 1,095,219 |
| | | 2,057,531 |
| Machinery — 1.1% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 800 | 963,298 |
| Navistar International Corp., 8.25%, 11/01/21 | 230 | 256,450 |
| | | 1,219,748 |
| Media — 8.2% | | |
| CSC Holdings LLC: 8.50%, 6/15/15 | 400 | 436,500 |
| 8.63%, 2/15/19 | 275 | 316,938 |
| Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a) | 365 | 375,037 |
| Comcast Corp., 6.30%, 11/15/17 | 800 | 919,931 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 800 | 1,056,769 |
| DISH DBS Corp., 7.00%, 10/01/13 | 450 | 486,000 |

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| | | |
|--|-----|-----------|
| DirectTV Holdings LLC, 5.00%, 3/01/21 | 600 | 615,563 |
| Gannett Co., Inc., 9.38%, 11/15/17 | 450 | 506,250 |
| Intelsat Bermuda Ltd. (e): | | |
| 11.50%, 2/04/17 (a) | 60 | 65,700 |
| 11.50%, 2/04/17 | 90 | 98,550 |
| Kabel BW Erste Beteiligungs GmbH, | | |
| 7.50%, 3/15/19 (a) | 230 | 235,750 |
| News America, Inc., 6.15%, 3/01/37 | 950 | 970,810 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 925 | 1,005,415 |
| Time Warner, Inc., 7.70%, 5/01/32 | 950 | 1,145,338 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | 240 | 253,800 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 600 | 657,000 |
| | | 9,145,351 |
| Metals & Mining — 2.0% | | |
| Alcoa, Inc., 5.40%, 4/15/21 | 580 | 588,913 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 700 | 744,669 |
| JMC Steel Group, 8.25%, 3/15/18 (a) | 75 | 78,563 |
| Novelis, Inc., 8.75%, 12/15/20 | 240 | 268,200 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 400 | 511,520 |
| United States Steel Corp., 7.38%, 4/01/20 | 40 | 42,200 |
| | | 2,234,065 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2011

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BlackRock Credit Allocation Income Trust I, Inc. (PSW)
Schedule of Investments (continued)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Multi-Utilities — 1.5% | | |
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | \$ 750 | \$ 825,322 |
| 6.50%, 5/01/18 | 775 | 877,166 |
| | | 1,702,488 |
| Multiline Retail — 1.3% | | |
| Dollar General Corp., 10.63%, 7/15/15 | 750 | 802,500 |
| JC Penney Co., Inc., 5.65%, 6/01/20 | 700 | 698,250 |
| | | 1,500,750 |
| Oil, Gas & Consumable Fuels — 7.6% | | |
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | 289 | 322,810 |
| 6.38%, 9/15/17 | 10 | 11,295 |
| BP Capital Markets Plc (c): | | |
| 3.88%, 3/10/15 | 350 | 367,096 |
| 3.20%, 3/11/16 | 425 | 428,451 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 225 | 228,908 |
| Chesapeake Energy Corp., 6.13%, 2/15/21 | 770 | 795,025 |
| Consol Energy, Inc., 6.38%, 3/01/21 (a) | 195 | 195,975 |
| Copano Energy LLC, 7.13%, 4/01/21 | 130 | 133,250 |
| Denbury Resources, Inc., 6.38%, 8/15/21 | 135 | 139,050 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 475 | 627,478 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 (a) | 240 | 245,400 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 1,000 | 1,160,801 |
| Forest Oil Corp., 7.25%, 6/15/19 | 105 | 109,200 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 1,000 | 1,164,871 |
| Linn Energy LLC, 7.75%, 2/01/21 (a) | 245 | 262,456 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 (a) | 325 | 329,307 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 800 | 1,018,774 |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (a) | 90 | 90,900 |
| Petrobras International Finance Co., 3.88%, 1/27/16 | 350 | 354,822 |
| Range Resources Corp., 6.75%, 8/01/20 | 200 | 214,000 |
| SM Energy Co., 6.63%, 2/15/19 (a) | 115 | 118,738 |
| SandRidge Energy, Inc., 7.50%, 3/15/21 (a) | 170 | 178,925 |

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| | | |
|--|--------------|--------------|
| | | 8,497,532 |
| Paper & Forest Products — 2.5% | | |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 785 | 890,975 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 775 | 925,046 |
| 7.30%, 11/15/39 | 800 | 913,506 |
| | | 2,729,527 |
| Pharmaceuticals — 7.6% | | |
| Bristol-Myers Squibb Co., 5.88%, 11/15/36 | 892 | 981,919 |
| GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 (c) | 1,690 | 1,933,384 |
| Merck & Co., Inc. (c): | | |
| 6.50%, 12/01/33 | 475 | 565,756 |
| 6.55%, 9/15/37 | 1,504 | 1,788,824 |
| Pfizer, Inc., 7.20%, 3/15/39 | 2,500 | 3,157,112 |
| | | 8,426,995 |
| Real Estate Investment Trusts (REITs) — 1.9% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 | 800 | 903,629 |
| ERP Operating LP, 5.75%, 6/15/17 | 800 | 896,113 |
| HCP, Inc., 5.38%, 2/01/21 | 250 | 259,864 |
| | | 2,059,606 |
| Real Estate Management & Development — 0.1% | | |
| Realogy Corp., 7.88%, 2/15/19 (a) | 160 | 161,600 |
| Road & Rail — 1.6% | | |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 200 | 203,493 |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 155 | 164,687 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) | 40 | 42,400 |
| The Hertz Corp., 6.75%, 4/15/19 (a) | 207 | 211,140 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 | 1,200 | 1,180,291 |
| | | 1,802,011 |
| | Par | |
| | (000) | Value |
| Corporate Bonds | | |
| Semiconductors & Semiconductor Equipment — 0.6% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | \$ 190 | \$ 198,075 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 461 | 521,613 |
| | | 719,688 |
| Specialty Retail — 1.1% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 445 | 466,137 |
| Best Buy Co., Inc., 5.50%, 3/15/21 | 350 | 352,088 |
| Claire's Escrow Corp., 8.88%, 3/15/19 (a) | 125 | 121,563 |

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| | | |
|--|-------|-------------|
| Limited Brands, Inc., 7.00%, 5/01/20 | 230 | 243,800 |
| | | 1,183,588 |
| Tobacco — 1.4% | | |
| Altria Group, Inc., 10.20%, 2/06/39 | 1,050 | 1,537,096 |
| Wireless Telecommunication Services — 2.5% | | |
| American Tower Corp., 4.50%, 1/15/18 | 450 | 444,673 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 155 | 165,463 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/17 | 275 | 293,290 |
| 6.11%, 1/15/40 | 300 | 324,682 |
| Digicel Group Ltd., 8.25%, 9/01/17 (a) | 125 | 132,500 |
| Intelsat Jackson Holdings SA (a): | | |
| 7.25%, 4/01/19 | 50 | 50,844 |
| 7.25%, 4/01/21 | 140 | 142,100 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 195 | 196,950 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 1,000 | 1,025,000 |
| | | 2,775,502 |
| | | 113,826,317 |
| Total Corporate Bonds — 102.2% | | |
| Preferred Securities | | |
| Capital Trusts | | |
| Capital Markets — 4.7% | | |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (b) | 500 | 535,625 |
| State Street Capital Trust III, 8.25% (b)(d) | 725 | 725,819 |
| State Street Capital Trust IV, 1.31%, 6/01/67 (b) | 4,740 | 3,968,959 |
| | | 5,230,403 |
| Commercial Banks — 4.1% | | |
| ABN AMRO North America Holding Preferred Capital | | |
| Repackaging Trust I, 6.52% (a)(b)(d) | 800 | 760,000 |
| BNP Paribas, 7.20% (a)(b)(c)(d) | 300 | 297,000 |
| Barclays Bank Plc (a)(b)(d): | | |
| 5.93%, 9/29/49 (c) | 425 | 405,875 |
| 7.43%, 12/15/49 | 150 | 155,700 |
| Credit Agricole SA, 6.64% (a)(b)(c)(d) | 350 | 322,805 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 530 | 519,400 |
| M&T Capital Trust II, 8.28%, 6/01/27 | 910 | 929,258 |
| National City Preferred Capital Trust I, 12.00% (b)(d) | 300 | 336,261 |
| USB Capital XIII Trust, 6.63%, 12/15/39 | 825 | 880,877 |
| | | 4,607,176 |
| Diversified Financial Services — 2.7% | | |
| ING Capital Funding Trust III, 8.44% (b)(d) | 400 | 386,006 |

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| | | |
|--|-------|-----------|
| JPMorgan Chase Capital XXIII, 1.31%, 5/15/77 (b) | 3,085 | 2,593,692 |
| | | 2,979,698 |
| Electric Utilities — 0.5% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 500 | 496,875 |
| Insurance — 7.6% | | |
| AXA SA, 6.38% (a)(b)(d) | 1,000 | 921,250 |
| Ace Capital Trust II, 9.70%, 4/01/30 | 500 | 652,505 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 500 | 516,250 |
| Chubb Corp., 6.38%, 3/29/67 (b)(c) | 500 | 535,000 |
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 500 | 503,883 |
| Great-West Life & Annuity Insurance Co., 7.15%, 5/16/46 (a)(b)(c) | 500 | 515,000 |

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust I, Inc. (PSW)
Schedule of Investments (continued)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Capital Trusts | | |
| Insurance (concluded) | | |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | \$ 500 | \$ 680,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | 500 | 516,900 |
| MetLife, Inc., 6.40%, 12/15/66 | 500 | 500,018 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 700 | 689,757 |
| Swiss Re Capital I LP, 6.85% (a)(b)(d) | 450 | 447,195 |
| ZFS Finance (USA) (a)(b): | | |
| Trust II, 6.45%, 12/15/65 | 1,800 | 1,885,500 |
| Trust IV, 5.88%, 5/09/32 | 146 | 145,553 |
| | | 8,508,811 |
| Multi-Utilities — 0.9% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 | 500 | 514,550 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (b) | 500 | 530,000 |
| | | 1,044,550 |
| Oil, Gas & Consumable Fuels — 1.3% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | 825 | 896,156 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 500 | 509,289 |
| | | 1,405,445 |
| Total Capital Trusts — 21.8% | | 24,272,958 |
| Preferred Stocks | | |
| Auto Components — 0.1% | | |
| Dana Holding Corp., 4.00% (a) | 1,000 | 156,125 |
| Commercial Banks — 0.9% | | |
| SG Preferred Capital II, 6.30% | 1,000 | 968,750 |
| Thriffs & Mortgage Finance — 0.0% | | |
| Fannie Mae, 8.25% (f) | 3,000 | 6,120 |
| Freddie Mac, Series Z, 8.38% (f) | 3,000 | 6,060 |
| | | 12,180 |
| Wireless Telecommunication Services — 2.8% | | |
| Centaur Funding Corp., 9.08% | 2,720 | 3,054,900 |
| Total Preferred Stocks — 3.8% | | 4,191,955 |
| Trust Preferreds | | |
| Diversified Financial Services — 0.5% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | 566 | 587,994 |

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| | | |
|--|------------------|--------------|
| Total Trust Preferreds — 0.5% | | 587,994 |
| Total Preferred Securities — 26.1% | | 29,052,907 |
| | Par | |
| | (000) | |
| Taxable Municipal Bonds | | |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | \$ 800 | 838,744 |
| State of California, GO, Build America Bonds, 7.35%, 11/01/39 | 205 | 227,478 |
| Total Taxable Municipal Bonds — 1.0% | | 1,066,222 |
| U.S. Treasury Obligations | | |
| U.S. Treasury Notes: | | |
| 3.63%, 2/15/21 | 528 | 542,356 |
| 4.75%, 2/15/41 | 600 | 633,937 |
| Total U.S. Treasury Obligations — 1.0% | | 1,176,293 |
| Total Long-Term Investments | | |
| (Cost — \$140,161,026) — 131.3% | | 146,223,051 |
| | | |
| Short-Term Securities | Shares | Value |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (g)(h) | 183,531 | \$ 183,531 |
| Total Short-Term Securities | | |
| (Cost — \$183,531) — 0.2% | | 183,531 |
| Options Purchased | Contracts | |
| Over-the-Counter Put Options — 0.1% | | |
| S&P 500 Index, Strike Price USD 1,250.00, Expires 9/17/11, Broker Credit Suisse International | 28 | 69,440 |
| Total Options Purchased | | |
| (Cost — \$135,240) — 0.1% | | 69,440 |
| Total Investments Before Options Written | | |
| (Cost — \$140,479,797) — 131.6% | | 146,476,022 |
| | Notional | |
| | Amount | |
| | (000) | |
| Options Written | | |
| Over-the-Counter Call Swaptions — (0.1)% | | |
| Pay a fixed rate of 4.03% and receive a floating rate based on 3-month LIBOR, Expires 4/16/12, Broker UBS AG | \$ 1,800 | (77,823) |
| Over-the-Counter Put Swaptions — (0.1)% | | |
| Receive a fixed rate of 4.03% and pay a floating rate based on 3-month LIBOR, Expires 4/16/12, | | |

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| | | |
|---|--------|---------------|
| Broker UBS AG | 1,800 | (50,348) |
| Sold credit default protection on Dow Jones CDX North America Investment Grade Series 16, Strike Price \$120.00, Expires 9/21/11, | | |
| Broker Credit Suisse International | 35,000 | (25,652) |
| | | (76,000) |
| Total Options Written | | |
| (Premiums Received — \$255,600) — (0.2)% | | (153,823) |
| Total Investments, Net of Options Written | | |
| (Cost — \$140,735,397*) — 131.4% | | 146,322,199 |
| Liabilities in Excess of Other Assets — (31.4)% | | (35,006,196) |
| Net Assets — 100.0% | | \$111,316,003 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 140,381,755 |
| Gross unrealized appreciation | \$ 6,636,174 |
| Gross unrealized depreciation | (541,907) |
| Net unrealized appreciation | \$ 6,094,267 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

(d) Security is perpetual in nature and has no stated maturity date.

(e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(f) Non-income producing security.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2011

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BlackRock Credit Allocation Income Trust I, Inc. (PSW)
Schedule of Investments (continued)

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

| Affiliate | Shares Held at October 31, 2010 | Net Activity | Shares Held at April 30, 2011 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 5,884,098 | (5,700,567) | 183,531 | \$ 1,655 |

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

- For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.
- Reverse repurchase agreements outstanding as of April 30, 2011 were as follows:

| Interest Counterparty | Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|--|-------------|-----------------------|--------------------------|-------------------------------|------------------------|
| UBS Securities LLC | 0.38% | 1/24/11 | 9/30/20 | \$ 1,541,593 | \$ 1,540,000 |
| UBS Securities LLC | 0.38% | 1/24/11 | 10/15/20 | 2,158,230 | 2,156,000 |
| UBS Securities LLC | 0.38% | 1/24/11 | 9/15/37 | 1,689,986 | 1,688,240 |
| UBS Securities LLC | 0.38% | 1/24/11 | 5/15/38 | 1,844,006 | 1,842,100 |
| UBS Securities LLC | 0.38% | 1/24/11 | 3/15/39 | 3,040,642 | 3,037,500 |
| UBS Securities LLC | 0.38% | 1/24/11 | 4/01/39 | 1,078,717 | 1,077,625 |
| UBS Securities LLC | 0.38% | 1/24/11 | 3/30/40 | 916,697 | 915,750 |
| Credit Suisse Securities (USA) LLC | 0.40% | 1/26/11 | 1/25/21 | 987,615 | 986,563 |
| UBS Securities LLC | 0.38% | 1/27/11 | 12/15/37 | 896,898 | 896,000 |
| UBS Securities LLC | 0.38% | 1/27/11 | 1/15/38 | 977,229 | 976,250 |
| UBS Securities LLC | 0.38% | 1/27/11 | 2/15/38 | 864,876 | 864,000 |
| UBS Securities LLC | 0.38% | 2/03/11 | 12/01/37 | 816,758 | 816,000 |
| Credit Suisse | | | | | |

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| | | | | | |
|--------------------|-------|---------|----------|-----------|-----------|
| Securities | | | | | |
| (USA) LLC | 0.40% | 2/07/11 | 3/15/20 | 751,701 | 751,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 2/08/11 | 3/29/37 | 513,473 | 513,000 |
| UBS Securities LLC | 0.38% | 2/11/11 | 2/15/20 | 846,714 | 846,000 |
| UBS Securities LLC | 0.38% | 2/11/11 | 9/17/20 | 950,802 | 950,000 |
| UBS Securities LLC | 0.38% | 2/11/11 | 2/11/21 | 789,062 | 788,700 |
| UBS Securities LLC | 0.38% | 2/11/11 | 12/01/33 | 525,318 | 524,875 |
| UBS Securities LLC | 0.38% | 2/23/11 | 2/23/16 | 974,799 | 974,100 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.45% | 3/02/11 | 12/15/20 | 418,519 | 418,200 |
| Deutsche Bank | | | | | |
| Securities, Inc. | 0.40% | 3/03/11 | 12/15/15 | 226,276 | 226,125 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 3/04/11 | 2/01/41 | 999,467 | 998,813 |
| UBS Securities LLC | 0.38% | 3/07/11 | 5/16/19 | 1,050,471 | 1,049,850 |
| UBS Securities LLC | 0.37% | 3/28/11 | 3/28/14 | 833,738 | 833,438 |
| Deutsche Bank | | | | | |
| Securities, Inc. | 0.40% | 3/30/11 | 9/15/15 | 1,323,485 | 1,323,000 |
| UBS Securities LLC | 0.37% | 3/31/11 | 11/15/36 | 934,231 | 933,924 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/07/11 | 4/05/21 | 1,251,554 | 1,251,250 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/11/11 | 3/17/16 | 1,110,227 | 1,110,000 |

- Reverse repurchase agreements outstanding as of April 30, 2011 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|---------------|---------------|------------|---------------|--------------------|-------------|
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/12/11 | 1/28/14 | \$ 363,352 | \$ 363,281 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/12/11 | 7/15/16 | 677,757 | 677,625 |

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| | | | | | |
|--------------------|-------|---------|----------|---------------------|---------------------|
| UBS Securities LLC | 0.40% | 4/13/11 | 5/16/46 | 487,853 | 487,750 |
| UBS Securities LLC | 0.37% | 4/13/11 | 2/11/21 | 292,261 | 291,900 |
| UBS Securities LLC | 0.37% | 4/13/11 | 9/16/15 | 519,026 | 518,925 |
| Barclays | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 10/29/49 | 358,375 | 358,313 |
| Barclays | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 12/31/49 | 312,867 | 312,813 |
| Deutsche Bank AG | 0.38% | 4/18/11 | 4/15/21 | 673,850 | 673,750 |
| UBS Securities LLC | 0.38% | 4/18/11 | 4/15/38 | 1,916,533 | 1,916,250 |
| Deutsche Bank | | | | | |
| Securities, Inc. | 0.35% | 4/21/11 | 4/07/21 | 511,930 | 511,874 |
| Deutsche Bank | | | | | |
| Securities, Inc. | 0.35% | 4/21/11 | 12/31/49 | 643,881 | 643,812 |
| UBS Securities LLC | 0.35% | 4/29/11 | 3/10/15 | 350,010 | 350,000 |
| UBS Securities LLC | 0.35% | 4/29/11 | 3/11/16 | 408,013 | 408,000 |
| Total | | | | \$37,828,792 | \$37,802,596 |

- Financial futures contracts purchased as of April 30, 2011 were as follows:

| Contracts Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------------|---------------------------|------------------------|-----------------------|--------------------------------|
| 73 | 2-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | |
| | | | \$15,916,123 | \$ 80,002 |

- Financial futures contracts sold as of April 30, 2011 were as follows:

| Contracts Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|------------------------|------------------------------|------------------------|-----------------------|--------------------------------|
| 56 | 5-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | |
| | | | \$ 6,574,284 | \$ (59,966) |
| 73 | 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | |
| | | | 8,666,225 | (177,041) |
| 23 | Long-Term U.S. Treasury Bond | Chicago Board of Trade | June 2011 | |
| | | | 2,763,011 | (51,614) |
| 24 | Ultra U.S. Treasury Bond | Chicago Board of Trade | June 2011 | |
| | | | 2,959,242 | (61,758) |
| Total | | | | \$ (350,379) |

- Credit default swaps on single-name issuer — sold protection outstanding as of April 30, 2011 were as follows:

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| Issuer | Receive Fixed Rate | Counter- party | Expiration | Issuer Credit Rating¹ | Notional Amount (000)² | Unrealized Appreciation |
|---------------|-----------------------------------|---------------------------|-------------------|---|--|------------------------------------|
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD 200 | \$ 5,210 |

¹ Using S&P's rating of the underlying securities.

² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT APRIL 30, 2011

BlackRock Credit Allocation Income Trust I, Inc. (PSW)
Schedule of Investments (concluded)

•Credit default swaps on traded indexes — sold protection outstanding as of April 30, 2011 were as follows:

| Index | Receive | | Expiration | Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation |
|---------------|------------|---------------|------------|----------------------------|------------------------------------|-------------------------|
| | Fixed Rate | Counter-party | | | | |
| iTraxx-Europe | | | | | | |
| Sub | | | | | | |
| Financial | | | | | | |
| Index | | Deutsche | | | | |
| Series 15 | 1.00% | Bank AG | 6/20/16 | A | EUR 1,900 | \$ 2,644 |

¹ Using S&P's rating of the underlying securities.

² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

•Interest rate swaps outstanding as of April 30, 2011 were as follows:

| Fixed Rate | Floating Rate | Counter-party | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--------------|---------------|-----------------------------|-----------------|-----------------------|-------------------------|
| 0.98%(a) | 3-month LIBOR | Citibank NA | 3/30/13 | USD 13,900 | \$ (63,910) |
| 4.34%(a) | 3-month LIBOR | Citibank NA | 4/14/41 | USD 400 | (11,982) |
| 4.38%(a) | 3-month LIBOR | Goldman Sachs International | 4/14/41 | USD 600 | (21,744) |
| 4.35%(a) | 3-month LIBOR | Deutsche Bank AG | 4/15/41 | USD 700 | (22,509) |
| Total | | | | | \$ (120,145) |

(a) Pays a fixed interest rate and receives floating rate.

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and

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default rates) or other market-corroborated inputs)

•Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Investments in Securities | | | Total | |
|------------------|---------------------------|---------|----------------------|-------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | | |
| Assets: | | | | | |
| Investments: | | | | | |
| Long-Term | | | | | |
| Investments: | | | | | |
| Asset-Back | | | | | |
| Securities | | — | \$ 558,562 | \$542,750 | \$ 1,101,312 |
| Corporate | | | | | |
| Bonds | | — | 113,826,317 | — | 113,826,317 |
| Preferred | | | | | |
| Securities | \$ 600,174 | | 28,452,733 | — | 29,052,907 |
| Taxable | | | | | |
| Municipal | | | | | |
| Bonds | | — | 1,066,222 | — | 1,066,222 |
| U.S Treasury | | | | | |
| Obligations | | — | 1,176,293 | — | 1,176,293 |
| Short-Term | | | | | |
| Securities | 183,531 | | — | — | 183,531 |
| Total | \$ 783,705 | | \$145,080,127 | \$ 542,750 | \$146,406,582 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total | |
|------------------|-----------|---------|---------|----------|-----------|
| Assets: | | | | | |
| Equity | | | | | |
| contracts | | — | — | \$69,440 | \$ 69,440 |
| Interest rate | | | | | |
| contracts | \$ 80,002 | | — | — | 80,002 |

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| | | | | |
|---------------------|--------------|--------------|-----------|--------------|
| Credit | | | | |
| contracts | — | \$ 7,854 | — | 7,854 |
| Liabilities: | | | | |
| Interest rate | | | | |
| contracts | (350,379) | (248,316) | — | (598,695) |
| Credit | | | | |
| contracts | — | — | (25,652) | (25,652) |
| Total | \$ (270,377) | \$ (240,462) | \$ 43,788 | \$ (467,051) |

¹ Derivative financial instruments are swaps, financial futures contracts, and options. Financial futures contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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APRIL 30, 2011

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BlackRock Credit Allocation Income Trust II, Inc. (PSY)**Schedule of Investments** April 30, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|----------------------|--------------|
| Asset-Backed Securities | | |
| Atrium CDO Corp., Series 5A, Class A4, 2.83%, 7/20/20 (a)(b) | \$ 2,650 | \$ 2,212,750 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.51%, 6/15/21 (b) | 2,410 | 2,350,616 |
| Total Asset-Backed Securities — 1.0% | | 4,563,366 |
| Corporate Bonds | | |
| Aerospace & Defense — 1.8% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 2,500 | 2,787,500 |
| Bombardier, Inc., 7.75%, 3/15/20 (a) | 3,205 | 3,569,569 |
| Huntington Ingalls Industries, Inc. (a): | | |
| 6.88%, 3/15/18 | 360 | 378,900 |
| 7.13%, 3/15/21 | 380 | 399,950 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (a) | 1,254 | 1,376,265 |
| | | 8,512,184 |
| Airlines — 0.9% | | |
| American Airlines Pass-Through Trust, Series 2011-1, Class A, 5.25%, 7/31/22 | 1,410 | 1,367,700 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 1,544 | 1,628,418 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 1,146 | 1,160,620 |
| | | 4,156,738 |
| Auto Components — 0.6% | | |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 880 | 906,400 |
| 8.00%, 1/15/18 | 2,000 | 2,065,000 |
| | | 2,971,400 |
| Beverages — 0.4% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 1,970 | 2,147,300 |
| Building Products — 0.5% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 375 | 390,938 |
| 6.75%, 5/01/21 | 1,160 | 1,175,950 |
| Nortek, Inc., 10.00%, 12/01/18 (a) | 700 | 749,000 |

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| | | |
|---|--------------|--------------|
| | | 2,315,888 |
| Capital Markets — 4.0% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 | 3,250 | 3,513,354 |
| The Goldman Sachs Group, Inc., 6.25%, 2/01/41 (c) | 4,450 | 4,565,335 |
| Macquarie Bank Ltd., 6.63%, 4/07/21 (a)(c) | 2,075 | 2,147,749 |
| Morgan Stanley, 5.75%, 1/25/21 (c) | 3,915 | 4,072,238 |
| UBS AG: | | |
| 2.25%, 1/28/14 | 1,627 | 1,647,092 |
| 5.88%, 7/15/16 (c) | 2,800 | 3,078,239 |
| | | 19,024,007 |
| Chemicals — 0.4% | | |
| CF Industries, Inc., 7.13%, 5/01/20 | 1,125 | 1,288,125 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (a) | 735 | 753,375 |
| | | 2,041,500 |
| Commercial Banks — 7.5% | | |
| Amsouth Bank, 4.85%, 4/01/13 | 1,050 | 1,069,629 |
| Associated Banc-Corp., 5.13%, 3/28/16 | 2,200 | 2,241,752 |
| BNP Paribas, 3.60%, 2/23/16 (c) | 4,380 | 4,453,720 |
| Branch Banking & Trust Co. (b)(c): | | |
| 1.00%, 9/13/16 | 1,100 | 1,060,799 |
| 1.00%, 5/23/17 | 675 | 632,761 |
| CIT Group, Inc., 6.63%, 4/01/18 (a) | 1,617 | 1,736,923 |
| City National Corp., 5.25%, 9/15/20 | 2,350 | 2,395,007 |
| | | |
| | Par | |
| | (000) | Value |
| Corporate Bonds | | |
| Commercial Banks (concluded) | | |
| Comerica, Inc., 3.00%, 9/16/15 (c) | \$ 2,300 | \$ 2,312,659 |
| Credit Agricole SA, 8.38%, 10/29/49 (a)(b)(c)(d) | 1,475 | 1,611,437 |
| Discover Bank, 8.70%, 11/18/19 | 1,200 | 1,475,618 |
| Fifth Third Bancorp, 3.63%, 1/25/16 | 2,775 | 2,815,468 |
| HSBC Holdings Plc, 5.10%, 4/05/21 (c) | 1,625 | 1,672,520 |
| KeyCorp, 5.10%, 3/24/21 | 780 | 798,889 |
| Lloyds TSB Bank Plc, 4.88%, 1/21/16 (c) | 925 | 970,959 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 2,525 | 2,570,776 |
| 5.75%, 6/15/15 | 1,800 | 1,854,000 |
| SVB Financial Group, 5.38%, 9/15/20 | 2,300 | 2,287,315 |
| Societe Generale, 5.20%, 4/15/21 (a)(c) | 2,850 | 2,874,809 |
| SunTrust Banks, Inc., 3.60%, 4/15/16 | 825 | 835,636 |

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35,670,677

Commercial Services & Supplies — 3.8%

Aviation Capital Group Corp. (a):

| | | |
|---|-------|------------|
| 7.13%, 10/15/20 | 9,300 | 9,641,660 |
| 6.75%, 4/06/21 | 2,325 | 2,343,205 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (a) | 621 | 634,972 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 1,314 | 1,405,980 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 3,375 | 3,695,625 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a) | 275 | 292,188 |
| | | 18,013,630 |

Communications Equipment — 1.2%

Avaya, Inc.:

| | | |
|--|-------|-----------|
| 9.75%, 11/01/15 | 900 | 929,250 |
| 7.00%, 4/01/19 (a) | 500 | 495,000 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 2,965 | 3,224,437 |
| CC Holdings GS V LLC, 7.75%, 5/01/17 (a) | 935 | 1,033,175 |
| | | 5,681,862 |

Construction Materials — 0.2%

| | | |
|---|-----|---------|
| Inversiones CMPC SA, 4.75%, 1/19/18 (a) | 825 | 814,001 |
|---|-----|---------|

Consumer Finance — 5.7%

| | | |
|---|--------|------------|
| American Express Credit Corp., 2.75%, 9/15/15 | 5,850 | 5,831,497 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 3,325 | 4,258,294 |
| Ford Motor Credit Co. LLC, 7.00%, 4/15/15 | 400 | 439,315 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 2,135 | 2,257,763 |
| SLM Corp., 6.25%, 1/25/16 | 13,300 | 14,102,575 |
| | | 26,889,444 |

Containers & Packaging — 1.3%

Ball Corp.:

| | | |
|---|-------|-----------|
| 7.13%, 9/01/16 | 1,750 | 1,907,500 |
| 6.75%, 9/15/20 | 2,210 | 2,326,025 |
| Crown Americas LLC, 6.25%, 2/01/21 (a) | 825 | 847,687 |
| Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14 | 570 | 582,113 |
| Rock-Tenn Co., 9.25%, 3/15/16 | 325 | 354,250 |
| | | 6,017,575 |

Diversified Financial Services — 5.0%

Ally Financial, Inc.:

| | | |
|---|-------|-----------|
| 4.50%, 2/11/14 | 1,775 | 1,792,750 |
| 8.30%, 2/12/15 | 1,230 | 1,383,750 |
| 8.00%, 11/01/31 | 1,730 | 1,950,575 |
| Bank of America Corp., 3.63%, 3/17/16 (c) | 5,000 | 5,025,395 |
| Citigroup, Inc., 4.59%, 12/15/15 (c) | 975 | 1,031,802 |

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| | | |
|--|-------|------------|
| General Electric Capital Corp., 5.30%, 2/11/21 (c) | 4,600 | 4,773,116 |
| Moody's Corp., 6.06%, 9/07/17 | 6,000 | 6,180,354 |
| Reynolds Group Issuer, Inc. (a): | | |
| 6.88%, 2/15/21 | 660 | 680,625 |
| 8.25%, 2/15/21 | 815 | 828,244 |
| | | 23,646,611 |

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT APRIL 30, 2011

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
Schedule of Investments (continued)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Diversified Telecommunication Services — 5.0% | | |
| AT&T, Inc., 6.30%, 1/15/38 | \$ 4,000 | \$ 4,219,444 |
| Level 3 Financing, Inc.: | | |
| 8.75%, 2/15/17 | 1,630 | 1,687,050 |
| 10.00%, 2/01/18 | 560 | 604,800 |
| 9.38%, 4/01/19 (a) | 910 | 966,875 |
| Qwest Corp., 8.38%, 5/01/16 | 2,795 | 3,319,063 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 975 | 1,063,374 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 (c) | 1,360 | 1,411,556 |
| Verizon Communications, Inc.: | | |
| 1.95%, 3/28/14 | 3,650 | 3,681,375 |
| 7.35%, 4/01/39 (c) | 4,025 | 4,819,286 |
| Windstream Corp., 7.88%, 11/01/17 | 1,900 | 2,052,000 |
| | | 23,824,823 |
| Electric Utilities — 1.0% | | |
| Progress Energy, Inc., 7.00%, 10/30/31 | 4,000 | 4,667,188 |
| Electronic Equipment, Instruments & Components — 0.8% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 800 | 918,000 |
| NXP BV, 3.05%, 10/15/13 (b) | 2,950 | 2,935,250 |
| | | 3,853,250 |
| Energy Equipment & Services — 0.9% | | |
| Ensco Plc, 4.70%, 3/15/21 | 1,965 | 1,983,909 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 370 | 394,050 |
| Key Energy Service, Inc., 6.75%, 3/01/21 | 745 | 765,487 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 955 | 980,069 |
| | | 4,123,515 |
| Food & Staples Retailing — 2.1% | | |
| CVS Caremark Corp., 6.30%, 6/01/62 (b) | 3,650 | 3,613,500 |
| Wal-Mart Stores, Inc.: | | |
| 5.25%, 9/01/35 | 2,500 | 2,480,245 |
| 6.20%, 4/15/38 | 3,375 | 3,730,259 |
| | | 9,824,004 |
| Food Products — 1.0% | | |

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| | | |
|--|--------------|--------------|
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a) | 430 | 440,213 |
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 1,665 | 1,931,247 |
| 6.13%, 8/23/18 | 1,660 | 1,882,385 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 374 | 443,190 |
| | | 4,697,035 |
| Gas Utilities — 0.1% | | |
| Targa Resources Partners LP, 6.88%, 2/01/21 (a) | 495 | 492,525 |
| Health Care Equipment & Supplies — 1.5% | | |
| Boston Scientific Corp.: | | |
| 4.50%, 1/15/15 | 215 | 225,506 |
| 6.40%, 6/15/16 | 187 | 209,490 |
| 5.13%, 1/12/17 | 761 | 800,603 |
| 7.38%, 1/15/40 | 2,935 | 3,394,389 |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 2,250 | 2,579,063 |
| | | 7,209,051 |
| Health Care Providers & Services — 3.3% | | |
| Aetna, Inc., 6.75%, 12/15/37 | 3,400 | 3,870,924 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a) | 460 | 485,300 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 545 | 604,950 |
| 7.25%, 9/15/20 | 3,435 | 3,692,625 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 1,530 | 1,774,800 |
| 8.88%, 7/01/19 | 1,125 | 1,271,250 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 | 3,400 | 3,908,786 |
| | | 15,608,635 |
| | Par | Value |
| Corporate Bonds | (000) | |
| Household Durables — 0.3% | | |
| Cemex Espana Luxembourg, 9.25%, 5/12/20 (a) | \$1,462 | \$ 1,494,895 |
| IT Services — 0.5% | | |
| First Data Corp. (a): | | |
| 7.38%, 6/15/19 | 725 | 738,594 |
| 8.25%, 1/15/21 | 190 | 189,050 |
| 12.63%, 1/15/21 | 1,185 | 1,299,056 |
| | | 2,226,700 |
| Independent Power Producers & Energy Traders — 0.7% | | |
| AES Corp., 9.75%, 4/15/16 | 985 | 1,140,138 |

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| | | |
|--|-------|------------|
| Energy Future Intermediate Holding Co. LLC, | | |
| 10.00%, 12/01/20 | 1,475 | 1,585,743 |
| NRG Energy, Inc., 8.25%, 9/01/20 | 490 | 515,725 |
| | | 3,241,606 |
| Insurance — 7.1% | | |
| The Allstate Corp., 7.45%, 5/16/19 | 5,600 | 6,745,693 |
| American International Group, Inc., 6.40%, 12/15/20 (c) | 1,690 | 1,848,890 |
| Aon Corp., 5.00%, 9/30/20 (c) | 4,600 | 4,721,992 |
| Dai-ichi Life Insurance Co., Ltd., | | |
| 7.25%, 12/31/49 (a)(b)(d) | 677 | 679,986 |
| Forethought Financial Group, 8.63%, 4/15/21 (a) | 1,000 | 1,007,574 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 970 | 996,256 |
| Lincoln National Corp., 6.25%, 2/15/20 (c) | 3,400 | 3,818,465 |
| Manulife Financial Corp., 4.90%, 9/17/20 | 4,700 | 4,706,735 |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a) | 3,800 | 4,085,152 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 980 | 1,254,825 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 3,400 | 3,792,496 |
| | | 33,658,064 |
| Life Sciences Tools & Services — 1.9% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 3,825 | 4,255,312 |
| Life Technologies Corp., 6.00%, 3/01/20 | 4,200 | 4,599,920 |
| | | 8,855,232 |
| Machinery — 1.1% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 3,400 | 4,094,018 |
| Navistar International Corp., 8.25%, 11/01/21 | 980 | 1,092,700 |
| | | 5,186,718 |
| Media — 8.3% | | |
| CSC Holdings LLC: | | |
| 8.50%, 6/15/15 | 1,500 | 1,636,875 |
| 8.63%, 2/15/19 | 1,200 | 1,383,000 |
| Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a) | 1,720 | 1,767,300 |
| Comcast Corp., 6.30%, 11/15/17 | 3,400 | 3,909,708 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 3,400 | 4,491,267 |
| DISH DBS Corp., 7.00%, 10/01/13 | 1,750 | 1,890,000 |
| DirectTV Holdings LLC, 5.00%, 3/01/21 | 2,575 | 2,641,793 |
| Gannett Co., Inc., 9.38%, 11/15/17 | 1,800 | 2,025,000 |
| Intelsat Bermuda Ltd. (e): | | |
| 11.50%, 2/04/17 (a) | 280 | 306,600 |
| 11.50%, 2/04/17 | 420 | 459,900 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 1,040 | 1,066,000 |
| News America, Inc., 6.15%, 3/01/37 | 4,200 | 4,292,001 |

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| | | |
|--|-------|------------|
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 4,050 | 4,402,087 |
| Time Warner, Inc., 7.70%, 5/01/32 | 4,150 | 5,003,319 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | 1,030 | 1,089,225 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 2,675 | 2,929,125 |
| | | 39,293,200 |

Metals & Mining — 2.0%

| | | |
|---|-------|-----------|
| Alcoa, Inc., 5.40%, 4/15/21 | 2,455 | 2,492,728 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 2,900 | 3,085,058 |
| JMC Steel Group, 8.25%, 3/15/18 (a) | 315 | 329,963 |
| Novelis, Inc., 8.75%, 12/15/20 | 1,035 | 1,156,612 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 1,750 | 2,237,900 |
| United States Steel Corp., 7.38%, 4/01/20 | 200 | 211,000 |
| | | 9,513,261 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2011

23

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Corporate Bonds | | |
| Multi-Utilities — 1.5% | | |
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | \$ 3,150 | \$ 3,466,351 |
| 6.50%, 5/01/18 | 3,350 | 3,791,621 |
| | | 7,257,972 |
| Multiline Retail — 2.1% | | |
| Dollar General Corp., 10.63%, 7/15/15 | 3,275 | 3,504,250 |
| JC Penney Co., Inc., 5.65%, 6/01/20 | 6,300 | 6,284,250 |
| | | 9,788,500 |
| Oil, Gas & Consumable Fuels — 7.7% | | |
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | 1,175 | 1,312,462 |
| 6.38%, 9/15/17 | 23 | 25,978 |
| BP Capital Markets Plc: | | |
| 3.88%, 3/10/15 | 1,500 | 1,573,267 |
| 3.20%, 3/11/16 (c) | 1,875 | 1,890,227 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 1,000 | 1,017,369 |
| Chesapeake Energy Corp., 6.13%, 2/15/21 | 3,445 | 3,556,962 |
| Consol Energy, Inc., 6.38%, 3/01/21 (a) | 835 | 839,175 |
| Copano Energy LLC, 7.13%, 4/01/21 | 560 | 574,000 |
| Denbury Resources, Inc., 6.38%, 8/15/21 | 575 | 592,250 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 2,100 | 2,774,115 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 (a) | 1,025 | 1,048,063 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 4,200 | 4,875,364 |
| Forest Oil Corp., 7.25%, 6/15/19 | 445 | 462,800 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 4,200 | 4,892,458 |
| Linn Energy LLC, 7.75%, 2/01/21 (a) | 1,050 | 1,124,812 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 (a) | 1,375 | 1,393,223 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 3,400 | 4,329,788 |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (a) | 380 | 383,800 |
| Petrobras International Finance Co., 3.88%, 1/27/16 | 1,475 | 1,495,323 |
| Range Resources Corp., 6.75%, 8/01/20 | 855 | 914,850 |
| SM Energy Co., 6.63%, 2/15/19 (a) | 480 | 495,600 |
| SandRidge Energy, Inc., 7.50%, 3/15/21 (a) | 720 | 757,800 |

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| | | |
|--|--------------|--------------|
| | | 36,329,686 |
| Paper & Forest Products — 2.5% | | |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 3,400 | 3,859,000 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 3,325 | 3,968,746 |
| 7.30%, 11/15/39 | 3,400 | 3,882,399 |
| | | 11,710,145 |
| Pharmaceuticals — 5.6% | | |
| Bristol-Myers Squibb Co., 5.88%, 11/15/36 (c) | 2,214 | 2,437,184 |
| GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 | 7,250 | 8,294,102 |
| Merck & Co., Inc.: | | |
| 6.50%, 12/01/33 (c) | 2,070 | 2,465,505 |
| 6.55%, 9/15/37 | 4,572 | 5,437,836 |
| Pfizer, Inc., 7.20%, 3/15/39 | 6,250 | 7,892,781 |
| | | 26,527,408 |
| Real Estate Investment Trusts (REITs) — 1.8% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 | 3,400 | 3,840,422 |
| ERP Operating LP, 5.75%, 6/15/17 | 3,405 | 3,814,084 |
| HCP, Inc., 5.38%, 2/01/21 | 1,025 | 1,065,442 |
| | | 8,719,948 |
| Real Estate Management & Development — 0.1% | | |
| Realogy Corp., 7.88%, 2/15/19 (a) | 670 | 676,700 |
| Road & Rail — 1.6% | | |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 900 | 915,717 |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 650 | 690,625 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) | 200 | 212,000 |
| The Hertz Corp., 6.75%, 4/15/19 (a) | 933 | 951,660 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 | 5,000 | 4,917,880 |
| | | 7,687,882 |
| | Par | Value |
| Corporate Bonds | (000) | |
| Semiconductors & Semiconductor Equipment — 0.6% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | \$ 775 | \$ 807,938 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 1,928 | 2,181,495 |
| | | 2,989,433 |
| Specialty Retail — 1.0% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 1,965 | 2,058,337 |
| Best Buy Co., Inc., 5.50%, 3/15/21 | 1,300 | 1,307,756 |
| Claire's Escrow Corp., 8.88%, 3/15/19 (a) | 530 | 515,425 |

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| | | |
|---|--------|-------------|
| Limited Brands, Inc., 7.00%, 5/01/20 | 980 | 1,038,800 |
| | | 4,920,318 |
| Tobacco — 1.3% | | |
| Altria Group, Inc., 10.20%, 2/06/39 | 4,400 | 6,441,164 |
| Wireless Telecommunication Services — 2.4% | | |
| American Tower Corp., 4.50%, 1/15/18 | 1,925 | 1,902,212 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 670 | 715,225 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/17 | 1,175 | 1,253,148 |
| 6.11%, 1/15/40 | 1,300 | 1,406,958 |
| Intelsat Jackson Holdings SA (a): | | |
| 7.25%, 4/01/19 | 190 | 193,206 |
| 7.25%, 4/01/21 | 620 | 629,300 |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 840 | 848,400 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 4,225 | 4,330,625 |
| | | 11,279,074 |
| Total Corporate Bonds — 99.1% | | 470,000,749 |
| Preferred Securities | | |
| Capital Trusts | | |
| Capital Markets — 4.4% | | |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (b) | 2,500 | 2,678,125 |
| State Street Capital Trust III, 8.25% (b)(d) | 2,920 | 2,923,300 |
| State Street Capital Trust IV, 1.31%, 6/01/67 (b) | 18,235 | 15,268,767 |
| | | 20,870,192 |
| Commercial Banks — 7.2% | | |
| BNP Paribas, 7.20% (a)(b)(c)(d) | 1,500 | 1,485,000 |
| Bank One Capital III, 8.75%, 9/01/30 | 2,000 | 2,551,106 |
| Barclays Bank Plc, 7.43% (a)(b)(c)(d) | 650 | 674,700 |
| Credit Agricole SA, 6.64% (a)(b)(c)(d) | 1,475 | 1,360,392 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 2,240 | 2,195,200 |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(d) | 4,835 | 6,527,250 |
| M&T Capital Trust II, 8.28%, 6/01/27 | 3,630 | 3,706,818 |
| National City Preferred Capital Trust I, 12.00% (b)(d) | 1,100 | 1,232,957 |
| NationsBank Capital Trust III, 0.84%, 1/15/27 (b) | 13,470 | 10,793,673 |
| USB Capital XIII Trust, 6.63%, 12/15/39 | 3,500 | 3,737,055 |
| | | 34,264,151 |
| Diversified Financial Services — 1.9% | | |
| ING Capital Funding Trust III, 8.44% (b)(d) | 1,800 | 1,737,029 |
| JPMorgan Chase Capital XXIII, 1.31%, 5/15/77 (b) | 8,775 | 7,377,520 |
| | | 9,114,549 |

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Electric Utilities — 0.7%

| | | |
|---|-------|-----------|
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 3,000 | 2,981,250 |
|---|-------|-----------|

Insurance — 8.7%

| | | |
|-------------------------|-------|-----------|
| AXA SA, 6.38% (a)(b)(d) | 3,000 | 2,763,750 |
|-------------------------|-------|-----------|

| | | |
|--------------------------------------|-------|-----------|
| Ace Capital Trust II, 9.70%, 4/01/30 | 2,500 | 3,262,525 |
|--------------------------------------|-------|-----------|

| | | |
|--|-------|-----------|
| The Allstate Corp., 6.50%, 5/15/67 (b) | 5,000 | 5,162,500 |
|--|-------|-----------|

| | | |
|---|-----|---------|
| American General Capital II, 8.50%, 7/01/30 | 100 | 113,000 |
|---|-----|---------|

| | | |
|---------------------------|-------|-----------|
| Aon Corp., 8.21%, 1/01/27 | 2,500 | 2,825,267 |
|---------------------------|-------|-----------|

| | | |
|------------------------------------|-------|-----------|
| Chubb Corp., 6.38%, 3/29/67 (b)(c) | 2,000 | 2,140,000 |
|------------------------------------|-------|-----------|

| | | |
|--|-------|-----------|
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 2,500 | 2,519,415 |
|--|-------|-----------|

| | | |
|--|-------|-----------|
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 2,925 | 3,978,000 |
|--|-------|-----------|

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT APRIL 30, 2011

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par | |
|---|--------------|--------------|
| | (000) | Value |
| Capital Trusts | | |
| Insurance (concluded) | | |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | \$ 3,350 | \$ 3,463,230 |
| MetLife, Inc., 6.40%, 12/15/66 | 3,325 | 3,325,120 |
| Nationwide Life Global Funding I, 6.75%, 5/15/67 | 3,500 | 3,307,500 |
| Principal Life Insurance Co., 8.00%, 3/01/44 (a) | 2,500 | 2,743,693 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 3,000 | 2,956,101 |
| Swiss Re Solutions Holding Corp., 7.75%, 6/15/30 (c) | 2,000 | 2,340,700 |
| ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(b) | 379 | 377,840 |
| | | 41,278,641 |
| Multi-Utilities — 1.4% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 | 2,500 | 2,572,750 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (b) | 3,900 | 4,134,000 |
| | | 6,706,750 |
| Oil, Gas & Consumable Fuels — 1.3% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | 2,000 | 2,172,500 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 4,000 | 4,074,312 |
| | | 6,246,812 |
| Road & Rail — 0.8% | | |
| BNSF Funding Trust I, 6.61%, 12/15/55 (b) | 3,750 | 3,895,312 |
| Total Capital Trusts — 26.4% | | 125,357,657 |
| Preferred Stocks | | |
| Auto Components — 0.1% | | |
| Dana Holding Corp., 4.00% (a) | 4,000 | 624,500 |
| Commercial Banks — 0.4% | | |
| SG Preferred Capital II, 6.30% | 2,000 | 1,937,500 |
| Thriffs & Mortgage Finance — 0.0% | | |
| Fannie Mae, 8.25% (f) | 14,000 | 28,560 |
| Freddie Mac, Series Z, 8.38% (f) | 14,000 | 28,280 |
| | | 56,840 |
| Wireless Telecommunication Services — 0.6% | | |
| Centaur Funding Corp., 9.08% | 2,423 | 2,721,332 |
| Total Preferred Stocks — 1.1% | | 5,340,172 |
| Trust Preferreds | | |
| Diversified Financial Services — 0.5% | | |

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| | | |
|--|-------|-------------|
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | 2,335 | 2,424,924 |
| Total Trust Preferreds — 0.5% | | 2,424,924 |
| Total Preferred Securities — 28.0% | | 133,122,753 |

| | Par | |
|--|--------------|-------------|
| | (000) | |
| Taxable Municipal Bonds | | |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | \$ 3,450 | 3,617,083 |
| State of California, GO, Build America Bonds, 7.35%, 11/01/39 | 870 | 965,396 |
| Total Taxable Municipal Bonds — 1.0% | | 4,582,479 |
| U.S. Treasury Obligations | | |
| U.S. Treasury Notes: | | |
| 3.63%, 2/15/21 | 2,265 | 2,326,581 |
| 4.75%, 2/15/41 | 2,500 | 2,641,405 |
| Total U.S. Treasury Obligations — 1.0% | | 4,967,986 |
| Total Long-Term Investments | | |
| (Cost — \$595,648,591) — 130.1% | | 617,237,333 |

| Short-Term Securities | Shares | Value |
|---|------------------|--------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (g)(h) | 2,023,400 | \$ 2,023,400 |
| Total Short-Term Securities | | |
| (Cost — \$2,023,400) — 0.4% | | 2,023,400 |
| Options Purchased | Contracts | |
| Over-the-Counter Put Options — 0.1% | | |
| S&P 500 Index, Strike Price USD 1,250.00, Expires 9/17/11, Broker Credit Suisse International | 118 | 292,640 |
| Total Options Purchased | | |
| (Cost — \$569,940) — 0.1% | | 292,640 |
| Total Investments Before Options Written | | |
| (Cost — \$598,241,931) — 130.6% | | 619,553,373 |

| | Notional | |
|--|-----------------|-----------|
| | Amount | |
| | (000) | |
| Options Written | | |
| Over-the-Counter Call Swaptions — (0.1)% | | |
| Pay a fixed rate of 4.03% and receive a floating rate based on 3-month LIBOR, Expires 4/16/12, Broker UBS AG | \$ 7,700 | (332,911) |
| Over-the-Counter Put Swaptions — 0.0% | | |

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Receive a fixed rate of 4.03% and pay a floating rate

based on 3-month LIBOR, Expires 4/16/12,

| | | |
|---------------|-------|-----------|
| Broker UBS AG | 7,700 | (215,379) |
|---------------|-------|-----------|

Sold credit default protection on Dow Jones CDX

North America Investment Grade Series 16,

Strike Price \$120.00, Expires 9/21/11,

| | | |
|------------------------------------|---------|-----------|
| Broker Credit Suisse International | 148,000 | (108,469) |
| | | (323,848) |

Total Options Written

| | | |
|--|--|-----------|
| (Premiums Received — \$1,087,200) — (0.1)% | | (656,759) |
|--|--|-----------|

Total Investments, Net of Options Written

| | | |
|----------------------------------|--|-------------|
| (Cost — \$599,329,131*) — 130.5% | | 618,896,614 |
|----------------------------------|--|-------------|

| | | |
|---|--|---------------|
| Liabilities in Excess of Other Assets — (30.5)% | | (144,511,018) |
|---|--|---------------|

| | | |
|---------------------|--|---------------|
| Net Assets — 100.0% | | \$474,385,596 |
|---------------------|--|---------------|

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 597,853,769 |
| Gross unrealized appreciation | \$ 26,189,295 |
| Gross unrealized depreciation | (4,489,691) |
| Net unrealized appreciation | \$ 21,699,604 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

(d) Security is perpetual in nature and has no stated maturity date.

(e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(f) Non-income producing security.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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BlackRock Credit Allocation Income Trust II, Inc. (PSY)
Schedule of Investments (continued)

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

| Affiliate | Shares Held at October 31, 2010 | Net Activity | Shares Held at April 30, 2011 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,483,567 | 539,833 | 2,023,400 | \$ 6,501 |

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

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Reverse repurchase agreements outstanding as of April 30, 2011 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|--|--------------------------|-----------------------|--------------------------|-------------------------------|------------------------|
| Credit Suisse Securities (USA) LLC | 0.40% | 11/02/01 | 3/05/15 | \$4,363,359 | \$ 4,359,000 |
| Deutsche Bank Securities Inc. | 0.38% | 11/02/03 | 12/01/37 | 2,041,895 | 2,040,000 |
| UBS Securities LLC | 0.38% | 11/03/04 | 2/11/21 | 1,105,737 | 1,104,000 |
| BNP Paribas Securities | 0.39% | 11/01/05 | 3/10/15 | 1,538,915 | 1,537,000 |
| Deutsche Bank Securities, Inc. | 0.40% | 11/01/05 | 5/16/19 | 6,580,558 | 6,572,160 |
| Credit Suisse Securities (USA) LLC | 0.40% | 11/02/07 | 3/15/20 | 3,431,199 | 3,428,000 |
| Credit Suisse Securities (USA) LLC | 0.20% | 11/04/07 | 4/05/21 | 1,564,280 | 1,564,063 |
| Credit Suisse | | | | | |

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| Securities | | | | | | |
|--------------------|-------|----------|----------|--|-----------|-----------|
| (USA) LLC | 0.45% | 11/03/09 | 1/28/14 | | 1,558,904 | 1,557,853 |
| UBS Securities LLC | 0.38% | 11/02/10 | 12/01/33 | | 2,304,844 | 2,302,875 |
| UBS Securities LLC | 0.40% | 11/02/10 | 2/15/20 | | 1,727,043 | 1,725,490 |
| UBS Securities LLC | 0.38% | 11/03/10 | 2/01/41 | | 4,229,865 | 4,227,500 |
| Warburg Pincus | 0.38% | 2/16/11 | 3/15/39 | | 7,055,620 | 7,051,250 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.40% | 3/03/11 | 12/15/15 | | 980,528 | 979,875 |
| Barclays | | | | | | |
| Capital Inc. | 0.40% | 3/04/11 | 9/16/15 | | 2,197,867 | 2,196,500 |
| Barclays | | | | | | |
| Capital Inc. | 0.40% | 3/04/11 | 2/16/21 | | 1,309,814 | 1,309,000 |
| Barclays | | | | | | |
| Capital Inc. | 0.40% | 3/04/11 | 3/29/47 | | 2,121,319 | 2,120,000 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.40% | 3/29/11 | 12/01/37 | | 1,484,561 | 1,484,000 |
| Barclays | | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 10/29/49 | | 1,510,296 | 1,510,031 |
| Barclays | | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 12/31/49 | | 1,318,512 | 1,318,281 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.38% | 4/18/11 | 4/15/21 | | 2,743,530 | 2,743,125 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.35% | 4/21/11 | 12/31/49 | | 1,365,146 | 1,365,000 |
| UBS Securities LLC | 0.38% | 4/21/11 | 4/15/38 | | 3,544,161 | 3,543,750 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.40% | 4/25/11 | 1/21/16 | | 927,385 | 927,313 |

•Reverse repurchase agreements outstanding as of April 30, 2011 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount | |
|--------------------|---------------|------------|---------------|--------------------|-------------|--------------|
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.35% | | 4/28/11 | 3/17/16 | \$2,040,079 | \$ 2,040,000 |
| Deutsche Bank | | | | | | |
| Securities Inc. | 0.35% | | 4/28/11 | 9/30/20 | 4,485,174 | 4,485,000 |
| UBS Securities LLC | 0.38% | | 11/02/11 | 2/15/20 | 3,598,536 | 3,595,500 |
| UBS Securities LLC | 0.38% | | 11/02/11 | 1/25/21 | 3,757,655 | 3,754,485 |
| UBS Securities LLC | 0.38% | | 11/02/11 | 2/11/21 | 3,299,936 | 3,298,200 |
| Credit Suisse | | | | | | |
| Securities | | | | | | |

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| | | | | | |
|--------------------|-------|----------|----------|---------------|---------------|
| (USA) LLC | 0.35% | 11/04/11 | 7/15/16 | 2,878,588 | 2,878,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 11/04/11 | 9/13/16 | 970,198 | 970,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 11/01/12 | 12/31/49 | 6,039,035 | 6,031,662 |
| UBS Securities LLC | 0.38% | 11/01/12 | 5/15/38 | 8,111,282 | 8,101,875 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 11/04/12 | 5/23/17 | 600,023 | 599,906 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 11/04/12 | 11/15/36 | 2,283,631 | 2,283,187 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 11/04/12 | 9/29/49 | 649,314 | 649,187 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 11/04/13 | 4/07/21 | 2,023,499 | 2,023,125 |
| UBS Securities LLC | 0.40% | 11/04/13 | 10/15/20 | 9,460,097 | 9,458,100 |
| UBS Securities LLC | 0.38% | 11/02/16 | 3/15/39 | 703,120 | 698,750 |
| UBS Securities LLC | 0.38% | 11/02/17 | 6/15/30 | 2,105,643 | 2,104,000 |
| UBS Securities LLC | 0.38% | 11/03/17 | 3/17/16 | 2,836,377 | 2,835,000 |
| UBS Securities LLC | 0.38% | 11/02/23 | 2/23/16 | 4,185,902 | 4,182,900 |
| UBS Securities LLC | 0.38% | 11/01/26 | 9/01/35 | 2,402,432 | 2,400,000 |
| UBS Securities LLC | 0.38% | 11/01/26 | 9/15/37 | 5,286,011 | 5,280,660 |
| UBS Securities LLC | 0.38% | 11/01/27 | 9/01/20 | 4,481,239 | 4,476,750 |
| UBS Securities LLC | 0.38% | 11/01/27 | 12/15/37 | 3,811,819 | 3,808,000 |
| UBS Securities LLC | 0.38% | 11/01/27 | 1/15/38 | 3,923,931 | 3,920,000 |
| UBS Securities LLC | 0.38% | 11/01/27 | 2/15/38 | 3,799,056 | 3,795,250 |
| UBS Securities LLC | 0.38% | 11/01/27 | 4/01/39 | 4,703,900 | 4,699,188 |
| UBS Securities LLC | 0.38% | 11/01/27 | 3/30/40 | 3,846,603 | 3,842,750 |
| UBS Securities LLC | 0.37% | 11/03/28 | 3/28/14 | 3,477,876 | 3,476,625 |
| UBS Securities LLC | 0.37% | 11/03/31 | 3/11/16 | 1,806,219 | 1,805,625 |
| Total | | | | \$154,572,513 | \$154,459,791 |

*Foreign currency exchange contracts as of April 30, 2011 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|--------------------|---------------|--------------|-----------------|-------------------------|
| EUR 472,000 | USD 686,128 | UBS AG | 7/27/11 | \$ 11,307 |

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•Financial futures contracts purchased as of April 30, 2011 were as follows:

| Contracts Issue | | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------------|------------------------------|---------------------------|-------------------|---------------------------|------------------------------------|
| 212 | 2-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$46,232,966 | \$ 221,534 |

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT APRIL 30, 2011

BlackRock Credit Allocation Income Trust II, Inc. (PSY)
Schedule of Investments (concluded)

•Financial futures contracts sold as of April 30, 2011 were as follows:

| Contracts Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|----------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 237 5-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | | \$27,823,308 \$ (253,786) |
| 328 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | 38,900,454 | (833,671) |
| 128 Long-Term U.S. Treasury Bond | Chicago Board of Trade | June 2011 | 15,318,757 | (345,243) |
| 97 Ultra U.S. Treasury Bond | Chicago Board of Trade | June 2011 | 11,954,329 | (255,546) |
| Total | | | | \$(1,688,246) |

•Credit default swaps on single-name issuer — sold protection outstanding as of April 30, 2011 were as follows:

| Issuer | Receive Fixed Rate | Counter-party | Expiration | Issuer Credit Rating¹ | Notional Amount (000)² | Unrealized Appreciation |
|---------------|---------------------------|----------------------|-------------------|---|--|--------------------------------|
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD 900 | \$ 23,446 |

¹ Using S&P's rating of the underlying securities.

² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

•Credit default swaps on traded indexes — sold protection outstanding as of April 30, 2011 were as follows:

| Index | Receive Fixed Rate | Counter-party | Expiration | Credit Rating³ | Notional Amount (000)⁴ | Unrealized Appreciation |
|---|---------------------------|----------------------|-------------------|----------------------------------|--|--------------------------------|
| iTraxx-Europe Sub Financial Index Series 15 | 1.00% | Deutsche Bank AG | 6/20/16 | A | EUR 8,100 | \$ 11,272 |

³ Using S&P's rating of the underlying securities.

⁴ The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

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•Interest rate swaps outstanding as of April 30, 2011 were as follows:

| Fixed Rate | Floating Rate | Counter-party | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|----------------------|---------------|-----------------------------|-----------------|-----------------------|-------------------------|
| 0.98% ^(a) | 3-month LIBOR | Citibank NA | 3/30/13 | USD 59,200 | \$ (272,191) |
| 4.34% ^(a) | 3-month LIBOR | Citibank NA | 4/14/41 | USD 1,700 | (50,922) |
| 4.38% ^(a) | 3-month LIBOR | Goldman Sachs International | 4/14/41 | USD 2,400 | (86,978) |
| 4.35% ^(a) | 3-month LIBOR | Deutsche Bank AG | 4/15/41 | USD 3,000 | (96,469) |
| Total | | | | | \$ (506,560) |

(a) Pays a fixed interest rate and receives floating rate.

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Investments in Securities | | | Total |
|------------------------|---------------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |

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| | | | | |
|--------------|--------------------|----------------------|---------------------|----------------------|
| Asset-Back | | | | |
| Securities | — | \$ 2,350,616 | \$ 2,212,750 | \$ 4,563,366 |
| Corporate | | | | |
| Bonds | — | 470,000,749 | — | 470,000,749 |
| Preferred | | | | |
| Securities | \$2,481,764 | 130,640,989 | — | 133,122,753 |
| Taxable | | | | |
| Municipal | | | | |
| Bonds | — | 4,582,479 | — | 4,582,479 |
| U.S Treasury | | | | |
| Obligations | — | 4,967,986 | — | 4,967,986 |
| Short-Term | | | | |
| Securities | 2,023,400 | — | — | 2,023,400 |
| Total | \$4,505,164 | \$612,542,819 | \$ 2,212,750 | \$619,260,733 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---------------------|-----------------------|---------------------|---------------------|-----------------------|
| Assets: | | | | |
| Interest rate | | | | |
| contracts | \$ 221,534 | — | — | \$ 221,534 |
| Credit | | | | |
| contracts | — | \$ 34,718 | — | 34,718 |
| Equity | | | | |
| contracts | — | 292,640 | — | 292,640 |
| Foreign | | | | |
| currency | | | | |
| exchange | | | | |
| contracts | — | 11,307 | — | 11,307 |
| Liabilities: | | | | |
| Interest rate | | | | |
| contracts | (1,688,246) | (1,054,850) | — | (2,743,096) |
| Credit | | | | |
| contracts | — | — | \$ (108,469) | (108,469) |
| Total | \$ (1,466,712) | \$ (716,185) | \$ (108,469) | \$ (2,291,366) |

¹ Derivative financial instruments are swaps, financial futures contracts, foreign currency exchange contracts and options. Financial futures contracts, foreign currency exchange contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust III (BPP)**Schedule of Investments** April 30, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Asset-Backed Securities | | |
| Atrium CDO Corp., Series 5A, Class A4, 2.83%, 7/20/20 (a)(b) | \$ 1,300 | \$ 1,085,500 |
| Total Asset-Backed Securities — 0.5% | | 1,085,500 |
| Corporate Bonds | | |
| Aerospace & Defense — 1.7% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 1,215 | 1,354,725 |
| Bombardier, Inc., 7.75%, 3/15/20 (a) | 1,405 | 1,564,819 |
| Huntington Ingalls Industries, Inc. (a): | | |
| 6.88%, 3/15/18 | 180 | 189,450 |
| 7.13%, 3/15/21 | 190 | 199,975 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (a) | 570 | 625,575 |
| | | 3,934,544 |
| Airlines — 0.9% | | |
| American Airlines Pass-Through Trust, Series 2011-1, Class A, 5.25%, 7/31/22 | 640 | 620,800 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 736 | 776,630 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 588 | 595,444 |
| | | 1,992,874 |
| Auto Components — 0.6% | | |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 420 | 432,600 |
| 8.00%, 1/15/18 | 1,000 | 1,032,500 |
| | | 1,465,100 |
| Beverages — 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 955 | 1,040,950 |
| Building Products — 0.3% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 180 | 187,650 |
| 6.75%, 5/01/21 | 570 | 577,837 |
| | | 765,487 |
| Capital Markets — 2.4% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 | 1,500 | 1,621,548 |

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| | | |
|---|--------------|--------------|
| The Goldman Sachs Group, Inc., 6.25%, 2/01/41 (c) | 2,150 | 2,205,724 |
| Macquarie Bank Ltd., 6.63%, 4/07/21 (a) | 975 | 1,009,184 |
| UBS AG, 2.25%, 1/28/14 (c) | 775 | 784,570 |
| | | 5,621,026 |
| Chemicals — 0.4% | | |
| CF Industries, Inc., 7.13%, 5/01/20 | 525 | 601,125 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (a) | 355 | 363,875 |
| | | 965,000 |
| Commercial Banks — 7.9% | | |
| Amsouth Bank, 4.85%, 4/01/13 | 525 | 534,814 |
| Associated Banc-Corp., 5.13%, 3/28/16 | 1,070 | 1,090,306 |
| BNP Paribas, 3.60%, 2/23/16 | 2,100 | 2,135,345 |
| Branch Banking & Trust Co. (b): | | |
| 1.00%, 9/13/16 | 550 | 530,400 |
| 1.00%, 5/23/17 | 325 | 304,663 |
| CIT Group, Inc., 6.63%, 4/01/18 (a) | 782 | 839,996 |
| Credit Agricole SA, 8.38% (a)(b)(c)(d) | 725 | 792,063 |
| Discover Bank, 8.70%, 11/18/19 | 550 | 676,325 |
| Fifth Third Bancorp, 3.63%, 1/25/16 | 1,350 | 1,369,687 |
| HSBC Holdings Plc, 5.10%, 4/05/21 (c) | 2,700 | 2,778,956 |
| KeyCorp, 5.10%, 3/24/21 | 390 | 399,445 |
| Lloyds TSB Bank Plc, 4.88%, 1/21/16 | 475 | 498,600 |
| RESPARCS Funding LP I, 8.00% (d)(e)(f) | 4,000 | 2,380,000 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 1,225 | 1,247,208 |
| 5.75%, 6/15/15 | 850 | 875,500 |
| | | |
| | Par | |
| Corporate Bonds | (000) | Value |
| Commercial Banks (concluded) | | |
| Societe Generale, 5.20%, 4/15/21 (a)(c) | \$ 1,375 | \$ 1,386,969 |
| SunTrust Banks, Inc., 3.60%, 4/15/16 | 400 | 405,157 |
| | | 18,245,434 |
| Commercial Services & Supplies — 3.8% | | |
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 | 4,500 | 4,665,319 |
| 6.75%, 4/06/21 | 1,125 | 1,133,809 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (a) | 296 | 302,660 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 630 | 674,100 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 1,600 | 1,752,000 |

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| | | |
|---|-------|------------|
| Mobile Mini, Inc., 7.88%, 12/01/20 (a) | 135 | 143,438 |
| | | 8,671,326 |
| Communications Equipment — 1.2% | | |
| Avaya, Inc.: | | |
| 9.75%, 11/01/15 | 400 | 413,000 |
| 7.00%, 4/01/19 (a) | 225 | 222,750 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 1,450 | 1,576,875 |
| CC Holdings GS V LLC, 7.75%, 5/01/17 (a) | 440 | 486,200 |
| | | 2,698,825 |
| Construction Materials — 0.2% | | |
| Inversiones CMPC SA, 4.75%, 1/19/18 (a) | 400 | 394,667 |
| Consumer Finance — 5.6% | | |
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 2,900 | 2,890,827 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 1,625 | 2,081,121 |
| Ford Motor Credit Co. LLC, 7.00%, 4/15/15 | 300 | 329,487 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 1,020 | 1,078,650 |
| SLM Corp., 6.25%, 1/25/16 | 6,275 | 6,653,659 |
| | | 13,033,744 |
| Containers & Packaging — 1.3% | | |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 850 | 926,500 |
| 6.75%, 9/15/20 | 1,070 | 1,126,175 |
| Crown Americas LLC, 6.25%, 2/01/21 (a) | 400 | 411,000 |
| Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14 | 270 | 275,737 |
| Rock-Tenn Co., 9.25%, 3/15/16 | 150 | 163,500 |
| | | 2,902,912 |
| Diversified Financial Services — 4.3% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 400 | 404,000 |
| 8.30%, 2/12/15 | 780 | 877,500 |
| 8.00%, 11/01/31 | 1,060 | 1,195,150 |
| Bank of America Corp., 3.63%, 3/17/16 (c) | 2,450 | 2,462,444 |
| Citigroup, Inc., 4.59%, 12/15/15 | 475 | 502,673 |
| General Electric Capital Corp., 5.30%, 2/11/21 (c) | 2,225 | 2,308,736 |
| Moody's Corp., 6.06%, 9/07/17 | 1,500 | 1,545,088 |
| Reynolds Group Issuer, Inc. (a): | | |
| 6.88%, 2/15/21 | 320 | 330,000 |
| 8.25%, 2/15/21 | 390 | 396,337 |
| | | 10,021,928 |
| Diversified Telecommunication Services — 5.1% | | |
| AT&T, Inc., 6.30%, 1/15/38 (c) | 2,000 | 2,109,722 |

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Level 3 Financing, Inc.:

| | | |
|---|-------|------------|
| 8.75%, 2/15/17 | 870 | 900,450 |
| 10.00%, 2/01/18 | 280 | 302,400 |
| 9.38%, 4/01/19 (a) | 430 | 456,875 |
| Qwest Corp., 8.38%, 5/01/16 | 1,360 | 1,615,000 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 500 | 545,320 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 660 | 685,020 |
| Verizon Communications, Inc. (c): | | |
| 1.95%, 3/28/14 | 1,775 | 1,790,258 |
| 7.35%, 4/01/39 | 1,950 | 2,334,809 |
| Windstream Corp., 7.88%, 11/01/17 | 900 | 972,000 |
| | | 11,711,854 |

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust III (BPP)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Electric Utilities — 1.0% | | |
| Progress Energy, Inc., 7.00%, 10/30/31 | \$ 2,000 | \$ 2,333,594 |
| Electronic Equipment, Instruments & Components — 0.8% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 400 | 459,000 |
| NXP BV, 3.05%, 10/15/13 (b) | 1,450 | 1,442,750 |
| | | 1,901,750 |
| Energy Equipment & Services — 0.9% | | |
| Ensco Plc, 4.70%, 3/15/21 | 960 | 969,238 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 185 | 197,025 |
| Key Energy Service, Inc., 6.75%, 3/01/21 | 360 | 369,900 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 465 | 477,206 |
| | | 2,013,369 |
| Food & Staples Retailing — 2.0% | | |
| CVS Caremark Corp., 6.30%, 6/01/62 (b) | 1,650 | 1,633,500 |
| Wal-Mart Stores, Inc.: | | |
| 5.25%, 9/01/35 | 1,850 | 1,835,381 |
| 6.20%, 4/15/38 (c) | 1,075 | 1,188,157 |
| | | 4,657,038 |
| Food Products — 1.0% | | |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a) | 210 | 214,987 |
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 800 | 927,926 |
| 6.13%, 8/23/18 | 800 | 907,174 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 187 | 221,595 |
| | | 2,271,682 |
| Gas Utilities — 0.1% | | |
| Targa Resources Partners LP, 6.88%, 2/01/21 (a) | 240 | 238,800 |
| Health Care Equipment & Supplies — 1.5% | | |
| Boston Scientific Corp.: | | |
| 4.50%, 1/15/15 | 106 | 111,180 |
| 6.40%, 6/15/16 | 92 | 103,065 |
| 5.13%, 1/12/17 | 375 | 394,515 |
| 7.38%, 1/15/40 | 1,425 | 1,648,042 |

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| | | |
|--|--------------|--------------|
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 1,000 | 1,146,250 |
| | | 3,403,052 |
| Health Care Providers & Services — 3.3% | | |
| Aetna, Inc., 6.75%, 12/15/37 | 1,725 | 1,963,925 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a) | 220 | 232,100 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 240 | 266,400 |
| 7.25%, 9/15/20 | 1,645 | 1,768,375 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 745 | 864,200 |
| 8.88%, 7/01/19 | 550 | 621,500 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 | 1,725 | 1,983,134 |
| | | 7,699,634 |
| Household Durables — 0.3% | | |
| Cemex Espana Luxembourg, 9.25%, 5/12/20 (a) | 723 | 739,268 |
| IT Services — 0.5% | | |
| First Data Corp. (a): | | |
| 7.38%, 6/15/19 | 355 | 361,656 |
| 8.25%, 1/15/21 | 90 | 89,550 |
| 12.63%, 1/15/21 | 580 | 635,825 |
| | | 1,087,031 |
| Independent Power Producers & Energy Traders — 0.7% | | |
| AES Corp., 9.75%, 4/15/16 | 480 | 555,600 |
| Energy Future Intermediate Holding Co. LLC, | | |
| 10.00%, 12/01/20 | 720 | 774,058 |
| NRG Energy, Inc., 8.25%, 9/01/20 | 240 | 252,600 |
| | | 1,582,258 |
| | Par | Value |
| Corporate Bonds | (000) | |
| Insurance — 3.8% | | |
| American International Group, Inc., 6.40%, 12/15/20 \$ | 810 | \$ 886,155 |
| Dai-ichi Life Insurance Co., Ltd., 7.25% (a)(b)(d) | 337 | 338,486 |
| Forethought Financial Group, 8.63%, 4/15/21 (a) | 525 | 528,976 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 480 | 492,993 |
| Lincoln National Corp., 6.25%, 2/15/20 | 1,725 | 1,937,309 |
| Northwestern Mutual Life Insurance, | | |
| 6.06%, 3/30/40 (a)(c) | 1,800 | 1,935,072 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 475 | 608,206 |
| Prudential Financial, Inc., 6.63%, 12/01/37 | 1,725 | 1,924,134 |

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| | | |
|---|-------|------------|
| | | 8,651,331 |
| Life Sciences Tools & Services — 1.8% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 1,830 | 2,035,875 |
| Life Technologies Corp., 6.00%, 3/01/20 | 2,000 | 2,190,438 |
| | | 4,226,313 |
| Machinery — 1.3% | | |
| AGY Holding Corp., 11.00%, 11/15/14 | 390 | 379,275 |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 1,725 | 2,077,112 |
| Navistar International Corp., 8.25%, 11/01/21 | 475 | 529,625 |
| | | 2,986,012 |
| Media — 8.7% | | |
| CMP Susquehanna Corp., 3.44%, 5/15/14 (a)(f) | 9 | 6,787 |
| CSC Holdings LLC: | | |
| 8.50%, 6/15/15 | 800 | 873,000 |
| 8.63%, 2/15/19 | 580 | 668,450 |
| Comcast Corp., 6.30%, 11/15/17 | 1,725 | 1,983,602 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 1,725 | 2,278,658 |
| DISH DBS Corp., 7.00%, 10/01/13 | 850 | 918,000 |
| DirectTV Holdings LLC, 5.00%, 3/01/21 | 1,250 | 1,282,424 |
| Gannett Co., Inc., 9.38%, 11/15/17 | 900 | 1,012,500 |
| Intelsat Bermuda Ltd. (g): | | |
| 11.50%, 2/04/17 (a) | 130 | 142,350 |
| 11.50%, 2/04/17 | 200 | 219,000 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 500 | 512,500 |
| The New York Times Co., 6.63%, 12/15/16 | 1,725 | 1,746,562 |
| News America, Inc., 6.15%, 3/01/37 | 2,000 | 2,043,810 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 1,950 | 2,119,523 |
| Time Warner, Inc., 7.70%, 5/01/32 | 2,000 | 2,411,238 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | 505 | 534,037 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 1,300 | 1,423,500 |
| | | 20,175,941 |
| Metals & Mining — 2.0% | | |
| Alcoa, Inc., 5.40%, 4/15/21 | 1,190 | 1,208,288 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 1,400 | 1,489,338 |
| JMC Steel Group, 8.25%, 3/15/18 (a) | 150 | 157,125 |
| Novelis, Inc., 8.75%, 12/15/20 | 500 | 558,750 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 850 | 1,086,980 |
| United States Steel Corp., 7.38%, 4/01/20 | 95 | 100,225 |
| | | 4,600,706 |
| Multi-Utilities — 1.5% | | |
| CenterPoint Energy, Inc.: | | |

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| | | |
|---|-------|-----------|
| 5.95%, 2/01/17 | 1,500 | 1,650,644 |
| 6.50%, 5/01/18 | 1,600 | 1,810,923 |
| | | 3,461,567 |
| Multiline Retail — 1.3% | | |
| Dollar General Corp., 10.63%, 7/15/15 | 1,550 | 1,658,500 |
| JC Penney Co., Inc., 5.65%, 6/01/20 | 1,400 | 1,396,500 |
| | | 3,055,000 |
| Oil, Gas & Consumable Fuels — 7.6% | | |
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | 497 | 555,144 |
| 6.38%, 9/15/17 | 12 | 13,554 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2011

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BlackRock Credit Allocation Income Trust III (BPP)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Corporate Bonds | | |
| Oil, Gas & Consumable Fuels (concluded) | | |
| BP Capital Markets Plc: | | |
| 3.88%, 3/10/15 | \$ 700 | \$ 734,191 |
| 3.20%, 3/11/16 | 925 | 932,512 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 475 | 483,250 |
| Chesapeake Energy Corp., 6.13%, 2/15/21 | 1,690 | 1,744,925 |
| Consol Energy, Inc., 6.38%, 3/01/21 (a) | 410 | 412,050 |
| Copano Energy LLC, 7.13%, 4/01/21 | 270 | 276,750 |
| Denbury Resources, Inc., 6.38%, 8/15/21 | 280 | 288,400 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 1,000 | 1,321,007 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 (a) | 500 | 511,250 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 2,000 | 2,321,602 |
| Forest Oil Corp., 7.25%, 6/15/19 | 215 | 223,600 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 2,000 | 2,329,742 |
| Linn Energy LLC, 7.75%, 2/01/21 (a) | 510 | 546,337 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 (a) | 650 | 658,614 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 1,725 | 2,196,731 |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (a) | 185 | 186,850 |
| Petrobras International Finance Co., 3.88%, 1/27/16 | 700 | 709,645 |
| Range Resources Corp., 6.75%, 8/01/20 | 415 | 444,050 |
| SM Energy Co., 6.63%, 2/15/19 (a) | 235 | 242,637 |
| SandRidge Energy, Inc., 7.50%, 3/15/21 (a) | 350 | 368,375 |
| | | 17,501,216 |
| Paper & Forest Products — 3.0% | | |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 1,635 | 1,855,725 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 1,625 | 1,939,613 |
| 8.70%, 6/15/38 | 900 | 1,170,386 |
| 7.30%, 11/15/39 | 1,725 | 1,969,747 |
| | | 6,935,471 |
| Pharmaceuticals — 5.0% | | |
| Bristol-Myers Squibb Co., 5.88%, 11/15/36 (c) | 883 | 972,012 |
| GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 | 3,460 | 3,958,287 |
| Merck & Co., Inc. (c): | | |

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| | | |
|------------------------------|-------|------------|
| 6.50%, 12/01/33 | 990 | 1,179,154 |
| 6.55%, 9/15/37 | 1,979 | 2,353,779 |
| Pfizer, Inc., 7.20%, 3/15/39 | 2,500 | 3,157,113 |
| | | 11,620,345 |

Professional Services — 0.0%

| | | |
|---------------------------------------|-----|---------|
| FTI Consulting, Inc., 7.75%, 10/01/16 | 100 | 105,000 |
|---------------------------------------|-----|---------|

Real Estate Investment Trusts (REITs) — 1.9%

| | | |
|---|-------|-----------|
| AvalonBay Communities, Inc., 6.10%, 3/15/20 | 1,725 | 1,948,450 |
| ERP Operating LP, 5.75%, 6/15/17 | 1,715 | 1,921,043 |
| HCP, Inc., 5.38%, 2/01/21 | 500 | 519,728 |
| | | 4,389,221 |

Road & Rail — 1.7%

| | | |
|--|-------|-----------|
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 425 | 432,422 |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 314 | 333,625 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) | 80 | 84,800 |
| The Hertz Corp., 6.75%, 4/15/19 (a) | 518 | 528,360 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 2,500 | 2,458,940 |
| | | 3,838,147 |

Semiconductors & Semiconductor Equipment — 0.6%

| | | |
|--|-----|-----------|
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | 400 | 417,000 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 918 | 1,038,700 |
| | | 1,455,700 |

Specialty Retail — 0.9%

| | | |
|--------------------------------------|-----|-----------|
| AutoNation, Inc., 6.75%, 4/15/18 | 940 | 984,650 |
| Best Buy Co., Inc., 5.50%, 3/15/21 | 650 | 653,878 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 470 | 498,200 |
| | | 2,136,728 |

| | Par (000) | Value |
|---|--------------|--------------|
| Corporate Bonds | | |
| Tobacco — 1.4% | | |
| Altria Group, Inc., 10.20%, 2/06/39 | \$ 2,150 | \$ 3,147,387 |
| Wireless Telecommunication Services — 2.6% | | |
| American Tower Corp., 4.50%, 1/15/18 | 925 | 914,050 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 325 | 346,937 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/17 | 575 | 613,243 |
| 6.11%, 1/15/40 | 625 | 676,422 |
| Intelsat Jackson Holdings SA (a): | | |
| 7.25%, 4/01/19 | 150 | 152,531 |

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| | | |
|--|-------|--------------------|
| 7.25%, 4/01/21 | 300 | 304,500 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 395 | 398,950 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 2,500 | 2,562,500 |
| | | 5,969,133 |
| Total Corporate Bonds — 93.4% | | 215,648,365 |
| Preferred Securities | | |
| Capital Trusts | | |
| Capital Markets — 4.1% | | |
| State Street Capital Trust III, 8.25% (b)(d) | 1,385 | 1,386,565 |
| State Street Capital Trust IV, 1.31%, 6/01/67 (b) | 9,675 | 8,101,197 |
| | | 9,487,762 |
| Commercial Banks — 7.1% | | |
| ABN AMRO North America Holding Preferred Capital | | |
| Repackaging Trust I, 6.52% (a)(b)(d) | 1,650 | 1,567,500 |
| BNP Paribas, 7.20% (a)(b)(d) | 700 | 693,000 |
| Barclays Bank Plc (a)(b)(d): | | |
| 5.93%, 9/29/49 | 1,700 | 1,623,500 |
| 7.43%, 12/15/49 | 325 | 337,350 |
| CBA Capital Trust I, 5.81% (a)(c)(d) | 2,000 | 2,052,500 |
| Credit Agricole SA, 6.64% (a)(b)(c)(d) | 725 | 668,668 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 1,095 | 1,073,100 |
| FCB/NC Capital Trust I, 8.05%, 3/01/28 | 1,100 | 1,101,109 |
| NBP Capital Trust III, 7.38% (d) | 2,000 | 1,850,000 |
| National City Preferred Capital Trust I, 12.00% (b)(d) | 600 | 672,522 |
| USB Capital XIII Trust, 6.63%, 12/15/39 | 1,725 | 1,841,834 |
| Westpac Capital Trust IV, 5.26% (a)(b)(d) | 3,000 | 2,917,500 |
| | | 16,398,583 |
| Diversified Financial Services — 5.3% | | |
| ING Capital Funding Trust III, 8.44% (b)(d) | 850 | 820,264 |
| JPMorgan Chase Capital XXI, Series U, | | |
| 1.24%, 1/15/87 (b) | 7,125 | 6,107,913 |
| JPMorgan Chase Capital XXIII, 1.31%, 5/15/77 (b) | 6,190 | 5,204,199 |
| | | 12,132,376 |
| Electric Utilities — 0.4% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 900 | 894,374 |
| Insurance — 3.6% | | |
| AXA SA, 6.38% (a)(b)(d) | 900 | 829,125 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 900 | 929,250 |
| American General Capital II, 8.50%, 7/01/30 | 100 | 113,000 |
| Chubb Corp., 6.38%, 3/29/67 (b) | 900 | 963,000 |

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| | | |
|--|-------|-----------|
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 900 | 1,224,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | 900 | 930,420 |
| MetLife, Inc., 6.40%, 12/15/66 | 900 | 900,032 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 1,300 | 1,280,977 |
| Swiss Re Capital I LP, 6.85% (a)(b)(d) | 1,000 | 993,766 |
| ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(b) | 190 | 189,419 |
| | | 8,352,989 |

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust III (BPP)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|------------|
| Capital Trusts | | |
| Oil, Gas & Consumable Fuels — 0.4% | | |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | \$ 900 | \$ 916,720 |
| Total Capital Trusts — 20.9% | | 48,182,805 |
| Preferred Stocks | | |
| Commercial Banks — 0.4% | | |
| SG Preferred Capital II, 6.30% | 1,000 | 968,750 |
| Insurance — 2.4% | | |
| Prudential Plc, 6.50% (d) | 6,000,000 | 5,640,000 |
| Media — 0.0% | | |
| CMP Susquehanna Radio Holdings Corp., 6.30% (a)(b)(d) | 2,052 | 21 |
| Total Preferred Stocks — 2.8% | | 6,608,771 |
| Trust Preferreds | | |
| Diversified Financial Services — 0.5% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | 1,061 | 1,101,483 |
| Total Trust Preferreds — 0.5% | | 1,101,483 |
| Total Preferred Securities — 24.2% | | 55,893,058 |
| Taxable Municipal Bonds | | |
| Metropolitan Transportation Authority, RB, | | |
| Build America Bonds, 6.55%, 11/15/31 | \$ 1,675 | 1,756,121 |
| State of California, GO, Build America Bonds, 7.35%, 11/01/39 | 425 | 471,601 |
| Total Taxable Municipal Bonds — 0.9% | | 2,227,722 |
| U.S. Treasury Obligations | | |
| U.S. Treasury Notes (c): | | |
| 3.63%, 2/15/21 | 1,090 | 1,119,635 |
| 4.75%, 2/15/41 | 1,200 | 1,267,875 |
| Total U.S. Treasury Obligations — 1.0% | | 2,387,510 |
| Warrants (h) | | |
| Media — 0.0% | | |
| CMP Susquehanna Radio Holdings Corp. (Expires 3/26/19) (a) | 2,345 | — |
| Total Warrants — 0.0% | | — |

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Total Long-Term Investments

(Cost — \$268,777,557) — 120.0%

277,242,155

Short-Term Securities

BlackRock Liquidity Funds, TempFund,

Institutional Class, 0.10% (i)(j)

Shares

Value

1,547,481

\$ 1,547,481

Total Short-Term Securities

(Cost — \$1,547,481) — 0.7%

1,547,481

Options Purchased

Contracts

Over-the-Counter Dual Binary Options — 0.0%

Receive 1.00% of notional amount at expiration date

if 30 year swap is below or at 4.30% and 5 year

swap is above or at 2.38% based on ISDAFIX,

Expires 6/23/11, Broker Goldman Sachs Bank USA

22,700,000

29,692

Over-the-Counter Put Options — 0.1%

S&P 500 Index, Strike Price USD 1,250.00,

Expires 9/17/11, Broker Credit Suisse International

58

143,840

Notional

Amount

(000)

Over-the-Counter Put Swaptions — 0.0%

Pay a fixed rate of 2.85% and receive a floating rate

based on 3-month LIBOR, Expires 6/24/11,

Broker Citibank NA

\$ 3,700

2,564

Total Options Purchased

(Cost — \$339,793) — 0.1%

176,096

Total Investments Before Options Written

(Cost — \$270,664,831) — 120.8%

278,965,732

Options Written

Over-the-Counter Call Swaptions — (0.2)%

Pay a fixed rate of 4.03% and receive a floating rate

based on 3-month LIBOR, Expires 4/16/12,

Broker UBS AG

3,700

(159,970)

Pay a fixed rate of 4.75% and receive a floating rate

based on 3-month LIBOR, Expires 3/24/14,

Broker Citibank NA

5,000

(314,738)

(474,708)

Over-the-Counter Put Swaptions — (0.2)%

Receive a fixed rate of 4.03% and pay a floating rate

based on 3-month LIBOR, Expires 4/16/12,

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| | | |
|---|--------|----------------|
| Broker UBS AG | 3,700 | (103,493) |
| Receive a fixed rate of 4.75% and pay a floating rate based on 3-month LIBOR, Expires 3/24/14, | | |
| Broker Citibank NA | 5,000 | (261,611) |
| Sold credit default protection on Dow Jones CDX North America Investment Grade Series 16, Strike Price \$120.00, Expires 9/21/11, | | |
| Broker Credit Suisse International | 72,000 | (52,769) |
| | | (417,873) |
| Total Options Written | | |
| (Premiums Received — \$1,110,600) — (0.4)% | | (892,581) |
| Total Investments, Net of Options Written | | |
| (Cost — \$271,775,431*) — 120.4% | | 278,073,151 |
| Liabilities in Excess of Other Assets — (20.4)% | | (47,165,129) |
| Net Assets — 100.0% | | \$ 230,908,022 |

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust III (BPP)
Schedule of Investments (continued)

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 270,204,198 |
| Gross unrealized appreciation | \$ 12,291,763 |
| Gross unrealized depreciation | (3,530,229) |
| Net unrealized appreciation | \$ 8,761,534 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

(d) Security is perpetual in nature and has no stated maturity date.

(e) Issuer filed for bankruptcy and/or is in default of interest payments.

(f) Non-income producing security.

(g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(h) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| | Shares Held at | | Shares Held at | |
|--|-----------------------|-----------------|-----------------------|---------------|
| | October 31, | Net | April 30, | |
| Affiliate | 2010 | Activity | 2011 | Income |
| BlackRock Liquidity Funds, TempFund, Institutional Class | 34,466,527 | (32,919,046) | 1,547,481 | \$ 7,230 |

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

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Reverse repurchase agreements outstanding as of April 30, 2011 were as follows:

| Interest | Trade | Maturity | Net Closing | Face |
|----------|-------|----------|-------------|------|
|----------|-------|----------|-------------|------|

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| Counterparty | Rate | Date | Date | Amount | Amount |
|--------------------|-------|----------|---------|--------------|--------------|
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 12/09/10 | 5/15/38 | \$ 3,790,213 | \$ 3,784,159 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 12/09/10 | 2/06/39 | 2,858,422 | 2,853,856 |
| UBS Securities LLC | 0.40% | 12/30/10 | 3/15/20 | 1,503,646 | 1,501,594 |
| UBS Securities LLC | 0.38% | 1/10/11 | 2/15/20 | 1,787,486 | 1,785,375 |
| UBS Securities LLC | 0.38% | 1/27/11 | 9/01/35 | 1,777,800 | 1,776,000 |
| UBS Securities LLC | 0.38% | 1/27/11 | 1/15/38 | 1,954,458 | 1,952,500 |
| UBS Securities LLC | 0.38% | 1/27/11 | 4/01/39 | 2,274,028 | 2,271,750 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 2/01/11 | 3/05/15 | 2,181,179 | 2,179,000 |

•Reverse repurchase agreements outstanding as of April 30, 2011 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|--------------------|---------------|------------|---------------|--------------------|--------------|
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.40% | 2/07/11 | 3/30/40 | \$ 1,814,292 | \$ 1,812,600 |
| UBS Securities LLC | 0.38% | 2/10/11 | 3/15/39 | 2,983,799 | 2,981,250 |
| UBS Securities LLC | 0.38% | 2/11/11 | 2/11/21 | 1,602,064 | 1,601,300 |
| UBS Securities LLC | 0.38% | 2/11/11 | 12/01/33 | 1,094,874 | 1,093,950 |
| UBS Securities LLC | 0.38% | 2/11/11 | 9/15/37 | 2,198,545 | 2,196,690 |
| UBS Securities LLC | 0.38% | 2/23/11 | 2/23/16 | 2,006,940 | 2,005,500 |
| UBS Securities LLC | 0.38% | 3/04/11 | 2/01/41 | 2,036,242 | 2,034,975 |
| UBS Securities LLC | 0.38% | 3/10/11 | 12/01/37 | 1,777,744 | 1,776,750 |
| Deutsche Bank | | | | | |
| Securities Inc. | 0.40% | 3/30/11 | 9/15/15 | 2,741,505 | 2,740,500 |
| UBS Securities LLC | 0.37% | 3/31/11 | 2/11/21 | 535,364 | 534,600 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/07/11 | 4/05/21 | 2,599,382 | 2,598,750 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/11/11 | 1/28/14 | 742,151 | 742,000 |
| Credit Suisse | | | | | |

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| | | | | | |
|--------------------|-------|---------|----------|---------------------|---------------------|
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/12/11 | 11/15/36 | 910,771 | 910,594 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/12/11 | 12/31/49 | 1,982,885 | 1,982,500 |
| UBS Securities LLC | 0.37% | 4/13/11 | 3/28/14 | 1,689,242 | 1,688,912 |
| Barclays | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 10/29/49 | 742,349 | 742,219 |
| Barclays | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | 12/31/49 | 648,082 | 647,969 |
| Deutsche Bank | | | | | |
| Securities Inc. | 0.38% | 4/18/11 | 4/15/21 | 1,323,633 | 1,323,438 |
| Deutsche Bank | | | | | |
| Securities Inc. | 0.38% | 4/18/11 | 4/15/38 | 1,102,038 | 1,101,875 |
| Deutsche Bank | | | | | |
| Securities Inc. | 0.35% | 4/21/11 | 3/17/16 | 2,364,503 | 2,364,250 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.04% | 4/29/11 | 5/02/11 | 2,394,433 | 2,394,424 |
| Total | | | | \$53,418,070 | \$53,379,280 |

•Financial futures contracts purchased as of April 30, 2011 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------|------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 102 | 2-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$22,244,163 | \$ 106,587 |
| 11 | Long-Term U.S. Treasury Bond | Chicago Board of Trade | June 2011 | \$ 1,311,350 | 34,775 |
| Total | | | | | \$ 141,362 |

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust III (BPP)
Schedule of Investments (concluded)

•Financial futures contracts sold as of April 30, 2011 were as follows:

| Contracts Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 115 5-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | | \$13,500,761 \$ (123,145) |
| 25 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$2,970,311 | (58,204) |
| 46 Ultra U.S. Treasury Bond | Chicago Board of Trade | June 2011 | \$5,674,213 | (116,037) |
| Total | | | | \$ (297,386) |

•Credit default swaps on single-name issuer — buy protection outstanding as of April 30, 2011 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|------------------------|-----------------------|---------------------|------------------------|------------------------------|--------------------------------|
| The New York Times Co. | 1.00% | Barclays Bank Plc | 12/20/16 | \$ 1,725 | \$ (1,969) |

•Credit default swaps on single-name issuer — sold protection outstanding as of April 30, 2011 were as follows:

| Issuer | Receive Fixed Rate | Counter-party | Expiration | Issuer Credit Rating¹ | Notional Amount (000)² | Unrealized Appreciation |
|---------------|---------------------------|----------------------|-------------------|---|--|--------------------------------|
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | \$ 425 | \$ 11,072 |

¹ Using S&P's rating of the underlying securities.

² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

•Interest rate swaps outstanding as of April 30, 2011 were as follows:

| Fixed Rate | Floating Rate | Counter-party | Expiration Date | Notional Amount | Unrealized Appreciation (000) (Depreciation) |
|----------------------|----------------------|----------------------|------------------------|------------------------|---|
| 0.98% ^(a) | 3-month LIBOR | Citibank NA | 3/30/13 | USD 28,800 | \$ (132,416) |

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| | | | | | | |
|----------------------|---------|------------------|---------|-----|-------|--------------|
| 2.32% ^(b) | 3-month | | | | | |
| | LIBOR | Citibank NA | 3/28/16 | USD | 2,000 | 19,120 |
| 4.34% ^(a) | 3-month | | | | | |
| | LIBOR | Citibank NA | 4/14/41 | USD | 800 | (23,964) |
| 4.38% ^(a) | 3-month | Goldman Sachs | | | | |
| | LIBOR | International | 4/14/41 | USD | 1,200 | (43,489) |
| 4.35% ^(a) | 3-month | | | | | |
| | LIBOR | Deutsche Bank AG | 4/15/41 | USD | 1,500 | (48,235) |
| Total | | | | | | \$ (228,984) |

(a) Pays a fixed interest rate and receives floating rate.

(b) Pays floating interest rate and receives fixed rate.

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

•Level 1 — price quotations in active markets/exchanges for identical assets and liabilities

•Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

•Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Investments in Securities | | | Total |
|------------------|---------------------------|---------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments: | | | | |
| Asset-Back | | | | |
| Securities | — | — | \$ 1,085,500 | \$ 1,085,500 |
| Corporate | | | | |
| Bonds | — | \$215,641,578 | 6,787 | 215,648,365 |

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| | | | | |
|--------------|--------------------|----------------------|---------------------|----------------------|
| Preferred | | | | |
| Securities | \$1,101,483 | 54,791,554 | \$ 21 | 55,893,058 |
| Taxable | | | | |
| Municipal | | | | |
| Bonds | — | 2,227,722 | — | 2,227,722 |
| U.S Treasury | | | | |
| Obligations | — | 2,387,510 | — | 2,387,510 |
| Short-Term | | | | |
| Securities | 1,547,481 | — | — | 1,547,481 |
| Total | \$2,648,964 | \$275,048,364 | \$ 1,092,308 | \$278,789,636 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total | |
|---------------------|---------------------|---------|---------------------|--------------------|-----------------------|
| Assets: | | | | | |
| Interest rate | | | | | |
| contracts | \$ 141,362 | | \$ 21,684 | \$ 29,692 | \$ 192,738 |
| Credit | | | | | |
| contracts | — | | 11,072 | — | 11,072 |
| Equity | | | | | |
| contracts | — | | 143,840 | — | 143,840 |
| Liabilities: | | | | | |
| Interest rate | | | | | |
| contracts | (297,386) | | (1,087,916) | — | (1,385,302) |
| Credit | | | | | |
| contracts | — | | (1,969) | (52,769) | (54,738) |
| Total | \$ (156,024) | | \$ (913,289) | \$ (23,077) | \$ (1,092,390) |

¹ Derivative financial instruments are swaps, financial futures contracts, and options. Financial futures contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust IV (BTZ)**Schedule of Investments** April 30, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Asset-Backed Securities | | |
| Atrium CDO Corp., Series 5A, Class A4, 2.83%, 7/20/20 (a)(b) | \$ 4,400 | \$ 3,674,000 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.51%, 6/15/21 (b) | 4,438 | 4,328,856 |
| Total Asset-Backed Securities — 1.1% | | 8,002,856 |
| Corporate Bonds | | |
| Aerospace & Defense — 1.7% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 3,575 | 3,986,125 |
| Bombardier, Inc., 7.75%, 3/15/20 (a) | 4,500 | 5,011,875 |
| Huntington Ingalls Industries, Inc. (a): | | |
| 6.88%, 3/15/18 | 580 | 610,450 |
| 7.13%, 3/15/21 | 600 | 631,500 |
| Kratos Defense & Security Solutions Inc., 10.00%, 6/01/17 (a) | 2,052 | 2,252,070 |
| | | 12,492,020 |
| Airlines — 0.9% | | |
| American Airlines Pass-Through Trust, Series 2011-1, Class A, 5.25%, 7/31/22 | 2,425 | 2,352,250 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 2,113 | 2,229,680 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 2,205 | 2,232,916 |
| | | 6,814,846 |
| Auto Components — 0.6% | | |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 1,700 | 1,751,000 |
| 8.00%, 1/15/18 | 2,500 | 2,581,250 |
| | | 4,332,250 |
| Beverages — 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 3,230 | 3,520,700 |
| Building Products — 0.5% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 790 | 823,575 |
| 6.75%, 5/01/21 | 1,930 | 1,956,538 |
| Nortek, Inc., 10.00%, 12/01/18 (a) | 1,100 | 1,177,000 |

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| | | |
|--|--------------|--------------|
| | | 3,957,113 |
| Capital Markets — 3.9% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 4,500 | 4,864,644 |
| The Goldman Sachs Group, Inc. (c): | | |
| 7.50%, 2/15/19 | 6,850 | 8,134,266 |
| 6.25%, 2/01/41 | 7,350 | 7,540,497 |
| Macquarie Bank Ltd., 6.63%, 4/07/21 (a)(c) | 3,950 | 4,088,487 |
| UBS AG (c): | | |
| 2.25%, 1/28/14 | 2,678 | 2,711,071 |
| 5.88%, 7/15/16 | 1,575 | 1,731,509 |
| | | 29,070,474 |
| Chemicals — 0.5% | | |
| CF Industries, Inc., 7.13%, 5/01/20 | 1,850 | 2,118,250 |
| Omnova Solutions, Inc., 7.88%, 11/01/18 (a) | 1,220 | 1,250,500 |
| | | 3,368,750 |
| Commercial Banks — 6.5% | | |
| Amsouth Bank, 4.85%, 4/01/13 | 1,800 | 1,833,649 |
| Associated Banc-Corp., 5.13%, 3/28/16 | 3,645 | 3,714,175 |
| BNP Paribas, 3.60%, 2/23/16 (c) | 7,250 | 7,372,025 |
| Branch Banking & Trust Co. (b)(c): | | |
| 1.00%, 9/13/16 | 1,850 | 1,784,071 |
| 1.00%, 5/23/17 | 1,100 | 1,031,165 |
| CIT Group, Inc., 6.63%, 4/01/18 (a) | 2,673 | 2,871,240 |
| Credit Agricole SA, 8.38%, 10/29/49 (a)(b)(c)(d) | 2,450 | 2,676,625 |
| Discover Bank, 8.70%, 11/18/19 | 1,950 | 2,397,880 |
| | | |
| | Par | |
| | (000) | Value |
| Corporate Bonds | | |
| Commercial Banks (concluded) | | |
| Fifth Third Bancorp, 3.63%, 1/25/16 | \$ 4,600 | \$ 4,667,082 |
| HSBC Holdings Plc, 5.10%, 4/05/21 (c) | 3,500 | 3,602,350 |
| KeyCorp, 5.10%, 3/24/21 | 1,300 | 1,331,482 |
| Lloyds TSB Bank Plc, 4.88%, 1/21/16 | 1,525 | 1,600,770 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 4,150 | 4,225,235 |
| 5.75%, 6/15/15 | 3,000 | 3,090,000 |
| Societe Generale, 5.20%, 4/15/21 (a)(c) | 4,825 | 4,867,002 |
| SunTrust Banks, Inc., 3.60%, 4/15/16 | 1,300 | 1,316,760 |
| | | 48,381,511 |
| Commercial Services & Supplies — 3.8% | | |

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| | | |
|--|--------|------------|
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 | 15,000 | 15,551,064 |
| 6.75%, 4/06/21 | 3,850 | 3,880,145 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 (a) | 1,031 | 1,054,198 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 2,250 | 2,407,500 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 4,835 | 5,294,325 |
| Mobile Mini, Inc., 7.88%, 12/01/20 (a) | 455 | 483,438 |
| | | 28,670,670 |
| Communications Equipment — 1.1% | | |
| Avaya, Inc.: | | |
| 9.75%, 11/01/15 | 1,400 | 1,445,500 |
| 7.00%, 4/01/19 (a) | 850 | 841,500 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 3,580 | 3,893,250 |
| CC Holdings GS V LLC, 7.75%, 5/01/17 (a) | 1,725 | 1,906,125 |
| | | 8,086,375 |
| Construction Materials — 0.2% | | |
| Inversiones CMPC SA, 4.75%, 1/19/18 (a) | 1,375 | 1,356,669 |
| Consumer Finance — 4.8% | | |
| American Express Credit Corp., 2.75%, 9/15/15 | 9,850 | 9,818,844 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 3,950 | 5,058,726 |
| Ford Motor Credit Co. LLC, 7.00%, 4/15/15 | 820 | 900,596 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 2,975 | 3,146,063 |
| SLM Corp., 6.25%, 1/25/16 | 16,175 | 17,151,064 |
| | | 36,075,293 |
| Containers & Packaging — 1.3% | | |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 2,000 | 2,180,000 |
| 6.75%, 9/15/20 | 3,575 | 3,762,687 |
| Crown Americas LLC, 6.25%, 2/01/21 (a) | 1,350 | 1,387,125 |
| Owens-Brockway Glass Container, Inc., | | |
| 6.75%, 12/01/14 | 1,110 | 1,133,588 |
| Rock-Tenn Co., 9.25%, 3/15/16 | 800 | 872,000 |
| | | 9,335,400 |
| Diversified Financial Services — 5.3% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 1,500 | 1,515,000 |
| 8.30%, 2/12/15 | 2,890 | 3,251,250 |
| 8.00%, 11/01/31 | 3,100 | 3,495,250 |
| Bank of America Corp., 3.63%, 3/17/16 (c) | 8,625 | 8,668,807 |
| Citigroup, Inc., 4.59%, 12/15/15 (c) | 1,575 | 1,666,756 |
| General Electric Capital Corp., 5.30%, 2/11/21 (c) | 7,775 | 8,067,604 |

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| | | |
|--|--------|------------|
| Moody's Corp., 6.06%, 9/07/17 | 10,000 | 10,300,590 |
| Reynolds Group Issuer, Inc. (a): | | |
| 6.88%, 2/15/21 | 1,095 | 1,129,219 |
| 8.25%, 2/15/21 | 1,345 | 1,366,856 |
| Stan IV Ltd., 2.48%, 7/20/11 (b) | 283 | 280,170 |
| | | 39,741,502 |
| Diversified Telecommunication Services — 4.8% | | |
| AT&T, Inc., 6.30%, 1/15/38 | 5,000 | 5,274,305 |
| Level 3 Financing, Inc.: | | |
| 8.75%, 2/15/17 | 2,910 | 3,011,850 |
| 10.00%, 2/01/18 | 930 | 1,004,400 |
| 9.38%, 4/01/19 (a) | 1,500 | 1,593,750 |

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust IV (BTZ)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Diversified Telecommunication Services (concluded) | | |
| Qwest Corp., 8.38%, 5/01/16 | \$ 3,285 | \$ 3,900,937 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 1,650 | 1,799,556 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 2,250 | 2,335,295 |
| Verizon Communications, Inc. (c): | | |
| 1.95%, 3/28/14 | 8,525 | 8,598,281 |
| 7.35%, 4/01/39 | 4,700 | 5,627,489 |
| Windstream Corp., 7.88%, 11/01/17 | 2,700 | 2,916,000 |
| | | 36,061,863 |
| Electric Utilities — 0.8% | | |
| Progress Energy, Inc., 7.00%, 10/30/31 | 5,000 | 5,833,985 |
| Electronic Equipment, Instruments & Components — 1.0% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 2,000 | 2,295,000 |
| NXP BV, 3.05%, 10/15/13 (b) | 4,900 | 4,875,500 |
| | | 7,170,500 |
| Energy Equipment & Services — 1.3% | | |
| Ensco Plc, 4.70%, 3/15/21 | 3,255 | 3,286,323 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 615 | 654,975 |
| Hornbeck Offshore Services, Inc., Series B, 6.13%, 12/01/14 | 2,695 | 2,721,950 |
| Key Energy Service, Inc., 6.75%, 3/01/21 | 1,240 | 1,274,100 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 1,580 | 1,621,475 |
| | | 9,558,823 |
| Food & Staples Retailing — 1.5% | | |
| CVS Caremark Corp., 6.30%, 6/01/62 (b) | 2,900 | 2,871,000 |
| Wal-Mart Stores, Inc. (c): | | |
| 5.25%, 9/01/35 | 2,650 | 2,629,060 |
| 6.20%, 4/15/38 | 5,225 | 5,774,994 |
| | | 11,275,054 |
| Food Products — 0.8% | | |
| Blue Merger Sub, Inc., 7.63%, 2/15/19 (a) | 710 | 726,863 |
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 1,985 | 2,302,417 |

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| | | |
|---|-------|-----------|
| 6.13%, 8/23/18 | 1,990 | 2,256,594 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 668 | 791,580 |
| | | 6,077,454 |

Gas Utilities — 0.1%

| | | |
|---|-----|---------|
| Targa Resources Partners LP, 6.88%, 2/01/21 (a) | 820 | 815,900 |
|---|-----|---------|

Health Care Equipment & Supplies — 1.7%

| | | |
|---|-------|------------|
| Boston Scientific Corp.: | | |
| 4.50%, 1/15/15 | 380 | 398,569 |
| 6.40%, 6/15/16 | 327 | 366,328 |
| 5.13%, 1/12/17 | 1,341 | 1,410,787 |
| 7.38%, 1/15/40 | 4,950 | 5,724,779 |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 4,250 | 4,871,563 |
| | | 12,772,026 |

Health Care Providers & Services — 2.7%

| | | |
|---|-------|------------|
| Aetna, Inc., 6.75%, 12/15/37 (c) | 4,075 | 4,639,416 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 (a) | 765 | 807,075 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 600 | 666,000 |
| 7.25%, 9/15/20 | 4,590 | 4,934,250 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 2,175 | 2,523,000 |
| 8.88%, 7/01/19 | 1,825 | 2,062,250 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c) | 4,075 | 4,684,795 |
| | | 20,316,786 |

Household Durables — 0.7%

| | | |
|---|-------|-----------|
| Cemex Espana Luxembourg, 9.25%, 5/12/20 (a) | 4,947 | 5,058,307 |
|---|-------|-----------|

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| IT Services — 0.5% | | |
| First Data Corp. (a): | | |
| 7.38%, 6/15/19 | \$ 1,205 | \$ 1,227,594 |
| 8.25%, 1/15/21 | 310 | 308,450 |
| 12.63%, 1/15/21 | 1,960 | 2,148,650 |
| | | 3,684,694 |
| Independent Power Producers & Energy Traders — 0.7% | | |
| AES Corp., 9.75%, 4/15/16 | 1,620 | 1,875,150 |
| Energy Future Intermediate Holding Co. LLC, | | |
| 10.00%, 12/01/20 | 2,460 | 2,644,697 |
| NRG Energy, Inc., 8.25%, 9/01/20 | 815 | 857,787 |

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| | | |
|--|-------|------------|
| | | 5,377,634 |
| Insurance — 3.2% | | |
| American International Group, Inc., 6.40%, 12/15/20 (c) | 2,800 | 3,063,250 |
| Dai-ichi Life Insurance Co., Ltd., 7.25% (a)(b)(d) | 1,116 | 1,120,921 |
| Forethought Financial Group, 8.63%, 4/15/21 (a) | 1,625 | 1,637,308 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 1,615 | 1,658,715 |
| Lincoln National Corp., 6.25%, 2/15/20 (c) | 4,075 | 4,576,543 |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c) | 5,500 | 5,912,720 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 1,145 | 1,466,097 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 4,075 | 4,545,418 |
| | | 23,980,972 |
| Life Sciences Tools & Services — 1.5% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 5,480 | 6,096,500 |
| Life Technologies Corp., 6.00%, 3/01/20 | 4,800 | 5,257,051 |
| | | 11,353,551 |
| Machinery — 0.9% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 4,075 | 4,906,801 |
| Navistar International Corp., 8.25%, 11/01/21 | 1,515 | 1,689,225 |
| | | 6,596,026 |
| Media — 6.8% | | |
| CSC Holdings LLC: 8.50%, 6/15/15 | 2,300 | 2,509,875 |
| 8.63%, 2/15/19 | 1,950 | 2,247,375 |
| Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a) | 2,575 | 2,645,812 |
| Comcast Corp., 6.30%, 11/15/17 | 4,075 | 4,685,900 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 4,075 | 5,382,916 |
| DISH DBS Corp., 7.00%, 10/01/13 | 1,950 | 2,106,000 |
| DirectTV Holdings LLC, 5.00%, 3/01/21 | 4,150 | 4,257,647 |
| Gannett Co., Inc., 9.38%, 11/15/17 | 3,100 | 3,487,500 |
| Intelsat Bermuda Ltd. (e): 11.50%, 2/04/17 | 690 | 755,550 |
| 11.50%, 2/04/17 (a) | 460 | 503,700 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 1,760 | 1,804,000 |
| News America, Inc., 6.15%, 3/01/37 | 4,850 | 4,956,239 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 4,675 | 5,081,421 |
| Time Warner, Inc., 7.70%, 5/01/32 | 4,900 | 5,907,533 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | 1,225 | 1,295,438 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 3,175 | 3,476,625 |
| | | 51,103,531 |
| Metals & Mining — 1.8% | | |

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| | | |
|---|--------|------------|
| Alcoa, Inc., 5.40%, 4/15/21 | 4,090 | 4,152,855 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 3,500 | 3,723,346 |
| JMC Steel Group, 8.25%, 3/15/18 (a) | 530 | 555,175 |
| Novelis, Inc., 8.75%, 12/15/20 | 1,710 | 1,910,925 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 2,000 | 2,557,600 |
| United States Steel Corp., 7.38%, 4/01/20 | 290 | 305,950 |
| | | 13,205,851 |
| Multiline Retail — 2.3% | | |
| Dollar General Corp., 10.63%, 7/15/15 | 4,225 | 4,520,750 |
| JC Penney Co., Inc., 5.65%, 6/01/20 | 12,400 | 12,369,000 |
| | | 16,889,750 |

See Notes to Financial Statements

SEMI-ANNUAL REPORT

APRIL 30, 2011

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BlackRock Credit Allocation Income Trust IV (BTZ)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Corporate Bonds | | |
| Multi-Utilities — 2.5% | | |
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | \$ 3,600 | \$ 3,961,544 |
| 6.50%, 5/01/18 | 3,950 | 4,470,717 |
| Dominion Resources, Inc., 8.88%, 1/15/19 (c) | 8,000 | 10,286,800 |
| | | 18,719,061 |
| Oil, Gas & Consumable Fuels — 6.9% | | |
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | 1,686 | 1,883,243 |
| 6.38%, 9/15/17 | 52 | 58,732 |
| BP Capital Markets Plc (c): | | |
| 5.25%, 11/07/13 | 2,100 | 2,276,629 |
| 3.88%, 3/10/15 | 3,085 | 3,235,687 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 1,650 | 1,678,659 |
| Chesapeake Energy Corp., 6.13%, 2/15/21 | 5,745 | 5,931,712 |
| Consol Energy, Inc., 6.38%, 3/01/21 (a) | 1,385 | 1,391,925 |
| Copano Energy LLC, 7.13%, 4/01/21 | 930 | 953,250 |
| Denbury Resources, Inc., 6.38%, 8/15/21 | 955 | 983,650 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 2,425 | 3,203,442 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 (a) | 1,700 | 1,738,250 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 4,800 | 5,571,845 |
| Forest Oil Corp., 7.25%, 6/15/19 | 735 | 764,400 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 4,800 | 5,591,381 |
| Linn Energy LLC, 7.75%, 2/01/21 (a) | 1,740 | 1,863,975 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 (a) | 2,250 | 2,279,819 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 4,075 | 5,189,378 |
| Oasis Petroleum, Inc., 7.25%, 2/01/19 (a) | 625 | 631,250 |
| Petrobras International Finance Co., 3.88%, 1/27/16 | 2,425 | 2,458,412 |
| Range Resources Corp., 6.75%, 8/01/20 | 1,415 | 1,514,050 |
| SM Energy Co., 6.63%, 2/15/19 (a) | 795 | 820,838 |
| SandRidge Energy, Inc., 7.50%, 3/15/21 (a) | 1,200 | 1,263,000 |
| | | 51,283,527 |
| Paper & Forest Products — 2.4% | | |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 3,955 | 4,488,925 |

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International Paper Co.:

| | | |
|-----------------|-------|------------|
| 7.50%, 8/15/21 | 3,950 | 4,714,752 |
| 8.70%, 6/15/38 | 3,100 | 4,031,330 |
| 7.30%, 11/15/39 | 4,075 | 4,653,169 |
| | | 17,888,176 |

Pharmaceuticals — 5.3%

| | | |
|---|--------|------------|
| Bristol-Myers Squibb Co., 5.88%, 11/15/36 (c) | 3,549 | 3,906,761 |
| GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 | 10,100 | 11,554,541 |
| Merck & Co., Inc. (c): | | |
| 6.50%, 12/01/33 | 2,885 | 3,436,223 |
| 6.55%, 9/15/37 | 6,945 | 8,260,230 |
| Pfizer, Inc., 7.20%, 3/15/39 | 10,000 | 12,628,450 |
| | | 39,786,205 |

Real Estate Investment Trusts (REITs) — 1.5%

| | | |
|---|-------|------------|
| AvalonBay Communities, Inc., 6.10%, 3/15/20 | 4,075 | 4,602,859 |
| ERP Operating LP, 5.75%, 6/15/17 | 4,080 | 4,570,179 |
| HCP, Inc., 5.38%, 2/01/21 | 1,675 | 1,741,089 |
| | | 10,914,127 |

Real Estate Management & Development — 0.1%

| | | |
|-----------------------------------|-------|-----------|
| Realogy Corp., 7.88%, 2/15/19 (a) | 1,105 | 1,116,050 |
|-----------------------------------|-------|-----------|

Road & Rail — 1.7%

| | | |
|--|-------|------------|
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 1,475 | 1,500,758 |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 1,080 | 1,147,500 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 (a) | 320 | 339,200 |
| The Hertz Corp., 6.75%, 4/15/19 (a) | 1,554 | 1,585,080 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 8,500 | 8,360,396 |
| | | 12,932,934 |

| Corporate Bonds | Par (000) | Value |
|--|--------------|--------------|
| Semiconductors & Semiconductor Equipment — 0.5% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | \$ 1,300 | \$ 1,355,250 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 2,208 | 2,498,310 |
| | | 3,853,560 |
| Specialty Retail — 1.0% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 2,775 | 2,906,812 |
| Best Buy Co., Inc., 5.50%, 3/15/21 | 2,450 | 2,464,617 |
| Claire's Escrow Corp., 8.88%, 3/15/19 (a) | 880 | 855,800 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 1,370 | 1,452,200 |
| | | 7,679,429 |

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Tobacco — 2.9%

Altria Group, Inc.:

| | | |
|-----------------|-------|------------|
| 9.70%, 11/10/18 | 4,075 | 5,425,769 |
| 9.25%, 8/06/19 | 3,950 | 5,199,361 |
| 10.20%, 2/06/39 | 7,400 | 10,832,867 |
| | | 21,457,997 |

Wireless Telecommunication Services — 2.3%

| | | |
|--|-------|--------------------|
| American Tower Corp., 4.50%, 1/15/18 | 3,200 | 3,162,118 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 780 | 832,650 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/17 | 1,975 | 2,106,355 |
| 6.11%, 1/15/40 | 2,330 | 2,521,701 |
| Intelsat Jackson Holdings SA (a): | | |
| 7.25%, 4/01/19 | 320 | 325,400 |
| 7.25%, 4/01/21 | 1,020 | 1,035,300 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 1,040 | 1,050,400 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 6,250 | 6,406,250 |
| | | 17,440,174 |
| Total Corporate Bonds — 91.8% | | 685,407,520 |

Preferred Securities

Capital Trusts

Capital Markets — 3.5%

| | | |
|---|--------|------------|
| Credit Suisse Guernsey Ltd., 5.86% (b)(d) | 1,050 | 1,023,750 |
| State Street Capital Trust III, 8.25% (b)(d) | 1,740 | 1,741,966 |
| State Street Capital Trust IV, 1.31%, 6/01/67 (b) | 28,195 | 23,608,604 |
| | | 26,374,320 |

Commercial Banks — 7.8%

ABN AMRO North America Holding Preferred Capital

| | | |
|--|--------|------------|
| Repackaging Trust I, 6.52% (a)(b)(d) | 5,600 | 5,320,000 |
| BB&T Capital Trust IV, 6.82%, 6/12/77 (b) | 15,300 | 15,529,500 |
| BNP Paribas, 7.20% (a)(b)(c)(d) | 2,500 | 2,475,000 |
| Barclays Bank Plc, 7.43% (a)(b)(d) | 1,100 | 1,141,800 |
| CBA Capital Trust II, 6.02% (a)(b)(c)(d) | 5,000 | 5,062,850 |
| Credit Agricole SA, 6.64% (a)(b)(c)(d) | 2,450 | 2,259,635 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 3,715 | 3,640,700 |
| HSBC Capital Funding LP/Jersey Channel Islands, | | |
| 10.18% (a)(b)(c)(d) | 7,000 | 9,450,000 |
| National City Preferred Capital Trust I, 12.00% (b)(d) | 3,713 | 4,161,791 |
| Standard Chartered Bank, 7.01% (a)(b)(d) | 5,000 | 4,885,250 |
| USB Capital XIII Trust, 6.63%, 12/15/39 | 4,100 | 4,377,693 |

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| | | |
|---|--------|------------|
| | | 58,304,219 |
| Diversified Financial Services — 4.2% | | |
| ING Capital Funding Trust III, 8.44% (b)(d) | 2,950 | 2,846,797 |
| JPMorgan Chase Capital XXI, Series U, 1.24%, 1/15/87 (b) | 12,875 | 11,037,107 |
| JPMorgan Chase Capital XXIII, 1.31%, 5/15/77 (b) | 20,695 | 17,399,176 |
| | | 31,283,080 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Capital Trusts | | |
| Electric Utilities — 0.5% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (b) | \$ 3,900 | \$ 3,875,625 |
| Insurance — 6.6% | | |
| AXA SA, 6.46% (a)(b)(d) | 6,000 | 5,467,500 |
| Ace Capital Trust II, 9.70%, 4/01/30 | 4,000 | 5,220,040 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 4,000 | 4,130,000 |
| American General Capital II, 8.50%, 7/01/30 | 300 | 339,000 |
| Aon Corp., 8.21%, 1/01/27 | 4,000 | 4,520,428 |
| Chubb Corp., 6.38%, 3/29/67 (b)(c) | 4,000 | 4,280,000 |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 4,000 | 5,440,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | 4,255 | 4,398,819 |
| MetLife, Inc., 6.40%, 12/15/66 | 4,550 | 4,550,164 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 7,000 | 6,897,569 |
| Swiss Re Capital I LP, 6.85% (a)(b)(d) | 3,000 | 2,981,298 |
| ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(b) | 599 | 597,167 |
| | | 48,821,985 |
| Oil, Gas & Consumable Fuels — 1.2% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | 4,500 | 4,888,125 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 4,000 | 4,074,312 |
| | | 8,962,437 |
| Total Capital Trusts — 23.8% | | 177,621,666 |
| Preferred Stocks | | |
| Auto Components — 0.1% | | |
| Dana Holding Corp., 4.00% | 7,000 | 1,092,875 |
| Commercial Banks — 0.4% | | |
| SG Preferred Capital II, 6.30% | 3,000 | 2,906,250 |
| Thriffs & Mortgage Finance — 0.0% | | |
| Fannie Mae, 8.25% (f) | 23,000 | 46,920 |
| Freddie Mac, Series Z, 8.38% (f) | 23,000 | 46,460 |
| | | 93,380 |
| Real Estate Investment Trusts (REITs) — 1.1% | | |
| Sovereign Real Estate Investment Corp., 12.00% | 7,000 | 8,050,000 |
| Wireless Telecommunication Services — 1.5% | | |
| Centaur Funding Corp., 9.08% | 10,000 | 11,231,250 |

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| | | | |
|---|-----------------|------------------|--------------|
| Total Preferred Stocks — 3.1% | | | 23,373,755 |
| | Par | | |
| | (000) | | |
| Trust Preferreds | | | |
| Diversified Financial Services — 0.5% | | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b) | \$ 3,518 | | 3,652,572 |
| Total Trust Preferreds — 0.5% | | | 3,652,572 |
| Total Preferred Securities — 27.4% | | | 204,647,993 |
| Taxable Municipal Bonds | | | |
| City of Chicago Illinois, RB, Build America Bonds, 6.85%, 1/01/38 | 5,000 | | 5,033,400 |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | 4,075 | | 4,272,352 |
| State of California, GO, Build America Bonds, 7.35%, 11/01/39 | 2,050 | | 2,274,783 |
| Total Taxable Municipal Bonds — 1.6% | | | 11,580,535 |
| | Par | | |
| | (000) | Value | |
| U.S. Treasury Obligations | | | |
| U.S. Treasury Bonds, 4.75%, 2/15/41 | \$ 4,200 | | \$ 4,437,560 |
| U.S. Treasury Notes, 3.63%, 2/15/21 | 12,755 | | 13,101,783 |
| Total U.S. Treasury Obligations — 2.3% | | | 17,539,343 |
| Total Long-Term Investments | | | |
| (Cost — \$902,567,319) — 124.2% | | | 927,178,247 |
| Short-Term Securities | Shares | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (g)(h) | 500 | | 500 |
| Total Short-Term Securities | | | |
| (Cost — \$500) — 0.0% | | | 500 |
| Options Purchased | | Contracts | |
| Over-the-Counter Dual Binary Options — 0.0% | | | |
| Receive 1.00% of notional amount at expiration date if 30 year swap is below or at 4.30% and 5 year swap is above or at 2.38% based on ISDAFIX, Expires 6/23/11, Broker Goldman Sachs Bank USA | 77,300,000 | | 101,109 |
| Over-the-Counter Put Options — 0.1% | | | |
| S&P 500 Index, Strike Price USD 1,250.00, Expires 9/17/11, Broker Credit Suisse International | 196 | | 486,080 |
| | Notional | | |
| | Amount | | |
| | (000) | | |

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Over-the-Counter Put Swaptions — 0.0%

Pay a fixed rate of 2.85% and receive a floating rate

based on 3-month LIBOR, Expires 6/24/11,

| | | |
|--------------------|-----------|-------|
| Broker Citibank NA | \$ 12,600 | 8,732 |
|--------------------|-----------|-------|

Total Options Purchased

| | | |
|------------------------------------|--|---------|
| (Cost — \$1,149,820) — 0.1% | | 595,921 |
|------------------------------------|--|---------|

Total Investments Before Options Written

| | | |
|--|--|-------------|
| (Cost — \$903,717,639) — 124.3% | | 927,774,668 |
|--|--|-------------|

Options Written

Over-the-Counter Call Swaptions — (0.2)%

Pay a fixed rate of 4.06% and receive a floating rate

based on 3-month LIBOR, Expires 4/16/12,

| | | |
|-------------------------|--------|-----------|
| Broker Deutsche Bank AG | 13,000 | (581,981) |
|-------------------------|--------|-----------|

Pay a fixed rate of 4.75% and receive a floating rate

based on 3-month LIBOR, Expires 3/24/14,

| | | |
|--------------------|--------|-------------|
| Broker Citibank NA | 17,000 | (1,070,108) |
|--------------------|--------|-------------|

| | | |
|--|--|-------------|
| | | (1,652,089) |
|--|--|-------------|

Over-the-Counter Put Swaptions — (0.2)%

Receive a fixed rate of 4.06% and pay a floating rate

based on 3-month LIBOR, Expires 4/16/12,

| | | |
|-------------------------|--------|-----------|
| Broker Deutsche Bank AG | 13,000 | (350,604) |
|-------------------------|--------|-----------|

Receive a fixed rate of 4.75% and pay a floating rate

based on 3-month LIBOR, Expires 3/24/14,

| | | |
|--------------------|--------|-----------|
| Broker Citibank NA | 17,000 | (889,477) |
|--------------------|--------|-----------|

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust IV (BTZ)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Notional Amount (000) | Value |
|---|-----------------------------|-----------------------------|
| Options Written | | |
| Over-the-Counter Put Swaptions (concluded) | | |
| Sold credit default protection on Dow Jones CDX North America Investment Grade Series 16, Strike Price \$120.00, Expires 9/21/11, Broker Credit Suisse International | \$ 245,000 | \$ (179,561) (1,419,642) |
| Total Options Written | | |
| (Premiums Received — \$3,805,700) — (0.4)% | | (3,071,731) |
| Total Investments, Net of Options Written | | |
| (Cost — \$907,523,339*) — 123.9% | | 924,702,937 |
| Liabilities in Excess of Other Assets — (23.9)% | | (177,968,157) |
| Net Assets — 100.0% | | \$746,734,780 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 903,051,992 |
| Gross unrealized appreciation | \$ 35,104,745 |
| Gross unrealized depreciation | (10,382,069) |
| Net unrealized depreciation | \$ 24,722,676 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

(d) Security is perpetual in nature and has no stated maturity date.

(e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(f) Non-income producing security.

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

| Shares Held at October 31, | Net | Shares Held at April 30, |
|-------------------------------|-----|-----------------------------|
|-------------------------------|-----|-----------------------------|

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| Affiliate | 2010 | Activity | 2011 | Income |
|--|------------|--------------|------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 26,924,664 | (26,924,164) | 500 | \$ 22,209 |

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

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Reverse repurchase agreements outstanding as of April 30, 2011 were as follows:

| Counterparty | Interest Rate | Date | Trade | Maturity Date | Net Closing Amount | Face Amount |
|--|---------------|---------|-------|---------------|--------------------|--------------|
| BNP Paribas | 0.39% | 1/05/11 | | Open | \$ 3,164,938 | \$ 3,161,000 |
| Deutsche Bank AG | 0.40% | 1/05/11 | | Open | 10,304,350 | 10,291,200 |
| UBS AG | 0.38% | 1/05/11 | | Open | 23,767,301 | 23,752,256 |
| Deutsche Bank AG | 0.25% | 1/07/11 | | Open | 2,178,783 | 2,177,044 |
| UBS AG | 0.38% | 1/27/11 | | Open | 5,480,991 | 5,475,500 |
| Credit Suisse Securities (USA) LLC | 0.40% | 1/31/11 | | Open | 2,094,541 | 2,092,500 |
| Credit Suisse Securities (USA) LLC | 0.40% | 2/01/11 | | Open | 7,417,410 | 7,410,000 |
| UBS AG | 0.38% | 2/02/11 | | Open | 2,865,689 | 2,863,000 |
| Credit Suisse Securities (USA) LLC | 0.40% | 2/04/11 | | Open | 2,503,418 | 2,501,000 |
| Credit Suisse Securities (USA) LLC | 0.40% | 2/07/11 | | Open | 3,527,667 | 3,524,500 |
| Credit Suisse Securities (USA) LLC | 0.40% | 2/08/11 | | Open | 4,107,781 | 4,104,000 |
| UBS AG | 0.38% | 2/10/11 | | Open | 10,747,719 | 10,738,498 |
| UBS AG | 0.38% | 2/11/11 | | Open | 15,219,029 | 15,206,188 |
| UBS AG | 0.38% | 2/23/11 | | Open | 6,928,720 | 6,923,750 |
| UBS AG | 0.38% | 2/28/11 | | Open | 1,187,234 | 1,186,500 |
| Deutsche Bank AG | 0.40% | 3/03/11 | | Open | 1,583,930 | 1,582,875 |
| UBS AG | 0.38% | 3/09/11 | | Open | 7,476,034 | 7,471,775 |

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| | | | | | |
|------------------|-------|---------|------|-----------|-----------------------------|
| UBS AG | 0.38% | 3/10/11 | Open | 6,986,406 | 6,982,500 |
| UBS AG | 0.38% | 3/17/11 | Open | 8,154,582 | 8,150,625 |
| UBS AG | 0.37% | 3/28/11 | Open | 8,122,983 | 8,120,062 |
| UBS AG | 0.40% | 3/28/11 | Open | 4,433,285 | 4,431,562 |
| UBS AG | 0.37% | 3/31/11 | Open | 4,856,597 | 4,855,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/07/11 | Open | 9,137,220 | 9,135,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/11/11 | Open | 3,358,685 | 3,358,000 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/12/11 | Open | 9,900,643 | 9,898,718 |
| Credit Suisse | | | | | |
| Securities | | | | | |
| (USA) LLC | 0.35% | 4/13/11 | Open | 8,193,732 | 8,192,219 |
| Barclays | | | | | |
| Capital Inc. | 0.35% | 4/14/11 | Open | 4,698,697 | 4,697,875 |
| Deutsche Bank AG | 0.38% | 4/18/11 | Open | 5,477,132 | 5,476,323 |
| UBS AG | 0.38% | 4/18/11 | Open | 5,487,061 | 5,486,250 |
| Deutsche Bank AG | 0.35% | 4/20/11 | Open | 4,401,471 | 4,401,000 |
| Deutsche Bank AG | 0.35% | 4/28/11 | Open | 1,669,548 | 1,669,500 |
| UBS AG | 0.35% | 4/28/11 | Open | 5,234,650 | 5,234,500 |
| Total | | | | | \$200,668,247 \$200,550,720 |

•Financial futures contracts purchased as of April 30, 2011 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------|------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 333 | 2-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$72,620,649 | \$ 347,976 |
| 25 | Long-Term U.S. Treasury Bond | Chicago Board of Trade | June 2011 | \$ 2,980,341 | 79,034 |
| Total | | | | | \$ 427,010 |

See Notes to Financial Statements.

BlackRock Credit Allocation Income Trust IV (BTZ)
Schedule of Investments (concluded)

•Financial futures contracts sold as of April 30, 2011 were as follows:

| Contracts Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|-------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 392 5-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$46,019,986 | \$(419,764) |
| 65 10-Year U.S. Treasury Note | Chicago Board of Trade | June 2011 | \$ 7,721,870 | (152,270) |
| 139 Ultra U.S. Treasury Bond | Chicago Board of Trade | June 2011 | \$17,157,057 | (339,568) |
| Total | | | | \$ (911,602) |

•Credit default swaps on single-name issuer — sold protection outstanding as of April 30, 2011 were as follows:

| Issuer | Receive Fixed Rate | Counter-party | Expiration | Issuer Credit Rating¹ | Notional Amount (000)² | Unrealized Appreciation |
|---------------|---------------------------|----------------------|-------------------|---|--|--------------------------------|
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | \$ 1,500 | \$ 39,077 |

¹ Using S&P's rating of the underlying securities.

² The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

•Interest rate swaps outstanding as of April 30, 2011 were as follows:

| Fixed Rate | Floating Rate | Counter-party | Expiration Date | Notional Amount | Unrealized Appreciation (000) | (Depreciation) |
|----------------------|----------------------|-----------------------------|------------------------|------------------------|--------------------------------------|-----------------------|
| 0.98% ^(a) | 3-month LIBOR | Citibank NA | 3/30/13 | USD 98,100 | | \$(451,046) |
| 2.32% ^(b) | 3-month LIBOR | Citibank NA | 3/28/16 | USD 6,900 | | 65,964 |
| 4.34% ^(a) | 3-month LIBOR | Citibank NA | 4/14/41 | USD 2,800 | | (83,872) |
| 4.38% ^(a) | 3-month LIBOR | Goldman Sachs International | 4/14/41 | USD 4,000 | | (144,964) |
| 4.35% ^(a) | 3-month LIBOR | Deutsche Bank AG | 4/15/41 | USD 5,000 | | (160,782) |

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Total \$ (774,700)
 (a) Pays a fixed interest rate and receives floating rate.
 (b) Pays floating interest rate and receives fixed rate.

- Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:
 - Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
 - Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
 - Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Investments in Securities | | | Total | |
|------------------|---------------------------|---------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | | |
| Assets: | | | | | |
| Investments: | | | | | |
| Long-Term | | | | | |
| Investments: | | | | | |
| Asset-Back | | | | | |
| Securities | | — | \$ 4,328,856 | \$ 3,674,000 | \$ 8,002,856 |
| Corporate | | | | | |
| Bonds | | — | 685,127,350 | 280,170 | 685,407,520 |
| Preferred | | | | | |
| Securities | \$3,745,952 | | 200,902,041 | — | 204,647,993 |
| Taxable | | | | | |
| Municipal | | | | | |

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| | | | | |
|--------------|-------------|---------------|--------------|---------------|
| Bonds | — | 11,580,535 | — | 11,580,535 |
| U.S Treasury | | | | |
| Obligations | — | 17,539,343 | — | 17,539,343 |
| Short-Term | | | | |
| Securities | 500 | — | — | 500 |
| Total | \$3,746,452 | \$919,478,125 | \$ 3,954,170 | \$927,178,747 |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---------------------|--------------|----------------|-------------|----------------|
| Assets: | | | | |
| Interest rate | | | | |
| contracts | \$ 427,010 | \$ 74,696 | \$ 101,109 | \$ 602,815 |
| Credit | | | | |
| contracts | — | 39,077 | — | 39,077 |
| Equity | | | | |
| contracts | — | 486,080 | — | 486,080 |
| Liabilities: | | | | |
| Interest rate | | | | |
| contracts | (911,602) | (3,732,834) | — | (4,644,436) |
| Credit | | | | |
| contracts | — | — | (179,561) | (179,561) |
| Total | \$ (484,592) | \$ (3,132,981) | \$ (78,452) | \$ (3,696,025) |

¹ Derivative financial instruments are swaps, financial futures contracts and options. Swaps and financial futures contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)**Schedule of Investments** April 30, 2011 (Unaudited)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|-------------------|
| Asset-Backed Securities | | |
| ARES CLO Funds, Series 2005-10A, Class B, 0.70%, 9/18/17 (a)(b) | USD 1,000 | \$ 864,250 |
| Ballyrock CDO Ltd., Series 2006-1A, Class B, 0.66%, 8/28/19 (a)(b) | 1,000 | 850,000 |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B, 0.79%, 6/19/21 (a)(b) | 930 | 772,932 |
| Centurion CDO 9 Ltd., Series 2005-9A, Class B, 1.07%, 7/17/19 (a)(b) | 800 | 632,032 |
| Chatham Light CLO Ltd., Series 2005-2A, Class A2, 0.71%, 8/03/19 (a)(b) | 1,000 | 897,500 |
| Flagship CLO, Series 2006-1A, Class B, 0.66%, 9/20/19 (a)(b) | 1,196 | 998,660 |
| Franklin CLO Ltd., Series 6A, Class B, 0.76%, 8/09/19 (a)(b) | 1,180 | 1,019,284 |
| Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.66%, 10/27/20 | 715 | 604,175 |
| Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.73%, 11/15/17 | 1,495 | 1,302,444 |
| Landmark CDO Ltd., Series 2006-8A, Class B, 0.66%, 10/19/20 (a)(b) | 1,335 | 1,132,320 |
| MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.25%, 12/21/17 (a)(b) | 705 | 607,358 |
| Portola CLO Ltd., Series 2007-1X, Class B1, 1.76%, 11/15/21 | 950 | 855,000 |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 0.90%, 7/15/19 (a)(b) | 815 | 726,010 |
| Total Asset-Backed Securities — 3.2% | | 11,261,965 |
| Common Stocks (c) | | |
| Construction & Engineering — 0.0% | | |
| USI United Subcontractors Common | 7,645 | 160,535 |
| Hotels, Restaurants & Leisure — 0.2% | | |
| BLB Worldwide Holdings, Inc. | 50,832 | 546,444 |
| Metals & Mining — 0.1% | | |
| Euramax International | 1,135 | 360,426 |

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Paper & Forest Products — 0.1%

| | | | |
|-------------------------------|--|--------|---------|
| Ainsworth Lumber Co. Ltd. (a) | | 62,685 | 204,721 |
| Ainsworth Lumber Co. Ltd. | | 55,255 | 180,455 |
| | | | 385,176 |

Software — 0.2%

| | | | |
|---------------------------------------|--|---------|---------|
| Bankruptcy Management Solutions, Inc. | | 2,947 | 10,329 |
| HMH Holdings/EduMedia | | 115,632 | 578,160 |
| | | | 588,489 |

Total Common Stocks — 0.6%

2,041,070

| | | Par | |
|---|-----|--------------|-----------|
| | | (000) | |
| Corporate Bonds | | | |
| Airlines — 0.2% | | | |
| Air Canada, 9.25%, 8/01/15 (a) | USD | 590 | 610,650 |
| Auto Components — 0.9% | | | |
| Icahn Enterprises LP, 7.75%, 1/15/16 | | 3,175 | 3,270,250 |
| Beverages — 0.6% | | | |
| Central European Distribution Corp., 2.62%, 5/15/14 | EUR | 1,500 | 2,043,987 |
| Building Products — 0.3% | | | |
| Grohe Holding GmbH, 5.17%, 9/15/17 | | 700 | 1,039,347 |
| Capital Markets — 0.2% | | | |
| E*Trade Financial Corp., 3.37%, 8/31/19 (a)(d)(e) | USD | 439 | 689,230 |
| Chemicals — 0.2% | | | |
| OXEA Finance/Cy SCA, 9.50%, 7/15/17 (a) | | 715 | 788,288 |

| | | Par | Value |
|---|-----|--------------|--------------|
| | | (000) | |
| Corporate Bonds | | | |
| Commercial Banks — 3.4% | | | |
| CIT Group, Inc., 7.00%, 5/01/17 | USD | 4,425 | \$ 4,460,953 |
| VTB Capital SA: | | | |
| 6.47%, 3/04/15 | | 3,000 | 3,202,800 |
| 6.88%, 5/29/18 | | 3,940 | 4,235,500 |
| | | | 11,899,253 |
| Commercial Services & Supplies — 0.3% | | | |
| AWAS Aviation Capital Ltd., 7.00%, 10/15/16 (a) | | 1,070 | 1,091,449 |
| Containers & Packaging — 0.9% | | | |
| Ardagh Packaging Finance Plc, 7.38%, 10/15/17 (a) | EUR | 400 | 611,715 |
| GCL Holdings, 9.38%, 4/15/18 (a) | | 329 | 497,093 |
| Smurfit Kappa Acquisitions (a): | | | |
| 7.25%, 11/15/17 | | 655 | 1,008,959 |
| 7.75%, 11/15/19 | | 620 | 964,229 |

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| | | | |
|--|-----|-------|-----------|
| | | | 3,081,996 |
| Diversified Financial Services — 0.9% | | | |
| Ally Financial, Inc., 2.51%, 12/01/14 (b) | USD | 2,700 | 2,656,973 |
| Reynolds Group Issuer, Inc., 6.88%, 2/15/21 (a) | | 490 | 505,312 |
| | | | 3,162,285 |
| Diversified Telecommunication Services — 0.2% | | | |
| ITC Deltacom, Inc., 10.50%, 4/01/16 | | 530 | 588,300 |
| Electronic Equipment, Instruments & Components — 0.2% | | | |
| CDW LLC, 8.00%, 12/15/18 (a) | | 630 | 670,950 |
| Energy Equipment & Services — 0.0% | | | |
| Compagnie Generale de Geophysique-Veritas: | | | |
| 7.50%, 5/15/15 | | 6 | 6,135 |
| 7.75%, 5/15/17 | | 45 | 47,475 |
| | | | 53,610 |
| Food Products — 0.1% | | | |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | | 315 | 373,275 |
| Health Care Providers & Services — 0.4% | | | |
| HCA, Inc., 7.25%, 9/15/20 | | 1,230 | 1,322,250 |
| Tenet Healthcare Corp.: | | | |
| 9.00%, 5/01/15 | | 95 | 103,550 |
| 10.00%, 5/01/18 | | 35 | 40,600 |
| | | | 1,466,400 |
| Household Durables — 0.5% | | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 | | 1,500 | 1,730,625 |
| Berkline/BenchCraft, LLC, 4.50%, 11/03/12 (c)(f) | | 400 | — |
| | | | 1,730,625 |
| IT Services — 0.3% | | | |
| First Data Corp., 7.38%, 6/15/19 (a) | | 940 | 957,625 |
| Independent Power Producers & Energy Traders — 1.8% | | | |
| AES Ironwood LLC, 8.86%, 11/30/25 | | 77 | 77,496 |
| Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a) | | 105 | 114,975 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | | 1,000 | 1,070,080 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | | 2,350 | 2,526,438 |
| NRG Energy, Inc., 7.63%, 1/15/18 (a) | | 2,500 | 2,625,000 |
| | | | 6,413,989 |
| Machinery — 1.2% | | | |
| KION Fiance SA, 5.53%, 4/15/18 | EUR | 3,000 | 4,332,304 |
| Media — 3.3% | | | |
| CCH II LLC, 13.50%, 11/30/16 | USD | 224 | 269,668 |
| Clear Channel Worldwide Holdings, Inc.: | | | |

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|--|-----|-------|------------|
| 9.25%, 12/15/17 | | 501 | 556,736 |
| Series B, 9.25%, 12/15/17 | | 1,704 | 1,895,700 |
| Kabel BW Erste Beteiligungs GmbH, 5.39%, 3/15/18 | EUR | 2,000 | 3,006,735 |
| UPC Germany GmbH, 8.13%, 12/01/17 (a) | USD | 2,500 | 2,643,750 |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18 | GBP | 847 | 1,520,895 |
| Ziggo Finance BV, 6.13%, 11/15/17 (a) | EUR | 1,005 | 1,503,442 |
| | | | 11,396,926 |

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Corporate Bonds | | |
| Metals & Mining — 1.0% | | |
| FMG Resources August 2006 Property Ltd., 7.00%, 11/01/15 (a) | USD 1,055 | \$ 1,113,025 |
| Foundation PA Coal Co., 7.25%, 8/01/14 | 505 | 515,100 |
| New World Resources NV, 7.88%, 5/01/18 | EUR 285 | 444,289 |
| Novelis, Inc., 8.38%, 12/15/17 | USD 1,170 | 1,292,850 |
| | | 3,365,264 |
| Oil, Gas & Consumable Fuels — 3.6% | | |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a) | 342 | 372,780 |
| KazmunaiGaz Finance Sub BV, 8.38%, 7/02/13 | 1,500 | 1,666,875 |
| Morgan Stanley Bank AG for OAO Gazprom, 9.63%, 3/01/13 | 7,230 | 8,203,881 |
| Petroleos de Venezuela SA, 5.25%, 4/12/17 | 4,000 | 2,460,000 |
| | | 12,703,536 |
| Paper & Forest Products — 0.3% | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(g) | 519 | 526,742 |
| Verso Paper Holdings LLC, Series B, 4.05%, 8/01/14 (b) | 450 | 436,500 |
| | | 963,242 |
| Pharmaceuticals — 0.3% | | |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 845 | 843,416 |
| Transportation Infrastructure — 0.4% | | |
| Aguila 3 SA, 7.88%, 1/31/18 (a) | CHF 1,100 | 1,319,380 |
| Wireless Telecommunication Services — 0.9% | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | USD 1,950 | 2,081,625 |
| iPCS, Inc., 2.43%, 5/01/13 (b) | 1,155 | 1,117,463 |
| | | 3,199,088 |
| Total Corporate Bonds — 22.4% | | 78,054,665 |
| Floating Rate Loan Interests (b) | | |
| Aerospace & Defense — 2.8% | | |
| DynCorp International, Term Loan, 6.25%, 4/11/16 | 1,365 | 1,372,774 |
| Hawker Beechcraft Acquisition Co., LLC: Letter of Credit Linked Deposit, 2.31%, 3/26/14 | 85 | 74,453 |

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| | | |
|--|--------------|--------------|
| Term Loan, 2.21% – 2.31%, 3/26/14 | 1,409 | 1,239,007 |
| SI Organization, Inc., Term Loan B, 4.50%, 11/03/16 | 2,319 | 2,319,187 |
| Scitor Corp., Term Loan B, 5.00%, 1/21/17 | 1,696 | 1,695,750 |
| TransDigm, Inc., Term Loan (First Lien), 4.00%, 2/14/17 | 1,995 | 2,014,627 |
| Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17 | 1,225 | 1,236,739 |
| | | 9,952,537 |
| Airlines — 1.2% | | |
| Delta Air Lines, Inc., Term Loan B, 5.50%, 4/20/17 | 4,250 | 4,194,219 |
| Auto Components — 0.3% | | |
| GPX International Tire Corp., Tranche B Term Loan (c)(f): | | |
| 8.37%, 3/30/12 | 274 | — |
| 12.00%, 4/11/12 | 4 | — |
| UCI International, Inc., Term Loan, 5.50%, 7/04/17 | 948 | 955,917 |
| | | 955,917 |
| Beverages — 0.1% | | |
| Le-Nature's, Inc., Tranche B Term Loan, 9.50%, 3/01/11 (c)(f) | 1,000 | 380,000 |
| Biotechnology — 0.2% | | |
| Grifols SA, Term Loan B, 6.00%, 6/04/16 | 710 | 716,435 |
| Building Products — 3.3% | | |
| Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/10/18 | 1,400 | 1,408,050 |
| CPG International I, Inc., Term Loan B, 6.00%, 2/03/17 | 2,145 | 2,148,646 |
| | | |
| | Par | Value |
| | (000) | |
| Floating Rate Loan Interests (b) | | |
| Building Products (concluded) | | |
| Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/06/16 | USD 5,970 | \$ 6,013,808 |
| Momentive Performance Materials (Blitz 06-103 GmbH): | | |
| Tranche B-1 Term Loan, 3.75%, 12/04/13 | 584 | 579,056 |
| Tranche B-2B Term Loan, 4.65%, 12/04/13 | EUR 819 | 1,185,172 |
| United Subcontractors, Inc., Term Loan (First Lien), 1.81%, 6/30/15 | USD 179 | 161,251 |
| | | 11,495,983 |
| Capital Markets — 1.8% | | |
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13 | 624 | 625,284 |
| HarbourVest Partners, Term Loan (First Lien), 6.25%, 11/10/16 | 2,370 | 2,381,379 |

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|--|-----|-------|------------|
| Marsico Parent Co., LLC, Term Loan, 5.31%, 12/15/14 | | 371 | 294,728 |
| Nuveen Investments, Inc., (First Lien): | | | |
| Extended Term Loan, 5.77% – 5.81%, 5/13/17 | | 1,773 | 1,777,179 |
| Non-Extended Term Loan, 3.27% – 3.31%, 11/13/14 | | 1,175 | 1,139,889 |
| | | | 6,218,459 |
| Chemicals — 7.9% | | | |
| AZ Chem US, Inc., Term Loan, 4.75%, 11/21/16 | | 1,242 | 1,249,021 |
| American Rock Salt Co., LLC, Term Loan B, 5.50%, 4/11/17 | | 1,200 | 1,209,000 |
| Brenntag Holding GmbH & Co. KG: | | | |
| Acquisition Facility 1, 1.06% – 3.50%, 1/20/14 | | 414 | 686,119 |
| Acquisition Facility 1, 3.71% – 3.95%, 1/20/14 | | 232 | 231,700 |
| Acquisition Facility 2, 4.68% – 4.75%, 1/20/14 | EUR | 267 | 397,809 |
| Facility 2 (Second Lien), 6.43%, 7/17/15 | USD | 1,000 | 1,004,500 |
| Facility B2, 3.71% – 3.81%, 1/20/14 | | 1,332 | 1,331,552 |
| Term Loan B, 5.13%, 11/24/37 | EUR | 414 | 614,508 |
| Chemtura Corp., Term Facility, 5.50%, 8/01/16 | USD | 1,800 | 1,814,251 |
| Gentek, Inc., Term Loan B, 5.00%, 10/06/15 | | 2,189 | 2,194,472 |
| Ineos US Finance LLC, Senior Credit Term A2 Facility, 7.00%, 12/17/12 | | 98 | 101,428 |
| MacDermid, Inc., Tranche C Term Loan, 3.40%, 12/15/13 | EUR | 1,436 | 2,073,372 |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 8/31/17 | USD | 1,400 | 1,405,834 |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term Facility (First Lien), 3.47% – 3.53%, 7/30/14 | | 1,681 | 1,635,643 |
| Rockwood Specialties Group, Inc., Term Loan B, 3.75%, 2/01/18 | | 2,200 | 2,220,625 |
| Styron Sarl, Term Loan, 6.00%, 6/17/16 | | 3,092 | 3,119,926 |
| Tronox Worldwide LLC, Exit Term Loan, 7.00%, 12/24/15 | | 3,192 | 3,220,594 |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | | 2,993 | 3,013,340 |
| | | | 27,523,694 |
| Commercial Banks — 1.1% | | | |
| CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 1/20/12 | | 3,854 | 3,907,388 |
| Commercial Services & Supplies — 3.0% | | | |
| AWAS Finance Luxembourg Sarl, Loan, 7.75%, 6/10/16 | | 630 | 645,339 |
| Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/21/15 | | 2,134 | 2,145,878 |
| Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16 | | 2,175 | 2,183,156 |
| Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B Dollar Term Loan, 4.00%, 11/24/15 | | 941 | 943,897 |
| Protection One, Inc., Term Loan, 6.00%, 4/26/16 | | 804 | 805,392 |

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| | | |
|---|-------|-------------------------|
| Quad/Graphics, Inc., Term Loan, 5.50%, 4/20/16 | 720 | 719,262 |
| Synagro Technologies, Inc., Term Loan (First Lien), 2.22% – 2.23%, 4/02/14 | 1,941 | 1,829,177 |
| Volume Services America, Inc. (Centerplate), Term Loan B, 10.50% – 10.75%, 8/24/16 | 1,219 | 1,228,017 10,500,118 |
| Communications Equipment — 1.6% | | |
| Avaya, Inc., Term Loan B: 3.06%, 10/24/14 | 1,284 | 1,242,482 |
| 4.81%, 10/24/17 | 2,012 | 1,966,777 |
| CommScope, Inc., Term Loan B, 5.00%, 1/03/18 | 2,300 | 2,322,041 5,531,300 |

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|------------|
| Floating Rate Loan Interests (b) | | |
| Construction & Engineering — 0.7% | | |
| Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.), Synthetic Letter of Credit, Term Loan (First Lien), 0.19%, 2/07/14 | USD 500 | \$ 486,875 |
| Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/18/17 | 2,100 | 2,100,000 |
| | | 2,586,875 |
| Consumer Finance — 1.1% | | |
| Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 7.25%, 4/21/15 | 4,000 | 4,002,784 |
| Containers & Packaging — 1.0% | | |
| Graham Packaging Co., LP: | | |
| Term Loan C, 6.75%, 4/05/14 | 715 | 720,424 |
| Term Loan D, 6.00%, 8/09/16 | 1,393 | 1,403,665 |
| Smurfit Kappa Acquisitions (JSG): | | |
| Term B1, 4.21% – 4.39%, 7/16/14 | EUR 458 | 679,889 |
| Term Loan Facility C1, 4.34% – 4.72%, 7/16/15 | 453 | 672,100 |
| | | 3,476,078 |
| Diversified Consumer Services — 2.8% | | |
| Coinmach Laundry Corp., Delayed Draw Term Loan, 3.26%, 11/14/14 | USD 490 | 466,701 |
| Coinmach Service Corp., Term Loan, 3.24% – 3.31%, 11/14/14 | 2,241 | 2,100,864 |
| Laureate Education: | | |
| Closing Date Term Loan, 3.52%, 8/17/14 | 1,388 | 1,377,211 |
| Delayed Draw Term Loan, 3.52%, 8/15/14 | 208 | 206,205 |
| Series A New Term Loan, 7.00%, 8/15/14 | 3,089 | 3,096,757 |
| ServiceMaster Co.: | | |
| Closing Date Term Loan, 2.75% – 2.81%, 7/24/14 | 2,505 | 2,462,544 |
| Delayed Draw Term Loan, 2.72%, 7/24/14 | 249 | 245,233 |
| | | 9,955,515 |
| Diversified Financial Services — 2.1% | | |
| Reynolds Group Holdings, Inc., Term Loan B, 6.88%, 2/09/18 | EUR 5,000 | 7,368,722 |

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Diversified Telecommunication Services — 3.5%

| | | | |
|---|-----|-------|------------|
| Hawaiian Telcom Communications, Inc., Term Loan, 9.00%, 10/28/15 | USD | 1,814 | 1,852,222 |
| Integra Telecom Holdings, Inc., Term Loan, 9.25%, 4/15/15 | | 2,010 | 2,013,591 |
| Level 3 Financing, Inc.: Add on Term Loan, 11.50%, 3/13/14 | | 325 | 346,938 |
| Tranche A Incremental Term Loan, 2.53%, 3/13/14 | | 2,550 | 2,508,960 |
| US Telepacific Corp., Term Loan B, 5.75%, 2/18/17 | | 1,925 | 1,928,609 |
| Wind Telecomunicazioni SpA, Term Loan B, 5.69%, 11/18/17 | EUR | 2,500 | 3,703,942 |
| | | | 12,354,262 |

Electronic Equipment, Instruments & Components — 1.4%

| | | | |
|---|-----|-------|-----------|
| CDW LLC (FKA CDW Corp.): Extended Term Loan B, 4.50%, 7/15/17 | USD | 1,115 | 1,115,165 |
| Non-Extended Term Loan, 3.97%, 10/10/14 | | 1,612 | 1,609,365 |
| Flextronics International Ltd., Closing Date Loan B, 2.49%, 10/01/12 | | 2,221 | 2,206,883 |
| | | | 4,931,413 |

Energy Equipment & Services — 1.8%

| | | | |
|---|--|-------|-----------|
| MEG Energy Corp., Term Loan B, 4.00%, 3/14/18 | | 6,100 | 6,150,831 |
|---|--|-------|-----------|

Food & Staples Retailing — 3.5%

| | | | |
|--|-----|-------|------------|
| AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.59%, 7/09/15 | GBP | 4,525 | 7,293,791 |
| Advance Pierre Foods, Term Loan (Second Lien), 11.25%, 7/29/17 | USD | 1,400 | 1,422,750 |
| Pilot Travel Centers LLC, Term Loan B, 4.25%, 3/25/18 | | 1,800 | 1,809,643 |
| U.S. Foodservice, Inc., Term Loan B, 2.71%, 7/03/14 | | 1,886 | 1,821,167 |
| | | | 12,347,351 |

| | | |
|--|--------------|--------------|
| | Par | |
| | (000) | Value |

Floating Rate Loan Interests (b)

Food Products — 6.5%

| | | | |
|---|-----|-------|--------------|
| Advance Pierre Foods, Term Loan (Second Lien), 7.00%, 9/29/16 | USD | 2,159 | \$ 2,170,846 |
| Birds Eye Iglo Group Ltd. (Liberator Midco Ltd.): Sterling Tranche Loan (Mezzanine), 11.36%, 11/02/15 | GBP | 439 | 741,510 |
| Term Loan B, 5.61%, 4/30/16 | EUR | 3,000 | 4,457,136 |
| CII Investment, LLC (FKA Cloverhill): | | | |

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| | | | |
|---|-----|-------|------------|
| Delayed Draw Term Loan, 1.00% – 8.50%, 10/14/14 | USD | 329 | 325,863 |
| Term Loan A, 8.25% – 8.50%, 10/14/14 | | 928 | 913,598 |
| Term Loan B, 8.25% – 8.50%, 10/14/14 | | 1,128 | 1,116,797 |
| Del Monte Corp., Term Loan B, 4.50%, 2/01/18 | | 8,600 | 8,634,882 |
| Green Mountain Coffee Roasters, Inc., Term B Facility, 5.50%, 9/14/16 | | 898 | 908,972 |
| Michaels Stores, Inc., Term Loan B, 4.25%, 2/28/18 | | 1,297 | 1,306,927 |
| Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14 | | 1,468 | 1,486,084 |
| Solvest, Ltd. (Dole): | | | |
| Tranche B-1 Term Loan, 5.50%, 3/02/17 | | 148 | 149,289 |
| Tranche C-1 Term Loan, 5.00%, 3/02/17 | | 369 | 372,369 |
| | | | 22,584,273 |
| Health Care Equipment & Supplies — 0.7% | | | |
| Biomet, Inc., Euro Term Loan, 4.13% – 4.15%, 3/25/15 | EUR | 991 | 1,462,693 |
| DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan, 3.21%, 5/20/14 | USD | 907 | 902,310 |
| | | | 2,365,003 |
| Health Care Providers & Services — 4.4% | | | |
| CHS/Community Health Systems, Inc.: | | | |
| Extended Term Loan, 3.81%, 1/25/17 | | 67 | 65,672 |
| Non-Extended Delayed Draw Term Loan, 2.56%, 7/25/14 | | 102 | 99,168 |
| Non-Extended Term Loan, 2.56%, 7/25/14 | | 1,977 | 1,926,980 |
| ConvaTec Ltd., Dollar Term Loan, 5.75%, 12/20/16 | | 1,222 | 1,225,375 |
| DaVita, Inc., Tranche B Term Loan, 4.50%, 10/20/16 | | 1,895 | 1,911,028 |
| Emergency Medical Services Corp., Term Loan B, 5.50%, 4/14/18 | | 2,200 | 2,212,650 |
| Harden Healthcare, Inc.: | | | |
| Tranche A Additional Term Loan, 7.75%, 3/02/15 | | 1,531 | 1,500,414 |
| Tranche A Term Loan, 8.50%, 2/22/15 | | 879 | 861,699 |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.): | | | |
| Term Loan, 4.75%, 8/14/16 | | 2,062 | 2,071,384 |
| Term Loan B2, 4.75%, 8/04/16 | | 532 | 533,164 |
| Renal Advantage Holdings, Inc., Tranche B Term Loan, 5.75%, 11/12/16 | | 1,496 | 1,511,212 |
| Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16 | | 1,558 | 1,561,905 |
| | | | 15,480,651 |
| Health Care Technology — 1.0% | | | |

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| | | | |
|---|-----|-------|-----------|
| IMS Health, Inc., Term Loan B, 4.50%, 2/26/16 | | 2,569 | 2,582,526 |
| MedAssets, Inc., Term Loan B, 5.25%, 11/15/16 | | 1,022 | 1,030,713 |
| | | | 3,613,239 |
| Hotels, Restaurants & Leisure — 8.1% | | | |
| Ameristar Casinos, Inc., Term Loan B, 4.00%, 3/29/18 | | 1,950 | 1,966,713 |
| BLB Worldwide Holdings, Inc. (Wembley, Inc.), Loan (Exit), 8.50%, 11/05/15 | | 1,421 | 1,427,608 |
| Dunkin' Brands, Inc., Term Loan B, 4.25%, 11/23/17 | | 2,293 | 2,309,466 |
| Gateway Casinos & Entertainment, Ltd., Term Loan B, 6.50%, 10/20/15 | CAD | 4,429 | 4,716,048 |
| Harrah's Operating Co., Inc.: | | | |
| Term Loan B-2, 3.30%, 1/28/15 | USD | 1,000 | 936,250 |
| Term Loan B-3, 3.24%, 1/28/15 | | 7,488 | 7,017,164 |
| Term Loan B-4, 9.50%, 10/31/16 | | 658 | 697,175 |
| OSI Restaurant Partners, LLC, Pre-Funded RC Loan, 2.52%, 6/14/13 | | 32 | 31,524 |

See Notes to Financial Statements.

BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Hotels, Restaurants & Leisure (concluded) | | |
| SeaWorld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/16/17 USD | 1,976 | \$ 1,989,243 |
| Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 5.25%, 6/30/16 | 2,225 | 2,238,770 |
| Universal City Development Partners Ltd., Term Loan, 5.50%, 11/06/14 | 402 | 404,348 |
| VML US Finance LLC (FKA Venetian Macau): | | |
| New Project Term Loan, 4.72%, 5/27/13 | 150 | 150,397 |
| Term B Delayed Draw Project Loan, 4.72%, 5/25/12 | 1,638 | 1,638,545 |
| Term B Funded Project Loan, 4.72%, 5/27/13 | 2,685 | 2,686,260 |
| | | 28,209,511 |
| Household Durables — 0.4% | | |
| Berklene/Benchcraft, LLC, Term Loan, 4.04%, 11/03/11 (c)(f) | 133 | 6,656 |
| Visant Corp. (FKA Jostens), Term Loan, 5.25%, 12/22/16 | 1,321 | 1,326,119 |
| | | 1,332,775 |
| Household Products — 0.4% | | |
| Armored Auto Group, Inc. (Viking Acquisition, Inc.), Term Loan B, 6.00%, 11/05/16 | 1,576 | 1,568,170 |
| IT Services — 4.7% | | |
| Amadeus IT Group SA/Amadeus Verwaltungs GmbH (WAM Acquisition): | | |
| Term B3 Facility, 4.47%, 6/30/13 | EUR 615 | 908,818 |
| Term B4 Facility, 4.47%, 6/30/13 | USD 317 | 468,906 |
| Term C3 Facility, 4.97%, 6/30/14 | 615 | 908,817 |
| Term C4 Facility, 4.97%, 6/30/14 | 314 | 463,391 |
| Ceridian Corp., US Term Loan, 3.21%, 11/09/14 | 1,867 | 1,828,967 |
| First Data Corp.: | | |
| Initial Tranche B-1 Term Loan, 2.96%, 9/24/14 | 4,434 | 4,207,566 |
| Initial Tranche B-2 Term Loan, 2.96%, 9/24/14 | 833 | 790,483 |
| Initial Tranche B-3 Term Loan, 2.96%, 9/24/14 | 2,921 | 2,771,716 |
| TransUnion LLC, Replacement Term Loan, | | |

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| | | |
|-----------------------------|-------|------------|
| 4.75%, 2/03/18 | 2,860 | 2,876,848 |
| Travelex Plc: | | |
| Tranche B5, 2.93%, 10/31/13 | 637 | 633,629 |
| Tranche C5, 3.43%, 10/31/14 | 632 | 628,211 |
| | | 16,487,352 |

Independent Power Producers & Energy Traders — 2.6%

| | | |
|---|-------|-----------|
| Calpine Corp., Term Loan B, 4.50%, 3/04/18 | 5,525 | 5,573,310 |
| Texas Competitive Electric Holdings Co., LLC (TXU): | | |
| Initial Tranche B-1 Term Loan, 3.73% – 3.75%, 10/10/14 | 2,439 | 2,077,111 |
| Initial Tranche B-2 Term Loan, 3.73% – 3.75%, 10/10/14 | 624 | 531,261 |
| Initial Tranche B-3 Term Loan, 3.73%, 10/10/14 | 1,099 | 935,397 |
| | | 9,117,079 |

Industrial Conglomerates — 1.1%

| | | |
|---|-------|-----------|
| Sequa Corp., Term Loan, 3.50% – 3.56%, 12/03/14 | 1,497 | 1,484,139 |
| Tomkins Plc, Term Loan B, 4.25%, 9/29/16 | 2,194 | 2,212,961 |
| | | 3,697,100 |

Insurance — 0.6%

| | | |
|--|-------|-----------|
| CNO Financial Group, Inc., Term Loan, 7.50%, 9/30/16 | 2,058 | 2,073,771 |
|--|-------|-----------|

Internet & Catalog Retail — 0.2%

| | | |
|--|-----|---------|
| FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14 | 536 | 537,258 |
|--|-----|---------|

Machinery — 0.3%

| | | |
|--|-------|-----------|
| Navistar Financial Corp., Term Loan B, 4.56%, 12/16/12 | 1,020 | 1,017,702 |
|--|-------|-----------|

Marine — 0.3%

| | | |
|--|-----|---------|
| Horizon Lines, LLC: | | |
| Revolving Loan, 0.50% – 8.00%, 8/08/12 | 676 | 657,461 |
| Term Loan, 6.06%, 8/08/12 | 317 | 312,544 |
| | | 970,005 |

| | Par (000) | Value |
|---|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Media — 22.8% | | |
| Acosta, Inc., Term Loan, 4.75%, 2/03/18 | USD 2,550 | \$ 2,564,874 |
| Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/09/16 | 2,379 | 2,380,489 |
| Amsterdamse Beheer — En Consultingmaatschappij BV (Casema), Kabelcom Term Loan Facility B, 3.95%, 9/12/14 | EUR 619 | 915,395 |
| Atlantic Broadband Finance, LLC, Term Loan B, | | |

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| | | | |
|--|-----|-------|-----------|
| 4.00%, 3/09/16 | USD | 973 | 978,081 |
| Bresnan Telecommunications Co. LLC, Term Loan, 4.50%, 11/30/17 | | 3,066 | 3,087,908 |
| Cengage Learning Acquisitions, Inc. (Thomson Learning): Term Loan, 2.46%, 7/03/14 | | 3,731 | 3,586,883 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | | 1,127 | 1,132,555 |
| Charter Communications Operating, LLC: Term Loan B, 7.25%, 3/06/14 | | 522 | 529,516 |
| Term Loan C, 3.56%, 9/06/16 | | 1,131 | 1,133,952 |
| Clarke American Corp., Term Facility, 2.71% – 2.81%, 6/30/14 | | 1,086 | 1,039,351 |
| Clear Channel Communications, Inc., Term Loan B, 3.92%, 1/21/16 | | 2,385 | 2,123,313 |
| Echostar DBS Corp., Bridge Loan, 0.00%, 1/31/19 | | 3,545 | 4 |
| Getty Images, Inc., Initial Term Loan, 5.25%, 10/29/16 | | 2,587 | 2,611,253 |
| HMH Publishing Co., Ltd., Tranche A Term Loan, 6.03%, 6/12/14 | | 1,927 | 1,869,286 |
| Hubbard Radio LLC, Term Loan (Second Lien), 5.25%, 4/12/17 | | 1,100 | 1,111,000 |
| Intelsat Jackson Holdings SA (FKA Intel Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 3/07/18 | | 8,250 | 8,323,475 |
| Interactive Data Corp., Term Loan, 4.75%, 2/08/18 | | 3,400 | 3,417,510 |
| Kabel Deutschland GmbH: Facility A1 (Consent and Roll), 3.46%, 6/01/12 | EUR | 3,913 | 5,795,805 |
| Mezzanine, 5.21%, 12/31/16 | | 1,000 | 1,486,542 |
| Knology, Inc., Term Loan B, 4.00%, 8/31/17 | USD | 1,147 | 1,151,069 |
| Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): Facility B1, 3.68%, 6/28/15 | EUR | 304 | 414,050 |
| Facility C1, 3.93%, 6/30/16 | | 608 | 828,100 |
| Liberty Cablevision of Puerto Rico, Ltd., Initial Term Facility, 2.31%, 6/17/14 | USD | 1,444 | 1,429,313 |
| MCNA Cable Holdings LLC (OneLink Communications), Loan, 6.97%, 3/01/13 | | 901 | 847,079 |
| Mediacom Illinois, LLC (FKA Mediacom Communications, LLC), Tranche D Term Loan, 5.50%, 3/31/17 | | 2,224 | 2,225,546 |
| Newsday, LLC: Fixed Rate Term Loan, 10.50%, 8/01/13 | | 1,500 | 1,595,625 |
| Floating Rate Term Loan, 6.53%, 8/01/13 | | 1,250 | 1,267,188 |
| Nielsen Finance LLC, Dollar Term Loan: Class A Dollar, 2.23%, 8/09/13 | | 65 | 65,032 |
| Class B, 3.98%, 5/01/16 | | 2,258 | 2,263,735 |

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| | | | |
|---|-----|-------|------------|
| Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/29/15 | | 845 | 847,011 |
| Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16 | EUR | 3,200 | 4,763,379 |
| Sunshine Acquisition Ltd. (FKA HIT Entertainment), Term Facility, 5.56%, 6/01/12 | USD | 1,965 | 1,940,912 |
| Telesat Canada: | | | |
| Delayed Draw Term Loan, 3.22%, 10/31/14 | | 375 | 374,573 |
| Term Loan B, 3.22%, 10/31/14 | | 4,368 | 4,360,720 |
| UPC Broadband Holding BV, Term U, 4.96%, 12/31/17 | EUR | 2,036 | 2,994,083 |
| Univision Communications, Inc., Extended Term Loan (First Lien), 4.46%, 3/29/17 | | 2,452 | 2,395,370 |
| Virgin Media Investment Holdings Ltd., Facility B, 4.57%, 12/31/15 | GBP | 1,822 | 3,046,986 |
| Weather Channel, Term Loan B, 4.25%, 2/01/17 | USD | 2,843 | 2,868,341 |
| | | | 79,765,304 |

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Floating Rate Loan Interests (b) | | | |
| Metals & Mining — 2.8% | | | |
| Novelis Corp., Term Loan, 4.00%, 11/29/16 | USD | 3,491 | \$ 3,522,891 |
| Walter Energy, Inc., Term Loan B, 4.00%, 2/04/18 | | 6,100 | 6,148,800 |
| | | | 9,671,691 |
| Multi-Utilities — 0.0% | | | |
| Mach Gen, LLC, Synthetic Letter of Credit Loan (First Lien), 2.31%, 2/22/13 | | 69 | 63,926 |
| Multiline Retail — 2.0% | | | |
| Hema Holding BV: | | | |
| Facility B, 2.99%, 7/06/15 | EUR | 172 | 251,635 |
| Facility C, 3.74%, 7/05/16 | | 172 | 251,636 |
| Facility D, 5.99%, 1/01/17 | | 3,800 | 5,543,945 |
| The Neiman Marcus Group, Inc., Term Loan, 4.31%, 4/06/13 | USD | 796 | 796,463 |
| | | | 6,843,679 |
| Oil, Gas & Consumable Fuels — 1.4% | | | |
| Alpha Natural Resources, Inc., Bridge Loan, 5.25%, 1/12/28 | | 4,700 | — |
| EquiPower Resources Holdings, LLC, Term Facility B, 5.75%, 1/04/18 | | 1,975 | 1,989,813 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/30/15 | | 2,831 | 2,901,579 |
| | | | 4,891,392 |
| Paper & Forest Products — 0.1% | | | |
| Verso Paper Finance Holdings LLC, Term Loan, 6.55% – 7.30%, 2/01/13 (g) | | 398 | 358,378 |
| Personal Products — 0.4% | | | |
| NBTY, Inc., Term Loan B, 4.25%, 10/01/17 | | 1,397 | 1,405,228 |
| Pharmaceuticals — 1.4% | | | |
| Axcan Intermediate Holdings, Inc., Term Loan, 5.50%, 1/25/17 | | 2,693 | 2,687,360 |
| Warner Chilcott Corp.: | | | |
| Term Loan B1, 4.25%, 3/17/18 | | 960 | 966,901 |
| Term Loan B2, 4.25%, 3/17/18 | | 480 | 483,450 |

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| | | | |
|---|-------|--------------|--------------|
| Term Loan B3, 4.25%, 3/17/18 | 660 | 664,744 | |
| | | | 4,802,455 |
| Professional Services — 1.0% | | | |
| Booz Allen Hamilton, Inc., Term Loan B, 4.00%, 8/01/17 | 1,800 | | 1,818,900 |
| Fifth Third Processing Solutions, LLC, Term Loan B (First Lien), 5.50%, 10/21/16 | 1,610 | | 1,622,240 |
| | | | 3,441,140 |
| Real Estate Investment Trusts (REITs) — 1.0% | | | |
| iStar Financial, Inc., Term Loan A, 5.00%, 6/28/13 | 3,479 | | 3,450,408 |
| Real Estate Management & Development — 1.8% | | | |
| Pivotal Promontory, LLC, Term Loan (Second Lien), 3.25%, 8/31/11 (c)(f) | 750 | | 1 |
| Realogy Corp.: | | | |
| Term Loan B, 4.56%, 10/16/16 | 6,019 | | 5,648,213 |
| Term Loan C, 4.64%, 10/16/16 | 509 | | 477,494 |
| | | | 6,125,708 |
| Semiconductors & Semiconductor Equipment — 0.5% | | | |
| Freescale Semiconductor, Inc., Extended Maturity Term Loan, 4.49%, 12/01/16 | 564 | | 564,410 |
| Microsemi Corp., Term Loan B, 4.00%, 10/25/17 | 1,097 | | 1,086,605 |
| | | | 1,651,015 |
| Software — 0.5% | | | |
| Bankruptcy Management Solutions, Inc.: | | | |
| Facility (Second Lien), 8.30%, 8/20/15 | 249 | | 14,955 |
| Term Loan B, 7.50%, 8/20/14 | 719 | | 280,550 |
| | | | |
| | | Par | |
| Floating Rate Loan Interests (b) | | (000) | Value |
| Software (concluded) | | | |
| Rovi Corp., Term Loan B, 4.00%, 2/07/18 | USD | 1,000 | \$ 1,007,500 |
| Vertafore, Inc., Term Loan B, 5.25%, 7/31/16 | | 343 | 344,602 |
| | | | 1,647,607 |
| Specialty Retail — 3.9% | | | |
| Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/18/17 | | 1,072 | 1,069,930 |
| General Nutrition Centers, Inc., Term Loan B, 4.25%, 2/15/18 | | 2,625 | 2,633,203 |
| J. Crew Group, Inc., Term Loan B, 4.75%, 2/01/18 | | 1,395 | 1,392,001 |
| Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/10/18 | | 900 | 899,438 |
| Matalan Finance Plc, Term Facility, 5.62%, 3/24/16 | GBP | 1,201 | 1,989,631 |

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| | | | |
|--|-------------------|-------|-------------|
| Michaels Stores, Inc., Term Loan B-1, 2.56% – 2.63%, 10/31/13 | USD | 820 | 811,749 |
| Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17 | | 2,732 | 2,754,601 |
| Toys 'R' US, Inc., Term Loan B, 6.00%, 8/17/16 | | 1,975 | 1,988,231 |
| | | | 13,538,784 |
| Textiles, Apparel & Luxury Goods — 1.3% | | | |
| Phillips-Van Heusen Corp., Term Loan B, 3.92%, 5/04/16 | EUR | 3,037 | 4,542,519 |
| Wireless Telecommunication Services — 2.2% | | | |
| Digicel International Finance Ltd., US Term Loan (Non-Rollover), 2.81%, 3/30/12 | USD | 3,044 | 2,998,229 |
| MetroPCS Wireless, Inc., Term Loan B, 4.00%, 3/31/18 | | 2,244 | 2,242,265 |
| Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15 (g) | | 2,329 | 2,399,377 |
| | | | 7,639,871 |
| Total Floating Rate Loan Interests — 115.6% | | | 403,442,875 |
| Foreign Agency Obligations | | | |
| Argentina Bonos: | | | |
| 0.68%, 8/03/12 (b) | | 2,500 | 2,417,121 |
| 7.00%, 10/03/15 | | 2,000 | 1,897,945 |
| Colombia Government International Bond, 3.86%, 3/17/13 (b) | | 840 | 859,740 |
| Uruguay Government International Bond, 6.88%, 1/19/16 | EUR | 950 | 1,533,731 |
| Total Foreign Agency Obligations — 1.9% | | | 6,708,537 |
| | Beneficial | | |
| | Interest | | |
| | (000) | | |
| Other Interests (h) | | | |
| Auto Components — 0.9% | | | |
| Delphi Debtor-in-Possession Holding Co. LLP, Class B Membership Interests (c) | | —(i) | 2,937,364 |
| Lear Corp. Escrow (c) | USD | 500 | 13,750 |
| | | | 2,951,114 |
| Diversified Financial Services — 0.3% | | | |
| J.G. Wentworth LLC, Preferred Equity Interests (c)(j) | | 1 | 1,202,481 |
| Health Care Providers & Services — 0.0% | | | |
| Critical Care Systems International, Inc. (c) | | 1 | 95 |
| Hotels, Restaurants & Leisure — 0.0% | | | |
| Wembley Contigent (c) | | 2 | 12,000 |
| Household Durables — 0.0% | | | |

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Berklinc Benchcraft Equity LLC (c)

6

—

Total Other Interests — 1.2%

4,165,690

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

| Warrants (k) | Shares | Value |
|--|-----------|---------------|
| Chemicals — 0.0% | | |
| British Vita Holdings Co. (Non-Expiring) (a) | 166 | \$ 49,174 |
| Media — 0.0% | | |
| New Vision Holdings LLC: | | |
| (Expires 9/30/14) | 3,424 | 34 |
| (Expires 9/30/14) | 19,023 | 190 |
| | | 224 |
| Software — 0.0% | | |
| Bankruptcy Management Solutions, Inc. | | |
| (Expires 9/29/17) | 251 | 3 |
| HMH Holdings/EduMedia (Expires 3/09/17) | 21,894 | — |
| | | 3 |
| Total Warrants — 0.0% | | 49,401 |
| Total Long-Term Investments | | |
| (Cost — \$494,186,706) — 144.9% | | 505,724,203 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (l)(m) | 4,289,208 | 4,289,208 |
| Total Short-Term Securities | | |
| (Cost — \$4,289,208) — 1.2% | | 4,289,208 |
| Options Purchased | | |
| Over-the-Counter Call Options — 0.0% | | |
| Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/21/19, Broker Goldman Sachs Bank USA | 26 | — |
| Total Options Purchased | | — |
| (Cost — \$25,422) — 0.0% | | |
| Total Investments (Cost — \$498,501,336*) — 146.1% | | 510,013,411 |
| Liabilities in Excess of Other Assets — (46.1)% | | (160,866,221) |
| Net Assets — 100.0% | | \$349,147,190 |

* The cost and unrealized appreciation (depreciation) of investments as of April 30, 2011, as computed for federal income tax purposes, were as follows:

| | |
|-------------------------------|----------------|
| Aggregate cost | \$ 495,744,368 |
| Gross unrealized appreciation | \$ 21,127,077 |

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| | |
|-------------------------------|---------------|
| Gross unrealized depreciation | (6,858,034) |
| Net unrealized appreciation | \$ 14,269,043 |

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.

(b) Variable rate security. Rate shown is as of report date.

(c) Non-income producing security.

(d) Convertible security.

(e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(f) Issuer filed for bankruptcy and/or is in default of interest payments.

(g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(h) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(i) Amount is less than \$1,000.

(j) The investment is held by a wholly owned taxable subsidiary of the Fund.

(k) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.

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

| Affiliate | Shares Held at October 31, 2010 | Net Activity | Shares Held at April 30, 2011 | Income |
|--|---------------------------------------|-----------------|-------------------------------------|---------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 8,770,511 | (4,481,303) | 4,289,208 | \$3,856 |

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

•For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by Fund management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

•Foreign currency exchange contracts as of April 30, 2011 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Depreciation |
|-----------------------|------------------|--------------------------|--------------------|----------------------------|
| USD 4,493,817 | CAD | 4,345,000 BNP Paribas SA | 7/07/11 | \$ (91,423) |
| USD 1,196,323 | CHF | 1,099,500 Citibank NA | 7/07/11 | (75,299) |
| USD 13,115,303 | GBP | 8,031,500 Deutsche | | |

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| | | | | | | |
|--------------|------------|-----|------------|-----------------|---------|-----------------------|
| | | | | Bank AG | 7/07/11 | (288,738) |
| USD | 668,551 | GBP | 408,000 | Royal Bank | | |
| | | | | of Scotland Plc | 7/07/11 | (12,374) |
| USD | 62,410,712 | EUR | 42,933,500 | UBS AG | 7/27/11 | (1,027,233) |
| Total | | | | | | \$ (1,495,067) |

•Fair Value Measurements — Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are summarized in three broad levels for financial statement purposes as follows:

- Level 1 — price quotations in active markets/exchanges for identical assets and liabilities
- Level 2 — other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)
- Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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BlackRock Floating Rate Income Trust (BGT)
Schedule of Investments (continued)

The following tables summarize the inputs used as of April 30, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total | |
|---------------------|--------------|---------------|---------------|---------------|---------------|
| Assets: | | | | | |
| Investments: | | | | | |
| Long-Term | | | | | |
| Investments: | | | | | |
| Asset-Back | | | | | |
| Securities | | — | \$ 4,127,544 | \$ 7,134,421 | \$ 11,261,965 |
| Common | | | | | |
| Stocks | \$ 180,455 | 1,121,920 | 738,695 | 2,041,070 | |
| Corporate | | | | | |
| Bonds | | — | 74,550,837 | 3,503,828 | 78,054,665 |
| Floating | | | | | |
| Rate Loan | | | | | |
| Interests | | — | 358,301,963 | 45,140,912 | 403,442,875 |
| Foreign Agency | | | | | |
| Obligations | | — | 2,393,471 | 4,315,066 | 6,708,537 |
| Other | | | | | |
| Interests | | — | — | 4,165,690 | 4,165,690 |
| Warrants | | — | 49,174 | 227 | 49,401 |
| Short-Term | | | | | |
| Securities | 4,289,208 | — | — | — | 4,289,208 |
| Unfunded Loan | | | | | |
| Commitments | | — | 3,001 | — | 3,001 |
| Liabilities: | | | | | |
| Unfunded Loan | | | | | |
| Commitments | | — | (37,048) | (1,470) | (38,518) |
| Total | \$ 4,469,663 | \$440,510,862 | \$ 64,997,369 | \$509,977,894 | |

Derivative Financial Instruments¹

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---------------------|---------|---------|---------|-------|
| Liabilities: | | | | |
| Foreign | | | | |
| currency | | | | |

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exchange

| | | | | |
|-----------|---|----------------|---|----------------|
| contracts | — | \$ (1,495,067) | — | \$ (1,495,067) |
|-----------|---|----------------|---|----------------|

¹ Derivative financial instruments are foreign currency exchange contracts and options. Foreign currency exchange contracts are shown at the unrealized appreciation/depreciation on the instrument and options are shown at value.

See Notes to Financial Statements.

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SEMI-ANNUAL REPORT APRIL 30, 2011

BlackRock Floating Rate Income Trust (BGT) Schedule of Investments (concluded)

The following tables are a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

| | Asset-Backed Common | | Corporate Bonds | Floating Rate Loan | Foreign Agency | Other Interests | Preferred Commitments | Unfunded Loan Commitments | Unfunded Loan Liabilities Total | Warrants |
|---|------------------------|-------------|--------------------|-----------------------|-------------------|--------------------|--------------------------|---------------------------------|--|---------------|
| | Securities | Stocks | | Interests | Obligations | | Securities | Assets | | |
| Assets/Liabilities: | | | | | | | | | | |
| Balance as of | | | | | \$64,699,477 | \$ | | | | \$ |
| October 31, 2010 | —\$ 595,520 | | \$ 61,912 | | 4,228,067 | \$ 5,533,239 | \$ 85,828 | \$ 160,394 | — | 227 \$ 75,364 |
| Accrued discounts/ premiums | \$ 25,883 | — | 101,940 | 194,272 | 105,249 | — | — | — | — | — 427 |
| Realized gain (loss) | —(153,348) | (1,019,809) | (4,389,264) | | — | 1,982,049 | 136,990 | — | — | — (3,443) |
| Change in unrealized appreciation/ depreciation ¹ | (61,912) | 592,392 | 1,155,437 | 6,299,025 | (18,250) | (539,552) | (31,032) | (160,394) | \$ (1,470) | — 7,234 |
| Purchases | 6,613,650 | — | 3,334,116 | 21,737,671 | — | 16,479 | — | — | — | — 31,701 |
| Sales | —(452,581) | (129,768) | (27,996,629) | | — | (2,826,525) | (191,786) | — | — | —(31,597) |
| Transfer In ² | 556,800 | 156,712 | — | 6,598,512 | — | — | — | — | — | — 7,312 |
| Transfer Out ² | — | — | — | (22,002,152) | — | — | — | — | — | —(22,002) |
| Balance as of | | | | | \$45,140,912 | \$ 4,315,066 | \$ | | | \$ |
| April 30, 2011 | \$7,134,421 | \$ 738,695 | \$3,503,828 | | | 4,165,690 | — | — | \$ (1,470) | 227 \$ 64,997 |

¹ Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at April 30, 2011 was \$1,246,867.

² The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

The following table is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used to determine fair value:

Credit Contracts

| | Assets |
|--|-----------|
| Balance, as of October 31, 2010 | \$ 19,172 |
| Accrued discounts/premiums | — |
| Net realized gain (loss) | — |
| Net change in unrealized appreciation/depreciation | — |

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| | |
|--------------------------------------|----------|
| Purchases | — |
| Issuances ³ | — |
| Sales | — |
| Settlements ⁴ | (19,172) |
| Transfers in ⁵ | — |
| Transfers out ⁵ | — |
| Balance, as of April 30, 2011 | — |

³ Issuances represent upfront cash received on certain derivative financial instruments.

⁴ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

⁵ The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

A reconciliation of Level 3 investments and derivatives is presented when the Fund had a significant amount of Level 3 investments and derivatives at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

| | BlackRock Credit Allocation Income Trust I, Inc. (PSW) | BlackRock Credit Allocation Income Trust II, Inc. (PSY) | BlackRock Credit Allocation Income Trust III (BPP) | BlackRock Credit Allocation Income Trust IV (BTZ) | BlackRock Floating Rate Income Trust (BGT) |
|--|---|--|---|--|---|
| April 30, 2011 (Unaudited) | | | | | |
| Assets | | | | | |
| | | | | | \$ |
| Investments at value — unaffiliated ¹ | \$ 146,292,491 | \$ 617,529,973 | \$ 277,418,251 | \$ 927,774,168 | 505,724,203 |
| Investments at value — affiliated ² | 183,531 | 2,023,400 | 1,547,481 | 500 | 4,289,208 |
| Unrealized appreciation on swaps | 7,854 | 34,718 | 30,192 | 105,041 | — |
| Unrealized appreciation on unfunded loan commitments | — | — | — | — | 3,001 |
| Unrealized appreciation on foreign currency exchange contracts | — | 11,307 | — | — | — |
| Foreign currency at value ³ | 427 | — | 532 | 49 | 2,166,169 |
| Cash pledged as collateral for swaps | — | — | — | 3,599,943 | — |
| Cash pledged as collateral for financial futures contracts | 370,000 | 1,464,000 | 340,000 | 1,070,000 | — |
| Interest receivable | 2,203,035 | 9,738,952 | 4,095,153 | 14,158,949 | 3,319,026 |
| Investments sold receivable | 637,270 | 4,426,382 | 2,122,322 | 4,846,123 | 20,722,327 |
| Swaps receivable | 168,276 | 32,676 | 308,616 | 166,473 | — |
| Dividends receivable | 4,623 | 17,412 | 8,603 | 552,697 | 1,704 |
| Options written receivable | — | — | 9,360 | 914,040 | — |
| Swap premiums paid | — | — | 135,616 | — | — |
| Commitment fees receivable | — | — | — | — | 7,596 |
| Prepaid expenses | 16,086 | 46,009 | 34,632 | 99,977 | 130,609 |
| Other assets | — | 122,779 | 56,614 | 137,046 | 107,640 |
| Total assets | 149,883,593 | 635,447,608 | 286,107,372 | 953,425,006 | 536,471,483 |
| Liabilities | | | | | |
| Reverse repurchase agreements | 37,802,596 | 154,459,791 | 53,379,280 | 200,550,720 | — |
| Loan payable | — | — | — | — | 157,000,000 |
| Options written at value ⁴ | 153,823 | 656,759 | 892,581 | 3,071,731 | — |
| Unrealized depreciation on unfunded loan commitments | — | — | — | — | 38,518 |
| Unrealized depreciation on foreign currency exchange contracts | — | — | — | — | 1,495,067 |
| Unrealized depreciation on swaps | 120,145 | 506,560 | 250,073 | 840,664 | — |
| Bank overdraft | — | 1,290,593 | — | 111,208 | 197,668 |
| Swap premiums received | 172,223 | 736,849 | 24,030 | 84,749 | — |
| Investments purchased payable | 120,988 | 2,526,058 | 181,364 | 610,327 | 27,675,927 |
| Investment advisory fees payable | 73,483 | 310,100 | 151,862 | 507,395 | 272,790 |

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| | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|
| Margin variation payable | 34,219 | 147,048 | 32,351 | 102,281 | — |
| Income dividends payable | 26,419 | 129,505 | 42,214 | 283,683 | — |
| Interest expense payable | 26,196 | 112,722 | 38,790 | 117,527 | 121,459 |
| Swaps payable | 23,205 | 96,666 | 50,122 | 162,600 | — |
| Officer's and Directors' fees payable | 1,200 | 89,361 | 57,183 | 145,251 | 111,479 |
| Other affiliates payable | — | — | 1,788 | — | — |
| Deferred income | — | — | — | — | 175,075 |
| Other accrued expenses payable | 13,093 | — | 97,712 | 102,090 | 236,310 |
| Total liabilities | 38,567,590 | 161,062,012 | 55,199,350 | 206,690,226 | 187,324,293 |
| | | | | | \$ |
| Net Assets | \$ 111,316,003 | \$ 474,385,596 | \$ 230,908,022 | \$ 746,734,780 | 349,147,190 |
| Net Assets Consist of | | | | | |
| | | | | | \$ |
| Paid-in capital ^{5,6,7} | \$ 236,754,281 | \$ 937,350,272 | \$ 422,218,171 | \$ 1,123,084,063 | 428,397,626 |
| Undistributed (distributions in excess of) net investment income | 297,823 | 675,221 | 240,381 | (550,386) | 7,873,237 |
| Accumulated net realized loss | (131,451,449) | (483,443,229) | (199,693,618) | (399,369,686) | (96,669,997) |
| Net unrealized appreciation/depreciation | 5,715,348 | 19,803,332 | 8,143,088 | 23,570,789 | 9,546,324 |
| | | | | | \$ |
| Net Assets | \$ 111,316,003 | \$ 474,385,596 | \$ 230,908,022 | \$ 746,734,780 | 349,147,190 |
| Net asset value | \$ 10.79 | \$ 11.63 | \$ 12.50 | \$ 14.41 | \$ 14.79 |
| | | | | | \$ |
| ¹ Investments at cost — unaffiliated | \$ 140,296,266 | \$ 596,218,531 | \$ 269,117,350 | \$ 903,717,139 | 494,212,128 |
| ² Investments at cost — affiliated | \$ 183,531 | \$ 2,023,400 | \$ 1,547,481 | \$ 500 | \$ 4,289,208 |
| ³ Foreign currency at cost | \$ 413 | — | \$ 459 | \$ 43 | \$ 2,140,480 |
| ⁴ Premiums received | \$ 255,600 | \$ 1,087,200 | \$ 1,110,600 | \$ 3,805,700 | — |
| ⁵ Common Shares par value per share | \$ 0.10 | \$ 0.10 | \$ 0.001 | \$ 0.001 | \$ 0.001 |
| ⁶ Common Shares outstanding | 10,311,941 | 40,807,418 | 18,467,785 | 51,828,157 | 23,603,223 |
| ⁷ Common Shares authorized | 199,994,540 | 199,978,000 | unlimited | unlimited | unlimited |

See Notes to Financial Statements.

Statements of Operations

| | BlackRock Credit Allocation Income Trust I, Inc. (PSW) | BlackRock Credit Allocation Income Trust II, Inc. (PSY) | BlackRock Credit Allocation Income Trust III (BPP) | BlackRock Credit Allocation Income Trust IV (BTZ) | BlackRock Floating Rate Income Trust (BGT) |
|--|---|--|---|--|---|
| Six Months Ended April 30, 2011 (Unaudited) | | | | | |
| Investment Income | | | | | |
| | | | \$ | | \$ |
| Interest | \$ 3,810,133 | 16,552,308 | \$ 7,228,830 | \$ 24,109,606 | 14,406,696 |
| Dividends — unaffiliated | 141,392 | 150,707 | 18,255 | 931,620 | — |
| Income — affiliated | 1,655 | 6,501 | 7,230 | 24,430 | 8,675 |
| Foreign taxes withheld | (1,331) | (5,814) | (2,813) | (8,558) | — |
| Facility and other fees | — | — | — | — | 257,180 |
| Total income | 3,951,849 | 16,703,702 | 7,251,502 | 25,057,098 | 14,672,551 |
| Expenses | | | | | |
| Investment advisory | 415,013 | 1,836,317 | 879,467 | 2,945,801 | 1,733,011 |
| Professional | 35,608 | 139,117 | 43,204 | 134,308 | 172,509 |
| Transfer agent | 18,811 | 47,970 | 6,043 | 8,041 | 11,476 |
| Accounting services | 11,289 | 46,336 | 27,491 | 58,134 | 29,001 |
| Custodian | 6,093 | 18,012 | 10,807 | 21,827 | 77,110 |
| Printing | 5,782 | 24,257 | 34,617 | 73,036 | 31,706 |
| Officer and Directors | 5,746 | 26,109 | 13,874 | 38,905 | 19,275 |
| Registration | 4,691 | 6,972 | 4,908 | 8,399 | 4,766 |
| Commissions for Preferred Shares | 2,942 | 26,109 | 5,299 | 26,813 | 4,139 |
| Borrowing costs ¹ | — | — | — | — | 176,322 |
| Miscellaneous | 20,066 | 28,254 | 22,542 | 46,416 | 42,749 |
| Total expenses excluding interest expense | 526,041 | 2,199,453 | 1,048,252 | 3,361,680 | 2,302,064 |
| Interest expense | 42,365 | 144,983 | 56,169 | 158,730 | 610,537 |
| Total expenses | 568,406 | 2,344,436 | 1,104,421 | 3,520,410 | 2,912,601 |
| Less fees waived by advisor | (647) | (2,820) | (2,875) | (9,161) | (232,918) |
| Total expenses after fees waived | 567,759 | 2,341,616 | 1,101,546 | 3,511,249 | 2,679,683 |
| Net investment income | 3,384,090 | 14,362,086 | 6,149,956 | 21,545,849 | 11,992,868 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from: | | | | | |
| Investments | 906,682 | 1,429,985 | 922,503 | 3,417,614 | 1,510,459 |
| Financial futures contracts | (52,177) | (48,097) | (122,670) | (635,711) | — |
| Swaps | 37,489 | 151,887 | 92,590 | 369,357 | 1,581 |
| Foreign currency transactions | 73 | 128 | — | — | (8,593,007) |
| | 892,067 | 1,533,903 | 892,423 | 3,151,260 | (7,080,967) |

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Net change in unrealized appreciation/depreciation
on:

| | | | | | |
|--|----------------|------------------|------------------|--------------------|-------------------|
| Investments | (283,666) | 959,182 | 1,123,909 | (3,986,997) | 13,307,760 |
| Financial futures contracts | (273,121) | (1,401,049) | (116,626) | (712,327) | — |
| Swaps | (112,291) | (471,842) | (219,881) | (735,623) | (19,172) |
| Foreign currency transactions | (19) | 3 | 32 | 2 | 4,045,018 |
| Options written | 101,777 | 430,441 | 218,019 | 733,969 | — |
| Unfunded loan commitments | — | — | — | — | (153,204) |
| | (567,320) | (483,265) | 1,005,453 | (4,700,976) | 17,180,402 |
| Total realized and unrealized gain (loss) | 324,747 | 1,050,638 | 1,897,876 | (1,549,716) | 10,099,435 |

Dividends to Preferred Shareholders From

| | | | | | |
|--|---------------------|-------------------|---------------------|----------------------|-------------------|
| Net investment income | (61,138) | (504,314) | (23,469) | (646,135) | (90,614) |
| Net Increase in Net Assets Resulting from | | \$ | | | \$ |
| Operations | \$ 3,647,699 | 14,908,410 | \$ 8,024,363 | \$ 19,349,998 | 22,001,689 |

¹ See Note 8 of the Notes to the Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | BlackRock Credit Allocation Income Trust I, Inc. (PSW) | | BlackRock Credit Allocation Income Trust II, Inc. (PSY) | |
|---|---|-----------------------------------|---|-----------------------------------|
| | Six Months | | Six Months | |
| | Ended | | Ended | |
| | April 30, 2011 | Year Ended October 31, 2010 | April 30, 2011 | Year Ended October 31, 2010 |
| | (Unaudited) | 2010 | (Unaudited) | 2010 |
| Operations | | | | |
| Net investment income | \$ 3,384,090 | \$ 6,504,548 | \$ 14,362,086 | \$ 29,526,710 |
| Net realized gain (loss) | 892,067 | (3,995,338) | 1,533,903 | (33,383,348) |
| Net change in unrealized appreciation/depreciation | (567,320) | 20,132,597 | (483,265) | 104,507,204 |
| Dividends to Preferred Shareholders from net investment income | (61,138) | (611,907) | (504,314) | (2,578,803) |
| Net increase in net assets resulting from operations | 3,647,699 | 22,029,900 | 14,908,410 | 98,071,763 |
| Dividends and Distributions to Common Shareholders From | | | | |
| Net investment income | (3,139,986) | (6,360,087) | (13,507,256) | (29,029,600) |
| Tax return of capital | — | (909,831) | — | (5,350,650) |
| Decrease in net assets resulting from dividends and distributions to shareholders | (3,139,986) | (7,269,918) | (13,507,256) | (34,380,250) |
| Net Assets | | | | |
| Total increase in net assets | 507,713 | 14,759,982 | 1,401,154 | 63,691,513 |
| Beginning of period | 110,808,290 | 96,048,308 | 472,984,442 | 409,292,929 |
| End of period | \$ 111,316,003 | \$ 110,808,290 | \$ 474,385,596 | 472,984,442 |
| Undistributed net investment income | \$ 297,823 | \$ 114,857 | \$ 675,221 | \$ 324,705 |

See Notes to Financial Statements.

Statements of Changes in Net Assets (continued)

| | BlackRock Credit Allocation | | BlackRock Credit Allocation | |
|---|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| | Income Trust III (BPP) | | Income Trust IV (BTZ) | |
| | Six Months | | Six Months | |
| | Ended | | Ended | |
| | April 30, 2011 | Year Ended October 31, 2010 | April 30, 2011 | Year Ended October 31, 2010 |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | (Unaudited) | 2010 | (Unaudited) | 2010 |
| Operations | | | | |
| Net investment income | \$ 6,149,956 | \$ 13,514,214 | \$ 21,545,849 | \$ 44,282,613 |
| Net realized gain (loss) | 892,423 | (12,773,618) | 3,151,260 | 712,631 |
| Net change in unrealized appreciation/depreciation | 1,005,453 | 39,939,765 | (4,700,976) | 109,629,309 |
| Dividends to Preferred Shareholders from net investment income | (23,469) | (202,609) | (646,135) | (3,511,929) |
| Net increase in net assets resulting from operations | 8,024,363 | 40,477,752 | 19,349,998 | 151,112,624 |
| Dividends and Distributions to Common Shareholders From | | | | |
| Net investment income | (6,214,410) | (14,081,286) | (21,975,138) | (41,824,719) |
| Tax return of capital | — | (1,431,653) | — | (14,927,112) |
| Decrease in net assets resulting from dividends and distributions to shareholders | (6,214,410) | (15,512,939) | (21,975,138) | (56,751,831) |
| Net Assets | | | | |
| Total increase (decrease) in net assets | 1,809,953 | 24,964,813 | (2,625,140) | 94,360,793 |
| Beginning of period | 229,098,069 | 204,133,256 | 749,359,920 | 654,999,127 |
| End of period | 230,908,022 | \$ 229,098,069 | \$ 746,734,780 | 749,359,920 |
| Undistributed (distributions in excess of) net investment income | \$ 240,381 | \$ 328,304 | \$ (550,386) | \$ 525,038 |

See Notes to Financial Statements.

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Statements of Changes in Net Assets (concluded)

| | BlackRock | |
|---|---|--------------------|
| | Floating Rate Income Trust (BGT) | |
| | Six Months | |
| | Ended | |
| | April 30, | Year Ended |
| | 2011 | October 31, |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | (Unaudited) | 2010 |
| Operations | | |
| Net investment income | \$ 11,992,868 | \$ 22,931,750 |
| Net realized loss | (7,080,967) | (7,990,225) |
| Net change in unrealized appreciation/depreciation | 17,180,402 | 33,559,226 |
| Dividends to Preferred Shareholders from net investment income | (90,614) | (893,902) |
| Net increase in net assets applicable resulting from operations | 22,001,689 | 47,606,849 |
| Dividends to Shareholders From | | |
| Net investment income | (14,673,950) | (19,496,826) |
| Capital Share Transactions | | |
| Reinvestment of common dividends | 383,316 | 453,913 |
| Net Assets | | |
| Total increase in net assets | 7,711,055 | 28,563,936 |
| Beginning of period | 341,436,135 | 312,872,199 |
| End of period | \$ 349,147,190 | 341,436,135 |
| Undistributed net investment income | \$ 7,873,237 | \$ 10,644,933 |

See Notes to Financial Statements.

Statements of Cash Flows

| | BlackRock Credit Allocation Income Trust I, Inc. (PSW) | BlackRock Credit Allocation Income Trust II, Inc. (PSY) | BlackRock Credit Allocation Income Trust III (BPP) | BlackRock Floating Rate Income Trust (BGT) |
|---|---|--|---|---|
| Six Months Ended April 30, 2011 (Unaudited) | | | | |
| Cash Provided by/Used for Operating Activities | | | | |
| Net increase in net assets resulting from operations, excluding dividends to Preferred Shareholders | \$ 3,708,837 | \$ 15,412,724 | \$ 8,047,832 | \$ 22,092,303 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: | | | | |
| (Increase) in interest receivable | (92,565) | (526,847) | (378,757) | (78,130) |
| (Increase) decrease in swap receivable | (168,276) | (32,403) | (308,616) | 6,730 |
| (Increase) decrease in other assets | 167,003 | 1,223,544 | (2,210) | 239,458 |
| Decrease in commitment fees receivable | — | — | — | 2,186 |
| Increase in dividends receivable | (4,623) | (17,412) | — | (14) |
| Decrease in margin variation receivable | 8,063 | 14,375 | 8,625 | — |
| Decrease in reverse repurchase agreements receivable | — | 2,015,000 | — | — |
| (Increase) decrease in dividend receivable | — | 283 | (8,395) | — |
| Increase in cash pledged as collateral for financial futures contracts | (320,000) | (1,404,000) | (300,000) | — |
| Decrease in cash pledged as collateral for swaps | — | — | — | 100,000 |
| Decrease in deferred income payable | — | — | — | (21,279) |
| Increase (decrease) in investment advisory fees payable | (6,213) | (24,496) | (11,823) | 36,985 |
| Increase in interest expense and fees payable | 25,085 | 112,695 | 38,790 | 57,258 |
| Decrease in other affiliates payable | (968) | (4,048) | (68) | (2,636) |
| Decrease in other accrued expenses payable | (21,595) | (54,739) | (324) | (85,313) |
| Increase in margin variation payable | 34,219 | 147,048 | 32,351 | — |
| Increase in swaps payable | 23,205 | 96,666 | 50,122 | — |
| Increase in Officer's and Directors' fees payable | 940 | 3,114 | 1,100 | 6,221 |
| Net periodic and termination payments of swaps | 208,225 | 890,170 | (166,634) | — |
| Net realized and unrealized loss on investments | (634,270) | (2,462,152) | (1,989,922) | (18,692,502) |
| Amortization of premium and accretion of discount on investments | 110,650 | 532,666 | 224,788 | (1,833,537) |
| Premiums received from options written | 255,600 | 1,087,200 | 1,101,240 | — |
| Proceeds from sales of long-term investments | 52,172,009 | 211,826,953 | 82,637,861 | 255,942,556 |
| Purchases of long-term investments | (49,422,039) | (196,912,390) | (98,590,554) | (305,388,975) |
| Net proceeds from sales (purchases) of short-term securities | 5,700,567 | (539,833) | 32,919,046 | 4,481,303 |
| Cash provided by/used for operating activities | 11,743,854 | 31,384,118 | 23,304,452 | (43,137,386) |
| Cash Provided by/Used for Financing Activities | | | | |
| Cash payments on Preferred Shares | (40,250,000) | (169,025,000) | (70,425,000) | (58,800,000) |

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| | | | | |
|--|--------------|--------------|--------------|---------------|
| Cash receipts from borrowings | 44,151,589 | 224,318,191 | 79,227,024 | 264,000,000 |
| Cash payments on borrowings | (12,431,493) | (73,868,400) | (25,847,744) | (145,000,000) |
| Cash dividends paid | (3,144,663) | (13,528,726) | (6,232,919) | (14,290,634) |
| Cash dividends paid to Preferred Shareholders | (70,242) | (570,776) | (25,813) | (102,862) |
| Increase (decrease) in custodian bank payable | — | 1,290,593 | — | (526,912) |
| Cash provided by/used for financing activities | (11,744,809) | (31,384,118) | (23,304,452) | 45,279,592 |

Cash Impact from Foreign Exchange Fluctuations

| | | | | |
|--|------|---|----|--------|
| Cash impact from foreign exchange fluctuations | (19) | — | 32 | 23,963 |
|--|------|---|----|--------|

Cash

| | | | | |
|--|--------|---|--------|--------------|
| Net increase (decrease) in cash | (974) | — | 32 | 2,166,169 |
| Cash and foreign currency at beginning of period | 1,401 | — | 500 | — |
| Cash and foreign currency at end of period | \$ 427 | — | \$ 532 | \$ 2,166,169 |

Cash Flow Information

| | | | | |
|--|-----------|-----------|-----------|------------|
| Cash paid during the period for interest | \$ 17,280 | \$ 32,288 | \$ 17,379 | \$ 553,279 |
|--|-----------|-----------|-----------|------------|

Noncash Financing Activities

| | | | | |
|---|---|---|---|------------|
| Capital shares issued in reinvestment of dividends paid to shareholders | — | — | — | \$ 383,316 |
|---|---|---|---|------------|

A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.

See Notes to Financial Statements.

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BlackRock Credit Allocation Income Trust I,
Inc. (PSW)

Financial Highlights

| | Six Months | | | | | |
|--|----------------------|------------------------|-----------|-----------|------------|------------|
| | Ended | | | | | |
| | April 30, 2011 | Year Ended October 31, | | | | |
| | (Unaudited) | 2010 | 2009 | 2008 | 2007 | 2006 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 10.75 | \$ 9.31 | \$ 7.43 | \$ 19.54 | \$ 22.25 | \$ 22.36 |
| Net investment income ¹ | 0.33 | 0.63 | 0.86 | 1.70 | 2.01 | 2.14 |
| Net realized and unrealized gain (loss) | 0.02 | 1.58 | 2.06 | (12.06) | (2.41) | 0.07 |
| Dividends to Preferred Shareholders from net investment income | (0.01) | (0.06) | (0.08) | (0.48) | (0.71) | (0.63) |
| Net increase (decrease) from investment operations | 0.34 | 2.15 | 2.84 | (10.84) | (1.11) | 1.58 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.30) ² | (0.62) | (0.83) | (1.22) | (1.18) | (1.69) |
| Tax return of capital | — | (0.09) | (0.13) | (0.05) | (0.42) | — |
| Total dividends and distributions | (0.30) | (0.71) | (0.96) | (1.27) | (1.60) | (1.69) |
| Net asset value, end of period | \$ 10.79 | \$ 10.75 | \$ 9.31 | \$ 7.43 | \$ 19.54 | \$ 22.25 |
| Market price, end of period | \$ 9.28 | \$ 9.67 | \$ 8.24 | \$ 7.00 | \$ 17.29 | \$ 21.26 |
| Total Investment Return³ | | | | | | |
| Based on net asset value | 3.73% ⁴ | 24.77% ⁵ | 46.46% | (58.09)% | (5.03)% | 7.97% |
| Based on market price | (0.82)% ⁴ | 26.81% | 37.59% | (55.38)% | (12.05)% | 9.69% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses ⁶ | 1.05% ⁷ | 1.16% | 1.61% | 2.00% | 1.32% | 1.29% |
| Total expenses after fees waived and paid indirectly ⁶ | 1.05% ⁷ | 1.14% | 1.59% | 2.00% | 1.32% | 1.29% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 0.97% ⁷ | 1.13% | 1.44% | 1.48% | 1.29% | 1.29% |
| Net investment income ⁶ | 6.25% ⁷ | 6.28% | 12.45% | 10.79% | 9.38% | 9.70% |
| Dividends to Preferred Shareholders | 0.11% ⁷ | 0.59% | 1.09% | 3.03% | 3.29% | 2.84% |
| Net investment income to Common Shareholders | 6.13% ⁷ | 5.69% | 11.36% | 7.76% | 6.09% | 6.86% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 111,316 | \$ 110,808 | \$ 96,048 | \$ 76,430 | \$ 201,155 | \$ 228,734 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | — | \$ 40,250 | \$ 40,250 | \$ 68,250 | \$ 136,500 | \$ 136,500 |
| Borrowings outstanding, end of period (000) | \$ 37,803 | \$ 6,083 | \$ 4,972 | \$ 4,024 | \$ 590 | — |
| Average borrowings outstanding, during the period (000) | \$ 21,772 | \$ 5,269 | \$ 5,321 | \$ 25,692 | \$ 2,690 | — |
| Portfolio turnover | 36% | 66% | 36% | 119% | 88% | 19% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, | | | | | | |

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| | | | | | | |
|---|----------|-----------|-----------|-----------|-----------|-----------|
| end of period | — | \$ 93,831 | \$ 84,663 | \$ 53,009 | \$ 61,846 | \$ 66,907 |
| Asset coverage, end of period per \$1,000 | \$ 3,945 | — | — | — | — | — |

¹ Based on average shares outstanding.

² A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

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

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁴ Aggregate total investment return.

⁵ Includes proceeds from a settlement of litigation which impacted the Fund. Not including these proceeds the Fund's total return would have been 24.54%.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Credit Allocation Income Trust
II, Inc. (PSY)

| | Six Months | | | | | |
|--|---------------------|------------------------|---------------------|------------|------------|------------|
| | Ended | | | | | |
| | April 30, 2011 | Year Ended October 31, | | | | |
| | (Unaudited) | 2010 | 2009 | 2008 | 2007 | 2006 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 11.59 | \$ 10.03 | \$ 7.96 | \$ 19.93 | \$ 22.36 | \$ 22.26 |
| Net investment income ¹ | 0.35 | 0.72 | 1.11 | 1.73 | 2.02 | 2.03 |
| Net realized and unrealized gain (loss) | 0.03 | 1.74 | 2.17 | (11.84) | (2.35) | 0.32 |
| Dividends to Preferred Shareholders from net investment income | (0.01) | (0.06) | (0.09) | (0.49) | (0.73) | (0.65) |
| Net increase (decrease) from investment operations | 0.37 | 2.40 | 3.19 | (10.60) | (1.06) | 1.70 |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.33) ² | (0.71) | (1.12) | (1.15) | (1.16) | (1.51) |
| Tax return of capital | — | (0.13) | (0.00) ³ | (0.22) | (0.21) | (0.09) |
| Total dividends and distributions | (0.33) | (0.84) | (1.12) | (1.37) | (1.37) | (1.60) |
| Net asset value, end of period | \$ 11.63 | \$ 11.59 | \$ 10.03 | \$ 7.96 | \$ 19.93 | \$ 22.36 |
| Market price, end of period | \$ 10.08 | \$ 10.39 | \$ 8.90 | \$ 8.10 | \$ 16.94 | \$ 20.12 |
| Total Investment Return⁴ | | | | | | |
| Based on net asset value | 3.73% ⁵ | 25.70% ⁶ | 48.36% | (55.71)% | (4.35)% | 8.77% |
| Based on market price | 0.29% ⁵ | 26.99% | 29.37% | (46.97)% | (9.65)% | 2.77% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses ⁷ | 1.01% ⁸ | 1.04% | 1.41% | 1.90% | 1.27% | 1.23% |
| Total expenses after fees waived and paid indirectly ⁷ | 1.01% ⁸ | 1.03% | 1.41% | 1.90% | 1.27% | 1.23% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁷ | 0.95% ⁸ | 1.02% | 1.33% | 1.40% | 1.23% | 1.23% |
| Net investment income ⁷ | 6.21% ⁸ | 6.66% | 15.05% | 10.71% | 9.29% | 9.26% |
| Dividends to Preferred Shareholders | 0.22% ⁸ | 0.58% | 1.19% | 3.04% | 3.34% | 2.96% |
| Net investment income to Common Shareholders | 5.99% ⁸ | 6.08% | 13.86% | 7.67% | 5.95% | 6.30% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 474,386 | \$ 472,984 | \$ 409,293 | \$ 323,132 | \$ 809,411 | \$ 907,897 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | —\$ 169,025 | \$ 169,025 | \$ 275,000 | \$ 550,000 | \$ 550,000 |
| Borrowings outstanding, end of period (000) | \$ 154,160 | \$ 4,020 | \$ 9,511 | \$ 54,369 | — | — |
| Average borrowings outstanding, during the period (000) | \$ 84,960 | \$ 13,407 | \$ 15,842 | \$ 94,908 | \$ 14,375 | — |
| Portfolio turnover | 33% | 73% | 16% | 120% | 81% | 18% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, | | | | | | |

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| | | | | | | |
|---|----------|-----------|-----------|-----------|-----------|-----------|
| end of period | — | \$ 94,968 | \$ 85,547 | \$ 54,408 | \$ 61,817 | \$ 66,294 |
| Asset coverage, end of period per \$1,000 | \$ 4,071 | — | — | — | — | — |

¹ Based on average shares outstanding.

² A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

³ Amount is less than \$(0.01) per share.

⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Includes proceeds from a settlement of litigation which impacted the Fund. Not including these proceeds the Fund's total return would have been 25.37%.

⁷ Do not reflect the effect of dividends to Preferred Shareholders.

⁸ Annualized.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

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BlackRock Credit Allocation Income Trust
III (BPP)

Financial Highlights

| | Six Months Ended | | | Period | | | |
|--|-------------------------------|-----------------------------|-------------------|-------------------------------------|--|----------|----------|
| | April 30, 2011 (Unaudited) | Year Ended October 31, 2010 | 2009 | January 1, 2008 to October 31, 2008 | Year Ended December 31, 2007, 2006, 2005 | | |
| Per Share Operating Performance | | | | | | | |
| Net asset value, beginning of period | \$ 12.41 | \$ 11.05 | \$ 8.77 | \$ 19.47 | \$ 24.52 | \$ 24.43 | \$ 25.88 |
| Net investment income | 0.33 ¹ | 0.73 ¹ | 1.09 ¹ | 1.48 ¹ | 2.05 | 2.05 | 2.11 |
| Net realized and unrealized gain (loss) | 0.10 | 1.48 | 2.40 | (10.74) | (4.72) | 0.62 | (0.82) |
| Dividends and distributions to Preferred Shareholders from: | | | | | | | |
| Net investment income | (0.00) ² | (0.01) | (0.03) | (0.31) | (0.62) | (0.46) | (0.26) |
| Net realized gain | — | — | — | — | — | (0.12) | (0.13) |
| Net increase (decrease) from investment operations | 0.43 | 2.20 | 3.46 | (9.57) | (3.29) | 2.09 | 0.90 |
| Dividends and distributions to Common Shareholders from: | | | | | | | |
| Net investment income | (0.34) ³ | (0.76) | (0.95) | (0.83) | (1.59) | (1.58) | (1.74) |
| Net realized gain | — | — | — | — | (0.02) | (0.42) | (0.61) |
| Tax return of capital | — | (0.08) | (0.23) | (0.30) | (0.15) | — | — |
| Total dividends and distributions | (0.34) | (0.84) | (1.18) | (1.13) | (1.76) | (2.00) | (2.35) |
| Net asset value, end of period | \$ 12.50 | \$ 12.41 | \$ 11.05 | \$ 8.77 | \$ 19.47 | \$ 24.52 | \$ 24.43 |
| Market price, end of period | \$ 10.74 | \$ 11.23 | \$ 9.94 | \$ 8.51 | \$ 17.31 | \$ 26.31 | \$ 24.20 |
| Total Investment Return⁴ | | | | | | | |
| Based on net asset value | 3.95% ⁵ | 21.52% | 47.16% | (51.22)% ⁵ | (13.86)% | 8.89% | 3.81% |
| Based on market price | (1.30)% ⁵ | 22.25% | 36.42% | (46.76)% ⁵ | (28.62)% | 17.98% | 4.83% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | |
| Total expenses ⁶ | 0.99% ⁷ | 1.09% | 1.66% | 1.96% ⁷ | 1.46% | 1.62% | 1.51% |
| Total expenses after fees waived and paid indirectly ⁶ | 0.98% ⁷ | 1.08% | 1.64% | 1.96% ⁷ | 1.45% | 1.62% | 1.51% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 0.93% ⁷ | 1.07% | 1.39% | 1.39% ⁷ | 1.24% | 1.25% | 1.22% |
| Net investment income ⁶ | 5.49% ⁷ | 6.31% | 13.08% | 10.53% ⁷ | 8.90% | 8.46% | 8.37% |
| Dividends to Preferred Shareholders | 0.02% ⁷ | 0.10% | 0.38% | 2.19% ⁷ | 2.70% | 1.89% | 1.27% |
| Net investment income to Common Shareholders | 5.47% ⁷ | 6.21% | 12.70% | 8.34% ⁷ | 6.20% | 6.58% | 7.10% |

Supplemental Data

Net assets applicable to Common Shareholders,

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| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| end of period (000) | \$ 230,908 | \$ 229,098 | \$ 204,133 | \$ 161,311 | \$ 358,017 | \$ 449,995 | \$ 447,190 |
| Preferred Shares outstanding at \$25,000 liquidation | | | | | | | |
| preference, end of period (000) | — | \$ 70,425 | \$ 70,425 | \$ 110,400 | \$ 220,800 | \$ 220,800 | \$ 220,800 |
| Borrowings outstanding, end of period (000) | \$ 53,379 | — | \$ 13,235 | \$ 44,281 | — | — | — |
| Average borrowings outstanding, during the period (000) | \$ 40,235 | \$ 2,121 | \$ 16,330 | \$ 51,995 | \$ 903 | \$ 1,303 | \$ 2,904 |
| Portfolio turnover | 32% | 67% | 16% | 121% | 97% | 91% | 77% |
| Asset coverage per Preferred Share at \$25,000 liquidation | | | | | | | |
| preference, end of period | — | \$ 106,328 | \$ 97,465 | \$ 61,540 | \$ 65,554 | \$ 75,965 | \$ 75,642 |
| Asset coverage, end of period per \$1,000 | \$ 5,326 | — | — | — | — | — | — |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

³ A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

See Notes to Financial Statements.

Financial Highlights

BlackRock Credit Allocation Income Trust
IV (BTZ)

| | Six Months Ended April 30, 2011 (Unaudited) | Year Ended October 31, | | | Period December 27, 2006 ¹ to October 31, 2007 |
|--|---|------------------------|-------------------|-------------------|--|
| | | 2010 | 2009 | 2008 | 2007 |
| Per Share Operating Performance | | | | | |
| Net asset value, beginning of period | \$ 14.46 | \$ 12.64 | \$ 10.59 | \$ 21.39 | \$ 23.88 ² |
| Net investment income | 0.42 ³ | 0.85 ³ | 0.99 ³ | 1.33 ³ | 1.25 |
| Net realized and unrealized gain (loss) | (0.04) | 2.14 | 2.54 | (10.06) | (1.86) |
| Dividends to Preferred Shareholders from net investment income | (0.01) | (0.07) | (0.07) | (0.33) | (0.31) |
| Net increase (decrease) from investment operations | 0.37 | 2.92 | 3.46 | (9.06) | (0.92) |
| Dividends and distributions to Common Shareholders from: | | | | | |
| Net investment income | (0.42) | (0.81) | (0.93) | (0.90) | (0.93) |
| Tax return of capital | — | (0.29) | (0.48) | (0.84) | (0.47) |
| Total dividends and distributions | (0.42) | (1.10) | (1.41) | (1.74) | (1.40) |
| Capital charge with respect to issuance of: | | | | | |
| Common Shares | — | — | — | — | (0.04) |
| Preferred Shares | — | — | — | — | (0.13) |
| Total capital charges | — | — | — | — | (0.17) |
| Net asset value, end of period | \$ 14.41 | \$ 14.46 | \$ 12.64 | \$ 10.59 | \$ 21.39 |
| Market price, end of period | \$ 12.36 | \$ 13.02 | \$ 10.96 | \$ 9.36 | \$ 18.65 |
| Total Investment Return⁴ | | | | | |
| Based on net asset value | 3.15% ⁵ | 25.16% | 41.06% | (44.27)% | (4.42)% ⁵ |
| Based on market price | (1.74)% ⁵ | 29.98% | 38.38% | (43.51)% | (20.34)% ⁵ |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | |
| Total expenses ⁶ | 0.97% ⁷ | 1.12% | 1.60% | 1.65% | 1.90% ⁷ |
| Total expenses after fees waived and paid indirectly ⁶ | 0.96% ⁷ | 1.11% | 1.58% | 1.65% | 1.88% ⁷ |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 0.92% ⁷ | 1.07% | 1.24% | 1.21% | 1.04% ⁷ |
| Net investment income ⁶ | 5.91% ⁷ | 6.33% | 9.93% | 7.63% | 6.50% ⁷ |
| Dividends to Preferred Shareholders | 0.18% ⁷ | 0.50% | 0.74% | 1.89% | 1.64% ⁷ |
| Net investment income to Common Shareholders | 5.73% ⁷ | 5.83% | 9.19% | 5.74% | 4.86% ⁷ |
| Supplemental Data | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 746,735 | \$ 749,360 | \$ 654,999 | \$ 548,612 | \$ 1,108,534 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | —\$ 231,000 | \$ 231,000 | \$ 231,000 | \$ 462,000 |
| Borrowings outstanding, end of period (000) | \$ 200,551 | | —\$ 61,576 | \$ 223,512 | \$ 88,291 |
| Average borrowings outstanding, during the period (000) | \$ 113,922 | \$ 63,660 | \$ 76,521 | \$ 107,377 | \$ 96,468 |

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| | | | | | |
|---|-------------|-----------|-----------|-----------|-----|
| Portfolio turnover | 37% | 64% | 30% | 126% | 35% |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | —\$ 106,104 | \$ 95,892 | \$ 84,384 | \$ 89,737 | |
| Asset coverage, end of period per \$1,000 | \$ 4,723 | — | — | — | — |

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$1.12 per share sales charge from initial offering price of \$25.00 per share.

³ Based on average shares outstanding.

⁴ Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Do not reflect the effect of dividends to Preferred Shareholders.

⁷ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Floating Rate Income Trust
(BGT)

| | Six Months Ended | | | Period | | | |
|--|-------------------------------|-----------------------------|-------------------|-------------------------------------|--|------------|---------------------|
| | April 30, 2011 (Unaudited) | Year Ended October 31, 2010 | 2009 | January 1, 2008 to October 31, 2008 | Year Ended December 31, 2007, 2006, 2005 | | |
| Per Share Operating Performance | | | | | | | |
| Net asset value, beginning of period | \$ 14.48 | \$ 13.29 | \$ 11.24 | \$ 17.71 | \$ 19.11 | \$ 19.13 | \$ 19.21 |
| Net investment income | 0.50 ¹ | 0.97 ¹ | 0.98 ¹ | 1.42 ¹ | 2.03 | 1.99 | 1.64 |
| Net realized and unrealized gain (loss) | 0.43 | 1.09 | 2.72 | (6.62) | (1.39) | (0.06) | (0.17) |
| Dividends and distributions to Preferred Shareholders from: | | | | | | | |
| Net investment income | (0.00) ² | (0.04) | (0.04) | (0.24) | (0.54) | (0.48) | (0.33) |
| Net realized gain | — | — | — | — | — | (0.01) | (0.00) ² |
| Net increase (decrease) from investment operations | 0.93 | 2.02 | 3.66 | (5.44) | 0.10 | 1.44 | 1.14 |
| Dividends and distributions to Common Shareholders from: | | | | | | | |
| Net investment income | (0.62) | (0.83) | (1.19) | (1.03) | (1.14) | (1.44) | (1.22) |
| Net realized gain | — | — | — | — | — | (0.02) | (0.00) ² |
| Tax return of capital | — | — | (0.42) | — | (0.36) | — | — |
| Total dividends and distributions | (0.62) | (0.83) | (1.61) | (1.03) | (1.50) | (1.46) | (1.22) |
| Net asset value, end of period | \$ 14.79 | \$ 14.48 | \$ 13.29 | \$ 11.24 | \$ 17.71 | \$ 19.11 | \$ 19.13 |
| Market price, end of period | \$ 15.65 | \$ 14.52 | \$ 12.58 | \$ 9.63 | \$ 15.78 | \$ 19.27 | \$ 17.16 |
| Total Investment Return³ | | | | | | | |
| Based on net asset value | 6.49% ⁴ | 15.55% | 39.51% | (31.62)% ⁴ | 0.98% | 7.93% | 6.63% |
| Based on market price | 12.37% ⁴ | 22.41% | 54.14% | (34.24)% ⁴ | (10.92)% | 21.31% | (1.34)% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | |
| Total expenses ⁵ | 1.70% ⁶ | 1.43% | 1.96% | 2.22% ⁶ | 1.67% | 1.75% | 1.56% |
| Total expenses after fees waived and paid indirectly ⁵ | 1.56% ⁶ | 1.25% | 1.68% | 1.89% ⁶ | 1.33% | 1.43% | 1.23% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁵ | 1.21% ⁶ | 1.15% | 1.24% | 1.21% ⁶ | 1.16% | 1.19% | 1.15% |
| Net investment income ⁵ | 6.99% ⁶ | 7.01% | 8.92% | 10.56% ⁶ | 10.83% | 10.38% | 8.52% |
| Dividends to Preferred Shareholders | 0.05% ⁶ | 0.27% | 0.38% | 1.75% ⁶ | 2.88% | 2.51% | 1.71% |
| Net investment income to Common Shareholders | 6.94% ⁶ | 6.74% | 8.54% | 8.81% ⁶ | 7.95% | 7.87% | 6.81% |
| Supplemental Data | | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 349,146 | \$ 341,436 | \$ 312,872 | \$ 264,590 | \$ 417,086 | \$ 449,065 | \$ 449,219 |

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Preferred Shares outstanding at \$25,000
liquidation

| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| preference, end of period (000) | — | \$ 58,800 | \$ 58,800 | \$ 58,800 | \$ 243,450 | \$ 243,450 | \$ 243,450 |
| Borrowings outstanding, end of period (000) | \$ 157,000 | \$ 38,000 | \$ 14,000 | \$ 123,150 | — | \$ 26,108 | — |
| Average borrowings outstanding, during the period (000) | \$ 96,174 | \$ 24,321 | \$ 53,156 | \$ 71,780 | \$ 10,524 | \$ 19,562 | \$ 10,722 |
| Portfolio turnover | 54% | 87% | 42% | 25% | 41% | 50% | 46% |
| Asset coverage per Preferred Share at \$25,000 | | | | | | | |
| liquidation preference, end of period | — | \$ 170,174 | \$ 158,029 | \$ 137,505 | \$ 67,849 | \$ 73,810 | \$ 71,139 |
| Asset coverage, end of period per \$1,000 | \$ 3,224 | — | — | — | — | — | — |

¹ Based on average shares outstanding.

² Amount is less than \$(0.01) per share.

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

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁴ Aggregate total investment return.

⁵ Do not reflect the effect of dividends to Preferred Shareholders.

⁶ Annualized.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies:

BlackRock Credit Allocation Income Trust I, Inc. ("PSW") and BlackRock Credit Allocation Income Trust II, Inc. ("PSY") are registered as diversified, closed-end management investment companies under the Investment Company Act of 1940, as amended (the "1940 Act"). BlackRock Credit Allocation Income Trust III ("BPP"), BlackRock Credit Allocation Income Trust IV ("BTZ") and BlackRock Floating Rate Income Trust ("BGT") are registered as non-diversified, closed-end management investment companies under the 1940 Act. PSW and PSY are organized as Maryland corporations. BPP, BTZ and BGT are organized as Delaware statutory trusts. PSW, PSY, BPP, BTZ and BGT are collectively referred to as the "Funds" or individually as the "Fund." The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), which may require management to make estimates and assumptions that affect the reported amounts and disclosure in the financial statements. Actual results could differ from these estimates. The Board of Directors and Board of Trustees of the Funds, as applicable, are referred to throughout this report as the "Board of Directors" or the "Board." The Funds determine and make available for publication the net asset values of their Common Shares on a daily basis.

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

Valuation: US GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Financial futures contracts traded on exchanges are valued at their last sale price. Swap agreements are valued utilizing quotes received daily by the Funds' pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows and trades and values of the underlying reference instruments. Investments in open-end investment companies are valued at net asset value each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ("NASDAQ") are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange ("NYSE"). Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter ("OTC") options and swaptions are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

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

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of each Fund's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by

the investment advisor using a pricing service and/or policies approved by the Board. Each business day, the Funds use a pricing service to assist with the valuation of certain foreign exchange-traded equity securities and foreign exchange-traded and OTC options (the "Systematic Fair Value Price"). Using current market factors, the Systematic Fair Value Price is designed to value such foreign securities and foreign options at fair value as of the close of business on the NYSE, which follows the close of the local markets.

Foreign Currency Transactions: The Funds' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the date the transactions are entered into. Generally, when the US dollar rises in value against a foreign currency, the Funds' investments denominated in that currency will

Notes to Financial Statements (continued)

lose value because its currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Funds report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Zero-Coupon Bonds: The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Capital Trusts: The Funds may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities.

Preferred Stock: The Funds may invest in preferred stocks. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Floating Rate Loan Interests: The Funds may invest in floating rate loan interests. The floating rate loan interests the Funds hold are typically

issued to companies (the “borrower”) by banks, other financial institutions, and privately and publicly offered corporations (the “lender”). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly levered. The Funds may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as LIBOR (London Inter Bank Offered Rate), the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Funds consider these investments to be investments in debt securities for purposes of their investment policies.

When a Fund buys a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest it may pay a facility fee. On an ongoing basis, the Funds may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. The Funds earn and/or pays facility and other fees on floating rate loan interests, which are shown as facility and other fees in the Statements of Operations. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Funds upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Funds may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower’s option. The Funds may invest in such loans in the form of participations in loans (“Participations”) or assignments (“Assignments”) of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds’ investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Funds may be treated as general creditors of

the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Funds having a direct contractual relationship with the borrower, and the Funds may enforce compliance by the borrower with the terms of the loan agreement.

Reverse Repurchase Agreements: The Funds may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of

Notes to Financial Statements (continued)

the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Funds may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Funds' obligation to repurchase the securities.

Defensive Positions: PSW, PSY, BPP and BTZ Fund may vary its investment policies for temporary defensive purposes during periods in which the investment advisor believes that conditions in the securities markets or other economic, financial or political conditions warrant. Under such conditions, the Funds for temporary defensive purposes may invest up to 100% of its total assets in, as applicable and described in each Fund's prospectus, US government securities, certificates of deposit, repurchase agreements that involve purchases of debt securities, bankers' acceptances and other bank obligations, commercial paper, money market funds and/or other debt securities deemed by the investment advisor to be consistent with a defensive posture, or may hold its assets in cash.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC") require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts and swaps), or certain borrowings (e.g., reverse repurchase agreements and loan payable), the Funds will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are

subsequently recorded when the Funds are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid daily. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders were accrued and determined as described in Note 6.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

BGT has a wholly owned taxable subsidiary organized as a limited liability company (the "Taxable Subsidiary") which holds one of the investments listed in the Schedule of Investments. The Taxable Subsidiary enables the Fund to hold an investment that is organized as an operating partnership while still satisfying Regulated Investment Company tax requirements. Income earned on the investment held by the Taxable Subsidiary is taxable to such subsidiary. An income tax provision for all income, including realized and unrealized gains, if any, of the Taxable Subsidiary is reflected in the value of the investment held by the Taxable Subsidiary.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on PSW's and PSY's US federal tax returns remains open for the four years ended October 31, 2010. The statute of limitations on BPP's and BGT's US federal tax returns remains open for the year ended December 31, 2007, the period ended October 31, 2008 and the two years ended October 31, 2010. The statute of limitations on BTZ's US Federal tax returns remains open for the three years ended October 31, 2010 and the period ended October 31, 2007. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction. There are no uncertain tax positions that require recognition of a tax liability.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, independent Directors ("Independent Directors") may defer

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

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

Notes to Financial Statements (continued)

in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income — affiliated in the Statements of Operations.

Other: Expenses directly related to the Funds are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. The Funds have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which if applicable are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk or other risk (commodity price risk and inflation risk). These contracts may be transacted on an exchange or OTC.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Funds' maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Funds bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as options written obligate the Funds to perform and not the counterparty. Counterparty risk related to exchange-traded financial futures contracts and options is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Funds may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement implemented between a Fund and each of its respective counterparties. The ISDA Master Agreement allows each Fund to offset with each separate counterparty certain derivative financial instrument's payables and/or receivables

with collateral held. The amount of collateral moved to/from applicable counterparties is generally based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Funds from their counterparties are not fully collateralized contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. See Note 1 "Segregation and Collateralization" for information with respect to collateral practices. In addition, the Funds manage counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Funds' net assets decline by a stated percentage or the Funds fail to meet the terms of its ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

Financial Futures Contracts: The Funds purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk), changes in the value of equity securities (equity risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are agreements between the Funds and the counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on settlement date. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Funds as unrealized appreciation or depreciation. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

Foreign Currency Exchange Contracts: The Funds enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Funds, help to manage the overall exposure to the currencies, in which some of the investments held by the Funds are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts

involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that a counterparty to the contract does not perform its obligations under the agreement.

Options: The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments (including equity risk, interest rate risk and/or commodity price risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying instrument 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 instrument at the exercise

Notes to Financial Statements (continued)

price at any time or at a specified time during the option period. When the Funds purchase (writes) an option, an amount equal to the premium paid (received) by the Funds is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Funds enter into a closing transaction), the Funds realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Funds write a call option, such option is "covered," meaning that the Funds holds the underlying instrument subject to being called by the option counterparty. When the Funds write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, the Funds bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Funds may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Funds purchasing or selling a security at a price different from the current market value.

Swaps: The Funds enter into swap agreements, in which the Funds and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

•Credit default swaps — The Funds enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to

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which they are not otherwise exposed (credit risk). The Funds enter into credit default swap agreements to provide a measure of protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which it is not otherwise exposed (as seller of protection). The Funds may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Funds will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Funds will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index.

Derivative Financial Instruments Categorized by Risk Exposure:

Fair Values of Derivative Financial Instruments as of April 30, 2011

Asset Derivatives

| | | PSW | PSY | BPP | BTZ |
|--|---|-------------------|-------------------|-------------------|---------------------|
| Statements of Assets and Liabilities Location | | Value | | | |
| Equity contracts | Investments at value-unaffiliated* | \$ 69,440 | \$ 292,640 | \$ 143,840 | \$ 486,080 |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency contracts | — | 11,307 | — | — |
| Interest rate contracts | Net unrealized appreciation/depreciation**; | | | | |
| | Investments at value-unaffiliated* | 80,002 | 221,534 | 192,738 | 602,815 |
| Credit contracts | Unrealized appreciation on swaps; | | | | |
| | Investments at value-unaffiliated* | 7,854 | 34,718 | 11,072 | 39,077 |
| Total | | \$ 157,296 | \$ 560,199 | \$ 347,650 | \$ 1,127,972 |

* Includes options purchased at value as reported in the Schedule of Investments.

** Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only the current day's margin variation is reported within the Statements of Assets and Liabilities.

Notes to Financial Statements (continued)

Liability Derivatives

| | | PSW | PSY | BPP | BTZ | BGT |
|-------------------------------------|---|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Statements of Assets and Liabilities Location | | | | | |
| | | | | | | Value |
| Foreign currency exchange contracts | Unrealized depreciation on foreign currency contracts | | — | — | — | —\$1,495,067 |
| Interest rate contracts | Net unrealized appreciation/depreciation*; Unrealized depreciation on swaps; Options written at value | \$ 598,695 | \$ 2,743,096 | \$ 1,385,302 | \$ 4,644,436 | — |
| Credit contracts | Unrealized depreciation on swaps; Options written at value | 25,652 | 108,469 | 54,738 | 179,561 | — |
| Total | | \$ 624,347 | \$ 2,851,565 | \$ 1,440,040 | \$ 4,823,997 | \$ 1,495,067 |

The Effect of Derivative Financial Instruments in the Statements of Operations

Six Months Ended April 30, 2011

Net Realized Gain (Loss) From

| | PSW | PSY | BPP | BTZ | BGT |
|--------------------------------------|--------------------|-------------------|--------------------|------------------|----------------------|
| Interest rate contracts: | | | | | |
| | | | \$ | \$ | \$ |
| Financial futures contracts | \$ (52,177) | (48,097) | (122,670) | (635,711) | — |
| Options** | — | — | (18,020) | (61,430) | — |
| Swaps | (11,899) | (50,387) | 14,205 | 46,508 | — |
| Foreign currency exchange contracts: | | | | | |
| Foreign currency exchange contracts | — | — | — | — | —\$(8,337,398) |
| Credit contracts: | | | | | |
| Swaps | 49,388 | 202,274 | 78,385 | 322,849 | 1,581 |
| | | | | \$ | |
| Total | \$ (14,688) | \$ 103,790 | \$ (48,100) | (327,784) | \$(8,335,817) |

Net Change in Unrealized Appreciation/Depreciation on

| | PSW | PSY | BPP | BTZ | BGT |
|--------------------------------------|--------------|----------------|--------------|--------------|-----|
| Interest rate contracts: | | | | | |
| Financial futures contracts | \$ (273,121) | \$ (1,401,049) | \$ (116,626) | \$ (712,327) | — |
| Swaps | (120,143) | (506,560) | (228,984) | (774,700) | — |
| Options** | 1,428 | 6,110 | (15,810) | (61,770) | — |
| Foreign currency exchange contracts: | | | | | |

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| | | | | | |
|-------------------------------------|----------|-----------|-----------|-----------|---|
| | | | | | \$ |
| Foreign currency exchange contracts | — | 11,307 | — | — | 4,432,900 |
| Credit contracts: | | | | | |
| Swaps | 7,852 | 34,718 | 9,103 | 39,077 | (19,172) |
| Options** | 100,349 | 424,331 | 206,431 | 702,440 | — |
| Equity contracts: | | | | | |
| Financial futures contracts | — | — | — | — | — |
| Options** | (65,800) | (277,300) | (136,300) | (460,600) | — |
| | | | | | \$ |
| Total | | | | | \$ (349,435) \$ (1,708,443) \$ (282,186) \$ (1,267,880) 4,413,728 |

* Includes cumulative appreciation/depreciation on financial futures contracts as reported in the Schedules of Investments. Only the current day's margin variation is reported within the Statements of Assets and Liabilities.

** Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

Notes to Financial Statements (continued)

For the six months ended April 30, 2011, the average quarterly balance of outstanding derivative financial instruments was as follows:

| | PSW | PSY | BPP | BTZ | BGT |
|--|--------------|--------------|--------------|---------------|---------------|
| Financial futures contracts: | | | | | |
| Average number of contracts purchased | 51 | 106 | 62 | 200 | — |
| Average number of contracts sold | 145 | 662 | 118 | 418 | — |
| | | | \$12,469,701 | | |
| Average notional value of contracts purchased | \$10,930,322 | \$23,116,483 | | \$ 40,429,764 | — |
| | | | \$14,092,133 | | |
| Average notional value of contracts sold | \$17,364,690 | \$79,179,936 | | \$ 49,943,008 | — |
| Foreign currency exchange contracts: | | | | | |
| Average number of contracts — US dollars purchased | — | 1 | — | — | 7 |
| Average number of contracts — US dollars sold | — | — | — | — | 1 |
| Average US dollar amounts purchased | — | \$ 348,717 | — | — | —\$82,244,485 |
| Average US dollar amounts sold | — | — | — | — | \$ 407,204 |
| Options: | | | | | |
| Average number of option contracts purchased | 14 | 59 | 11,350,029 | 38,650,098 | 26 |
| Average number of option contracts written | — | — | — | — | — |
| Average notional value of option contracts purchased | \$ 1,750,000 | \$ 7,375,000 | \$14,975,000 | \$ 50,900,000 | \$ 24,514 |
| Average notional value of option contracts written | — | — | — | — | — |
| Average number of swaption contracts purchased | — | — | 1 | 1 | — |
| Average number of swaption contracts written | 2 | 2 | 3 | 3 | — |
| | | | \$ | | |
| Average notional value of swaption contracts purchased | — | — | 1,850,000 | \$ 6,300,000 | — |
| | | | | \$44,700,000 | |
| Average notional value of swaption contracts written | \$19,300,000 | \$81,700,000 | | \$152,500,000 | — |
| Credit default swaps: | | | | | |
| Average number of contracts — buy protection | — | — | 1 | — | — |
| Average number of contracts — sell protection | 2 | 2 | 2 | 2 | — |
| | | | \$ | | |
| Average notional value — buy protection | — | — | 1,725,000 | — | — |
| Average notional value — sell protection | \$ 1,857,095 | \$ 7,961,167 | \$ 962,500 | \$ 3,212,500 | — |
| Interest rate swaps: | | | | | |
| Average number of contracts — pays fixed rate | 2 | 2 | 2 | 2 | — |
| Average number of contracts — receives fixed rate | — | — | 1 | 1 | — |
| Average notional value — pays fixed rate | \$ 7,800,000 | \$33,150,000 | \$16,150,000 | \$54,950,000 | — |
| | | | \$ | | |
| Average notional value — receives fixed rate | — | — | 1,000,000 | \$ 3,450,000 | — |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

As of April 30, 2011, the PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") were the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate of the Funds for 1940 Act purposes, but BAC and Barclays are not.

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the "Manager"), the Funds' investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee at the following annual rates of each Fund's average daily (weekly for BPP, BTZ and BGT) net assets (including any assets attributable to borrowings or to the proceeds from the issuance of Preferred Shares) as follows:

| | |
|-----|-------|
| PSW | 0.60% |
| PSY | 0.60% |
| BPP | 0.65% |
| BTZ | 0.65% |
| BGT | 0.75% |

Average daily net assets is the average daily value of each Fund's total assets minus the sum of its accrued liabilities (other than borrowings representing financial leverage). Average weekly net assets is the average weekly value of each Fund's total assets minus the sum of its liabilities (other than borrowings representing financial leverage).

The Manager has voluntarily agreed to waive a portion of the investment advisory fees or other expenses on BGT as a percentage of its average weekly net assets (including any assets attributable to borrowings or to the proceeds from the issuance of Preferred Shares) minus the sum of liabilities (other than borrowings representing financial leverage) as follows: 0.10% for the period September 1, 2010 to August 31, 2011 and 0.05% for the period September 1, 2011 to August 31, 2012. For the six months ended April 30, 2011, the Manager waived \$231,540, which is included in fees waived by advisor in the Statements of Operations

The Manager voluntarily agreed to waive its advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds, however the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid through each Fund's investment in other affiliated investment companies, if any. These amounts are included in fees waived by advisor in the Statements of Operations. For the six months

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ended April 30, 2011, the amounts waived were as follows:

| | |
|-----|---------|
| PSW | \$ 647 |
| PSY | \$2,820 |
| BPP | \$2,875 |
| BTZ | \$9,161 |
| BGT | \$1,378 |

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. ("BFM"), an affiliate of the Manager. The Manager pays BFM for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Manager.

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Notes to Financial Statements (continued)

For the period November 1, 2010 through December 31, 2010, the Funds reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

| | Accounting Services |
|-----|--------------------------------|
| PSW | \$ 228 |
| PSY | \$ 1,017 |
| BPP | \$ 2,822 |
| BTZ | \$ 1,330 |
| BGT | \$ 751 |

Effective January 1, 2011, the Funds no longer reimburse the Manager for accounting services.

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation paid to the Funds' Chief Compliance Officer.

4. Investments:

Purchases and sales of investments including paydowns and payups, excluding short-term securities and US government securities for the six months ended April 30, 2011, were as follows:

| | Purchases | Sales |
|-----|------------------|---------------|
| PSW | \$ 47,156,602 | \$ 31,671,600 |
| PSY | \$188,482,250 | \$116,485,696 |
| BPP | \$ 93,411,240 | \$ 60,110,630 |
| BTZ | \$299,454,602 | \$179,835,272 |
| BGT | \$299,338,045 | \$261,226,217 |

Purchases and sales of US government securities for the six months ended April 30, 2011, were as follows:

| | Purchases | Sales |
|-----|------------------|---------------|
| PSW | \$ 2,251,185 | \$ 21,137,679 |
| PSY | \$ 10,386,258 | \$ 99,767,639 |
| BPP | \$ 4,943,014 | \$ 24,571,673 |

| | | |
|-----|---------------|---------------|
| BTZ | \$ 26,010,380 | \$147,075,351 |
|-----|---------------|---------------|

5. Commitments:

The Funds may invest in floating rate loan interests. In connection with these investments, the Funds may also enter into unfunded loan commitments ("commitments"). Commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged. In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. Unfunded loan commitments are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets of

Liabilities and Statements of Operations. As of April 30, 2011, BGT had the following unfunded loan commitments:

| Borrower | Unfunded Loan Commitment | Value of Underlying Loan | Unrealized Appreciation (Depreciation) |
|--|---|---|---|
| CII Investments, LLC (FKA Cloverhill), Delayed Draw Term Loan | \$ 146,972 | \$ 145,502 | \$ (1,470) |
| Delta Air Lines, Inc., Term Loan B | \$2,700,000 | \$2,667,600 | \$ (32,400) |
| Horizon Lines, LLC | \$ 169,014 | \$ 164,366 | \$ (4,648) |
| inVentiv Health, Inc. (FKA Ventive Health, Inc.) | \$1,066,667 | \$1,069,668 | \$ 3,001 |

6. Concentration, Market and Credit Risk:

PSW, PSY, BPP and BTZ invest a significant portion of each of their assets in securities in the financials sector and BGT invests a significant portion of its assets in the media sector. Please see the Schedules of Investments for these securities. Changes in economic conditions affecting the financials and media sectors would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have

unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

7. Capital Share Transactions:

PSW and PSY are each authorized to issue 200 million of \$0.10 par value shares, all of which were initially classified as Common Shares. Each Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders. The Boards of PSW and PSY reclassified 5,460 and 22,000 unissued Common Shares as \$0.10 par value Preferred Shares, respectively, none of which are outstanding. There are an unlimited number of \$0.001 par value shares authorized for BPP, BTZ and BGT, which may be issued as either Common Shares or Preferred Shares.

Notes to Financial Statements (continued)

Common Shares

As of April 30, 2011, the shares owned by an affiliate of the Manager of the Funds were as follows:

| | Shares |
|-----|---------------|
| PSW | 8,323 |
| PSY | 8,661 |
| BTZ | 4,817 |
| BGT | 8,239 |

For the six months ended April 30, 2011, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

| | Six Months Ended April 30, 2011 | Year Ended October 31, 2010 |
|-----|--|--|
| BGT | \$25,807 | \$32,177 |

Shares issued and outstanding for the six months ended April 30, 2011 and the year ended October 31, 2010 remained constant for PSW, PSY, BPP and BTZ, respectively.

Preferred Shares

The Preferred Shares were redeemable at the option of each Fund, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The Preferred Shares were also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Fund, as set forth in each Fund's Articles Supplementary/Statement of Preferences and/or Certificate of Designation (the "Governing Instrument") were not satisfied.

The holders of Preferred Shares had voting rights equal to the holders of Common Shares (one vote per share) and would vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, were also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the

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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, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

Dividends on seven-day and 28-day Preferred Shares were cumulative at a rate which is reset every seven or 28 days, respectively, based on the results of an auction. If the Preferred Shares failed to clear the auction on an auction date, each Fund was required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares were successfully auctioned.

The maximum applicable rate on the Preferred Shares at the last auction date was as follows: for PSW, PSY and BGT, the higher of 125% times or 1.25% plus the Telerate/BBA LIBOR rate; or BPP 150% of the interest equivalent of the 30-day commercial paper rate and for BTZ, the higher of 150% times or 1.25% plus the Telerate/BBA LIBOR rate. The low, high and average dividend rates for the six months ended April 30, 2011, were as follows:

| | Series | Low | High | Average |
|-----|--------|-------|-------|---------|
| PSW | M7 | 1.50% | 1.50% | 1.50% |
| | T7 | 1.50% | 1.50% | 1.50% |
| PSY | M7 | 1.50% | 1.51% | 1.50% |
| | T7 | 1.50% | 1.51% | 1.50% |
| | W7 | 1.50% | 1.51% | 1.50% |
| | TH7 | 1.50% | 1.51% | 1.50% |
| | F7 | 1.50% | 1.51% | 1.50% |
| | W28 | 1.50% | 1.51% | 1.51% |
| | TH28 | 1.50% | 1.52% | 1.51% |
| BPP | T7 | 0.30% | 0.32% | 0.31% |
| | W7 | 0.32% | 0.33% | 0.32% |
| | R7 | 0.30% | 0.38% | 0.33% |
| BTZ | T7 | 1.50% | 1.51% | 1.50% |
| | W7 | 1.50% | 1.51% | 1.50% |
| | R7 | 1.50% | 1.51% | 1.50% |
| | F7 | 1.50% | 1.51% | 1.50% |
| BGT | T7 | 1.50% | 1.50% | 1.50% |
| | W7 | 1.50% | 1.50% | 1.50% |
| | R7 | 1.50% | 1.50% | 1.50% |

Since February 13, 2008, the Preferred Shares of the Funds failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were

reset to the maximum applicable rate, which ranged from 0.35% to 1.94%. A failed auction is not an event of default for the Funds but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Fund's auction rate preferred shares than buyers.

The Funds paid commissions of 0.15% on the aggregate principal amount of all shares that failed to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully cleared their auctions. Certain broker dealers had individually agreed to reduce commissions for failed auctions.

Notes to Financial Statements (continued)

During the six months ended April 30, 2011, the Funds announced the following redemptions of Preferred Shares at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

| | Redemption | | Shares | Aggregate |
|-----|------------|----------|----------|--------------|
| | Series | Date | Redeemed | Principle |
| PSW | M7 | 12/07/10 | 805 | \$20,125,000 |
| | T7 | 12/08/10 | 805 | \$20,125,000 |
| PSY | M7 | 1/04/11 | 861 | \$21,525,000 |
| | T7 | 1/05/11 | 861 | \$21,525,000 |
| | W7 | 1/06/11 | 861 | \$21,525,000 |
| | R7 | 1/07/11 | 861 | \$21,525,000 |
| | F7 | 1/10/11 | 861 | \$21,525,000 |
| | W28 | 1/13/11 | 1,228 | \$30,700,000 |
| | R28 | 1/28/11 | 1,228 | \$30,700,000 |
| BPP | T7 | 12/08/10 | 939 | \$23,475,000 |
| | W7 | 12/09/10 | 939 | \$23,475,000 |
| | R7 | 12/10/10 | 939 | \$23,475,000 |
| BTZ | T7 | 1/05/11 | 2,310 | \$57,750,000 |
| | W7 | 1/06/11 | 2,310 | \$57,750,000 |
| | R7 | 1/07/11 | 2,310 | \$57,750,000 |
| | F7 | 1/10/11 | 2,310 | \$57,750,000 |
| BGT | T7 | 12/08/10 | 784 | \$19,600,000 |
| | W7 | 12/09/10 | 784 | \$19,600,000 |
| | R7 | 12/10/10 | 784 | \$19,600,000 |

All of the Funds, except BGT, financed the Preferred Share redemptions with cash received from reverse repurchase agreements. BGT financed the Preferred Share redemption with cash received from a loan.

8. Borrowings:

BGT entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement (the "SSB Agreement") with State Street Bank and Trust Company ("SSB"). The SSB Agreement provides the Fund with a maximum commitment of \$172.2 million. The Fund has granted a security interest in substantially all of its assets to SSB.

Advances are made by SSB to the Fund, at the Fund's option of (a) the higher of (i) 0.8% above the Fed Effective Rate and (ii) 0.8% above the Overnight LIBOR or (b) 0.8% above 7-day, 30-day, 60-day or 90-day LIBOR.

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In addition, the Fund pays a facility fee and a commitment fee based upon SSB's total commitment to the Fund. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Fund as of April 30, 2011 are shown in the Statements of Assets and Liabilities as loan payable. The SSB Agreement was renewed for 364 days under substantially the same terms effective March 3, 2011. The commitment amount was increased from \$134 million to \$172.2 million. For the six months ended April 30, 2011, the daily weighted average interest rate was 1.14%.

BGT may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

For the six months ended April 30, 2011, the daily weighted average interest rates for Funds with reverse repurchase agreements were as follows:

| | |
|-----|-------|
| PSW | 0.39% |
| PSY | 0.17% |
| BPP | 0.35% |
| BTZ | 0.37% |

Notes to Financial Statements (concluded)

9. Income Tax Information:

As of October 31, 2010, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

| Expires October 31, | PSW | PSY | BPP | BTZ | BGT |
|----------------------------|-----------------------|--------------------|--------------------|--------------------|-------------------|
| 2011 | \$ 1,276,621 | | — | — | — |
| 2012 | 10,243,141 | \$ 62,733,648 | | — | — |
| 2013 | 5,058,900 | 17,911,331 | | — | — |
| 2014 | 8,481,628 | 12,145,117 | | — | — |
| 2015 | 6,724,694 | 19,582,978 | \$ 18,184,893 | \$ 49,741,712 | \$ 3,268,804 |
| 2016 | 40,232,230 | 140,413,242 | 58,197,929 | 113,355,213 | 24,616,531 |
| 2017 | 55,825,534 | 194,970,854 | 108,996,120 | 223,939,227 | 45,385,443 |
| 2018 | 4,498,024 | 37,285,625 | 15,245,888 | 15,223,841 | 16,526,601 |
| | | | \$ | \$ | \$ |
| Total | \$ 132,340,772 | 485,042,795 | 200,624,830 | 402,259,993 | 89,797,379 |

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Funds after October 31, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

10. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Fund will pay a net investment income dividend on May 31, 2011 to Common Shareholders of record on May 16, 2011 as follows:

| | Common Dividend Per Share |
|-----|--|
| PSW | \$0.0495 |
| PSY | \$0.0535 |
| BPP | \$0.0540 |
| BTZ | \$0.0690 |
| BGT | \$0.0775 |

Each Fund will pay a net investment income dividend on June 30, 2011 to Common Shareholders of record on June 15, 2011 as follows:

| | Common Dividend Per Share |
|-----|--|
| PSW | \$0.0495 |
| PSY | \$0.0535 |
| BPP | \$0.0540 |
| BTZ | \$0.0690 |
| BGT | \$0.0775 |

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Officers and Directors

Richard E. Cavanagh, Chair of the Board and Director
Karen P. Robards, Vice Chair of the Board,
Chair of the Audit Committee and Director
Michael Castellano, Director and Member of the Audit Committee
Richard S. Davis, Director
Frank J. Fabozzi, Director and Member of the Audit Committee
Kathleen F. Feldstein, Director
James T. Flynn, Director and Member of the Audit Committee
Henry Gabbay, Director
Jerrold B. Harris, Director
R. Glenn Hubbard, Director
W. Carl Kester, Director and Member of the Audit Committee
John M. Perlowski, President and Chief Executive Officer
Anne Ackerley, Vice President
Brendan Kyne, Vice President
Neal Andrews, Chief Financial Officer
Jay Fife, Treasurer
Brian Kindelan, Chief Compliance Officer
Ira P. Shapiro, Secretary

Investment Advisor

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisor

BlackRock Financial Management, Inc.
New York, NY 10022

Custodians

State Street Bank and Trust Company
Boston, MA 02111

Transfer Agent

Common Shares
Computershare Trust Company, N.A.
Canton, MA 02021

Accounting Agent

State Street Bank and Trust Company
Princeton, NJ 08540

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Princeton, NJ 08540

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

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New York, NY 10036

Address of the Funds

100 Bellevue Parkway
Wilmington, DE 19809

Effective November 10, 2010, Ira P. Shapiro became Secretary of the Funds.

Effective February 11, 2011, John M. Perlowski became President and Chief Executive Officer of the Funds.

Effective April 14, 2011, Michael Castellano became a Director of the Funds and a Member of the Audit Committee.

PSW, PSY, BPP and BTZ are managed by a team of investment professionals.

Effective June 1, 2011, Jeffrey Cucunato, Mitchell S. Garfin, CFA and Stephan Bassas are the Funds' co-portfolio managers responsible for the day-to-day management of each Fund's portfolio and the selection of their investments.

Additional Information

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to their shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

General Information

On July 29, 2010, the Manager announced that a derivative complaint had been filed by shareholders of PSY and BTZ on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the directors, officers and portfolio managers of PSY and BTZ as defendants. The complaint alleges, among other things, that the parties named in the complaint breached fiduciary duties owed to PSY and BTZ and their Common Shareholders by redeeming auction-market preferred shares, auction rate preferred securities, auction preferred shares and auction rate securities (collectively, "AMPS") at their liquidation preference. The complaint seeks unspecified damages for losses purportedly suffered by PSY and BTZ as a result of the prior redemptions and injunctive relief preventing PSY and BTZ from redeeming AMPS at their liquidation preference in the future. The Manager, BlackRock, Inc. and the other parties named in the complaint believe that the claims asserted in the complaint are without merit and intend to vigorously defend themselves in the litigation.

On November 15, 2010, the Manager announced the intention to redeem all of the outstanding AMPS issued by five of its taxable closed-end funds: PSW, PSY, BPP, BTZ, and BGT. All such outstanding AMPS were subsequently redeemed. The redemptions encompass all remaining taxable AMPS issued by BlackRock closed-end funds and total approximately \$569 million. The AMPS were redeemed with available cash or proceeds from reverse repurchase agreement financing or a credit facility on a fund-by-fund basis and, in each case, the refinancing resulted in a lower cost of financing for each fund under then-existing market conditions.

In exchange for the shareholder plaintiff's agreement to withdraw a previously filed motion for preliminary injunction enjoining any further redemptions of AMPS, each of these funds agreed to provide the plaintiffs

in those actions with 30 days prior notice of any additional redemptions.

On November 24, 2010, the Manager announced that counsel for the plaintiffs filed a motion for a preliminary injunction enjoining PSY and BTZ from redeeming outstanding AMPS pending final resolution of the underlying shareholder derivative suit. The Manager announced that it intends to vigorously oppose the motion and completed the redemption of AMPS by PSY and BTZ as previously announced, although the redemption dates for BTZ and PSY were conditioned upon the absence of any legal impediments to completing the redemptions as scheduled.

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

During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charter or by-laws that would delay or prevent a change of control of the Funds that were not approved by shareholders or in the principal risk factors associated with investment in the Funds. Other than as disclosed on page 70, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolio.

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

Additional Information (continued)

General Information (concluded)

Electronic Delivery

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

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

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

Householding

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

Availability of Quarterly Schedule of Investments

Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and

may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. Each Fund's Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how each Fund voted proxies relating to securities held in each Fund's portfolio during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

Availability of Fund Updates

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds.

Additional Information (continued)

Section 19(a) Notices

These reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment experience during the year and may be subject to changes based on the tax regulations. Each Fund will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

April 30, 2011

| | Total Cumulative Distributions for the Fiscal Year | | | % Breakdown of the Total Cumulative Distributions for the Fiscal Year | | | |
|------|---|--|------------------------------|--|-------------------------------------|----------------------|------------------------------|
| | Net Investment Income | Net Realized Capital Gains Short Term | Total Per Common Share | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |
| PSW | \$0.304500 | — | \$0.304500 | 100% | — | 0% | 100% |
| PSY. | \$0.331000 | — | \$0.331000 | 100% | — | 0% | 100% |
| BPP | \$0.329431 | — | \$0.007069 \$0.336500 | 98% | — | 2% | 100% |
| BTZ | \$0.392446 | — | \$0.031554 \$0.424000 | 93% | — | 7% | 100% |
| BGT | \$0.162336 | — | \$0.807664 \$0.970000 | 17% | — | 83% | 100% |

PSW, PSY, BPP and BTZ Fund estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in a Fund is returned to the shareholder. A return of capital does not necessarily reflect a Fund's investment performance and should not be confused with 'yield' or 'income'.

Additional Information (concluded)

BlackRock Privacy Principles

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

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

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

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

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

This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds leverage their Common Shares, which creates risk for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.

Item 11 Controls and Procedures

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

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

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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

BlackRock Credit Allocation Income Trust II, Inc.

By: /S/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of
BlackRock Credit Allocation Income Trust II, Inc.

Date: July 5, 2011

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

By: /S/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of
BlackRock Credit Allocation Income Trust II, Inc.

Date: July 5, 2011

By: /S/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of
BlackRock Credit Allocation Income Trust II, Inc.

Date: July 5, 2011
