

BLACKROCK CREDIT ALLOCATION INCOME TRUST II
Form N-CSRS
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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: 10/31/2012

Date of reporting period: 04/30/2012

Item 1 – Report to Stockholders

April 30, 2012

Semi-Annual Report (Unaudited)

4BlackRock Credit Allocation Income Trust I, Inc. (PSW)

4BlackRock Credit Allocation Income Trust II, Inc. (PSY)

4BlackRock Credit Allocation Income Trust III (BPP)

4BlackRock Credit Allocation Income Trust IV (BTZ)

4BlackRock Floating Rate Income Trust (BGT)

Not FDIC Insured No Bank Guarantee May Lose Value

Table of Contents

| | Page |
|---|-------------|
| <u>Dear Shareholder</u> | 3 |
| Semi-Annual Report: | |
| <u>Fund Summaries</u> | 4 |
| <u>The Benefits and Risks of Leveraging</u> | 14 |
| <u>Derivative Financial Instruments</u> | 15 |
| Financial Statements: | |
| <u>Schedules of Investments</u> | 16 |
| <u>Statements of Assets and Liabilities</u> | 55 |
| <u>Statements of Operations</u> | 56 |
| <u>Statements of Changes in Net Assets</u> | 57 |
| <u>Statements of Cash Flows</u> | 60 |
| <u>Financial Highlights</u> | 61 |
| <u>Notes to Financial Statements</u> | 66 |
| <u>Officers and Directors</u> | 78 |
| <u>Additional Information</u> | 79 |

2 SEMI-ANNUAL REPORT APRIL 30, 2012

Dear Shareholder

One year ago at this time, risk assets were in a broad retreat as political strife in Greece ignited fears about sovereign debt problems spreading across Europe and economic indicators signaled that the global recovery had slowed. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. Early in August 2011, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as the European debt crisis intensified. Macro news flow became the dominant force in financial markets, driving asset prices up and down in lock step, in a risk on/risk off trading pattern. By the end of the third quarter in 2011, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries and gold had rallied to historic highs.

October 2011 brought enough positive economic data to assuage fears of a global double-dip recession. Additionally, European leaders began making concerted efforts to stem the region's debt crisis. Investors began to reenter the markets, putting risk assets on the road to recovery. Improving sentiment carried over into early 2012 as a number of factors elicited greater optimism. Sovereign debt problems in Europe became less pressing. Greece secured its second bailout package and completed the restructuring of its national debt. The European Central Bank gave financial markets a boost by providing additional liquidity through its long-term refinancing operations. The outlook for the global economy grew less dim as stronger data from the United States, particularly from the labor market, lifted sentiment. Hopes for additional monetary stimulus from the US Federal Reserve and strong corporate earnings pushed risk assets (including stocks, commodities and high yield bonds) higher through the first two months of the year while rising Treasury yields pressured higher-quality fixed income assets. The risk rally softened in late March, however, due to renewed fears about slowing growth in China and Europe's debt troubles. Equity markets staggered downward in April as Spain's financial situation became increasingly severe and elections in Greece and France added to uncertainty about the future of the euro zone. In the United States, disappointing jobs reports in April revealed that the recent acceleration in the labor market had been a short-lived surge. Overall, US economic data signaled that the pace of the recovery had slowed, but not to the extent that warranted additional monetary stimulus.

Thanks in large part to an exceptionally strong first quarter of 2012, equities and high yield bonds posted solid returns for the 6-month period ended April 30, 2012. On a 12-month basis, US large-cap stocks and high yield bonds delivered positive results; however, small-cap stocks finished in negative territory. International and emerging equities, which experienced significant downturns in 2011, lagged the broader rebound. Fixed income securities, including corporate, government and municipal bonds, performed well despite recent yield volatility. US Treasury bonds finished strong, with an April rally erasing the effects of their broad sell-off during February and March. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

Financial markets have regained a significant degree of stability since the period of turmoil we endured last year; however, considerable headwinds remain. Political uncertainty in Europe elevates concerns about additional flare ups in the debt crisis. Higher energy prices and slowing growth in China continue to pose risks for the global economy. Potential political leadership changes around the world create additional layers of uncertainty. But, we believe that with these challenges come opportunities. We remain committed to working with you and your financial professional to identify actionable ideas for your portfolio. We encourage you to visit www.blackrock.com/newworld for more information.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

“Financial markets have regained a significant degree of stability since the period of turmoil we endured last year; however, considerable headwinds remain.”

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of April 30, 2012

| | 6-month | 12-month |
|--|---------|----------|
| US large cap equities (S&P 500® Index) | 12.77 % | 4.76 % |
| US small cap equities (Russell 2000® Index) | 11.02 | (4.25) |
| International equities (MSCI Europe, Australasia, Far East Index) | 2.44 | (12.82) |
| Emerging market equities (MSCI Emerging Markets Index) | 3.93 | (12.61) |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index) | 0.01 | 0.05 |
| US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index) | 3.83 | 16.41 |
| US investment grade bonds (Barclays US Aggregate Bond Index) | 2.44 | 7.54 |
| Tax-exempt municipal bonds (S&P Municipal Bond Index) | 5.71 | 11.90 |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 6.91 | 5.89 |

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

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of April 30, 2012 **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, 2012, the Fund returned 13.41% based on market price and 7.14% 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 8.46% based on market price and 5.24% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop that was conducive to credit spread compression. Accordingly, the Fund benefited from its allocations to investment grade and high yield corporate credit. The Fund's high yield exposure was the largest contributor to performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within corporate credit, the Fund benefited from exposure to higher-beta names (those with greater sensitivity to market movements) in the industrials space. A bias toward financials also had a positive impact. Finally, the Fund's duration stance (sensitivity to interest rate movements) contributed positively to returns as rates generally moved lower throughout the period.

The Fund's duration and yield curve exposure was managed using interest rate derivative instruments such as futures contracts, options and swaps. These positions were put in place to limit the impact of expected volatility in interest rates and to express the Fund's yield curve preference. These positions resulted in a slight net negative impact on performance for the period.

Describe recent portfolio activity.

During the six-month period, the Fund generally favored high quality companies with strong balance sheets. The Fund maintained a bias toward financials, but shifted to a neutral stance in industrials. The Fund increased exposure to the utilities sector, which appeared attractive on a relative basis while offering downside protection should the pace of the economic recovery continue to slow. The Fund maintained an emphasis on liquidity in order to take advantage of select opportunities in corporate credit. The Fund reduced its overall risk profile by decreasing leverage and portfolio duration over the period.

Describe portfolio positioning at period end.

European sovereign debt fears have once again resurfaced and macro risks remain a key driver of market volatility. As of period end, the Fund seeks to maintain a near-term short duration bias and remains cautiously optimistic on corporate credit.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward utilities over financials and industrials. The Fund favors media cable and media non-cable names as well as insurance companies.

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.

4 SEMI-ANNUAL REPORT APRIL 30, 2012

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, 2012 (\$10.08) ¹ | 7.08% |
| Current Monthly Distribution per Common Share ² | \$0.0595 |
| Current Annualized Distribution per Common Share ² | \$0.7140 |
| Economic Leverage as of April 30, 2012 ³ | 28% |

¹Yield 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.

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

³Represents 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:

| | 4/30/12 | 10/31/11 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$10.08 | \$ 9.25 | 8.97% | \$10.31 | \$ 8.86 |
| Net Asset Value | \$10.83 | \$10.52 | 2.95% | \$10.88 | \$10.06 |

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

Portfolio Composition

| | 4/30/12 | 10/31/11 |
|-------------------------|---------|----------|
| Corporate Bonds | 80 % | 82 % |
| Preferred Securities | 17 | 15 |
| Asset Backed Securities | 1 | 1 |
| Taxable Municipal Bonds | 1 | 1 |
| US Treasury Obligations | 1 | 1 |

Credit Quality Allocations⁴

| | 4/30/12 | 10/31/11 |
|----------------------|---------|----------|
| AAA/Aaa ⁵ | 2 % | 1 % |
| AA/Aa | 5 | 7 |
| A | 25 | 28 |
| BBB/Baa | 42 | 38 |
| BB/Ba | 15 | 15 |
| B | 7 | 8 |
| CCC/Caa | 1 | 1 |
| Not Rated | 3 | 2 |

⁴Using the higher of Standard & Poor’s (“S&P’s”) or Moody’s Investors Service (“Moody’s”) ratings.

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

Fund Summary as of April 30, 2012 **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, 2012, the Fund returned 14.78% based on market price and 7.57% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 8.46% based on market price and 5.24% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop that was conducive to credit spread compression. Accordingly, the Fund benefited from its allocations to investment grade and high yield corporate credit. The Fund's high yield exposure was the largest contributor to performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within corporate credit, the Fund benefited from exposure to higher-beta names (those with greater sensitivity to market movements) in the industrials space. A bias toward financials also had a positive impact. Finally, the Fund's duration stance (sensitivity to interest rate movements) contributed positively to returns as rates generally moved lower throughout the period.

The Fund's duration and yield curve exposure was managed using interest rate derivative instruments such as futures contracts, options and swaps. These positions were put in place to limit the impact of expected volatility in interest rates and to express the Fund's yield curve preference. These positions resulted in a slight net negative impact on performance for the period.

Describe recent portfolio activity.

During the six-month period, the Fund generally favored high quality companies with strong balance sheets. The Fund maintained a bias toward financials, but shifted to a neutral stance in industrials. The Fund increased exposure to the utilities sector, which appeared attractive on a relative basis while offering downside protection should the pace of the economic recovery continue to slow. The Fund maintained an emphasis on liquidity in order to take advantage of select opportunities in corporate credit. The Fund reduced its overall risk profile by decreasing leverage and portfolio duration over the period.

Describe portfolio positioning at period end.

European sovereign debt fears have once again resurfaced and macro risks remain a key driver of market volatility. As of period end, the Fund seeks to maintain a near-term short duration bias and remains cautiously optimistic on corporate credit.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward utilities over financials and industrials. The Fund favors media cable and media non-cable names as well as insurance companies.

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6SEMI-ANNUAL REPORT APRIL 30, 2012

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, 2012 (\$10.79) ¹ | 6.78% |
| Current Monthly Distribution per Common Share ² | \$0.061 |
| Current Annualized Distribution per Common Share ² | \$0.732 |
| Economic Leverage as of April 30, 2012 ³ | 27% |

¹Yield 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.

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

³Represents 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:

| | 4/30/12 | 10/31/11 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$10.79 | \$ 9.74 | 10.78% | \$10.81 | \$ 9.42 |
| Net Asset Value | \$11.68 | \$11.25 | 3.82% | \$11.70 | \$10.84 |

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

Portfolio Composition

| | 4/30/12 | 10/31/11 |
|-------------------------|---------|----------|
| Corporate Bonds | 79 % | 80 % |
| Preferred Securities | 18 | 17 |
| US Treasury Obligations | 1 | 1 |
| Asset Backed Securities | 1 | 1 |
| Taxable Municipal Bonds | 1 | 1 |

Credit Quality Allocations⁴

| | 4/30/12 | 10/31/11 |
|----------------------|---------|----------|
| AAA/Aaa ⁵ | 2 % | 1 % |
| AA/Aa | 4 | 7 |
| A | 25 | 26 |
| BBB/Baa | 42 | 39 |
| BB/Ba | 17 | 17 |
| B | 7 | 7 |
| CCC/Caa | 1 | 1 |
| Not Rated | 2 | 2 |

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

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

Fund Summary as of April 30, 2012 **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, 2012, the Fund returned 12.37% based on market price and 7.12% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 8.46% based on market price and 5.24% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop that was conducive to credit spread compression. Accordingly, the Fund benefited from its allocations to investment grade and high yield corporate credit. The Fund's high yield exposure was the largest contributor to performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within corporate credit, the Fund benefited from exposure to higher-beta names (those with greater sensitivity to market movements) in the industrials space. A bias toward financials also had a positive impact. Finally, the Fund's duration stance (sensitivity to interest rate movements) contributed positively to returns as rates generally moved lower throughout the period.

The Fund's duration and yield curve exposure was managed using interest rate derivative instruments such as futures contracts, options and swaps. These positions were put in place to limit the impact of expected volatility in interest rates and to express the Fund's yield curve preference. These positions resulted in a slight net negative impact on performance for the period.

Describe recent portfolio activity.

During the six-month period, the Fund generally favored high quality companies with strong balance sheets. The Fund maintained a bias toward financials, but shifted to a neutral stance in industrials. The Fund increased exposure to the utilities sector, which appeared attractive on a relative basis while offering downside protection should the pace of the economic recovery continue to slow. The Fund maintained an emphasis on liquidity in order to take advantage of select opportunities in corporate credit. The Fund reduced its overall risk profile by decreasing leverage and portfolio duration over the period.

Describe portfolio positioning at period end.

European sovereign debt fears have once again resurfaced and macro risks remain a key driver of market volatility. As of period end, the Fund seeks to maintain a near-term short duration bias and remains cautiously optimistic on corporate credit.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward utilities over financials and industrials. The Fund favors media cable and media non-cable names as well as insurance companies.

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8 SEMI-ANNUAL REPORT APRIL 30, 2012

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, 2012 (\$11.43) ¹ | 6.67% |
| Current Monthly Distribution per Common Share ² | \$0.0635 |
| Current Annualized Distribution per Common Share ² | \$0.7620 |
| Economic Leverage as of April 30, 2012 ³ | 24% |

¹Yield 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.

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

³Represents 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:

| | 4/30/12 | 10/31/11 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$11.43 | \$10.53 | 8.55% | \$11.45 | \$10.05 |
| Net Asset Value | \$12.49 | \$12.07 | 3.48% | \$12.55 | \$11.58 |

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

Portfolio Composition

| | 4/30/12 10/31/11 | | | |
|-------------------------|------------------|---|----|---|
| Corporate Bonds | 83 | % | 83 | % |
| Preferred Securities | 15 | | 15 | |
| US Treasury Obligations | 1 | | 1 | |
| Taxable Municipal Bonds | 1 | | 1 | |

Credit Quality Allocations⁴

| | 4/30/12 10/31/11 | | | |
|----------------------|------------------|---|----|---|
| AAA/Aaa ⁵ | 1 | % | 1 | % |
| AA/Aa | 4 | | 6 | |
| A | 27 | | 31 | |
| BBB/Baa | 39 | | 37 | |
| BB/Ba | 16 | | 15 | |
| B | 8 | | 8 | |
| CCC/Caa | 1 | | 1 | |
| Not Rated | 4 | | 1 | |

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

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

SEMI-ANNUAL REPORT APRIL 30, 2012 9

Fund Summary as of April 30, 2012 **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, 2012, the Fund returned 13.87% based on market price and 7.46% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 8.46% based on market price and 5.24% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Spread sectors outperformed government-related debt for the six-month period as improving US economic fundamentals and accommodative monetary policy provided a backdrop that was conducive to credit spread compression. Accordingly, the Fund benefited from its allocations to investment grade and high yield corporate credit. The Fund's high yield exposure was the largest contributor to performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within corporate credit, the Fund benefited from exposure to higher-beta names (those with greater sensitivity to market movements) in the industrials space. A bias toward financials also had a positive impact. Finally, the Fund's duration stance (sensitivity to interest rate movements) contributed positively to returns as rates generally moved lower throughout the period.

The Fund's duration and yield curve exposure was managed using interest rate derivative instruments such as futures contracts, options and swaps. These positions were put in place to limit the impact of expected volatility in interest rates and to express the Fund's yield curve preference. These positions resulted in a slight net negative impact on performance for the period.

Describe recent portfolio activity.

During the six-month period, the Fund generally favored high quality companies with strong balance sheets. The Fund maintained a bias toward financials, but shifted to a neutral stance in industrials. The Fund increased exposure to the utilities sector, which appeared attractive on a relative basis while offering downside protection should the pace of the economic recovery continue to slow. The Fund maintained an emphasis on liquidity in order to take advantage of select opportunities in corporate credit. The Fund reduced its overall risk profile by decreasing leverage and portfolio duration over the period.

Describe portfolio positioning at period end.

European sovereign debt fears have once again resurfaced and macro risks remain a key driver of market volatility. As of period end, the Fund seeks to maintain a near-term short duration bias and remains cautiously optimistic on corporate credit.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward utilities over financials and industrials. The Fund favors media cable and media non-cable names as well as insurance companies.

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10SEMI-ANNUAL REPORT APRIL 30, 2012

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, 2012 (\$13.26) ¹ | 7.10% |
| Current Monthly Distribution per Common Share ² | \$0.0785 |
| Current Annualized Distribution per Common Share ² | \$0.9420 |
| Economic Leverage as of April 30, 2012 ³ | 27% |

¹Yield 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.

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

³Represents 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:

| | 4/30/12 | 10/31/11 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$13.26 | \$12.08 | 9.77% | \$13.34 | \$11.76 |
| Net Asset Value | \$14.44 | \$13.94 | 3.59% | \$14.51 | \$13.37 |

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

| | 4/30/12 | 10/31/11 |
|-------------------------|---------|----------|
| Corporate Bonds | 78 % | 80 % |
| Preferred Securities | 18 | 17 |
| Asset Backed Securities | 2 | 1 |
| US Treasury Obligations | 1 | 1 |
| Taxable Municipal Bonds | 1 | 1 |

Credit Quality Allocations⁴

| | 4/30/12 | 10/31/11 |
|----------------------|---------|----------|
| AAA/Aaa ⁵ | 2 % | 1 % |
| AA/Aa | 3 | 7 |
| A | 29 | 29 |
| BBB/Baa | 40 | 37 |
| BB/Ba | 16 | 16 |
| B | 7 | 8 |
| CCC/Caa | 1 | |
| Not Rated | 2 | 2 |

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

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

Fund Summary as of April 30, 2012 **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, 2012, the Fund returned 16.01% based on market price and 6.83% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 12.22% based on market price and 7.00% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among higher-quality loan instruments had a positive impact on the Fund's performance. Selection in the electric and diversified manufacturing sectors also boosted returns. The Fund's tactical exposure to high yield bonds contributed positively as the asset class outperformed loans given improving investor demand for riskier assets over the six-month period.

The Fund's higher-quality loan bias, the core of its investment strategy, detracted from performance as lower-quality loan instruments rallied higher amid increasing demand for risk. The Fund's exposure to the media non-cable sector also had a negative effect on returns.

Describe recent portfolio activity.

The period began with severe market volatility in reaction to headwinds from Europe's debt crisis and a possible US government shut-down. However, the environment shifted in December when the European Central Bank announced a long-term refinancing operation. This liquidity program provided a much-needed short-term fix for the financial markets and helped to mitigate the risk of a collapse in the European banking system. Moreover, it was the catalyst for a positive turn in the valuation of risk assets.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given the fragile outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. The Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. While the developments during the period bode well for the posture of risk markets going forward, the Fund continues to maintain a high quality bias.

Describe portfolio positioning at period end.

At period end, the Fund held 81% of its total portfolio in floating rate loan interests (bank loans) and 15% in corporate bonds, with the remainder invested in a mix of asset-backed securities, foreign agency obligations and common

stocks. The Fund's largest sector exposures included media non-cable, media cable, and chemicals. The Fund ended the period with leverage at 29% 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.

12SEMI-ANNUAL REPORT APRIL 30, 2012

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, 2012 (\$14.41) ¹ | 6.45% |
| Current Monthly Distribution per Common Share ² | \$0.0775 |
| Current Annualized Distribution per Common Share ² | \$0.9300 |
| Economic Leverage as of April 30, 2012 ³ | 29% |

¹Yield 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.

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

³Represents 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:

| | 4/30/12 | 10/31/11 | Change | High | Low |
|-----------------|---------|----------|--------|---------|---------|
| Market Price | \$14.41 | \$13.00 | 10.85% | \$14.57 | \$12.55 |
| Net Asset Value | \$14.26 | \$13.97 | 2.08% | \$14.26 | \$13.53 |

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

| | 4/30/12 | 10/31/11 |
|------------------------------|---------|----------|
| Floating Rate Loan Interests | 81 % | 78 % |
| Corporate Bonds | 15 | 18 |
| Asset Backed Securities | 2 | 2 |
| Foreign Agency Obligations | 1 | 1 |
| Common Stocks | 1 | |
| Other Interests | | 1 |

Credit Quality Allocations⁴

| | 4/30/12 | 10/31/11 |
|-----------|---------|----------|
| AAA/Aaa | 2 % | |
| AA/Aa | 8 | 9 % |
| A | 1 | 2 |
| BBB/Baa | 20 | 25 |
| BB/Ba | 32 | 27 |
| B | 33 | 34 |
| CCC/Caa | | 1 |
| Not Rated | 4 | 2 |

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

SEMI-ANNUAL REPORT APRIL 30, 2012 13

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 through entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the financing 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 shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit 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 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 for 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 costs 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 costs and interest expense of the borrowings is significantly lower than the income earned on the Fund’s long-term investments, and therefore the Fund’s 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 will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund’s total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds’ 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 the Funds’ NAV positively or negatively in addition to the impact on Fund performance from 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, the Funds’ 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 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 Shareholders and may reduce income.

Under the Investment Company Act of 1940, as amended (the “1940 Act”), the Funds are permitted to issue senior securities representing indebtedness up to 33¹/₃% of their total managed assets (each Fund’s net assets plus the proceeds of any outstanding borrowings used for leverage). If the Funds segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. Each Fund, however, voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of April 30, 2012, the Funds had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

**Percent of
Economic
Leverage**

PSW 28%

PSY 27%

BPP 24%

BTZ 27%

BGT 29%

14 SEMI-ANNUAL REPORT APRIL 30, 2012

Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate, foreign currency exchange rate, and/or other risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial 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.

SEMI-ANNUAL REPORT APRIL 30, 2012 15

Schedule of Investments April 30, 2012 (Unaudited) **BlackRock Credit Allocation Income Trust I, Inc. (PSW)**
(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|--------------|
| 321 Henderson Receivables I LLC, Series 2012-1A, Class A, 4.21%, 2/16/65 (a) | USD250 | \$257,043 |
| Atrium CDO Corp., Series 5A, Class A4, 0.88%, 7/20/20 (a)(b) | 650 | 549,250 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.67%, 6/15/21 (b) | 468 | 448,515 |
| Total Asset-Backed Securities 1.1% | | 1,254,808 |
| Corporate Bonds | | |
| Aerospace & Defense 1.1% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 560 | 620,200 |
| Huntington Ingalls Industries, Inc.: 6.88%, 3/15/18 | 150 | 158,625 |
| 7.13%, 3/15/21 | 140 | 148,225 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 282 | 303,150 |
| | | 1,230,200 |
| Airlines 0.7% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 112 | 117,743 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 314 | 343,411 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 260 | 273,571 |
| | | 734,725 |
| Auto Components 0.8% | | |
| Delphi Corp., 6.13%, 5/15/21 (a) | 130 | 138,450 |
| Icahn Enterprises LP: 7.75%, 1/15/16 | 560 | 598,500 |
| 8.00%, 1/15/18 | 140 | 147,350 |
| | | 884,300 |
| Beverages 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 460 | 519,800 |
| Building Products 0.3% | | |
| Building Materials Corp. of America (a): 7.00%, 2/15/20 | 85 | 90,738 |
| 6.75%, 5/01/21 | 220 | 229,075 |
| | | 319,813 |
| Capital Markets 4.7% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 750 | 838,547 |
| E*Trade Financial Corp., 12.50%, 11/30/17 | 440 | 512,600 |
| The Goldman Sachs Group, Inc. (c): 5.75%, 1/24/22 | 385 | 402,015 |
| 6.25%, 2/01/41 | 1,050 | 1,066,950 |
| Morgan Stanley (c): | | |

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| | | |
|--|-------|-----------|
| 5.75%, 1/25/21 | 1,025 | 1,012,120 |
| 5.50%, 7/28/21 | 265 | 259,073 |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (d) | 150 | 150,901 |
| UBS AG (c): | | |
| 2.25%, 1/28/14 | 375 | 376,946 |
| 5.88%, 7/15/16 | 650 | 687,348 |
| | | 5,306,500 |

Chemicals 1.4%

| | | |
|--|-----|---------|
| Ashland, Inc., 9.13%, 6/01/17 | 10 | 11,100 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 370 | 396,825 |

Corporate Bonds

| | Par (000) | Value |
|--|----------------------|--------------|
| Chemicals (concluded) | | |
| Hexion US Finance Corp., 6.63%, 4/15/20 (a) | USD 200 | \$ 209,000 |
| Ineos Finance Plc (a): | | |
| 8.38%, 2/15/19 | 100 | 107,250 |
| 7.50%, 5/01/20 | 175 | 179,813 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (a) | 445 | 459,462 |
| Solutia, Inc., 7.88%, 3/15/20 | 200 | 233,500 |
| | | 1,596,950 |

Commercial Banks 5.0%

| | | |
|--|-----|-----------|
| Amsouth Bank, Series AI, 4.85%, 4/01/13 | 200 | 203,000 |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 200 | 208,196 |
| Associated Banc-Corp, 5.13%, 3/28/16 | 515 | 545,222 |
| Branch Banking & Trust Co. (b): | | |
| 0.79%, 9/13/16 | 250 | 235,636 |
| 0.79%, 5/23/17 | 150 | 139,894 |
| CIT Group, Inc.: | | |
| 7.00%, 5/02/16 (a) | 370 | 370,925 |
| 7.00%, 5/02/17 (a) | 310 | 310,775 |
| 5.25%, 3/15/18 | 280 | 288,400 |
| 5.50%, 2/15/19 (a) | 240 | 246,600 |
| City National Corp., 5.25%, 9/15/20 (c) | 550 | 587,757 |
| Discover Bank, 8.70%, 11/18/19 | 300 | 378,392 |
| HSBC Finance Corp., 6.68%, 1/15/21 (c) | 350 | 377,995 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 600 | 618,000 |
| 5.75%, 6/15/15 | 460 | 485,300 |
| SVB Financial Group, 5.38%, 9/15/20 (c) | 550 | 605,146 |
| | | 5,601,238 |

Commercial Services & Supplies 4.0%

| | | |
|--|-------|-----------|
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 (c) | 2,200 | 2,250,159 |
| 6.75%, 4/06/21 | 550 | 544,170 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | 169 | 166,465 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 306 | 321,300 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 775 | 840,875 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 155 | 159,435 |
| Iron Mountain, Inc., 7.75%, 10/01/19 | 90 | 98,100 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 65 | 69,550 |

| | | |
|---|-------------|-----------|
| | | 4,450,054 |
| Communications Equipment | 1.0% | |
| Avaya, Inc., 9.75%, 11/01/15 (c) | 200 | 198,250 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 (c) | 700 | 764,750 |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 100 | 107,000 |
| | | 1,070,000 |
| Construction Materials | 0.2% | |
| HD Supply, Inc., 8.13%, 4/15/19 (a) | 210 | 225,488 |
| Consumer Finance | 5.3% | |
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 1,400 | 1,452,643 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 775 | 978,748 |
| Daimler Finance North America LLC, 2.63%, 9/15/16 (a) | 800 | 827,213 |
| Ford Motor Credit Co. LLC: 7.00%, 4/15/15 | 690 | 769,350 |
| 5.88%, 8/02/21 | 140 | 158,212 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 420 | 451,500 |
| SLM Corp., 6.25%, 1/25/16 | 1,180 | 1,215,400 |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 95 | 98,317 |
| | | 5,951,383 |

Portfolio Abbreviations

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

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

See Notes to Financial Statements.

16SEMI-ANNUAL REPORT APRIL 30, 2012

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

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Containers & Packaging 1.5% | | |
| Ardagh Packaging Finance Plc, 9.13%, 10/15/20 (a) | USD 200 | \$ 216,500 |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 400 | 438,000 |
| 6.75%, 9/15/20 | 505 | 558,025 |
| Bemis Co., Inc., 6.80%, 8/01/19 | 200 | 238,439 |
| Crown Americas LLC, 6.25%, 2/01/21 | 200 | 217,500 |
| Sealed Air Corp., 8.38%, 9/15/21 (a) | 30 | 34,050 |
| | | 1,702,514 |
| Diversified Financial Services 8.6% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 225 | 227,250 |
| 8.30%, 2/12/15 | 390 | 428,025 |
| 8.00%, 11/01/31 | 230 | 263,350 |
| Bank of America Corp. (c): | | |
| 3.75%, 7/12/16 | 350 | 348,495 |
| 5.30%, 3/15/17 | 855 | 891,720 |
| 5.00%, 5/13/21 | 1,325 | 1,318,799 |
| Citigroup, Inc. (c): | | |
| 6.38%, 8/12/14 | 300 | 323,518 |
| 4.59%, 12/15/15 | 225 | 235,665 |
| 4.45%, 1/10/17 | 600 | 626,762 |
| DPL, Inc., 7.25%, 10/15/21 (a) | 255 | 283,050 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | 120 | 127,804 |
| ING Bank NV, 5.00%, 6/09/21 (a)(c) | 550 | 560,242 |
| Intesa Sanpaolo SpA: | | |
| 2.38%, 12/21/12 | 800 | 788,678 |
| 6.50%, 2/24/21 (a)(c) | 100 | 90,856 |
| Moody's Corp., 6.06%, 9/07/17 | 2,500 | 2,629,082 |
| Reynolds Group Issuer, Inc. (a): | | |
| 7.88%, 8/15/19 | 255 | 275,400 |
| 9.88%, 8/15/19 | 100 | 104,250 |
| WMG Acquisition Corp., 9.50%, 6/15/16 (a) | 50 | 54,625 |
| | | 9,577,571 |
| Diversified Telecommunication Services 3.5% | | |
| AT&T, Inc., 6.30%, 1/15/38 (c) | 1,000 | 1,198,478 |
| Level 3 Financing, Inc. (a): | | |
| 8.13%, 7/01/19 | 898 | 922,695 |
| 8.63%, 7/15/20 | 150 | 157,125 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 225 | 232,268 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 310 | 291,349 |
| Verizon Communications, Inc., 7.35%, 4/01/39 (c) | 660 | 905,356 |
| Windstream Corp., 7.88%, 11/01/17 | 160 | 176,800 |
| | | 3,884,071 |

Electric Utilities 1.8%

| | | |
|---|-------|-----------|
| CMS Energy Corp., 5.05%, 3/15/22 | 275 | 279,923 |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (d) | 375 | 409,933 |
| Progress Energy, Inc., 7.00%, 10/30/31 (c) | 1,000 | 1,305,337 |
| | | 1,995,193 |

Electronic Equipment, Instruments & Components 0.3%

| | | |
|-------------------------------------|-----|---------|
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 200 | 233,000 |
| NXP BV, 3.22%, 10/15/13 (b) | 95 | 95,000 |
| | | 328,000 |

Energy Equipment & Services 2.9%

| | | |
|--|-----|---------|
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | 25 | 26,313 |
| Energy Transfer Partners LP, 5.20%, 2/01/22 | 700 | 746,126 |
| Ensco Plc, 4.70%, 3/15/21 (c) | 460 | 501,932 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 250 | 258,125 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a) | 65 | 64,837 |
| Key Energy Services, Inc., 6.75%, 3/01/21 | 175 | 180,250 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 225 | 236,812 |
| Oil States International, Inc., 6.50%, 6/01/19 | 120 | 126,900 |
| Peabody Energy Corp., 6.25%, 11/15/21 (a) | 370 | 374,625 |

Corporate Bonds**Energy Equipment & Services (concluded)**

| | Par (000) | Value |
|-------------------|--------------|------------|
| Transocean, Inc.: | | |
| 6.50%, 11/15/20 | USD 265 | \$ 304,333 |
| 6.38%, 12/15/21 | 320 | 374,718 |
| | | 3,194,971 |

Food & Staples Retailing 1.3%

| | | |
|---|-------|-----------|
| Wal-Mart Stores, Inc., 6.20%, 4/15/38 (c) | 1,075 | 1,406,861 |
|---|-------|-----------|

Food Products 0.9%

| | | |
|---|-----|-----------|
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 385 | 467,161 |
| 6.13%, 8/23/18 | 390 | 471,705 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 86 | 100,620 |
| | | 1,039,486 |

Gas Utilities 0.2%

| | | |
|---|-----|---------|
| El Paso Natural Gas Co., 8.63%, 1/15/22 | 165 | 208,833 |
|---|-----|---------|

Health Care Equipment & Supplies 0.6%

| | | |
|---|-----|---------|
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 500 | 573,125 |
| Teleflex, Inc., 6.88%, 6/01/19 | 115 | 123,050 |
| | | 696,175 |

Health Care Providers & Services 3.1%

| | | |
|---|-----|---------|
| Aetna, Inc., 6.75%, 12/15/37 | 400 | 519,291 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | 105 | 109,200 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 55 | 61,703 |
| 6.50%, 2/15/20 | 560 | 599,200 |
| 7.25%, 9/15/20 | 195 | 215,962 |
| INC Research LLC, 11.50%, 7/15/19 (a) | 165 | 162,113 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a) | 60 | 53,800 |
| Tenet Healthcare Corp.: | | |

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| | | |
|--|-----|-----------|
| 10.00%, 5/01/18 | 350 | 404,250 |
| 8.88%, 7/01/19 | 250 | 280,312 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c) | 800 | 1,071,761 |
| | | 3,477,592 |

Health Care Technology 0.9%

| | | |
|---------------------|-----|-----------|
| Amgen, Inc.: | | |
| 5.15%, 11/15/41 (c) | 957 | 997,334 |
| 5.65%, 6/15/42 | 8 | 8,900 |
| | | 1,006,234 |

Household Durables 0.2%

| | | |
|--|-----|---------|
| Standard Pacific Corp., 8.38%, 1/15/21 | 210 | 221,550 |
|--|-----|---------|

Independent Power Producers & Energy Traders 1.1%

| | | |
|---|-----|-----------|
| AES Corp.: | | |
| 9.75%, 4/15/16 | 235 | 277,300 |
| 7.38%, 7/01/21 (a) | 30 | 33,375 |
| Calpine Corp., 7.25%, 10/15/17 (a) | 100 | 106,750 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 440 | 485,650 |
| Laredo Petroleum, Inc.: | | |
| 9.50%, 2/15/19 | 70 | 78,225 |
| 7.38%, 5/01/22 (a) | 65 | 67,275 |
| QEP Resources, Inc., 5.38%, 10/01/22 | 134 | 134,000 |
| | | 1,182,575 |

Insurance 6.8%

| | | |
|---|-----------|-----------|
| American International Group, Inc.: | | |
| 3.80%, 3/22/17 (c) | 345 | 356,322 |
| 8.25%, 8/15/18 | 150 | 181,744 |
| 6.40%, 12/15/20 (c) | 610 | 700,682 |
| Aon Corp., 5.00%, 9/30/20 (c) | 1,600 | 1,777,771 |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a) | 700 | 680,129 |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (a) | 250 | 255,678 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 225 | 222,165 |
| ING Verzekeringen NV, 2.69%, 6/21/21 (b) | EUR 110 | 136,143 |
| Manulife Financial Corp., 4.90%, 9/17/20 | USD 1,000 | 1,044,983 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a) | 100 | 86,250 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 17

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

| Corporate Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Insurance (concluded) | | |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | USD 225 | \$291,423 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 800 | 927,734 |
| XL Group Ltd., 5.75%, 10/01/21 | 810 | 895,790 |
| | | 7,556,814 |
| IT Services 0.7% | | |
| Epicor Software Corp., 8.63%, 5/01/19 | 160 | 165,600 |
| Fidelity National Information Services, Inc., 5.00%, 3/15/22 (a) | 70 | 70,000 |
| First Data Corp.: 7.38%, 6/15/19 (a) | 215 | 219,837 |
| 8.25%, 1/15/21 (a) | 20 | 19,700 |
| 12.63%, 1/15/21 | 170 | 170,425 |
| SunGard Data Systems, Inc., 7.38%, 11/15/18 | 170 | 181,475 |
| | | 827,037 |
| Life Sciences Tools & Services 1.9% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 865 | 955,825 |
| Life Technologies Corp., 6.00%, 3/01/20 (c) | 1,000 | 1,162,765 |
| | | 2,118,590 |
| Machinery 1.1% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 800 | 919,474 |
| UR Financing Escrow Corp. (a): 5.75%, 7/15/18 | 55 | 56,788 |
| 7.38%, 5/15/20 | 140 | 147,000 |
| 7.63%, 4/15/22 | 129 | 136,417 |
| | | 1,259,679 |
| Media 8.6% | | |
| AMC Networks, Inc., 7.75%, 7/15/21 (a) | 90 | 100,575 |
| CCH II LLC, 13.50%, 11/30/16 | 541 | 611,330 |
| Comcast Corp., 6.30%, 11/15/17 | 800 | 970,414 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 800 | 1,148,628 |
| CSC Holdings LLC: 8.50%, 4/15/14 | 160 | 176,400 |
| 8.63%, 2/15/19 | 275 | 312,125 |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 (c) | 600 | 656,128 |
| DISH DBS Corp., 7.00%, 10/01/13 | 450 | 482,063 |
| Intelsat Jackson Holdings SA, 7.25%, 4/01/19 | 50 | 52,125 |
| Intelsat Luxemburg SA: 11.25%, 2/04/17 | 150 | 155,625 |
| 11.50%, 2/04/17 (e) | 100 | 104,250 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | 275 | 313,156 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 230 | 245,525 |

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| | | |
|---|-----|-----------|
| News America, Inc., 6.15%, 3/01/37 (c) | 950 | 1,055,212 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 925 | 1,115,360 |
| Time Warner, Inc., 7.70%, 5/01/32 (c) | 950 | 1,244,645 |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a) | 240 | 257,400 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 600 | 654,000 |
| | | 9,654,961 |

Metals & Mining 2.2%

| | | |
|---|-----|-----------|
| Alcoa, Inc., 5.40%, 4/15/21 | 155 | 162,906 |
| Barrick Gold Corp., 2.90%, 5/30/16 (c) | 275 | 288,369 |
| Barrick North America Finance LLC, 5.70%, 5/30/41 (c) | 300 | 330,570 |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%, 3/01/22 | 325 | 321,127 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 700 | 863,821 |
| New Gold, Inc., 7.00%, 4/15/20 (a) | 30 | 30,675 |
| Novelis, Inc., 8.75%, 12/15/20 | 230 | 253,575 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 200 | 247,500 |
| | | 2,498,543 |

Corporate Bonds

Multi-Utilities 1.6%

| | | |
|---------------------------|---------|------------|
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | USD 750 | \$ 857,432 |
| 6.50%, 5/01/18 | 775 | 922,291 |
| | | 1,779,723 |

Multiline Retail 0.3%

| | | |
|---|-----|---------|
| JC Penney Co., Inc., 5.65%, 6/01/20 (c) | 360 | 349,200 |
|---|-----|---------|

Oil, Gas & Consumable Fuels 13.2%

| | | |
|---|-------|-----------|
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | 244 | 282,099 |
| 6.38%, 9/15/17 | 10 | 11,884 |
| Berry Petroleum Co., 6.38%, 9/15/22 | 100 | 104,000 |
| BP Capital Markets Plc, 3.88%, 3/10/15 (c) | 350 | 374,870 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 225 | 232,426 |
| Chesapeake Midstream Partners LP: | | |
| 5.88%, 4/15/21 | 140 | 133,000 |
| 6.13%, 7/15/22 | 110 | 105,875 |
| Chesapeake Oilfield Operating LLC, | | |
| 6.63%, 11/15/19 (a)(c) | 15 | 14,100 |
| Concho Resources, Inc., 5.50%, 10/01/22 | 100 | 100,000 |
| CONSOL Energy, Inc., 6.38%, 3/01/21 | 105 | 98,700 |
| Copano Energy LLC, 7.13%, 4/01/21 | 130 | 137,150 |
| DCP Midstream LLC, 4.75%, 9/30/21 (a) | 325 | 350,957 |
| El Paso Pipeline Partners Operating Co. LLC: | | |
| 6.50%, 4/01/20 | 340 | 390,556 |
| 5.00%, 10/01/21 | 125 | 132,056 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 475 | 640,756 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | 240 | 247,800 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 (c) | 1,000 | 1,210,803 |
| Everest Acquisition LLC / Everest Acquisition | | |

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| | | |
|--|-------|-----------|
| Finance, Inc., 6.88%, 5/01/19 (a) | 80 | 84,000 |
| Forest Oil Corp., 8.50%, 2/15/14 | 295 | 317,125 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 1,000 | 1,209,390 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a) | 55 | 58,300 |
| Linn Energy LLC: | | |
| 6.25%, 11/01/19 (a) | 260 | 256,100 |
| 7.75%, 2/01/21 | 110 | 116,050 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 | 325 | 340,898 |
| MarkWest Energy Partners LP, 6.25%, 6/15/22 | 125 | 131,563 |
| Newfield Exploration Co., 6.88%, 2/01/20 | 145 | 154,063 |
| Nexen, Inc., 6.40%, 5/15/37 | 295 | 327,455 |
| Oasis Petroleum, Inc.: | | |
| 7.25%, 2/01/19 | 80 | 84,800 |
| 6.50%, 11/01/21 | 70 | 71,400 |
| OGX Petroleo e Gas Participacoes SA, | | |
| 8.50%, 6/01/18 (a)(c) | 280 | 290,500 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 800 | 1,046,175 |
| Petrobras International Finance Co.: | | |
| 3.88%, 1/27/16 | 875 | 915,980 |
| 5.38%, 1/27/21 | 525 | 575,101 |
| Petrohawk Energy Corp., 10.50%, 8/01/14 | 145 | 160,950 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a) | 150 | 155,250 |
| Phillips 66, 2.95%, 5/01/17 (a) | 250 | 256,530 |
| Pioneer Natural Resources Co.: | | |
| 6.65%, 3/15/17 | 150 | 170,170 |
| 6.88%, 5/01/18 | 115 | 135,382 |
| Plains Exploration & Production Co.: | | |
| 10.00%, 3/01/16 | 95 | 104,500 |
| 6.75%, 2/01/22 | 15 | 15,600 |
| Precision Drilling Corp., 6.50%, 12/15/21 | 95 | 98,800 |
| Premier Oil Plc, 5.00%, 6/09/18 | 825 | 851,812 |
| Range Resources Corp., 6.75%, 8/01/20 | 200 | 217,000 |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (a) | 700 | 716,751 |
| Samson Investment Co., 9.75%, 2/15/20 (a) | 145 | 151,344 |
| SandRidge Energy, Inc.: | | |
| 7.50%, 3/15/21 | 45 | 45,450 |
| 8.13%, 10/15/22 (a) | 50 | 51,875 |

See Notes to Financial Statements.

18SEMI-ANNUAL REPORT APRIL 30, 2012

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

| Corporate Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Oil, Gas & Consumable Fuels (concluded) | | |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | USD55 | \$58,025 |
| 6.50%, 11/15/21 | 80 | 84,400 |
| Targa Resources Partners LP, 6.88%, 2/01/21 | 115 | 120,175 |
| Tennessee Gas Pipeline Co., 8.00%, 2/01/16 | 195 | 227,311 |
| Western Gas Partners LP, 5.38%, 6/01/21 | 350 | 381,867 |
| The Williams Cos., Inc., 8.75%, 3/15/32 | 170 | 229,691 |
| | | 14,778,815 |
| Paper & Forest Products 2.5% | | |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 70 | 77,875 |
| 8.00%, 4/01/20 | 150 | 165,375 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 470 | 519,350 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 775 | 983,902 |
| 7.30%, 11/15/39 | 800 | 989,883 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a) | 80 | 80,800 |
| | | 2,817,185 |
| Pharmaceuticals 4.1% | | |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a) | EUR100 | 145,607 |
| Merck & Co., Inc., 6.50%, 12/01/33 | USD475 | 654,982 |
| Pfizer, Inc., 7.20%, 3/15/39 (c) | 2,080 | 3,075,224 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)(c) | 420 | 596,113 |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 65 | 67,356 |
| | | 4,539,282 |
| Real Estate Investment Trusts (REITs) 2.8% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (c) | 800 | 952,522 |
| Developers Diversified Realty Corp.: | | |
| 4.75%, 4/15/18 | 155 | 160,591 |
| 7.88%, 9/01/20 | 175 | 210,167 |
| ERP Operating LP, 5.75%, 6/15/17 | 800 | 920,772 |
| HCP, Inc., 5.38%, 2/01/21 | 250 | 275,430 |
| UDR, Inc., 4.25%, 6/01/18 | 350 | 371,914 |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21 | 270 | 278,361 |
| | | 3,169,757 |
| Real Estate Management & Development 0.4% | | |
| Realogy Corp. (a)(c): | | |
| 7.88%, 2/15/19 | 135 | 132,300 |
| 7.63%, 1/15/20 | 145 | 150,438 |
| Shea Homes LP, 8.63%, 5/15/19 (a) | 110 | 114,675 |

397,413

Road & Rail 1.4%

| | | |
|--|-------|-----------|
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 25 | 26,187 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 40 | 41,100 |
| The Hertz Corp., 6.75%, 4/15/19 | 77 | 80,369 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 1,200 | 1,391,143 |
| | | 1,538,799 |

Semiconductors & Semiconductor Equipment 0.7%

| | | |
|--|-----|---------|
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | 190 | 209,475 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 461 | 557,815 |
| | | 767,290 |

Software 0.1%

| | | |
|---|-----|---------|
| Lawson Software, Inc., 9.38%, 4/01/19 (a) | 140 | 146,300 |
|---|-----|---------|

Specialty Retail 1.2%

| | | |
|---|-----|-----------|
| AutoNation, Inc., 6.75%, 4/15/18 | 445 | 482,825 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 230 | 255,300 |
| QVC, Inc., 7.38%, 10/15/20 (a) | 25 | 27,375 |
| Sally Holdings LLC, 6.88%, 11/15/19 (a) | 140 | 149,100 |
| VF Corp., 5.95%, 11/01/17 | 350 | 417,757 |
| | | 1,332,357 |

Corporate Bonds**Par
(000) Value****Tobacco 1.9%**

| | | |
|---------------------------------------|--------|--------------|
| Altria Group, Inc., 10.20%, 2/06/39 | USD937 | \$ 1,501,238 |
| Lorillard Tobacco Co., 3.50%, 8/04/16 | 600 | 628,723 |
| | | 2,129,961 |

Wireless Telecommunication Services 4.7%

| | | |
|--|-------|--------------------|
| America Movil SAB de CV, 2.38%, 9/08/16 | 585 | 597,002 |
| American Tower Corp.: | | |
| 4.50%, 1/15/18 | 450 | 475,171 |
| 5.90%, 11/01/21 | 295 | 331,598 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 155 | 163,137 |
| Crown Castle International Corp., 9.00%, 1/15/15 | 210 | 232,050 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/37 | 275 | 303,632 |
| 6.11%, 1/15/40 | 300 | 342,592 |
| Digicel Group Ltd., 8.25%, 9/01/17 (a) | 125 | 130,312 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 195 | 195,000 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 1,000 | 1,088,207 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 230 | 171,925 |
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | 540 | 594,675 |
| 7.00%, 3/01/20 | 620 | 632,400 |
| | | 5,257,701 |
| Total Corporate Bonds 108.1% | | 120,731,484 |

Preferred Securities**Capital Trusts****Capital Markets 4.3%**

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| | | |
|---|-------|-----------|
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (b) | 500 | 530,000 |
| State Street Capital Trust III, 5.46% (b)(f) | 725 | 727,842 |
| State Street Capital Trust IV, 1.47%, 6/01/37 (b) | 4,740 | 3,527,380 |
| | | 4,785,222 |

Commercial Banks 2.5%

| | | |
|--|-----|-----------|
| Barclays Bank Plc (a)(b)(f): | | |
| 5.93%, | 425 | 386,750 |
| 7.43%,(c) | 150 | 150,000 |
| BNP Paribas, 7.20% (a)(b)(c)(f) | 300 | 258,000 |
| Credit Agricole SA, 8.38% (a)(b)(c)(f) | 350 | 308,000 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 530 | 426,650 |
| M&T Capital Trust II, 8.28%, 6/01/27 | 910 | 928,200 |
| National City Preferred Capital Trust I, 12.00% (b)(f) | 300 | 319,320 |
| | | 2,776,920 |

Diversified Financial Services 2.0%

| | | |
|--|-------|-----------|
| JPMorgan Chase Capital XXIII, 1.50%, 5/15/47 (b) | 3,085 | 2,282,965 |
|--|-------|-----------|

Electric Utilities 0.4%

| | | |
|---|-----|---------|
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 500 | 495,000 |
|---|-----|---------|

Insurance 8.8%

| | | |
|---|-------|---------|
| Ace Capital Trust II, 9.70%, 4/01/30 | 500 | 683,396 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 500 | 488,750 |
| American International Group, Inc., 8.18%, 5/15/68 (b) | 225 | 240,469 |
| AXA SA, 6.38% (a)(b)(f) | 1,000 | 795,000 |
| Chubb Corp., 6.38%, 3/29/67 (b)(c) | 500 | 511,875 |
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 500 | 553,446 |
| Great-West Life & Annuity Insurance Co., 7.15%, 5/16/46 (a)(b) | 500 | 500,000 |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 500 | 680,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | 500 | 485,000 |
| MetLife, Inc., 6.40%, 12/15/66 | 500 | 489,107 |
| Mitsui Sumitomo Insurance Co., Ltd., 7.00%, 3/15/72 (a)(b) | 320 | 328,777 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 19

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

| Capital Trusts | Par (000) | Value |
|---|----------------------|-------------------|
| Insurance (concluded) | | |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c) | USD900 | \$ 1,072,333 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 700 | 647,712 |
| Swiss Re Capital I LP, 6.85% (a)(b)(f) | 450 | 413,844 |
| ZFS Finance (USA) (a)(b): | | |
| Trust II, 6.45%, 12/15/65 | 1,800 | 1,764,000 |
| Trust IV, 5.88%, 5/09/62 | 146 | 146,182 |
| | | 9,799,891 |
| Multi-Utilities 0.9% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 | 500 | 513,032 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (b) | 500 | 532,500 |
| | | 1,045,532 |
| Oil, Gas & Consumable Fuels 1.3% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | 825 | 895,125 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 500 | 521,946 |
| | | 1,417,071 |
| Total Capital Trusts 20.2% | | 22,602,601 |
| Preferred Stocks | | |
| Shares | | |
| Auto Components 0.1% | | |
| Dana Holding Corp., 4.00% (a) | 1,000 | 125,375 |
| Diversified Financial Services 0.4% | | |
| Ally Financial, Inc., 7.00% (a) | 510 | 432,863 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, Series S, 8.25% (b)(g) | 3,000 | 3,690 |
| Freddie Mac, Series Z, 8.38% (b)(g) | 3,000 | 3,750 |
| | | 7,440 |
| Wireless Telecommunication Services 2.9% | | |
| Centaur Funding Corp., 9.08% (a) | 2,720 | 3,223,200 |
| Total Preferred Stocks 3.4% | | 3,788,878 |
| Trust Preferreds 0.3% | | |
| Diversified Financial Services 0.3% | | |
| GMAC Capital Trust I, Series 2, 8.13% (b) | 13,680 | 321,770 |
| Total Preferred Securities 23.9% | | 26,713,249 |
| Taxable Municipal Bonds 0.9% | | |
| Par (000) | | |
| Metropolitan Transportation Authority, RB, 6.55%, 11/15/31 | USD800 | 981,208 |
| US Government Sponsored Agency Securities 0.3% | | |

Agency Obligations 0.3%

| | | |
|------------------------------------|-----|---------|
| Fannie Mae, 4.23%, 10/09/19 (c)(h) | 390 | 314,003 |
|------------------------------------|-----|---------|

US Treasury Obligations

| | Par (000) | Value |
|---|--------------------------------------|------------------|
| US Treasury Bonds (c): | | |
| 3.75%, 8/15/41 | USD 236 | \$ 266,459 |
| 3.13%, 11/15/41 | 740 | 742,312 |
| US Treasury Notes, 0.88%, 12/31/16 (c) | 901 | 906,350 |
| Total US Treasury Obligations 1.7% | | 1,915,121 |
| Total Long-Term Investments | | |
| (Cost \$143,090,707) 136.0% | | 151,909,873 |
| Short-Term Securities | Shares | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (i)(j) | 621,268 | 621,268 |
| Total Short-Term Securities | | |
| (Cost \$621,268) 0.6% | | 621,268 |
| Options Purchased | Contracts | |
| Exchange-Traded Put Options 0.0% | | |
| S&P 500 Index, Strike Price USD 1,200.00, Expires 6/16/12 | 67 | 17,420 |
| | Notional Amount (000) | |
| Over-the-Counter Interest Rate Call Swaptions 0.0% | | |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, expires 5/11/12, Broker Citibank NA | USD 1,300 | 46 |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 800 | 37,051 37,097 |
| Over-the-Counter Interest Rate Put Swaptions 0.1% | | |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 800 | 16,824 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 9/16/13, Broker Credit Suisse Securities (USA) LLC | EUR 1,300 | 6,516 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 10/21/13, Broker Deutsche Bank AG | 1,300 | 7,984 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 12/12/13, Broker Credit Suisse Securities (USA) LLC | 900 | 7,148 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG | USD 1,200 | 40,277 78,749 |

Short-Term Securities
Total Short-Term Securities
Options Purchased**Exchange-Traded Put Options 0.0%**
Over-the-Counter Interest Rate Call Swaptions 0.0%
Over-the-Counter Interest Rate Put Swaptions 0.1%

| | |
|---|-------------|
| Total Options Purchased | |
| (Cost \$429,102) 0.1% | 133,266 |
| Total Investments Before Options Written | |
| (Cost \$144,141,077) 136.7% | 152,664,407 |

See Notes to Financial Statements.

20SEMI-ANNUAL REPORT APRIL 30, 2012

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

| Options Written | Contracts Value | |
|--|--------------------------------------|----------------|
| Over-the-Counter Call Options (0.0)% | | |
| S&P 500 Index, Strike Price USD 1,450.00, Expires 6/15/12, Broker Deutsche Bank AG | 1,700 | \$(12,394) |
| | Notional Amount (000) | |
| Over-the-Counter Interest Rate Put Swaptions (0.0)% | | |
| Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG | USD2,400 | (35,633) |
| Total Options Written | | |
| (Premiums Received \$66,010) (0.0)% | | (48,027) |
| Total Investments, Net of Options Written 136.7% | | 152,616,380 |
| Liabilities in Excess of Other Assets (36.7)% | | (40,980,708) |
| Net Assets 100.0% | | \$ 111,635,672 |

- (a) Security exempt from registration pursuant to Rule 144A under 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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Security is perpetual in nature and has no stated maturity date.
- (g) Non-income producing security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (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:

| Affiliate | Shares Held at October 31, 2011 | Net Activity | Shares Held at April 30, 2012 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,362,932 | (741,664) | 621,268 | \$ 926 |

- (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, 2012 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|---------------------|----------------------|-------------------|----------------------|-------------------------------|------------------------|
|---------------------|----------------------|-------------------|----------------------|-------------------------------|------------------------|

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| | | | | | |
|--|---------|---------|------|-----------|-----------|
| Deutsche Bank AG | (0.50)% | 1/17/12 | Open | \$107,168 | \$107,325 |
| UBS Securities LLC | (1.25)% | 2/02/12 | Open | 122,508 | 122,887 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/15/12 | Open | 950,524 | 949,823 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/22/12 | Open | 1,052,581 | 1,051,875 |
| UBS Securities LLC | 0.35% | 2/28/12 | Open | 2,509,536 | 2,508,000 |
| UBS Securities LLC | 0.38% | 2/28/12 | Open | 2,609,046 | 2,607,312 |
| Credit Suisse Securities (USA) LLC | (0.25)% | 3/07/12 | Open | 295,987 | 296,100 |
| BNP Paribas Securities Corp. | 0.35% | 3/12/12 | Open | 1,354,083 | 1,353,425 |
| UBS Securities LLC | 0.32% | 3/13/12 | Open | 544,737 | 544,500 |
| UBS Securities LLC | 0.38% | 3/13/12 | Open | 602,937 | 602,625 |
| Deutsche Bank AG | 0.17% | 3/14/12 | Open | 721,664 | 721,500 |
| Credit Suisse Securities (USA) LLC | 0.30% | 3/21/12 | Open | 1,388,224 | 1,387,750 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/21/12 | Open | 707,282 | 707,000 |
| Credit Suisse Securities (USA) LLC | 0.38% | 3/21/12 | Open | 6,194,048 | 6,191,369 |
| Barclays Capital, Inc. | 0.35% | 3/22/12 | Open | 662,870 | 662,613 |
| UBS Securities LLC | 0.35% | 3/23/12 | Open | 92,415 | 92,380 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/27/12 | Open | 332,607 | 332,494 |
| Barclays Capital, Inc. | (1.00)% | 4/03/12 | Open | 147,195 | 147,309 |
| UBS Securities LLC | 0.10% | 4/16/12 | Open | 174,007 | 174,000 |
| Barclays Capital, Inc. | 0.35% | 4/18/12 | Open | 3,329,295 | 3,328,875 |
| UBS Securities LLC | 0.34% | 4/23/12 | Open | 3,877,368 | 3,877,075 |
| UBS Securities LLC | 0.35% | 4/23/12 | Open | 374,442 | 374,412 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/23/12 | Open | 602,297 | 602,250 |
| Deutsche Bank AG | 0.00% | 4/24/12 | Open | 53,400 | 53,400 |
| Deutsche Bank AG | 0.12% | 4/24/12 | Open | 907,779 | 907,758 |
| UBS Securities LLC | 0.34% | 4/24/12 | Open | 332,522 | 332,500 |
| Barclays Capital, Inc. | 0.35% | 4/25/12 | Open | 1,351,579 | 1,351,500 |
| BNP Paribas Securities Corp. | 0.19% | 4/25/12 | Open | 265,803 | 265,795 |
| BNP Paribas | | | | | |

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| | | | | |
|--------------------|-------|--------------|--------------|--------------|
| Securities Corp. | 0.23% | 4/25/12 Open | 311,037 | 311,025 |
| BNP Paribas | | | | |
| Securities Corp. | 0.37% | 4/25/12 Open | 2,044,126 | 2,044,000 |
| BNP Paribas | | | | |
| Securities Corp. | 0.35% | 4/25/12 Open | 250,015 | 250,000 |
| UBS Securities LLC | 0.25% | 4/26/12 Open | 246,008 | 246,000 |
| UBS Securities LLC | 0.35% | 4/26/12 Open | 1,263,936 | 1,263,875 |
| UBS Securities LLC | 0.38% | 4/26/12 Open | 6,808,960 | 6,808,600 |
| Deutsche Bank AG | 0.25% | 4/26/12 Open | 324,011 | 324,000 |
| Total | | | \$42,911,997 | \$42,901,352 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 21

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

Financial futures contracts purchased as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------|-------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 32 | 5-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 3,961,500 | \$ 16,939 |

Financial futures contracts sold as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|------------------|----------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 1 | Euro-Bund | Eurex | June 2012 | EUR 186,761 | \$ (3,312) |
| 95 | 10-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 12,566,719 | (125,493) |
| 10 | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012 | USD 1,428,750 | (11,376) |
| 33 | Ultra Long Term US Treasury Bond | Chicago Board of Trade | June 2012 | USD 5,207,812 | (95,023) |
| Total | | | | | \$ (235,204) |

Foreign currency exchange contracts as of April 30, 2012 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Depreciation |
|---------------------------|----------------------|---------------------|------------------------|--------------------------------|
| USD 326,700 | EUR 247,500 | Citibank NA | 7/25/12 | \$ (1,070) |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2012 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|------------------------|-----------------------|------------------------------------|------------------------|------------------------------|--------------------------------|
| STMicroelectronics NV | 1.00% | Deutsche Bank AG | 12/20/16 | EUR 285 | \$ (4,560) |
| Southwest Airlines Co. | 1.00% | Goldman Sachs & Co. | 12/20/16 | USD 280 | (7,023) |
| Southwest Airlines Co. | 1.00% | Royal Bank of Scotland Plc | 12/20/16 | USD 280 | (8,111) |
| Time Warner Inc. | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | USD 1,700 | (1,527) |
| Emerson Electric Co. | 1.00% | Morgan Stanley & Co., Inc. | 3/20/17 | USD 545 | (4,329) |
| Total | | | | | \$ (25,550) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2012 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Issuer Credit Rating¹ | Notional Amount (000)² | Unrealized Appreciation (Depreciation) |
|---------------|---------------------------|---------------------|------------------------|---|--|---|
|---------------|---------------------------|---------------------|------------------------|---|--|---|

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| | | | | | | |
|----------------------|-------|------------------------------------|---------|-----|----------|-----------|
| Aviva USA Corp. | 1.00% | Deutsche Bank AG | 5/25/12 | A | USD650 | \$ (9) |
| DIRECTV Holdings LLC | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | BBB | USD1,700 | 28,680 |
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD200 | (4,175) |
| Total | | | | | | \$ 24,496 |

¹Using S&P's rating.

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

Credit default swaps on traded indexes - sold protection outstanding as of April 30, 2012 were as follows:

| Index | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ³ | Notional Amount (000) ⁴ | Unrealized Appreciation |
|---|--------------------|------------------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index Series 18, Version 1 | 5.00% | Credit Suisse Securities (USA) LLC | 6/20/17 | B+ | USD 435 | \$ 6,585 |

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

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

Interest rate swaps outstanding as of April 30, 2012 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------------------------|-----------------|-----------------------|--|
| 1.17% ⁵ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 4/11/17 | USD 1,700 | \$ (7,163) |
| 1.18% ⁵ | 3-month LIBOR | Deutsche Bank AG | 4/11/17 | USD 4,900 | (23,018) |
| 2.35% ⁵ | 3-month LIBOR | Deutsche Bank AG | 3/19/22 | USD 3,200 | (94,174) |
| 4.03% ⁵ | 3-month LIBOR | UBS AG | 4/18/22 | USD 1,400 | (207,653) |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD 1,400 | |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD 900 | 458 |
| Total | | | | | \$ (331,550) |

⁵Fund pays a fixed interest rate and receives floating rate.

⁶Fund pays a 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 categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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.

22 SEMI-ANNUAL REPORT APRIL 30, 2012

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

The following tables summarize the inputs used as of April 30, 2012 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-Backed | | | | |
| Securities | — | \$705,558 | \$549,250 | \$1,254,808 |
| Corporate | | | | |
| Bonds | — | 119,879,672 | 851,812 | 120,731,484 |
| Preferred | | | | |
| Securities | \$329,210 | 26,384,039 | — | 26,713,249 |
| Taxable | | | | |
| Municipal | | | | |
| Bonds | — | 981,208 | — | 981,208 |
| US Government | | | | |
| Sponsored | | | | |
| Agency | | | | |
| Securities | — | 314,003 | — | 314,003 |
| US Treasury | | | | |
| Obligations | — | 1,915,121 | — | 1,915,121 |
| Short-Term | | | | |
| Securities | 621,268 | — | — | 621,268 |
| Total | \$950,478 | \$150,179,601 | \$1,401,062 | \$152,531,141 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|------------|------------|---------|------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Equity | | | | |
| contracts | \$17,420 | — | — | \$17,420 |
| Interest rate | | | | |
| contracts | 16,939 | \$116,304 | — | 133,243 |
| Credit | | | | |
| contracts | — | 35,265 | — | 35,265 |
| Liabilities: | | | | |
| Equity | | | | |
| contracts | — | (12,394) | — | (12,394) |
| Interest rate | | | | |
| contracts | (235,204) | (367,641) | — | (602,845) |
| Foreign | | | | |
| currency | | | | |
| exchange | | | | |
| contracts | — | (1,070) | — | (1,070) |
| Credit | | | | |

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| | | | | |
|-----------|-------------|--------------|--------|--------------|
| contracts | — | (29,725) | \$(9) | (29,734) |
| Total | \$(200,845) | \$(259,261) | \$(9) | \$(460,115) |

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

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

| | Asset-Backed Securities | Corporate Bonds | Total |
|---|-------------------------|-----------------|-------------|
| Assets: | | | |
| Balance, as of October 31, 2011 | \$ 503,750 | \$858,000 | \$1,361,750 |
| Accrued discounts/premiums | — | — | — |
| Net realized gain (loss) | 10,695 | — | 10,695 |
| Net change in unrealized appreciation/depreciation ² | 34,805 | (6,188) | 28,617 |
| Purchases | — | — | — |
| Sales | — | — | — |
| Transfers in ³ | — | — | — |
| Transfers out ³ | — | — | — |
| Balance, as of April 30, 2012 | \$ 549,250 | \$851,812 | \$1,401,062 |

²Included 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, 2012 was \$886,618.

³The 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 in determining fair value:

| | Credit Contracts |
|---|------------------|
| Assets/Liabilities: | |
| Balance, as of October 31, 2011 | \$ 1,175 |
| Accrued discounts/premiums | 2,105 |
| Net realized gain (loss) | — |
| Net change in unrealized appreciation/depreciation ⁴ | (1,184) |
| Purchases | — |
| Issuances ⁵ | — |
| Sales | — |
| Settlements ⁶ | (2,105) |
| Transfers in ³ | — |
| Transfers out ³ | — |
| Balance, as of April 30, 2012 | \$(9) |

Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at April 30, 2012 was \$(1,184).

⁵Issuances represent upfront cash received on certain derivative financial instruments.

⁶Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

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

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 23

Schedule of Investments April 30, 2012 (Unaudited) **BlackRock Credit Allocation Income Trust II, Inc. (PSY)**
(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|--------------|
| 321 Henderson Receivables I LLC, Series 2012-1A, Class A, 4.21%, 2/16/65 (a) | USD 1,034 | \$ 1,064,160 |
| Atrium CDO Corp., Series 5A, Class A4, 0.88%, 7/20/20 (a)(b) | 2,650 | 2,239,250 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.67%, 6/15/21 (b) | 1,968 | 1,887,501 |
| Total Asset-Backed Securities 1.1% | | 5,190,911 |
| Corporate Bonds | | |
| Aerospace & Defense 1.1% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 2,500 | 2,768,750 |
| Huntington Ingalls Industries, Inc.: 6.88%, 3/15/18 | 610 | 645,075 |
| 7.13%, 3/15/21 | 600 | 635,250 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 1,014 | 1,090,050 |
| | | 5,139,125 |
| Airlines 0.7% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 553 | 583,597 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 1,362 | 1,488,112 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 1,013 | 1,066,472 |
| | | 3,138,181 |
| Auto Components 0.8% | | |
| Delphi Corp., 6.13%, 5/15/21 (a) | 570 | 607,050 |
| Icahn Enterprises LP: 8.00%, 1/15/18 | 2,270 | 2,426,062 |
| 8.00%, 1/15/18 | 610 | 642,025 |
| | | 3,675,137 |
| Beverages 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 1,970 | 2,226,100 |
| Building Products 0.3% | | |
| Building Materials Corp. of America (a): 7.00%, 2/15/20 | 375 | 400,313 |
| 6.75%, 5/01/21 | 940 | 978,775 |
| | | 1,379,088 |
| Capital Markets 5.3% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 3,250 | 3,633,705 |
| E*Trade Financial Corp., 12.50%, 11/30/17 | 1,865 | 2,172,725 |
| The Goldman Sachs Group, Inc. (c): 5.25%, 7/27/21 | 1,175 | 1,189,049 |
| 5.75%, 1/24/22 | 3,415 | 3,565,923 |
| 6.25%, 2/01/41 | 4,450 | 4,521,836 |

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| | | |
|--|-------|------------|
| Morgan Stanley (c): | | |
| 5.75%, 1/25/21 | 3,915 | 3,865,804 |
| 5.50%, 7/28/21 | 1,285 | 1,256,261 |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (d) | 600 | 603,602 |
| UBS AG (c): | | |
| 2.25%, 1/28/14 | 1,627 | 1,635,443 |
| 5.88%, 7/15/16 | 2,800 | 2,960,885 |
| | | 25,405,233 |

Chemicals 1.4%

| | | |
|--|-------|-----------|
| Ashland, Inc., 9.13%, 6/01/17 | 45 | 49,950 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 1,545 | 1,657,013 |
| Hexion US Finance Corp., 6.63%, 4/15/20 (a) | 865 | 903,925 |
| Ineos Finance Plc (a): | | |
| 8.38%, 2/15/19 | 320 | 343,200 |
| 7.50%, 5/01/20 | 730 | 750,075 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (a) | 1,885 | 1,946,262 |
| Solutia, Inc., 7.88%, 3/15/20 | 860 | 1,004,050 |
| | | 6,654,475 |

Corporate Bonds

Par Value
(000)

Commercial Banks 5.0%

| | | |
|--|----------|--------------|
| Amsouth Bank, Series AI, 4.85%, 4/01/13 | USD1,050 | \$ 1,065,750 |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 900 | 936,881 |
| Associated Banc-Corp, 5.13%, 3/28/16 | 2,200 | 2,329,103 |
| Branch Banking & Trust Co. (b)(c): | | |
| 0.79%, 9/13/16 | 1,100 | 1,036,798 |
| 0.79%, 5/23/17 | 675 | 629,524 |
| CIT Group, Inc.: | | |
| 7.00%, 5/02/16 (a) | 1,570 | 1,573,925 |
| 7.00%, 5/02/17 (a) | 1,250 | 1,253,125 |
| 5.25%, 3/15/18 | 1,190 | 1,225,700 |
| 5.50%, 2/15/19 (a) | 1,040 | 1,068,600 |
| City National Corp., 5.25%, 9/15/20 (c) | 2,350 | 2,511,328 |
| Discover Bank, 8.70%, 11/18/19 | 1,200 | 1,513,566 |
| HSBC Finance Corp., 6.68%, 1/15/21 | 1,525 | 1,646,979 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 2,525 | 2,600,750 |
| 5.75%, 6/15/15 | 1,800 | 1,899,000 |
| SVB Financial Group, 5.38%, 9/15/20 | 2,300 | 2,530,609 |
| | | 23,821,638 |

Commercial Services & Supplies 4.0%

| | | |
|--|-------|-----------|
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 (c) | 9,300 | 9,512,034 |
| 6.75%, 4/06/21 | 2,325 | 2,300,355 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | 721 | 710,185 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 1,314 | 1,379,700 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 3,375 | 3,661,875 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 665 | 684,028 |
| Iron Mountain, Inc., 7.75%, 10/01/19 | 390 | 425,100 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 275 | 294,250 |

18,967,527

Communications Equipment 1.0%

| | | |
|---|-------|-----------|
| Avaya, Inc., 9.75%, 11/01/15 (c) | 900 | 892,125 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 (c) | 2,965 | 3,239,262 |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 420 | 449,400 |
| | | 4,580,787 |

Construction Materials 0.2%

| | | |
|-------------------------------------|-----|---------|
| HD Supply, Inc., 8.13%, 4/15/19 (a) | 900 | 966,375 |
|-------------------------------------|-----|---------|

Consumer Finance 5.1%

| | | |
|---|-------|------------|
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 5,850 | 6,069,971 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 3,325 | 4,199,146 |
| Daimler Finance North America LLC, 2.63%, 9/15/16 (a) | 3,425 | 3,541,505 |
| Ford Motor Credit Co. LLC: 7.00%, 4/15/15 | 2,580 | 2,876,700 |
| 5.88%, 8/02/21 | 320 | 361,628 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 1,815 | 1,951,125 |
| SLM Corp., 6.25%, 1/25/16 | 4,870 | 5,016,100 |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 410 | 424,315 |
| | | 24,440,490 |

Containers & Packaging 1.2%

| | | |
|--|-------|-----------|
| Ardagh Packaging Finance Plc (a): 7.38%, 10/15/17 | 200 | 216,500 |
| 9.13%, 10/15/20 | 235 | 254,388 |
| Ball Corp.: 7.13%, 9/01/16 | 1,750 | 1,916,250 |
| 6.75%, 9/15/20 | 2,210 | 2,442,050 |
| Crown Americas LLC, 6.25%, 2/01/21 | 825 | 897,187 |
| Sealed Air Corp., 8.38%, 9/15/21 (a) | 130 | 147,550 |
| | | 5,873,925 |

Diversified Financial Services 6.5%

| | | |
|---|-------|-----------|
| Ally Financial, Inc.: 4.50%, 2/11/14 | 1,775 | 1,792,750 |
| 8.30%, 2/12/15 | 1,230 | 1,349,925 |
| 8.00%, 11/01/31 | 840 | 961,800 |

See Notes to Financial Statements.

24SEMI-ANNUAL REPORT APRIL 30, 2012

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

| Corporate Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Diversified Financial Services (concluded) | | |
| Bank of America Corp.: | | |
| 3.75%, 7/12/16 (c) | USD 1,395 | \$ 1,389,001 |
| 5.30%, 3/15/17 (c) | 3,640 | 3,796,327 |
| 5.00%, 5/13/21 | 50 | 49,766 |
| Citigroup, Inc. (c): | | |
| 6.38%, 8/12/14 | 1,300 | 1,401,913 |
| 4.59%, 12/15/15 | 975 | 1,021,216 |
| 4.45%, 1/10/17 | 2,680 | 2,799,536 |
| DPL, Inc., 7.25%, 10/15/21 (a) | 1,080 | 1,198,800 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | 500 | 532,515 |
| ING Bank NV, 5.00%, 6/09/21 (a)(c) | 2,350 | 2,393,759 |
| Intesa Sanpaolo SpA: | | |
| 2.38%, 12/21/12 | 3,500 | 3,450,468 |
| 6.50%, 2/24/21 (a)(c) | 475 | 431,565 |
| Moody's Corp., 6.06%, 9/07/17 | 6,000 | 6,309,798 |
| Reynolds Group Issuer, Inc. (a): | | |
| 7.13%, 4/15/19 | 245 | 256,025 |
| 7.88%, 8/15/19 | 870 | 939,600 |
| 9.88%, 8/15/19 | 305 | 317,963 |
| 6.88%, 2/15/21 | 215 | 221,450 |
| WMG Acquisition Corp., 9.50%, 6/15/16 (a) | 205 | 223,963 |
| | | 30,838,140 |
| Diversified Telecommunication Services 3.9% | | |
| AT&T, Inc., 6.30%, 1/15/38 (c) | 4,000 | 4,793,912 |
| Level 3 Financing, Inc. (a): | | |
| 8.13%, 7/01/19 | 3,149 | 3,235,597 |
| 8.63%, 7/15/20 | 650 | 680,875 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 975 | 1,006,493 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 1,360 | 1,278,176 |
| Verizon Communications, Inc. (c): | | |
| 1.95%, 3/28/14 | 3,650 | 3,735,242 |
| 7.35%, 4/01/39 | 2,375 | 3,257,911 |
| Windstream Corp., 7.88%, 11/01/17 | 730 | 806,650 |
| | | 18,794,856 |
| Electric Utilities 1.7% | | |
| CMS Energy Corp., 5.05%, 3/15/22 | 1,125 | 1,145,140 |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (d) | 1,650 | 1,803,704 |
| Progress Energy, Inc., 7.00%, 10/30/31 (c) | 4,000 | 5,221,348 |
| | | 8,170,192 |
| Electronic Equipment, Instruments & Components | | |
| 0.3% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 800 | 932,000 |
| NXP BV, 3.22%, 10/15/13 (b) | 400 | 400,000 |

1,332,000

Energy Equipment & Services 2.9%

| | | |
|--|-------|------------|
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | 110 | 115,775 |
| Energy Transfer Partners LP, 5.20%, 2/01/22 | 3,000 | 3,197,685 |
| Ensco Plc, 4.70%, 3/15/21 (c) | 1,965 | 2,144,122 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 1,085 | 1,120,262 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a) | 285 | 284,288 |
| Key Energy Services, Inc., 6.75%, 3/01/21 | 745 | 767,350 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 955 | 1,005,138 |
| Oil States International, Inc., 6.50%, 6/01/19 | 505 | 534,038 |
| Peabody Energy Corp., 6.25%, 11/15/21 (a) | 1,555 | 1,574,437 |
| Transocean, Inc.: | | |
| 6.50%, 11/15/20 | 1,125 | 1,291,978 |
| 6.38%, 12/15/21 | 1,375 | 1,610,115 |
| | | 13,645,188 |

Food & Staples Retailing 0.8%

| | | |
|----------------------------|-------|-----------|
| Wal-Mart Stores, Inc. (c): | | |
| 5.25%, 9/01/35 | 2,500 | 2,871,985 |
| 6.20%, 4/15/38 | 875 | 1,145,119 |
| | | 4,017,104 |

Corporate Bonds

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

Food Products 0.9%

| | | |
|---|-----------|-------------|
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | USD 1,665 | \$2,020,319 |
| 6.13%, 8/23/18 | 1,660 | 2,007,772 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 374 | 437,580 |
| | | 4,465,671 |

Gas Utilities 0.2%

| | | |
|---|-----|---------|
| El Paso Natural Gas Co., 8.63%, 1/15/22 | 695 | 879,631 |
|---|-----|---------|

Health Care Equipment & Supplies 0.6%

| | | |
|---|-------|-----------|
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 2,250 | 2,579,062 |
| Teleflex, Inc., 6.88%, 6/01/19 | 490 | 524,300 |
| | | 3,103,362 |

Health Care Providers & Services 3.7%

| | | |
|---|-------|------------|
| Aetna, Inc., 6.75%, 12/15/37 (c) | 1,700 | 2,206,986 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | 460 | 478,400 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 240 | 269,250 |
| 6.50%, 2/15/20 | 2,380 | 2,546,600 |
| 7.25%, 9/15/20 | 3,435 | 3,804,263 |
| INC Research LLC, 11.50%, 7/15/19 (a) | 695 | 682,838 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a) | 270 | 242,075 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 1,530 | 1,767,150 |
| 8.88%, 7/01/19 | 1,125 | 1,261,406 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c) | 3,400 | 4,554,983 |
| | | 17,813,951 |

Health Care Technology 0.9%

| | | |
|--------------|--|--|
| Amgen, Inc.: | | |
|--------------|--|--|

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| | | |
|---|----------|------------|
| 5.15%, 11/15/41 (c) | 4,208 | 4,385,355 |
| 5.65%, 6/15/42 | 42 | 46,723 |
| | | 4,432,078 |
| Household Durables 0.2% | | |
| Standard Pacific Corp., 8.38%, 1/15/21 | 890 | 938,950 |
| Independent Power Producers & Energy Traders 1.1% | | |
| AES Corp.: | | |
| 9.75%, 4/15/16 | 985 | 1,162,300 |
| 7.38%, 7/01/21 (a) | 135 | 150,188 |
| Calpine Corp., 7.25%, 10/15/17 (a) | 440 | 469,700 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 1,880 | 2,075,050 |
| Laredo Petroleum, Inc.: | | |
| 9.50%, 2/15/19 | 295 | 329,662 |
| 7.38%, 5/01/22 (a) | 265 | 274,275 |
| QEP Resources, Inc., 5.38%, 10/01/22 | 569 | 569,000 |
| | | 5,030,175 |
| Insurance 6.3% | | |
| American International Group, Inc.: | | |
| 3.80%, 3/22/17 (c) | 1,500 | 1,549,227 |
| 8.25%, 8/15/18 | 625 | 757,269 |
| 6.40%, 12/15/20 (c) | 2,590 | 2,975,027 |
| Aon Corp., 5.00%, 9/30/20 (c) | 4,600 | 5,111,092 |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a) | 2,800 | 2,720,516 |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (a) | 1,000 | 1,022,712 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 970 | 957,776 |
| ING Verzekeringen NV, 2.69%, 6/21/21 (b) | EUR430 | 532,194 |
| Manulife Financial Corp., 4.90%, 9/17/20 (c) | USD4,700 | 4,911,420 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a) | 430 | 370,875 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 980 | 1,269,309 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 3,400 | 3,942,871 |
| XL Group Ltd., 5.75%, 10/01/21 | 3,430 | 3,793,282 |
| | | 29,913,570 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 25

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

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| IT Services 0.7% | | |
| Epicor Software Corp., 8.63%, 5/01/19 | USD720 | \$ 745,200 |
| Fidelity National Information Services, Inc., 5.00%, 3/15/22 (a) | 320 | 320,000 |
| First Data Corp.: | | |
| 7.38%, 6/15/19 (a) | 935 | 956,037 |
| 8.25%, 1/15/21 (a) | 85 | 83,725 |
| 12.63%, 1/15/21 | 710 | 711,775 |
| SunGard Data Systems, Inc., 7.38%, 11/15/18 | 730 | 779,275 |
| | | 3,596,012 |
| Life Sciences Tools & Services 1.9% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 3,825 | 4,226,625 |
| Life Technologies Corp., 6.00%, 3/01/20 (c) | 4,200 | 4,883,613 |
| | | 9,110,238 |
| Machinery 1.1% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 3,400 | 3,907,766 |
| UR Financing Escrow Corp. (a): | | |
| 5.75%, 7/15/18 | 235 | 242,638 |
| 7.38%, 5/15/20 | 600 | 630,000 |
| 7.63%, 4/15/22 | 548 | 579,510 |
| | | 5,359,914 |
| Media 8.7% | | |
| AMC Networks, Inc., 7.75%, 7/15/21 (a) | 395 | 441,412 |
| CCH II LLC, 13.50%, 11/30/16 | 2,317 | 2,618,210 |
| Comcast Corp., 6.30%, 11/15/17 (c) | 3,400 | 4,124,258 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 3,400 | 4,881,669 |
| CSC Holdings LLC: | | |
| 8.50%, 4/15/14 | 680 | 749,700 |
| 8.63%, 2/15/19 | 1,200 | 1,362,000 |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 | 2,575 | 2,815,884 |
| DISH DBS Corp., 7.00%, 10/01/13 | 1,750 | 1,874,687 |
| Intelsat Jackson Holdings SA, 7.25%, 4/01/19 | 190 | 198,075 |
| Intelsat Luxemburg SA: | | |
| 11.25%, 2/04/17 | 620 | 643,250 |
| 11.50%, 2/04/17 (e) | 400 | 417,000 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | 1,175 | 1,338,031 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 1,040 | 1,110,200 |
| News America, Inc., 6.15%, 3/01/37 (c) | 4,200 | 4,665,146 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 4,050 | 4,883,470 |
| Time Warner, Inc., 7.70%, 5/01/32 | 4,150 | 5,437,135 |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a) | 1,030 | 1,104,675 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 2,675 | 2,915,750 |
| | | 41,580,552 |

Metals & Mining 2.2%

| | | |
|---|-------|------------|
| Alcoa, Inc., 5.40%, 4/15/21 (c) | 580 | 609,585 |
| Barrick Gold Corp., 2.90%, 5/30/16 (c) | 1,150 | 1,205,908 |
| Barrick North America Finance LLC, 5.70%, 5/30/41 (c) | 1,325 | 1,460,015 |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%, 3/01/22 | 1,400 | 1,383,316 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 2,900 | 3,578,687 |
| New Gold, Inc., 7.00%, 4/15/20 (a) | 130 | 132,925 |
| Novelis, Inc., 8.75%, 12/15/20 | 975 | 1,074,938 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 874 | 1,081,575 |
| | | 10,526,949 |

Multi-Utilities 1.6%

| | | |
|---------------------------|-------|-----------|
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | 3,150 | 3,601,212 |
| 6.50%, 5/01/18 | 3,350 | 3,986,678 |
| | | 7,587,890 |

Multiline Retail 0.7%

| | | |
|---|-------|-----------|
| JC Penney Co., Inc., 5.65%, 6/01/20 (c) | 3,235 | 3,137,950 |
|---|-------|-----------|

**Par
(000) Value****Corporate Bonds****Oil, Gas & Consumable Fuels 13.6%**

| | | |
|--|--------|-------------|
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | USD994 | \$1,149,207 |
| 6.38%, 9/15/17 | 23 | 27,334 |
| Berry Petroleum Co., 6.38%, 9/15/22 | 425 | 442,000 |
| BP Capital Markets Plc (c): | | |
| 3.88%, 3/10/15 | 1,500 | 1,606,585 |
| 3.20%, 3/11/16 | 1,875 | 1,997,512 |
| Buckeye Partners LP, 4.88%, 2/01/21 | 1,000 | 1,033,005 |
| Chesapeake Midstream Partners LP: | | |
| 5.88%, 4/15/21 | 595 | 565,250 |
| 6.13%, 7/15/22 | 475 | 457,188 |
| Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a) | 40 | 37,600 |
| Concho Resources, Inc., 5.50%, 10/01/22 | 420 | 420,000 |
| CONSOL Energy, Inc., 6.38%, 3/01/21 | 450 | 423,000 |
| Copano Energy LLC, 7.13%, 4/01/21 | 560 | 590,800 |
| DCP Midstream LLC, 4.75%, 9/30/21 (a) | 1,200 | 1,295,840 |
| El Paso Pipeline Partners Operating Co. LLC: | | |
| 6.50%, 4/01/20 | 1,530 | 1,757,503 |
| 5.00%, 10/01/21 | 525 | 554,635 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 2,100 | 2,832,818 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | 1,025 | 1,058,312 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 4,200 | 5,085,373 |
| Everest Acquisition LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 (a) | 340 | 357,000 |
| Forest Oil Corp., 8.50%, 2/15/14 | 1,240 | 1,333,000 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 | 4,200 | 5,079,438 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a) | 230 | 243,800 |
| Linn Energy LLC: | | |
| 6.25%, 11/01/19 (a) | 1,125 | 1,108,125 |

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| | | |
|---|-------|------------|
| 7.75%, 2/01/21 | 450 | 474,750 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 | 1,375 | 1,442,261 |
| MarkWest Energy Partners LP, 6.25%, 6/15/22 | 530 | 557,825 |
| Newfield Exploration Co., 6.88%, 2/01/20 | 595 | 632,188 |
| Nexen, Inc., 6.40%, 5/15/37 | 1,380 | 1,531,822 |
| Oasis Petroleum, Inc.: | | |
| 7.25%, 2/01/19 | 340 | 360,400 |
| 6.50%, 11/01/21 | 305 | 311,100 |
| OGX Petroleo e Gas Participacoes SA, | | |
| 8.50%, 6/01/18 (a)(c) | 1,600 | 1,660,000 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 3,400 | 4,446,245 |
| Petrobras International Finance Co.: | | |
| 3.88%, 1/27/16 | 3,725 | 3,899,457 |
| 5.38%, 1/27/21 | 2,200 | 2,409,946 |
| Petrohawk Energy Corp., 10.50%, 8/01/14 | 615 | 682,650 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a) | 445 | 460,575 |
| Phillips 66, 2.95%, 5/01/17 (a) | 1,060 | 1,087,689 |
| Pioneer Natural Resources Co.: | | |
| 6.65%, 3/15/17 | 650 | 737,403 |
| 6.88%, 5/01/18 | 490 | 576,844 |
| Plains Exploration & Production Co.: | | |
| 10.00%, 3/01/16 | 405 | 445,500 |
| 6.75%, 2/01/22 | 55 | 57,200 |
| Precision Drilling Corp., 6.50%, 12/15/21 | 425 | 442,000 |
| Premier Oil Plc, 5.00%, 6/09/18 | 3,400 | 3,510,500 |
| Range Resources Corp., 6.75%, 8/01/20 | 855 | 927,675 |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (a) | 2,975 | 3,046,192 |
| Samson Investment Co., 9.75%, 2/15/20 (a) | 610 | 636,687 |
| SandRidge Energy, Inc.: | | |
| 7.50%, 3/15/21 | 200 | 202,000 |
| 8.13%, 10/15/22 (a) | 220 | 228,250 |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | 220 | 232,100 |
| 6.50%, 11/15/21 | 345 | 363,975 |
| Targa Resources Partners LP, 6.88%, 2/01/21 | 495 | 517,275 |
| Tennessee Gas Pipeline Co., 8.00%, 2/01/16 | 831 | 968,693 |
| Western Gas Partners LP, 5.38%, 6/01/21 | 1,525 | 1,663,851 |
| The Williams Cos., Inc., 8.75%, 3/15/32 | 711 | 960,651 |
| | | 64,929,029 |

See Notes to Financial Statements.

26SEMI-ANNUAL REPORT APRIL 30, 2012

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

| Corporate Bonds | Par (000) | Value |
|---|----------------------|-------------------------|
| Paper & Forest Products 2.5% | | |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | USD 290 | \$ 322,625 |
| 8.00%, 4/01/20 | 645 | 711,112 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 2,040 | 2,254,200 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 3,325 | 4,221,257 |
| 7.30%, 11/15/39 | 3,400 | 4,207,004 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a) | 330 | 333,300 12,049,498 |
| Pharmaceuticals 2.7% | | |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a) | EUR 300 | 436,821 |
| Merck & Co., Inc., 6.50%, 12/01/33 (c) | USD 2,070 | 2,854,340 |
| Pfizer, Inc., 7.20%, 3/15/39 (c) | 4,425 | 6,542,243 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)(c) | 1,825 | 2,590,254 |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 250 | 259,062 12,682,720 |
| Real Estate Investment Trusts (REITs) 2.8% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (c) | 3,400 | 4,048,217 |
| Developers Diversified Realty Corp.: | | |
| 4.75%, 4/15/18 | 645 | 668,268 |
| 7.88%, 9/01/20 | 775 | 930,738 |
| ERP Operating LP, 5.75%, 6/15/17 | 3,405 | 3,919,036 |
| HCP, Inc., 5.38%, 2/01/21 | 1,025 | 1,129,262 |
| UDR, Inc., 4.25%, 6/01/18 | 1,475 | 1,567,353 |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21 | 1,135 | 1,170,146 13,433,020 |
| Real Estate Management & Development 0.4% | | |
| Realogy Corp. (a)(c): | | |
| 7.88%, 2/15/19 | 570 | 558,600 |
| 7.63%, 1/15/20 | 620 | 643,250 |
| Shea Homes LP, 8.63%, 5/15/19 (a) | 480 | 500,400 1,702,250 |
| Road & Rail 1.4% | | |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 110 | 115,225 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 200 | 205,500 |
| The Hertz Corp., 6.75%, 4/15/19 | 338 | 352,787 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 5,000 | 5,796,430 6,469,942 |
| Semiconductors & Semiconductor Equipment 0.7% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | 775 | 854,438 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 1,928 | 2,332,901 |

| | | |
|---|-------|-----------|
| | | 3,187,339 |
| Software 0.2% | | |
| Lawson Software, Inc., 9.38%, 4/01/19 (a) | 960 | 1,003,200 |
| Specialty Retail 1.2% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 1,965 | 2,132,025 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 980 | 1,087,800 |
| QVC, Inc., 7.38%, 10/15/20 (a) | 105 | 114,975 |
| Sally Holdings LLC, 6.88%, 11/15/19 (a) | 595 | 633,675 |
| VF Corp., 5.95%, 11/01/17 | 1,475 | 1,760,547 |
| | | 5,729,022 |
| Tobacco 1.9% | | |
| Altria Group, Inc., 10.20%, 2/06/39 | 3,929 | 6,294,946 |
| Lorillard Tobacco Co., 3.50%, 8/04/16 | 2,450 | 2,567,286 |
| | | 8,862,232 |
| Wireless Telecommunication Services 4.5% | | |
| America Movil SAB de CV, 2.38%, 9/08/16 | 2,675 | 2,729,880 |
| American Tower Corp.: | | |
| 4.50%, 1/15/18 | 1,925 | 2,032,675 |
| 5.90%, 11/01/21 | 1,295 | 1,455,660 |

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Wireless Telecommunication Services (concluded) | | |
| Cricket Communications, Inc., 7.75%, 5/15/16 | USD670 | \$ 705,175 |
| Crown Castle International Corp., 9.00%, 1/15/15 | 890 | 983,450 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/37 | 1,175 | 1,297,335 |
| 6.11%, 1/15/40 | 1,300 | 1,484,564 |
| Nextel Communications, Inc., Series E, 6.88%, 10/31/13 | 840 | 840,000 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 4,225 | 4,597,675 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,000 | 747,500 |
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | 1,860 | 2,048,325 |
| 7.00%, 3/01/20 | 2,670 | 2,723,400 |
| | | 21,645,639 |
| Total Corporate Bonds 105.4% | | 502,236,345 |

Preferred Securities**Capital Trusts****Capital Markets 4.0%**

| | | |
|---|--------|------------|
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (b) | 2,500 | 2,650,000 |
| State Street Capital Trust III, 5.46% (b)(f) | 2,920 | 2,931,446 |
| State Street Capital Trust IV, 1.47%, 6/01/37 (b) | 18,235 | 13,569,995 |
| | | 19,151,441 |

Commercial Banks 5.5%

| | | |
|--|-------|-----------|
| Barclays Bank Plc, 7.43% (a)(b)(c)(f) | 650 | 650,000 |
| BNP Paribas, 7.20% (a)(b)(c)(f) | 1,500 | 1,290,000 |
| Credit Agricole SA, 8.38% (a)(b)(c)(f) | 1,475 | 1,298,000 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 2,240 | 1,803,200 |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f) | 4,835 | 6,285,500 |

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| | | |
|---|--------|------------|
| M&T Capital Trust II, 8.28%, 6/01/27 | 3,630 | 3,702,600 |
| National City Preferred Capital Trust I, 12.00% (b)(f) | 1,100 | 1,170,840 |
| NationsBank Capital Trust III, 1.02%, 1/15/27 (b) | 13,470 | 10,111,848 |
| | | 26,311,988 |
| Diversified Financial Services 1.4% | | |
| JPMorgan Chase Capital XXIII, 1.50%, 5/15/47 (b)(c) | 8,775 | 6,493,684 |
| Electric Utilities 0.6% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 3,000 | 2,970,000 |
| Insurance 9.9% | | |
| Ace Capital Trust II, 9.70%, 4/01/30 | 2,500 | 3,416,980 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 5,000 | 4,887,500 |
| American General Capital II, 8.50%, 7/01/30 | 100 | 109,301 |
| American International Group, Inc., 8.18%, 5/15/68 (b) | 900 | 961,875 |
| Aon Corp., 8.21%, 1/01/27 | 2,500 | 2,920,820 |
| AXA SA, 6.38% (a)(b)(f) | 3,000 | 2,385,000 |
| Bank One Capital III, 8.75%, 9/01/30 | 2,000 | 2,790,000 |
| Chubb Corp., 6.38%, 3/29/67 (b) | 2,000 | 2,047,500 |
| Farmers Exchange Capital, 7.05%, 7/15/28 (a) | 2,500 | 2,767,230 |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 2,925 | 3,978,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (b) | 3,350 | 3,249,500 |
| MetLife, Inc., 6.40%, 12/15/66 | 3,325 | 3,252,561 |
| Mitsui Sumitomo Insurance Co., Ltd., 7.00%, 3/15/72 (a)(b) | 1,420 | 1,458,950 |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c) | 3,800 | 4,527,628 |
| Principal Life Insurance Co., 8.00%, 3/01/44 (a) | 2,500 | 2,852,520 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b) | 3,000 | 2,775,909 |
| Swiss Re Solutions Holding Corp., 7.75%, 6/15/30 (c) | 2,000 | 2,482,990 |
| ZFS Finance (USA), Trust IV, 5.88%, 5/09/62 (a)(b) | 379 | 379,474 |
| | | 47,243,738 |
| Multi-Utilities 1.4% | | |
| Dominion Resources Capital Trust I, 7.83%, 12/01/27 | 2,500 | 2,565,160 |
| Dominion Resources, Inc., 7.50%, 6/30/66 (b) | 3,900 | 4,153,500 |
| | | 6,718,660 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 27

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

| | Par (000) | Value |
|--|----------------------|--------------------|
| Capital Trusts | | |
| Oil, Gas & Consumable Fuels 1.4% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | USD2,000 | \$ 2,170,000 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 4,000 | 4,175,568 |
| | | 6,345,568 |
| Road & Rail 0.8% | | |
| BNSF Funding Trust I, 6.61%, 12/15/55 (b) | 3,750 | 3,904,688 |
| Total Capital Trusts 25.0% | | 119,139,767 |
| Preferred Stocks Shares | | |
| Auto Components 0.1% | | |
| Dana Holding Corp., 4.00% (a) | 4,000 | 501,500 |
| Diversified Financial Services 0.4% | | |
| Ally Financial, Inc., 7.00% (a) | 2,190 | 1,858,762 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, Series S, 8.25% (b)(g) | 14,000 | 17,220 |
| Freddie Mac, Series Z, 8.38% (b)(g) | 14,000 | 17,500 |
| | | 34,720 |
| Wireless Telecommunication Services 0.6% | | |
| Centaur Funding Corp., 9.05% (a) | 2,423 | 2,871,255 |
| Total Preferred Stocks 1.1% | | 5,266,237 |
| Trust Preferreds 0.3% | | |
| Diversified Financial Services 0.3% | | |
| GMAC Capital Trust I, Series 2, 8.13% (b) | 57,110 | 1,343,295 |
| Total Preferred Securities 26.4% | | 125,749,299 |
| Taxable Municipal Bonds 0.9% | | |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | USD3,450 | 4,231,460 |
| US Government Sponsored Agency Securities 0.3% | | |
| Agency Obligations 0.3% | | |
| Fannie Mae, 4.23%, 10/09/19 (c)(h) | 1,670 | 1,344,575 |
| US Treasury Obligations | | |
| US Treasury Bonds (c): | | |
| 3.75%, 8/15/41 | 1,470 | 1,659,721 |
| 3.13%, 11/15/41 | 2,465 | 2,472,703 |
| US Treasury Notes: | | |
| 0.88%, 12/31/16 (c) | 3,847 | 3,869,843 |
| 2.00%, 2/15/22 | 145 | 146,088 |
| Total US Treasury Obligations 1.7% | | 8,148,355 |
| Total Long-Term Investments | | |

| | | |
|---|--------------------------------------|--------------------|
| (Cost \$613,809,974) 135.8% | | 646,900,945 |
| Short-Term Securities | Shares | Value |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (i)(j) | 1,908,035 | \$1,908,035 |
| Total Short-Term Securities | | |
| (Cost \$1,908,035) 0.4% | | 1,908,035 |
| Options Purchased | Contracts | |
| Exchange-Traded Put Options 0.0% | | |
| S&P 500 Index, Strike Price USD 1,200.00, Expires 6/16/12 | 285 | 74,100 |
| | Notional Amount (000) | |
| Over-the-Counter Interest Rate Call Swaptions 0.0% | | |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, expires 5/11/12, Broker Citibank NA | USD 5,500 | 196 |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 3,400 | 157,467 157,663 |
| Over-the-Counter Interest Rate Put Swaptions 0.1% | | |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 3,400 | 71,501 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 9/16/13, Broker Credit Suisse Securities (USA) LLC | EUR 5,300 | 26,564 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 10/21/13, Broker Citibank NA | 5,000 | 30,708 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 12/12/13, Broker Credit Suisse Securities (USA) LLC | 4,000 | 31,771 |
| Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG | USD 4,800 | 161,107 321,651 |
| Total Options Purchased | | |
| (Cost \$1,797,967) 0.1% | | 553,414 |
| Total Investments Before Options Written | | |
| (Cost \$617,515,976) 136.3% | | 649,362,394 |

| | | |
|---|----------------------------|-----------|
| Options Written | Contracts | |
| Over-the-Counter Call Options (0.0%) | | |
| S&P 500 Index, Strike Price USD 1,450.00, Expires 6/15/12, Broker Deutsche Bank AG | 7,100 | (51,763) |
| | Notional Amount | |

(000)

Over-the-Counter Interest Rate Put Swaptions (0.1)%Receive a fixed rate of 6.00% and pay a floating rate
based on 3-month LIBOR, Expires 2/02/17,

Broker Deutsche Bank AG

USD9,600 (142,531)

Total Options Written**(Premiums Received \$267,430) (0.1)%** (194,294)**Total Investments, Net of Options Written 136.2%** 649,168,100**Liabilities in Excess of Other Assets (36.2)%** (172,641,066)**Net Assets 100.0%** \$476,527,034

See Notes to Financial Statements.

28 SEMI-ANNUAL REPORT APRIL 30, 2012

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

- (a) Security exempt from registration pursuant to Rule 144A under 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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Security is perpetual in nature and has no stated maturity date.
- (g) Non-income producing security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (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:

| Affiliate | Shares Held at October 31, 2011 | Net Activity | Shares Held at April 30, 2012 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 405,708 | 1,502,327 | 1,908,035 | \$ 2,499 |

- (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, 2012 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|---------------------------------------|--------------------------|-----------------------|--------------------------|-------------------------------|------------------------|
| UBS Securities LLC | 0.35% | 1/11/12 | Open | \$3,803,600 | \$3,799,500 |
| UBS Securities LLC | 0.38% | 1/12/12 | Open | 3,174,306 | 3,170,625 |
| Deutsche Bank AG | (0.50)% | 1/17/12 | Open | 452,489 | 453,150 |
| UBS Securities LLC | 0.38% | 1/25/12 | Open | 9,941,548 | 9,931,750 |
| UBS Securities LLC | 0.35% | 2/02/12 | Open | 586,307 | 585,800 |
| UBS Securities LLC | (1.25)% | 2/02/12 | Open | 523,826 | 525,450 |
| UBS Securities LLC | 0.38% | 2/14/12 | Open | 1,125,977 | 1,125,062 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/15/12 | Open | 4,179,526 | 4,176,440 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/22/12 | Open | 4,444,229 | 4,441,250 |
| UBS Securities LLC | 0.38% | 2/28/12 | Open | 10,955,668 | 10,948,387 |
| Credit Suisse Securities (USA) LLC | (0.25)% | 3/07/12 | Open | 1,691,354 | 1,692,000 |
| BNP Paribas Securities Corp. | 0.35% | 3/12/12 | Open | 1,102,161 | 1,101,625 |
| UBS Securities LLC | 0.35% | 3/13/12 | Open | 5,027,394 | 5,025,000 |
| UBS Securities LLC | 0.37% | 3/13/12 | Open | 5,482,884 | 5,480,125 |

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| | | | | |
|---------------------------------------|---------|--------------|----------------------|----------------------|
| UBS Securities LLC | 0.38% | 3/13/12 Open | 13,483,034 | 13,476,062 |
| UBS Securities LLC | 0.32% | 3/13/12 Open | 2,327,513 | 2,326,500 |
| Deutsche Bank AG | 0.17% | 3/14/12 Open | 2,403,920 | 2,403,375 |
| Credit Suisse Securities (USA) LLC | 0.38% | 3/21/12 Open | 21,023,614 | 21,014,519 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/21/12 Open | 9,305,389 | 9,301,681 |
| Barclays Capital, Inc. | 0.35% | 3/22/12 Open | 2,814,482 | 2,813,388 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/22/12 Open | 1,406,797 | 1,406,250 |
| UBS Securities LLC | 0.35% | 3/23/12 Open | 438,971 | 438,805 |
| BNP Paribas Securities Corp. | 0.35% | 3/27/12 Open | 6,279,136 | 6,277,000 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/27/12 Open | 1,562,451 | 1,561,920 |
| UBS Securities LLC | 0.38% | 3/27/12 Open | 3,766,891 | 3,765,500 |
| Barclays Capital, Inc. | (1.00)% | 4/03/12 Open | 637,844 | 638,341 |
| UBS Securities LLC | 0.10% | 4/16/12 Open | 783,033 | 783,000 |
| Barclays Capital, Inc. | 0.35% | 4/18/12 Open | 30,370,748 | 30,366,910 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/23/12 Open | 2,690,260 | 2,690,050 |
| Barclays Capital, Inc. | 0.35% | 4/24/12 Open | 1,740,712 | 1,740,594 |
| Deutsche Bank AG | 0.12% | 4/24/12 Open | 3,875,943 | 3,875,853 |
| Deutsche Bank AG | 0.00% | 4/24/12 Open | 235,850 | 235,850 |
| UBS Securities LLC | 0.34% | 4/24/12 Open | 1,325,338 | 1,325,250 |
| BNP Paribas Securities Corp. | 0.23% | 4/25/12 Open | 1,329,788 | 1,329,737 |
| BNP Paribas Securities Corp. | 0.19% | 4/25/12 Open | 1,655,640 | 1,655,587 |
| UBS Securities LLC | 0.34% | 4/25/12 Open | 6,396,737 | 6,396,376 |
| BNP Paribas Securities Corp. | 0.35% | 4/26/12 Open | 3,984,194 | 3,984,000 |
| BNP Paribas Securities Corp. | 0.37% | 4/26/12 Open | 4,364,224 | 4,364,000 |
| Deutsche Bank AG | 0.25% | 4/26/12 Open | 2,911,601 | 2,911,500 |
| Total | | | \$179,605,379 | \$179,538,212 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 29

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

Financial futures contracts purchased as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|-----------|----------------------------------|---------------|------------|----------------|-------------------------|
| 138 | 5-Year US Treasury Note of Trade | Chicago Board | June 2012 | USD 17,083,969 | \$ 73,074 |

Financial futures contracts sold as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|--------------|----------------------------------|------------------------|------------|----------------|-------------------------|
| 1 | Euro-Bund | Eurex | June 2012 | EUR 186,761 | \$ (3,312) |
| 381 | 10-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 50,399,156 | (481,062) |
| 45 | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012 | USD 6,429,375 | (51,193) |
| 131 | Ultra Long Term US Treasury Bond | Chicago Board of Trade | June 2012 | USD 20,673,438 | (434,979) |
| Total | | | | | \$ (970,546) |

Foreign currency exchange contracts as of April 30, 2012 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Depreciation |
|--------------------|---------------|--------------|-----------------|-------------------------|
| USD 725,340 | EUR 549,500 | Citibank NA | 7/25/12 | \$ (2,375) |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2012 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|---|----------------|------------------------------------|-----------------|-----------------------|-------------------------|
| STMicroelectronics NV | 1.00% | Deutsche Bank AG | 12/20/16 | EUR 1,215 | \$ (19,433) |
| Southwest Airlines Co. | 1.00% | Goldman Sachs & Co. | 12/20/16 | USD 1,185 | (29,721) |
| Southwest Airlines Co. Time Warner Inc. | 1.00% | Royal Bank of Scotland Plc | 12/20/16 | USD 1,185 | (34,328) |
| Emerson Electric Co. | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | USD 7,500 | (6,735) |
| | 1.00% | Morgan Stanley & Co., Inc. | 3/20/17 | USD 2,330 | (18,508) |
| Total | | | | | \$ (108,725) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2012 were as follows:

| Issuer | Receive Fixed Rate | Counterparty/Exchange | Expiration Date | Issuer Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|-------------------------|--------------------|-----------------------|-----------------|-----------------------------------|------------------------------------|--|
| Aviva USA Corp. DIRECTV | 1.00% | Deutsche Bank AG | 5/25/12 | A | USD 2,775 | \$ (36) |
| | | Credit Suisse | | | | |

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| Holdings | | Securities | | | |
|---------------|-------|------------------|---------|-----|---------------------|
| LLC | 1.00% | (USA) LLC | 3/20/17 | BBB | USD 7,500,126,530 |
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD 900,000(18,790) |
| Total | | | | | \$ 107,704 |

¹Using S&P's rating.

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

Credit default swaps on traded indexes sold protection outstanding as of April 30, 2012 were as follows:

| Index | Receive Fixed Rate | Counter-party | Expiration Date | Credit Rating ³ | Notional Amount (000) ⁴ | Unrealized Appreciation |
|---|--------------------|------------------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index Series 18, Version 1 | 5.00% | Credit Suisse Securities (USA) LLC | 6/20/17 | B+ | USD 1,860 | \$ 28,155 |

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

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

Interest rate swaps outstanding as of April 30, 2012 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------------------------|-----------------|-----------------------|--|
| 1.17% ⁵ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 4/11/17 | USD 7,500 | \$ (31,603) |
| 1.18% ⁵ | 3-month LIBOR | Deutsche Bank AG | 4/11/17 | USD 20,700 | (97,238) |
| 2.35% ⁵ | 3-month LIBOR | Deutsche Bank AG | 3/19/22 | USD 14,100 | (414,954) |
| 4.03% ⁵ | 3-month LIBOR | UBS AG | 4/18/22 | USD 5,900 | (875,107) |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD 5,900 | |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD 3,900 | 1,987 |
| Total | | | | | \$ (1,416,915) |

⁵Fund pays a fixed interest rate and receives floating rate.

⁶Fund pays a 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 categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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.

30SEMI-ANNUAL REPORT APRIL 30, 2012

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

The following tables summarize the inputs used as of April 30, 2012 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-Backed Securities | — | \$2,951,661 | \$2,239,250 | \$5,190,911 |
| Corporate Bonds | — | 498,725,845 | 3,510,500 | 502,236,345 |
| Preferred Securities | \$1,378,015 | 124,371,284 | — | 125,749,299 |
| Taxable Municipal Bonds | — | 4,231,460 | — | 4,231,460 |
| US Government Sponsored Agency Securities | | | | |
| US Treasury Obligations | — | 1,344,575 | — | 1,344,575 |
| Short-Term Securities | 1,908,035 | — | — | 1,908,035 |
| Total | \$3,286,050 | \$639,773,180 | \$5,749,750 | \$648,808,980 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|----------------------|---------------|----------------------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Equity contracts | \$74,100 | — | — | \$74,100 |
| Interest rate contracts | 73,074 | \$481,301 | — | 554,375 |
| Credit contracts | — | 154,685 | — | 154,685 |
| Liabilities: | | | | |
| Equity contracts | — | (51,763) | — | (51,763) |
| Interest rate contracts | (970,546) | (1,561,433) | — | (2,531,979) |
| Foreign currency exchange contracts | — | (2,375) | — | (2,375) |
| Credit contracts | — | (127,515) | \$(36) | (127,551) |
| Total | \$(823,372) | \$(1,107,100) | \$(36) | \$(1,930,508) |

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

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

| | Asset-Backed Securities | Corporate Bonds | Total |
|---|-------------------------|-----------------|-------------|
| Assets: | | | |
| Balance, as of October 31, 2011 | \$2,053,750 | \$3,536,000 | \$5,589,750 |
| Accrued discounts/premiums | 18,738 | — | 18,738 |
| Net realized gain (loss) | — | — | — |
| Net change in unrealized appreciation/depreciation ² | 166,762 | (25,500) | 141,262 |

| | | | |
|-------------------------------|--------------|--------------|--------------|
| Purchases | — | — | — |
| Sales | — | — | — |
| Transfers in ³ | — | — | — |
| Transfers out ³ | — | — | — |
| Balance, as of April 30, 2012 | \$ 2,239,250 | \$ 3,510,500 | \$ 5,749,750 |

² 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, 2012 was \$3,677,262.

³ 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 in determining fair value:

| | Credit Contracts |
|---|---------------------|
| Assets/Liabilities: | |
| Balance, as of October 31, 2011 | \$ 5,018 |
| Accrued discounts/premiums | 8,988 |
| Net realized gain (loss) | — |
| Net change in unrealized appreciation/depreciation ⁴ | (5,054) |
| Purchases | — |
| Issuances ⁵ | — |
| Sales | — |
| Settlements ⁶ | (8,988) |
| Transfers in ³ | — |
| Transfers out ³ | — |
| Balance, as of April 30, 2012 | \$ (36) |

⁴ Included in the related net change in unrealized appreciation/depreciation in the Statements of operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at April 30, 2012 was \$(5,054).

⁵ Issuances represent upfront cash received on certain derivative financial instruments.

⁶ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

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

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 31

Schedule of Investments April 30, 2012 (Unaudited) **BlackRock Credit Allocation Income Trust III (BPP)**
 (Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|----------------------|----------------------|
| Asset-Backed Securities 0.5% | | |
| Atrium CDO Corp., Series 5A, Class A4, 0.88%, 7/20/20 (a)(b) | USD 1,300 | \$1,098,500 |
| Corporate Bonds | | |
| Aerospace & Defense 1.1% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 1,215 | 1,345,612 |
| Huntington Ingalls Industries, Inc.: | | |
| 6.88%, 3/15/18 | 290 | 306,675 |
| 7.13%, 3/15/21 | 300 | 317,625 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 460 | 494,500 2,464,412 |
| Airlines 0.7% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 257 | 271,321 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 650 | 709,715 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 520 | 547,143 1,528,179 |
| Auto Components 0.8% | | |
| Delphi Corp., 6.13%, 5/15/21 (a) | 280 | 298,200 |
| Icahn Enterprises LP: | | |
| 8.00%, 1/15/18 | 1,130 | 1,207,688 |
| 7.75%, 1/15/16 | 290 | 305,225 1,811,113 |
| Beverages 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 955 | 1,079,150 |
| Building Products 0.3% | | |
| Building Materials Corp. of America (a): | | |
| 7.00%, 2/15/20 | 180 | 192,150 |
| 6.75%, 5/01/21 | 460 | 478,975 671,125 |
| Capital Markets 3.6% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 1,500 | 1,677,095 |
| E*Trade Financial Corp., 12.50%, 11/30/17 | 900 | 1,048,500 |
| The Goldman Sachs Group, Inc. (c): | | |
| 5.75%, 1/24/22 | 800 | 835,355 |
| 6.25%, 2/01/41 | 2,150 | 2,184,707 |
| Morgan Stanley, 5.50%, 7/28/21 (c) | 1,600 | 1,564,216 |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (d) | 300 | 301,801 |
| UBS AG, 2.25%, 1/28/14 (c) | 775 | 779,022 8,390,696 |
| Chemicals 1.4% | | |
| Ashland, Inc., 9.13%, 6/01/17 | 20 | 22,200 |

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| | | |
|--|-----|-----------|
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 760 | 815,100 |
| Hexion US Finance Corp., 6.63%, 4/15/20 (a) | 425 | 444,125 |
| Ineos Finance Plc (a): | | |
| 8.38%, 2/15/19 | 155 | 166,238 |
| 7.50%, 5/01/20 | 355 | 364,763 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (a) | 915 | 944,737 |
| Solutia, Inc., 7.88%, 3/15/20 | 415 | 484,512 |
| | | 3,241,675 |

Commercial Banks 4.4%

| | | |
|--|-------|-----------|
| Amsouth Bank, Series AI, 4.85%, 4/01/13 | 525 | 532,875 |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 425 | 442,416 |
| Associated Banc-Corp, 5.13%, 3/28/16 | 1,070 | 1,132,791 |
| Branch Banking & Trust Co. (b): | | |
| 0.79%, 9/13/16 | 550 | 518,399 |
| 0.79%, 5/23/17 | 325 | 303,104 |

Corporate Bonds

**Par
(000) Value**

Commercial Banks (concluded)

| | | |
|------------------------------------|---------|------------|
| CIT Group, Inc.: | | |
| 7.00%, 5/02/16 (a) | USD 720 | \$ 721,800 |
| 7.00%, 5/02/17 (a) | 550 | 551,375 |
| 5.25%, 3/15/18 | 580 | 597,400 |
| 5.50%, 2/15/19 (a) | 500 | 513,750 |
| Discover Bank, 8.70%, 11/18/19 | 550 | 693,718 |
| HSBC Finance Corp., 6.68%, 1/15/21 | 750 | 809,989 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 1,225 | 1,261,750 |
| 5.75%, 6/15/15 | 850 | 896,750 |
| RESPARCS Funding LP I, 8.00% (e) | 4,000 | 1,272,000 |
| | | 10,248,117 |

Commercial Services & Supplies 3.9%

| | | |
|--|-------|-----------|
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 (c) | 4,500 | 4,602,597 |
| 6.75%, 4/06/21 | 1,125 | 1,113,075 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | 336 | 330,960 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 630 | 661,500 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 1,600 | 1,736,000 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 320 | 329,156 |
| Iron Mountain, Inc., 7.75%, 10/01/19 | 190 | 207,100 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 135 | 144,450 |
| | | 9,124,838 |

Communications Equipment 1.0%

| | | |
|--|-------|-----------|
| Avaya, Inc., 9.75%, 11/01/15 (c) | 400 | 396,500 |
| Brocade Communications Systems, Inc., | | |
| 6.88%, 1/15/20 (c) | 1,450 | 1,584,125 |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 210 | 224,700 |
| | | 2,205,325 |

Construction Materials 0.2%

| | | |
|-------------------------------------|-----|---------|
| HD Supply, Inc., 8.13%, 4/15/19 (a) | 430 | 461,713 |
|-------------------------------------|-----|---------|

Consumer Finance 5.3%

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| | | |
|---|-------|------------|
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 2,900 | 3,009,046 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 1,625 | 2,052,214 |
| Daimler Finance North America LLC, 2.63%, 9/15/16 (a) | 1,650 | 1,706,126 |
| Ford Motor Credit Co. LLC: | | |
| 7.00%, 4/15/15 | 1,420 | 1,583,300 |
| 5.88%, 8/02/21 | 200 | 226,018 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 870 | 935,250 |
| SLM Corp., 6.25%, 1/25/16 | 2,365 | 2,435,950 |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 200 | 206,983 |
| | | 12,154,887 |
| Containers & Packaging 1.2% | | |
| Ardagh Packaging Finance Plc, 9.13%, 10/15/20 (a) | 205 | 221,912 |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 850 | 930,750 |
| 6.75%, 9/15/20 | 1,070 | 1,182,350 |
| Crown Americas LLC, 6.25%, 2/01/21 | 400 | 435,000 |
| Sealed Air Corp., 8.38%, 9/15/21 (a) | 65 | 73,775 |
| | | 2,843,787 |
| Diversified Financial Services 7.8% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 400 | 404,000 |
| 8.30%, 2/12/15 | 780 | 856,050 |
| 8.00%, 11/01/31 | 620 | 709,900 |
| Bank of America Corp. (c): | | |
| 5.30%, 3/15/17 | 2,440 | 2,544,791 |
| 5.00%, 5/13/21 | 3,625 | 3,608,035 |
| Citigroup, Inc. (c): | | |
| 6.38%, 8/12/14 | 625 | 673,997 |
| 4.59%, 12/15/15 | 475 | 497,515 |
| 8.50%, 5/22/19 | 550 | 683,363 |

See Notes to Financial Statements.

32 SEMI-ANNUAL REPORT APRIL 30, 2012

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust III (BPP)**
(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Diversified Financial Services (concluded) | | |
| Countrywide Financial Corp., 6.25%, 5/15/16 (c) | USD 1,569 | \$ 1,627,001 |
| DPL, Inc., 7.25%, 10/15/21 (a) | 520 | 577,200 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | 250 | 266,258 |
| ING Bank NV, 5.00%, 6/09/21 (a)(c) | 1,150 | 1,171,414 |
| Intesa Sanpaolo SpA: | | |
| 2.38%, 12/21/12 | 1,700 | 1,675,942 |
| 6.50%, 2/24/21 (a) | 200 | 181,712 |
| Moody's Corp., 6.06%, 9/07/17 | 1,500 | 1,577,449 |
| Reynolds Group Issuer, Inc. (a): | | |
| 7.13%, 4/15/19 | 115 | 120,175 |
| 7.88%, 8/15/19 | 420 | 453,600 |
| 9.88%, 8/15/19 | 145 | 151,163 |
| 6.88%, 2/15/21 | 105 | 108,150 |
| WMG Acquisition Corp., 9.50%, 6/15/16 (a) | 100 | 109,250 |
| | | 17,996,965 |
| Diversified Telecommunication Services 4.1% | | |
| AT&T, Inc., 6.30%, 1/15/38 (c) | 2,000 | 2,396,956 |
| Level 3 Financing, Inc. (a): | | |
| 8.13%, 7/01/19 | 1,577 | 1,620,368 |
| 8.63%, 7/15/20 | 370 | 387,575 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 500 | 516,150 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 660 | 620,291 |
| Verizon Communications, Inc. (c): | | |
| 1.95%, 3/28/14 | 1,775 | 1,816,453 |
| 7.35%, 4/01/39 | 1,150 | 1,577,515 |
| Windstream Corp., 7.88%, 11/01/17 | 400 | 442,000 |
| | | 9,377,308 |
| Electric Utilities 2.3% | | |
| CMS Energy Corp., 5.05%, 3/15/22 | 550 | 559,846 |
| Duke Energy Corp., 3.55%, 9/15/21 | 825 | 860,763 |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (d) | 800 | 874,523 |
| Progress Energy, Inc., 7.00%, 10/30/31 (c) | 2,000 | 2,610,674 |
| Southern Co., 1.95%, 9/01/16 | 475 | 486,111 |
| | | 5,391,917 |
| Electronic Equipment, Instruments & Components 0.3% | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 400 | 466,000 |
| NXP BV, 3.22%, 10/15/13 (b) | 198 | 198,000 |
| | | 664,000 |
| Energy Equipment & Services 2.9% | | |
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | 55 | 57,888 |
| Energy Transfer Partners LP, 5.20%, 2/01/22 | 1,500 | 1,598,842 |
| Ensco Plc, 4.70%, 3/15/21 | 960 | 1,047,510 |

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| | | |
|---|--------------|--------------|
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 525 | 542,062 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a) | 135 | 134,663 |
| Key Energy Services, Inc., 6.75%, 3/01/21 | 360 | 370,800 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 465 | 489,412 |
| Oil States International, Inc., 6.50%, 6/01/19 | 245 | 259,088 |
| Peabody Energy Corp., 6.25%, 11/15/21 (a) | 755 | 764,437 |
| Transocean, Inc.: | | |
| 6.50%, 11/15/20 | 545 | 625,892 |
| 6.38%, 12/15/21 | 660 | 772,855 |
| | | 6,663,449 |
| Food & Staples Retailing 0.9% | | |
| Wal-Mart Stores, Inc., 5.25%, 9/01/35 (c) | 1,850 | 2,125,269 |
| Food Products 0.9% | | |
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 800 | 970,724 |
| 6.13%, 8/23/18 | 800 | 967,601 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 187 | 218,790 |
| | | 2,157,115 |
| Gas Utilities 0.2% | | |
| El Paso Natural Gas Co., 8.63%, 1/15/22 | 335 | 423,995 |
| Corporate Bonds | Par | Value |
| | (000) | |
| Health Care Equipment & Supplies 0.6% | | |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | USD 1,000 | \$ 1,146,250 |
| Teleflex, Inc., 6.88%, 6/01/19 | 240 | 256,800 |
| | | 1,403,050 |
| Health Care Providers & Services 3.8% | | |
| Aetna, Inc., 6.75%, 12/15/37 (c) | 850 | 1,103,493 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | 220 | 228,800 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 105 | 117,797 |
| 6.50%, 2/15/20 | 1,145 | 1,225,150 |
| 7.25%, 9/15/20 | 1,645 | 1,821,837 |
| INC Research LLC, 11.50%, 7/15/19 (a) | 340 | 334,050 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a) | 135 | 121,038 |
| Tenet Healthcare Corp.: | | |
| 10.00%, 5/01/18 | 745 | 860,475 |
| 8.88%, 7/01/19 | 550 | 616,688 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c) | 1,725 | 2,310,984 |
| | | 8,740,312 |
| Health Care Technology 0.9% | | |
| Amgen, Inc.: | | |
| 5.15%, 11/15/41 (c) | 2,015 | 2,099,926 |
| 5.65%, 6/15/42 | 20 | 22,249 |
| | | 2,122,175 |
| Household Durables 0.2% | | |
| Standard Pacific Corp., 8.38%, 1/15/21 | 435 | 458,925 |
| Independent Power Producers & Energy Traders | | |
| 1.1% | | |
| AES Corp.: | | |

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| | | |
|---|-----|-----------|
| 9.75%, 4/15/16 | 480 | 566,400 |
| 7.38%, 7/01/21 (a) | 70 | 77,875 |
| Calpine Corp., 7.25%, 10/15/17 (a) | 220 | 234,850 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 915 | 1,009,931 |
| Laredo Petroleum, Inc.: | | |
| 9.50%, 2/15/19 | 140 | 156,450 |
| 7.38%, 5/01/22 (a) | 130 | 134,550 |
| QEP Resources, Inc., 5.38%, 10/01/22 | 280 | 280,000 |
| | | 2,460,056 |

Insurance 5.4%

| | | |
|---|-------|------------|
| American International Group, Inc.: | | |
| 3.80%, 3/22/17 (c) | 725 | 748,793 |
| 8.25%, 8/15/18 | 300 | 363,489 |
| 6.40%, 12/15/20 (c) | 1,235 | 1,418,594 |
| Aon Corp., 5.00%, 9/30/20 (c) | 1,500 | 1,666,660 |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a) | 1,500 | 1,457,420 |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (a) | 525 | 536,924 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 480 | 473,951 |
| Manulife Financial Corp., 4.90%, 9/17/20 | 1,075 | 1,123,357 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a) | 210 | 181,125 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 475 | 615,226 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 1,725 | 2,000,427 |
| XL Group Ltd., 5.75%, 10/01/21 | 1,740 | 1,924,289 |
| | | 12,510,255 |

IT Services 0.7%

| | | |
|---|-----|-----------|
| Epicor Software Corp., 8.63%, 5/01/19 | 340 | 351,900 |
| Fidelity National Information Services, Inc., 5.00%, 3/15/22 (a) | 160 | 160,000 |
| First Data Corp.: | | |
| 7.38%, 6/15/19 (a)(c) | 455 | 465,238 |
| 8.25%, 1/15/21 (a) | 40 | 39,400 |
| 12.63%, 1/15/21 | 340 | 340,850 |
| SunGard Data Systems, Inc., 7.38%, 11/15/18 | 350 | 373,625 |
| | | 1,731,013 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 33

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust III (BPP)**
(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Life Sciences Tools & Services 1.9% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | USD1,830 | \$2,022,150 |
| Life Technologies Corp., 6.00%, 3/01/20 | 2,000 | 2,325,530 |
| | | 4,347,680 |
| Machinery 1.2% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 1,725 | 1,982,617 |
| UR Financing Escrow Corp. (a): | | |
| 5.75%, 7/15/18 | 114 | 117,705 |
| 7.38%, 5/15/20 | 290 | 304,500 |
| 7.63%, 4/15/22 | 267 | 282,352 |
| | | 2,687,174 |
| Media 9.6% | | |
| AMC Networks, Inc., 7.75%, 7/15/21 (a) | 190 | 212,325 |
| CCH II LLC, 13.50%, 11/30/16 | 1,128 | 1,274,640 |
| Comcast Corp., 6.30%, 11/15/17 (c) | 1,725 | 2,092,454 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 1,725 | 2,476,729 |
| CSC Holdings LLC: | | |
| 8.50%, 4/15/14 | 330 | 363,825 |
| 8.63%, 2/15/19 | 580 | 658,300 |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 | 1,250 | 1,366,934 |
| DISH DBS Corp., 7.00%, 10/01/13 | 850 | 910,562 |
| Intelsat Jackson Holdings SA, 7.25%, 4/01/19 | 150 | 156,375 |
| Intelsat Luxemburg SA: | | |
| 11.25%, 2/04/17 | 300 | 311,250 |
| 11.50%, 2/04/17 (f) | 190 | 198,075 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | 575 | 654,781 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 500 | 533,750 |
| The New York Times Co., 6.63%, 12/15/16 | 1,725 | 1,800,469 |
| News America, Inc., 6.15%, 3/01/37 (c) | 2,000 | 2,221,498 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 1,950 | 2,351,300 |
| Time Warner, Inc., 7.70%, 5/01/32 | 2,000 | 2,620,306 |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a) | 505 | 541,613 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 1,300 | 1,417,000 |
| | | 22,162,186 |
| Metals & Mining 2.1% | | |
| Alcoa, Inc., 5.40%, 4/15/21 | 290 | 304,793 |
| Barrick Gold Corp., 2.90%, 5/30/16 | 550 | 576,739 |
| Barrick North America Finance LLC, 5.70%, 5/30/41 (c) | 650 | 716,234 |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%, 3/01/22 | 675 | 666,956 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 1,400 | 1,727,642 |
| New Gold, Inc., 7.00%, 4/15/20 (a) | 65 | 66,462 |
| Novelis, Inc., 8.75%, 12/15/20 | 470 | 518,175 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 190 | 235,125 |

4,812,126

Multi-Utilities 1.6%

CenterPoint Energy, Inc.:

5.95%, 2/01/17

1,500 1,714,863

6.50%, 5/01/18

1,600 1,904,085

3,618,948

Multiline Retail 0.3%

JC Penney Co., Inc., 5.65%, 6/01/20 (c)

720 698,400

Oil, Gas & Consumable Fuels 13.5%

Anadarko Petroleum Corp.:

5.95%, 9/15/16

497 574,604

6.38%, 9/15/17

12 14,261

Berry Petroleum Co., 6.38%, 9/15/22

205 213,200

BP Capital Markets Plc:

3.88%, 3/10/15

700 749,740

3.20%, 3/11/16

925 985,439

Buckeye Partners LP, 4.88%, 2/01/21

475 490,677

Chesapeake Midstream Partners LP:

5.88%, 4/15/21

285 270,750

6.13%, 7/15/22

230 221,375

Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a) 20 18,800

Corporate Bonds**Par
(000) Value****Oil, Gas & Consumable Fuels (concluded)**

Concho Resources, Inc., 5.50%, 10/01/22

USD 205 \$ 205,000

CONSOL Energy, Inc., 6.38%, 3/01/21

220 206,800

Copano Energy LLC, 7.13%, 4/01/21

270 284,850

DCP Midstream LLC, 4.75%, 9/30/21 (a)

625 674,917

El Paso Pipeline Partners Operating Co. LLC:

6.50%, 4/01/20

680 781,113

5.00%, 10/01/21

300 316,934

Enbridge Energy Partners LP, 9.88%, 3/01/19

1,000 1,348,961

Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19

500 516,250

Enterprise Products Operating LLC, 6.65%, 4/15/18

2,000 2,421,606

Everest Acquisition LLC/Everest Acquisition

Finance, Inc., 6.88%, 5/01/19 (a)

165 173,250

Forest Oil Corp., 8.50%, 2/15/14

600 645,000

Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 (c)

2,000 2,418,780

Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a)

110 116,600

Linn Energy LLC:

6.25%, 11/01/19 (a)

545 536,825

7.75%, 2/01/21

220 232,100

Marathon Petroleum Corp., 3.50%, 3/01/16

650 681,796

MarkWest Energy Partners LP, 6.25%, 6/15/22

255 268,388

Newfield Exploration Co., 6.88%, 2/01/20

275 292,188

Nexen, Inc., 6.40%, 5/15/37

670 743,711

Oasis Petroleum, Inc.:

7.25%, 2/01/19

165 174,900

6.50%, 11/01/21

145 147,900

OGX Petroleo e Gas Participacoes SA,

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| | | |
|---|-------|------------|
| 8.50%, 6/01/18 (a)(c) | 575 | 596,563 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 1,725 | 2,255,815 |
| Petrobras International Finance Co.: | | |
| 3.88%, 1/27/16 | 1,800 | 1,884,301 |
| 5.38%, 1/27/21 | 1,075 | 1,177,587 |
| Petrohawk Energy Corp., 10.50%, 8/01/14 | 300 | 333,000 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a) | 310 | 320,850 |
| Phillips 66, 2.95%, 5/01/17 (a) | 515 | 528,453 |
| Pioneer Natural Resources Co.: | | |
| 6.65%, 3/15/17 | 320 | 363,029 |
| 6.88%, 5/01/18 | 240 | 282,536 |
| Plains Exploration & Production Co.: | | |
| 10.00%, 3/01/16 | 200 | 220,000 |
| 6.75%, 2/01/22 | 30 | 31,200 |
| Precision Drilling Corp., 6.50%, 12/15/21 | 210 | 218,400 |
| Premier Oil Plc, 5.00%, 6/09/18 | 1,625 | 1,677,812 |
| Range Resources Corp., 6.75%, 8/01/20 | 415 | 450,275 |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (a) | 1,425 | 1,459,100 |
| Samson Investment Co., 9.75%, 2/15/20 (a) | 295 | 307,906 |
| SandRidge Energy, Inc.: | | |
| 7.50%, 3/15/21 | 95 | 95,950 |
| 8.13%, 10/15/22 (a) | 105 | 108,938 |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | 110 | 116,050 |
| 6.50%, 11/15/21 | 165 | 174,075 |
| Targa Resources Partners LP, 6.88%, 2/01/21 | 240 | 250,800 |
| Tennessee Gas Pipeline Co., 8.00%, 2/01/16 | 400 | 466,278 |
| Western Gas Partners LP, 5.38%, 6/01/21 | 725 | 791,011 |
| The Williams Cos., Inc., 8.75%, 3/15/32 | 247 | 333,728 |
| | | 31,170,372 |
| Paper & Forest Products 3.1% | | |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 140 | 155,750 |
| 8.00%, 4/01/20 | 310 | 341,775 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 980 | 1,082,900 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 | 1,625 | 2,063,020 |
| 8.70%, 6/15/38 | 900 | 1,226,057 |
| 7.30%, 11/15/39 | 1,725 | 2,134,436 |
| Longview Fibre Paper & Packaging, Inc., | | |
| 8.00%, 6/01/16 (a) | 160 | 161,600 |
| | | 7,165,538 |

See Notes to Financial Statements.

34 SEMI-ANNUAL REPORT APRIL 30, 2012

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust III (BPP)**
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|------------------------|
| Corporate Bonds | | |
| Pharmaceuticals 2.2% | | |
| Merck & Co., Inc., 6.50%, 12/01/33 | USD990 | \$1,365,119 |
| Pfizer, Inc., 7.20%, 3/15/39 (c) | 1,635 | 2,417,304 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a) | 865 | 1,227,709 |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 125 | 129,531 5,139,663 |
| Professional Services 0.0% | | |
| FTI Consulting, Inc., 7.75%, 10/01/16 | 100 | 104,000 |
| Real Estate Investment Trusts (REITs) 2.9% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (c) | 1,725 | 2,053,875 |
| Developers Diversified Realty Corp.: 4.75%, 4/15/18 | 315 | 326,363 |
| 7.88%, 9/01/20 | 375 | 450,357 |
| ERP Operating LP, 5.75%, 6/15/17 | 1,715 | 1,973,905 |
| HCP, Inc., 5.38%, 2/01/21 | 500 | 550,860 |
| UDR, Inc., 4.25%, 6/01/18 | 725 | 770,394 |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21 | 550 | 567,031 6,692,785 |
| Real Estate Management & Development 0.2% | | |
| Realogy Corp., 7.63%, 1/15/20 (a)(c) | 295 | 306,063 |
| Shea Homes LP, 8.63%, 5/15/19 (a) | 230 | 239,775 545,838 |
| Road & Rail 1.4% | | |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 54 | 56,565 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 80 | 82,200 |
| The Hertz Corp., 6.75%, 4/15/19 | 188 | 196,225 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 2,500 | 2,898,215 3,233,205 |
| Semiconductors & Semiconductor Equipment 0.7% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | 400 | 441,000 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 918 | 1,110,790 1,551,790 |
| Software 0.1% | | |
| Lawson Software, Inc., 9.38%, 4/01/19 (a) | 220 | 229,900 |
| Specialty Retail 1.2% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 940 | 1,019,900 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 470 | 521,700 |
| QVC, Inc., 7.38%, 10/15/20 (a) | 50 | 54,750 |
| Sally Holdings LLC, 6.88%, 11/15/19 (a) | 290 | 308,850 |
| VF Corp., 5.95%, 11/01/17 | 725 | 865,353 2,770,553 |
| Tobacco 2.4% | | |
| Altria Group, Inc., 10.20%, 2/06/39 (c) | 1,919 | 3,074,574 |

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| | | |
|---|-------|-----------|
| Lorillard Tobacco Co., 3.50%, 8/04/16 | 1,175 | 1,231,249 |
| Philip Morris International, Inc., 2.50%, 5/16/16 (c) | 1,225 | 1,288,003 |
| | | 5,593,826 |

Wireless Telecommunication Services 5.3%

| | | |
|--|-------|-----------|
| America Movil SAB de CV, 2.38%, 9/08/16 | 1,780 | 1,816,518 |
| American Tower Corp.: | | |
| 4.50%, 1/15/18 | 925 | 976,740 |
| 5.05%, 9/01/20 | 500 | 529,038 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 325 | 342,063 |
| Crown Castle International Corp., 9.00%, 1/15/15 | 430 | 475,150 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/37 | 575 | 634,866 |
| 4.17%, 8/15/37 | 1,000 | 1,046,738 |
| 6.11%, 1/15/40 | 625 | 713,732 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 395 | 395,000 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 2,500 | 2,720,517 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 480 | 358,800 |

Corporate Bonds

Wireless Telecommunication Services (concluded)

| | Par (000) | Value |
|-------------------------------------|--------------|--------------------|
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | USD760 | \$ 836,950 |
| 7.00%, 3/01/20 | 1,290 | 1,315,800 |
| | | 12,161,912 |
| Total Corporate Bonds 106.2% | | 245,136,717 |

Preferred Securities

Capital Trusts

Capital Markets 3.7%

| | | |
|---|-------|-----------|
| State Street Capital Trust III, 5.46% (b)(e) | 1,385 | 1,390,429 |
| State Street Capital Trust IV, 1.47%, 6/01/37 (b) | 9,675 | 7,199,874 |
| | | 8,590,303 |

Commercial Banks 3.1%

| | | |
|--|-------|-----------|
| Barclays Bank Plc (a)(b)(e): | | |
| 5.93%, | 1,700 | 1,547,000 |
| 7.43%, | 325 | 325,000 |
| BNP Paribas, 7.20% (a)(b)(c)(e) | 700 | 602,000 |
| Credit Agricole SA, 8.38% (a)(b)(c)(e) | 725 | 638,000 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 1,095 | 881,475 |
| FCB/NC Capital Trust I, 8.05%, 3/01/28 | 1,100 | 1,105,265 |
| National City Preferred Capital Trust I, 12.00% (b)(e) | 600 | 638,640 |
| NBP Capital Trust III, 7.38% (e) | 2,000 | 1,380,000 |
| | | 7,117,380 |

Consumer Finance 0.3%

| | | |
|--|-----|---------|
| Capital One Capital V, 10.25%, 8/15/39 | 750 | 781,875 |
|--|-----|---------|

Diversified Financial Services 4.3%

| | | |
|--|-------|-----------|
| JPMorgan Chase Capital XXI, Series U, | | |
| 1.49%, 2/02/37 (b) | 7,125 | 5,276,191 |
| JPMorgan Chase Capital XXIII, 1.50%, 5/15/47 (b) | 6,190 | 4,580,730 |

9,856,921

Electric Utilities 0.4%

PPL Capital Funding, 6.70%, 3/30/67 (b) 900 891,000

Insurance 7.8%

The Allstate Corp., 6.50%, 5/15/67 (b) 900 879,750

American General Capital II, 8.50%, 7/01/30 100 109,301

American International Group, Inc., 8.18%, 5/15/68 (b) 400 427,500

AXA SA, 6.38% (a)(b)(e) 900 715,500

Chubb Corp., 6.38%, 3/29/67 (b) 900 921,375

Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) 900 1,224,000

Lincoln National Corp., 7.00%, 5/17/66 (b) 900 873,000

MetLife, Inc., 6.40%, 12/15/66 900 880,392

Mitsui Sumitomo Insurance Co., Ltd.,

7.00%, 3/15/72 (a)(b) 700 719,201

Northwestern Mutual Life Insurance,

6.06%, 3/30/40 (a)(c) 1,800 2,144,666

Prudential Plc, 6.50% (e) 6,000 5,661,000

Reinsurance Group of America, 6.75%, 12/15/65 (b) 1,300 1,202,894

Swiss Re Capital I LP, 6.85% (a)(b)(e) 1,000 919,653

ZFS Finance (USA) (a)(b):

Trust II, 6.45%, 12/15/65 1,150 1,127,000

Trust IV, 5.88%, 5/09/62 190 190,237

17,995,469

Oil, Gas & Consumable Fuels 0.4%

TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) 900 939,503

Total Capital Trusts 20.0% 46,172,451

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 35

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust III (BPP)**
(Percentages shown are based on Net Assets)

| | | |
|--|--------------------------------------|--------------|
| Preferred Stocks 0.4% | Shares | Value |
| Diversified Financial Services 0.4% | | |
| Ally Financial, Inc., 7.00% (a) | 1,170 | \$ 993,038 |
| Trust Preferreds 0.3% | | |
| Diversified Financial Services 0.3% | | |
| GMAC Capital Trust I, Series 2, 8.13% (b) | 26,490 | 623,076 |
| Total Preferred Securities 20.7% | | 47,788,565 |
| Taxable Municipal Bonds 0.9% | Par (000) | |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | USD 1,675 | 2,054,404 |
| US Government Sponsored Agency Securities 0.3% | | |
| Agency Obligations 0.3% | | |
| Fannie Mae, 4.23%, 10/09/19 (c)(g) | 805 | 648,134 |
| U.S. Treasury Obligations | | |
| US Treasury Bonds (c): | | |
| 3.75%, 8/15/41 | 713 | 805,021 |
| 3.13%, 11/15/41 | 1,060 | 1,063,312 |
| US Treasury Notes, 0.88%, 12/31/16 (c) | 1,875 | 1,886,134 |
| Total U.S. Treasury Obligations 1.6% | | 3,754,467 |
| Warrants 0.0% (h) | Shares | |
| Media 0.0% | | |
| Cumulus Media, Inc. (Expires 3/26/19) | 2,345 | 17,872 |
| Total Long-Term Investments (Cost \$289,613,314) 130.2% | | 300,498,659 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (i)(j) | 841,364 | 841,364 |
| Total Short-Term Securities (Cost \$841,364) 0.4% | | 841,364 |
| Options Purchased | Contracts | |
| Exchange-Traded Put Options 0.0% | | |
| S&P 500 Index, Strike Price USD 1,200.00, Expires 6/16/12 | 138 | 35,880 |
| Options Purchased | Notional Amount (000) | Value |

Over-the-Counter Interest Rate Call Swaptions 0.1%

Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, expires 5/11/12,

Broker Citibank NA

USD 2,700 \$96

Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13,

Broker Citibank NA

5,200 240,832

Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 1/13/14,

Broker Credit Suisse Securities (USA) LLC

500 21,881
262,809**Over-the-Counter Interest Rate Put Swaptions 0.1%**

Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13,

Broker Citibank NA

5,200 109,356

Pay a fixed rate of 2.61% and receive a floating rate based on 3-month LIBOR, Expires 1/13/14,

Broker Credit Suisse Securities (USA) LLC

500 20,162

Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 2/02/17,

Broker Deutsche Bank AG

2,300 77,197
206,715**Total Options Purchased****(Cost \$991,810) 0.2%**

505,404

Total Investments Before Options Written**(Cost \$291,446,488) 130.8%**

301,845,427

Options Written**Contracts****Over-the-Counter Call Options (0.0)%**S&P 500 Index, Strike Price USD 1,450.00,
Expires 6/15/12, Broker Deutsche Bank AG

3,500 (25,517)

**Notional
Amount
(000)****Options Written****Over-the-Counter Interest Rate Call Swaptions (0.4)%**

Pay a fixed rate of 4.75% and receive a floating rate based on 3-month LIBOR, Expires 3/24/14,

Broker Citibank NA

USD 5,000 (967,336)

Over-the-Counter Interest Rate Put Swaptions (0.1)%

Receive a fixed rate of 1.75% and pay a floating rate based on 3-month LIBOR, Expires 8/23/12,

Broker Deutsche Bank AG

10,800 (14,881)

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 (30,291)

Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 2/02/17,

Broker Deutsche Bank AG

4,600 (68,296)
(113,468)**Total Options Written****(Premiums Received \$764,470) (0.5)%**

(1,106,321)

| | | |
|--|----------------|---------------|
| Total Investments, Net of Options Written | 130.3% | 300,739,106 |
| Liabilities in Excess of Other Assets | (30.3)% | (70,016,682) |
| Net Assets | 100.0% | \$230,722,424 |

See Notes to Financial Statements.

36SEMI-ANNUAL REPORT APRIL 30, 2012

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

- (a) Security exempt from registration pursuant to Rule 144A under 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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Security is perpetual in nature and has no stated maturity date.
- (f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (g) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- 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:

| Affiliate | Shares Held at October 31, 2011 | Net Activity | Shares Held at April 30, 2012 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,459,914 | (1,618,550) | 841,364 | \$ 1,396 |

- (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, 2012 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|---------------------------------------|--------------------------|-----------------------|--------------------------|-------------------------------|------------------------|
| UBS Securities LLC | 0.37% | 1/10/12 | Open | \$ 1,732,617 | \$ 1,730,625 |
| UBS Securities LLC | 0.38% | 1/10/12 | Open | 2,046,667 | 2,044,250 |
| UBS Securities LLC | 0.38% | 1/12/12 | Open | 1,537,033 | 1,535,250 |
| UBS Securities LLC | 0.25% | 1/25/12 | Open | 495,584 | 495,250 |
| UBS Securities LLC | (1.25)% | 2/02/12 | Open | 249,240 | 250,012 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/15/12 | Open | 2,001,366 | 1,999,889 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/22/12 | Open | 1,403,441 | 1,402,500 |
| UBS Securities LLC | 0.25% | 3/05/12 | Open | 105,642 | 105,600 |
| Credit Suisse Securities (USA) LLC | 0.25% | 3/07/12 | Open | 608,295 | 608,062 |
| Barclays Capital, Inc. | 0.35% | 3/08/12 | Open | 788,414 | 788,000 |
| Credit Suisse Securities (USA) LLC | 0.38% | 3/13/12 | Open | 14,484,358 | 14,476,871 |
| Deutsche Bank AG | 0.17% | 3/14/12 | Open | 1,033,734 | 1,033,500 |
| Credit Suisse Securities (USA) LLC | 0.30% | 3/20/12 | Open | 2,879,257 | 2,878,250 |

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| | | | | | |
|--------------------------|---------|---------|------|---------------------|---------------------|
| Credit Suisse Securities | | | | | |
| (USA) LLC | 0.35% | 3/20/12 | Open | 1,472,351 | 1,471,750 |
| Barclays Capital, Inc. | 0.35% | 3/21/12 | Open | 1,601,888 | 1,601,250 |
| Barclays Capital, Inc. | 0.35% | 3/22/12 | Open | 1,342,040 | 1,341,519 |
| Credit Suisse Securities | | | | | |
| (USA) LLC | 0.35% | 3/27/12 | Open | 698,957 | 698,719 |
| UBS Securities LLC | 0.38% | 3/27/12 | Open | 2,163,086 | 2,162,288 |
| Barclays Capital, Inc. | 0.35% | 4/03/12 | Open | 7,496,838 | 7,494,797 |
| BNP Paribas | | | | | |
| Securities Corp. | 0.10% | 4/03/12 | Open | 779,013 | 778,952 |
| BNP Paribas | | | | | |
| Securities Corp. | 0.11% | 4/03/12 | Open | 628,054 | 628,000 |
| BNP Paribas | | | | | |
| Securities Corp. | 0.35% | 4/03/12 | Open | 1,514,412 | 1,514,000 |
| Barclays Capital, Inc. | (1.00)% | 4/03/12 | Open | 318,922 | 319,170 |
| UBS Securities LLC | 0.30% | 4/04/12 | Open | 2,403,941 | 2,403,400 |
| UBS Securities LLC | 0.31% | 4/04/12 | Open | 477,486 | 477,375 |
| UBS Securities LLC | 0.35% | 4/04/12 | Open | 8,704,035 | 8,701,750 |
| UBS Securities LLC | 0.38% | 4/04/12 | Open | 7,758,210 | 7,756,000 |
| UBS Securities LLC | 0.10% | 4/16/12 | Open | 348,015 | 348,000 |
| Deutsche Bank AG | 0.00% | 4/24/12 | Open | 115,700 | 115,700 |
| Deutsche Bank AG | 0.12% | 4/24/12 | Open | 1,889,107 | 1,889,063 |
| Barclays Capital, Inc. | 0.35% | 4/25/12 | Open | 2,072,183 | 2,072,063 |
| BNP Paribas | | | | | |
| Securities Corp. | 0.37% | 4/26/12 | Open | 2,155,111 | 2,155,000 |
| Deutsche Bank AG | 0.25% | 4/26/12 | Open | 648,023 | 648,000 |
| Total | | | | \$73,953,020 | \$73,924,855 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 37

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

Financial futures contracts purchased as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|--------------|--------------------------|------------------------|------------|----------------|-------------------------|
| 3 | 2-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 661,641 | \$ 688 |
| 20 | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012 | USD 2,857,500 | 133,717 |
| 91 | 5-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 11,265,515 | 48,373 |
| Total | | | | | \$ 182,778 |

Financial futures contracts sold as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|--------------|----------------------------------|------------------------|------------|----------------|-------------------------|
| 207 | 10-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 27,382,219 | \$ (366,325) |
| 48 | Ultra Long Term US Treasury Bond | Chicago Board of Trade | June 2012 | USD 7,575,000 | (205,820) |
| Total | | | | | \$ (572,145) |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2012 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|------------------------|----------------|------------------------------------|-----------------|-----------------------|--|
| The New York Times Co. | 1.00% | Barclays Bank Plc | 12/20/16 | USD 1,725 | \$ 14,871 |
| Southwest Airlines Co. | 1.00% | Goldman Sachs & Co. | 12/20/16 | USD 570 | (14,296) |
| Southwest Airlines Co. | 1.00% | Royal Bank of Scotland Plc | 12/20/16 | USD 570 | (16,512) |
| Time Warner Inc. | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | USD 3,500 | (3,143) |
| Emerson Electric Co. | 1.00% | Morgan Stanley & Co., Inc. | 3/20/17 | USD 1,125 | (8,936) |
| Total | | | | | \$ (28,016) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2012 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration | Issuer Credit Rating ¹ | Notional Amount (000) ² | Unrealized Appreciation (Depreciation) |
|----------------------|--------------------|------------------------------------|------------|-----------------------------------|------------------------------------|--|
| Aviva USA Corp. | 1.00% | Deutsche Bank AG | 5/25/12 | A | USD 1,300 | \$ (17) |
| DIRECTV Holdings LLC | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | BBB | USD 3,500 | 59,047 |
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD 425 | (8,873) |

Total \$ 50,157

¹Using S&P's rating.

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

Credit default swaps on traded indexes sold protection outstanding as of April 30, 2012 were as follows:

| Index | Receive Fixed Rate | Counter- party | Expiration | Credit Rating ³ | Notional Amount (000) ⁴ | Unrealized Appreciation |
|---|--------------------------|-------------------|------------|-------------------------------|--|----------------------------|
| Dow Jones CDX North America High Yield Index | | Credit Suisse | | | | |
| Series 18, Version 1 | 5.00% | (USA) LLC | 6/20/17 | B+ | USD 900 | \$13,624 |

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

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

Interest rate swaps outstanding as of April 30, 2012 were as follows:

| Fixed Rate | Floating Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|------------------|---|--------------------|-----------------------------|--|
| 1.17% ⁵ | 3-month | Credit Suisse LIBOR Securities (USA) LLC | 4/11/17 | USD 6,200 | \$ (26,125) |
| 1.18% ⁵ | 3-month | Deutsche LIBOR Bank AG | 4/11/17 | USD 10,100 | (47,445) |
| 2.12% ⁵ | 3-month | Deutsche LIBOR Bank AG | 3/05/22 | USD 3,100 | (26,789) |
| 4.03% ⁵ | 3-month | LIBOR UBS AG | 4/18/22 | USD 2,800 | (415,305) |
| 2.05% ⁶ | 3-month | Credit Suisse LIBOR Securities (USA) LLC | 5/02/22 | USD 2,900 | 968 |
| 2.05% ⁶ | 3-month | Credit Suisse LIBOR Securities (USA) LLC | 5/02/22 | USD 1,900 | |
| Total | | | | | \$ (514,696) |

⁵Fund pays a fixed interest rate and receives floating rate.

⁶Fund pays a 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 categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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.

38 SEMI-ANNUAL REPORT APRIL 30, 2012

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

The following tables summarize the inputs used as of April 30, 2012 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-Backed Securities | — | — | \$1,098,500 | \$1,098,500 |
| Corporate Bonds | — | \$243,458,905 | 1,677,812 | 245,136,717 |
| Preferred Securities | \$623,076 | 47,165,489 | — | 47,788,565 |
| Taxable Municipal Bonds | — | 2,054,404 | — | 2,054,404 |
| US Government Sponsored Agency Securities | — | 648,134 | — | 648,134 |
| US Treasury Obligations | — | 3,754,467 | — | 3,754,467 |
| Warrants | — | 17,872 | — | 17,872 |
| Short-Term Securities | 841,364 | — | — | 841,364 |
| Total | \$1,464,440 | \$297,099,271 | \$2,776,312 | \$301,340,023 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|----------------|---------|----------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Equity contracts | \$35,880 | — | — | \$35,880 |
| Interest rate contracts | 182,778 | \$470,492 | — | 653,270 |
| Credit contracts | — | 87,542 | — | 87,542 |
| Liabilities: | | | | |
| Equity contracts | — | (25,517) | — | (25,517) |
| Interest rate contracts | (572,145) | (1,596,468) | — | (2,168,613) |
| Credit contracts | — | (51,760) | \$(17) | (51,777) |
| Total | \$(353,487) | \$(1,115,711) | \$(17) | \$(1,469,215) |

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

| | Asset-Backed Securities | Corporate Bonds | Total |
|---|-------------------------|-----------------|-------------|
| Assets: | | | |
| Balance, as of October 31, 2011 | \$1,007,500 | \$1,690,000 | \$2,697,500 |
| Accrued discounts/premiums | 9,192 | — | 9,192 |
| Net realized gain (loss) | — | — | — |
| Net change in unrealized appreciation/depreciation ² | 81,808 | (12,188) | 69,620 |
| Purchases | — | — | — |
| Sales | — | — | — |
| Transfers in ³ | — | — | — |

| | | | |
|-------------------------------|--------------|--------------|--------------|
| Transfers out ³ | — | — | — |
| Balance, as of April 30, 2012 | \$ 1,098,500 | \$ 1,677,812 | \$ 2,776,312 |

²Included 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, 2012 was \$1,759,621.

³The 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 in determining fair value:

| | Credit Contracts |
|---|---------------------|
| Assets/Liabilities: | |
| Balance, as of October 31, 2011 | \$ 2,351 |
| Accrued discounts/premiums | 4,210 |
| Net realized gain (loss) | — |
| Net change in unrealized appreciation/depreciation ⁴ | (2,368) |
| Purchases | — |
| Issuances ⁵ | — |
| Sales | — |
| Settlements ⁶ | (4,210) |
| Transfers in ³ | — |
| Transfers out ³ | — |
| Balance, as of April 30, 2012 | \$ (17) |

⁴Included in the related net change in unrealized appreciation/depreciation in the Statements of operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at April 30, 2012 was \$(2,368).

⁵Issuances represent upfront cash received on certain derivative financial instruments.

⁶Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

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

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 39

Schedule of Investments April 30, 2012 (Unaudited) **BlackRock Credit Allocation Income Trust IV (BTZ)**
(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|--------------|
| 321 Henderson Receivables I LLC, Series 2012-1A, Class A, 4.21%, 2/16/65 (a) | USD 1,713 | \$ 1,763,318 |
| Atrium CDO Corp., Series 5A, Class A4, 0.88%, 7/20/20 (a)(b) | 4,400 | 3,718,000 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.67%, 6/15/21 (b) | 3,624 | 3,475,992 |
| Total Asset-Backed Securities 1.2% | | 8,957,310 |
| Corporate Bonds | | |
| Aerospace & Defense 1.0% | | |
| BE Aerospace, Inc., 8.50%, 7/01/18 | 3,575 | 3,959,313 |
| Huntington Ingalls Industries, Inc.: 6.88%, 3/15/18 | 990 | 1,046,925 |
| 7.13%, 3/15/21 | 960 | 1,016,400 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 1,662 | 1,786,650 |
| | | 7,809,288 |
| Airlines 0.7% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 912 | 962,423 |
| Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17 | 1,865 | 2,037,569 |
| Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24 | 1,949 | 2,051,785 |
| | | 5,051,777 |
| Auto Components 0.7% | | |
| Delphi Corp., 6.13%, 5/15/21 (a) | 950 | 1,011,750 |
| Icahn Enterprises LP: 7.75%, 1/15/16 | 1,180 | 1,241,950 |
| 8.00%, 1/15/18 | 3,020 | 3,227,625 |
| | | 5,481,325 |
| Beverages 0.5% | | |
| Constellation Brands, Inc., 7.25%, 5/15/17 | 3,230 | 3,649,900 |
| Building Products 0.3% | | |
| Building Materials Corp. of America (a): 7.00%, 2/15/20 | 790 | 843,325 |
| 6.75%, 5/01/21 | 1,560 | 1,624,350 |
| | | 2,467,675 |
| Capital Markets 4.7% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 4,500 | 5,031,283 |
| E*Trade Financial Corp., 12.50%, 11/30/17 | 2,565 | 2,988,225 |
| The Goldman Sachs Group, Inc.: 7.50%, 2/15/19 (c) | 5,165 | 5,975,079 |
| 5.75%, 1/24/22 | 2,800 | 2,923,743 |
| 6.25%, 2/01/41 (c) | 7,350 | 7,468,651 |

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| | | |
|--|-------|------------|
| Morgan Stanley, 5.50%, 7/28/21 (c) | 5,630 | 5,504,085 |
| Murray Street Investment Trust I, 4.65%, 3/09/17 (d) | 1,000 | 1,006,004 |
| UBS AG: | | |
| 2.25%, 1/28/14 (c) | 2,678 | 2,691,896 |
| 5.88%, 7/15/16 | 1,575 | 1,665,498 |
| | | 35,254,464 |

Chemicals 1.5%

| | | |
|--|-------|------------|
| Ashland, Inc., 9.13%, 6/01/17 | 75 | 83,250 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 2,560 | 2,745,600 |
| Hexion US Finance Corp., 6.63%, 4/15/20 (a) | 1,440 | 1,504,800 |
| Ineos Finance Plc (a): | | |
| 8.38%, 2/15/19 | 535 | 573,788 |
| 7.50%, 5/01/20 | 1,210 | 1,243,275 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (a) | 3,125 | 3,226,562 |
| Solutia, Inc., 7.88%, 3/15/20 | 1,425 | 1,663,687 |
| | | 11,040,962 |

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Commercial Banks 4.2% | | |
| Amsouth Bank, Series AI, 4.85%, 4/01/13 | USD 1,800 | \$ 1,827,000 |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a) | 1,475 | 1,535,444 |
| Associated Banc-Corp, 5.13%, 3/28/16 | 3,645 | 3,858,899 |
| Branch Banking & Trust Co. (b)(c): | | |
| 0.79%, 9/13/16 | 1,850 | 1,743,706 |
| 0.79%, 5/23/17 | 1,100 | 1,025,891 |
| CIT Group, Inc.: | | |
| 7.00%, 5/02/16 (a) | 2,590 | 2,596,475 |
| 7.00%, 5/02/17 (a) | 2,120 | 2,125,300 |
| 5.25%, 3/15/18 | 1,980 | 2,039,400 |
| 5.50%, 2/15/19 (a) | 1,720 | 1,767,300 |
| Discover Bank, 8.70%, 11/18/19 | 1,950 | 2,459,545 |
| HSBC Finance Corp., 6.68%, 1/15/21 | 2,525 | 2,726,965 |
| Regions Financial Corp.: | | |
| 4.88%, 4/26/13 | 4,150 | 4,274,500 |
| 5.75%, 6/15/15 | 3,000 | 3,165,000 |
| | | 31,145,425 |

Commercial Services & Supplies 4.0%

| | | |
|--|--------|------------|
| Aviation Capital Group Corp. (a): | | |
| 7.13%, 10/15/20 (c) | 15,000 | 15,341,991 |
| 6.75%, 4/06/21 | 3,850 | 3,809,190 |
| Casella Waste Systems, Inc., 7.75%, 2/15/19 | 1,201 | 1,182,985 |
| Clean Harbors, Inc., 7.63%, 8/15/16 | 2,250 | 2,362,500 |
| Corrections Corp. of America, 7.75%, 6/01/17 | 4,835 | 5,245,975 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 1,105 | 1,136,617 |
| Iron Mountain, Inc., 7.75%, 10/01/19 | 650 | 708,500 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 455 | 486,850 |
| | | 30,274,608 |

Communications Equipment 0.8%

| | | |
|---------------------------------------|-------|-----------|
| Avaya, Inc., 9.75%, 11/01/15 (c) | 1,400 | 1,387,750 |
| Brocade Communications Systems, Inc., | | |

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| | | |
|---|-------|------------|
| 6.88%, 1/15/20 (c) | 3,580 | 3,911,150 |
| Hughes Satellite Systems Corp., 6.50%, 6/15/19 | 700 | 749,000 |
| | | 6,047,900 |
| Construction Materials 0.2% | | |
| HD Supply, Inc., 8.13%, 4/15/19 (a) | 1,490 | 1,599,888 |
| Consumer Finance 5.2% | | |
| American Express Credit Corp., 2.75%, 9/15/15 (c) | 9,850 | 10,220,380 |
| Capital One Bank USA NA, 8.80%, 7/15/19 | 3,950 | 4,988,459 |
| Daimler Finance North America LLC, 2.63%, 9/15/16 (a) | 5,675 | 5,868,041 |
| Ford Motor Credit Co. LLC: | | |
| 7.00%, 4/15/15 | 4,730 | 5,273,950 |
| 5.88%, 8/02/21 | 530 | 598,947 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 2,515 | 2,703,625 |
| SLM Corp., 6.25%, 1/25/16 | 8,205 | 8,451,150 |
| Toll Brothers Finance Corp., 5.88%, 2/15/22 | 680 | 703,741 |
| | | 38,808,293 |
| Containers & Packaging 1.2% | | |
| Ardagh Packaging Finance Plc (a): | | |
| 7.38%, 10/15/17 | 210 | 227,325 |
| 9.13%, 10/15/20 | 490 | 530,425 |
| Ball Corp.: | | |
| 7.13%, 9/01/16 | 2,000 | 2,190,000 |
| 6.75%, 9/15/20 | 3,575 | 3,950,375 |
| Crown Americas LLC, 6.25%, 2/01/21 | 1,350 | 1,468,125 |
| Sealed Air Corp., 8.38%, 9/15/21 (a) | 220 | 249,700 |
| | | 8,615,950 |
| Diversified Financial Services 9.3% | | |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 1,500 | 1,515,000 |
| 8.30%, 2/12/15 | 2,890 | 3,171,775 |
| 8.00%, 11/01/31 | 1,520 | 1,740,400 |

See Notes to Financial Statements.

40 SEMI-ANNUAL REPORT APRIL 30, 2012

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust IV (BTZ)**
(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Diversified Financial Services (concluded) | | |
| Bank of America Corp. (c): | | |
| 3.75%, 7/12/16 | USD 2,855 | \$2,842,724 |
| 5.30%, 3/15/17 | 6,505 | 6,784,370 |
| 5.00%, 5/13/21 | 12,100 | 12,043,372 |
| Citigroup, Inc. (c): | | |
| 6.38%, 8/12/14 | 2,150 | 2,318,549 |
| 4.59%, 12/15/15 | 1,575 | 1,649,657 |
| 4.45%, 1/10/17 | 1,520 | 1,587,797 |
| Countrywide Financial Corp., 6.25%, 5/15/16 (c) | 6,500 | 6,740,285 |
| DPL, Inc., 7.25%, 10/15/21 (a) | 1,785 | 1,981,350 |
| General Motors Financial Co., Inc., 6.75%, 6/01/18 | 830 | 883,975 |
| ING Bank NV, 5.00%, 6/09/21 (a)(c) | 3,950 | 4,023,553 |
| Intesa Sanpaolo SpA: | | |
| 2.38%, 12/21/12 | 5,800 | 5,717,918 |
| 6.50%, 2/24/21 (a)(c) | 747 | 678,693 |
| Macquarie Bank Ltd., 5.00%, 2/22/17 (a)(c) | 2,325 | 2,364,120 |
| Moody's Corp., 6.06%, 9/07/17 | 10,000 | 10,516,330 |
| Reynolds Group Issuer, Inc. (a): | | |
| 7.13%, 4/15/19 | 420 | 438,900 |
| 7.88%, 8/15/19 | 1,370 | 1,479,600 |
| 9.88%, 8/15/19 | 515 | 536,888 |
| 6.88%, 2/15/21 | 360 | 370,800 |
| WMG Acquisition Corp., 9.50%, 6/15/16 (a) | 340 | 371,450 |
| | | 69,757,506 |
| Diversified Telecommunication Services 4.4% | | |
| AT&T, Inc. (c): | | |
| 2.40%, 8/15/16 | 1,525 | 1,586,813 |
| 6.30%, 1/15/38 | 5,000 | 5,992,390 |
| Level 3 Financing, Inc. (a): | | |
| 8.13%, 7/01/19 | 5,547 | 5,699,542 |
| 8.63%, 7/15/20 | 1,070 | 1,120,825 |
| Telecom Italia Capital SA, 6.18%, 6/18/14 | 1,650 | 1,703,295 |
| Telefonica Emisiones SAU, 5.46%, 2/16/21 | 2,250 | 2,114,629 |
| Verizon Communications, Inc. (c): | | |
| 1.95%, 3/28/14 | 8,525 | 8,724,093 |
| 7.35%, 4/01/39 | 3,640 | 4,993,177 |
| Windstream Corp., 7.88%, 11/01/17 | 990 | 1,093,950 |
| | | 33,028,714 |
| Electric Utilities 3.6% | | |
| CMS Energy Corp., 5.05%, 3/15/22 | 1,850 | 1,883,119 |
| Dominion Resources, Inc., 8.88%, 1/15/19 | 8,000 | 10,911,568 |
| Duke Energy Corp., 3.55%, 9/15/21 (c) | 2,825 | 2,947,461 |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (d) | 2,725 | 2,978,844 |

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| | | |
|--|-------|------------|
| Progress Energy, Inc., 7.00%, 10/30/31 (c) | 5,000 | 6,526,685 |
| Southern Co., 1.95%, 9/01/16 | 1,625 | 1,663,012 |
| | | 26,910,689 |

Electronic Equipment, Instruments & Components 0.3%

| | | |
|-------------------------------------|-------|-----------|
| Jabil Circuit, Inc., 8.25%, 3/15/18 | 1,200 | 1,398,000 |
| NXP BV, 3.22%, 10/15/13 (b) | 664 | 664,000 |
| | | 2,062,000 |

Energy Equipment & Services 3.0%

| | | |
|--|-------|------------|
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | 185 | 194,713 |
| Energy Transfer Partners LP, 5.20%, 2/01/22 | 5,000 | 5,329,475 |
| Ensco Plc, 4.70%, 3/15/21 | 3,255 | 3,551,713 |
| Frac Tech Services LLC, 7.13%, 11/15/18 (a) | 1,795 | 1,853,337 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a) | 465 | 463,838 |
| Key Energy Services, Inc., 6.75%, 3/01/21 | 1,240 | 1,277,200 |
| MEG Energy Corp., 6.50%, 3/15/21 (a) | 1,580 | 1,662,950 |
| Oil States International, Inc., 6.50%, 6/01/19 | 835 | 883,013 |
| Peabody Energy Corp., 6.25%, 11/15/21 (a) | 2,575 | 2,607,187 |
| Transocean, Inc.: | | |
| 6.50%, 11/15/20 | 1,860 | 2,136,070 |
| 6.38%, 12/15/21 | 2,300 | 2,693,284 |
| | | 22,652,780 |

Corporate Bonds

Food & Staples Retailing 0.6%

| | | |
|----------------------------|-----------|-------------|
| Wal-Mart Stores, Inc. (c): | | |
| 5.25%, 9/01/35 | USD 2,650 | \$3,044,304 |
| 6.20%, 4/15/38 | 1,225 | 1,603,167 |
| | | 4,647,471 |

Food Products 0.7%

| | | |
|---|-------|-----------|
| Kraft Foods, Inc.: | | |
| 6.50%, 8/11/17 | 1,985 | 2,408,609 |
| 6.13%, 8/23/18 | 1,990 | 2,406,907 |
| Smithfield Foods, Inc., 10.00%, 7/15/14 | 668 | 781,560 |
| | | 5,597,076 |

Gas Utilities 0.2%

| | | |
|---|-------|-----------|
| El Paso Natural Gas Co., 8.63%, 1/15/22 | 1,150 | 1,455,504 |
|---|-------|-----------|

Health Care Equipment & Supplies 0.8%

| | | |
|---|-------|-----------|
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a) | 4,250 | 4,871,563 |
| Teleflex, Inc., 6.88%, 6/01/19 | 815 | 872,050 |
| | | 5,743,613 |

Health Care Providers & Services 3.3%

| | | |
|---|-------|-----------|
| Aetna, Inc., 6.75%, 12/15/37 (c) | 2,025 | 2,628,910 |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19 | 765 | 795,600 |
| HCA, Inc.: | | |
| 8.50%, 4/15/19 | 265 | 297,297 |
| 6.50%, 2/15/20 | 3,780 | 4,044,600 |
| 7.25%, 9/15/20 | 4,590 | 5,083,425 |
| INC Research LLC, 11.50%, 7/15/19 (a) | 1,155 | 1,134,787 |
| inVentiv Health, Inc., 10.00%, 8/15/18 (a) | 445 | 398,962 |
| Tenet Healthcare Corp.: | | |

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| | | |
|--|-------|------------|
| 10.00%, 5/01/18 | 2,175 | 2,512,125 |
| 8.88%, 7/01/19 | 1,825 | 2,046,281 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 | 4,075 | 5,459,282 |
| | | 24,401,269 |

Health Care Technology 0.9%

| | | |
|---------------------|-------|-----------|
| Amgen, Inc.: | | |
| 5.15%, 11/15/41 (c) | 6,280 | 6,544,683 |
| 5.65%, 6/15/42 | 70 | 77,873 |
| | | 6,622,556 |

Household Durables 0.2%

| | | |
|--|-------|-----------|
| Standard Pacific Corp., 8.38%, 1/15/21 | 1,480 | 1,561,400 |
|--|-------|-----------|

Independent Power Producers & Energy Traders 1.1%

| | | |
|---|-------|-----------|
| AES Corp.: | | |
| 9.75%, 4/15/16 | 1,620 | 1,911,600 |
| 7.38%, 7/01/21 (a) | 225 | 250,313 |
| Calpine Corp., 7.25%, 10/15/17 (a) | 730 | 779,275 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 | 3,135 | 3,460,256 |
| Laredo Petroleum, Inc.: | | |
| 9.50%, 2/15/19 | 485 | 541,987 |
| 7.38%, 5/01/22 (a) | 440 | 455,400 |
| QEP Resources, Inc., 5.38%, 10/01/22 | 944 | 944,000 |
| | | 8,342,831 |

Insurance 4.3%

| | | |
|---|-------|------------|
| American International Group, Inc. (c): | | |
| 3.80%, 3/22/17 | 2,500 | 2,582,045 |
| 8.25%, 8/15/18 | 1,050 | 1,272,211 |
| 6.40%, 12/15/20 | 4,275 | 4,910,517 |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a) | 4,975 | 4,833,775 |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (a) | 1,625 | 1,661,907 |
| Genworth Financial, Inc., 7.63%, 9/24/21 | 1,615 | 1,594,648 |
| Manulife Financial Corp., 4.90%, 9/17/20 | 3,650 | 3,814,188 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a) | 715 | 616,687 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 | 1,145 | 1,483,019 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | 4,075 | 4,725,647 |
| XL Group Ltd., 5.75%, 10/01/21 | 4,105 | 4,539,773 |
| | | 32,034,417 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 41

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust IV (BTZ)**
(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| IT Services 0.8% | | |
| Epicor Software Corp., 8.63%, 5/01/19 | USD 1,180 | \$1,221,300 |
| Fidelity National Information Services, Inc., 5.00%, 3/15/22 (a) | 530 | 530,000 |
| First Data Corp.: 7.38%, 6/15/19 (a)(c) | 1,550 | 1,584,875 |
| 8.25%, 1/15/21 (a) | 135 | 132,975 |
| 12.63%, 1/15/21 | 1,160 | 1,162,900 |
| SunGard Data Systems, Inc., 7.38%, 11/15/18 | 1,210 | 1,291,675 |
| | | 5,923,725 |
| Life Sciences Tools & Services 1.6% | | |
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16 | 5,480 | 6,055,400 |
| Life Technologies Corp., 6.00%, 3/01/20 | 4,800 | 5,581,272 |
| | | 11,636,672 |
| Machinery 0.9% | | |
| Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14 | 4,075 | 4,683,573 |
| UR Financing Escrow Corp. (a): 5.75%, 7/15/18 | 389 | 401,643 |
| 7.38%, 5/15/20 | 995 | 1,044,750 |
| 7.63%, 4/15/22 | 909 | 961,267 |
| | | 7,091,233 |
| Media 7.3% | | |
| AMC Networks, Inc., 7.75%, 7/15/21 (a) | 655 | 731,963 |
| CCH II LLC, 13.50%, 11/30/16 | 3,851 | 4,351,630 |
| Comcast Corp., 6.30%, 11/15/17 (c) | 4,075 | 4,943,044 |
| Cox Communications, Inc., 8.38%, 3/01/39 (a) | 4,075 | 5,850,824 |
| CSC Holdings LLC: 8.50%, 4/15/14 | 1,130 | 1,245,825 |
| 8.63%, 2/15/19 | 1,950 | 2,213,250 |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 (c) | 4,150 | 4,538,220 |
| DISH DBS Corp., 7.00%, 10/01/13 | 1,950 | 2,088,937 |
| Intelsat Jackson Holdings SA, 7.25%, 4/01/19 | 320 | 333,600 |
| Intelsat Luxemburg SA: 11.25%, 2/04/17 | 1,030 | 1,068,625 |
| 11.50%, 2/04/17 (e) | 630 | 656,775 |
| The Interpublic Group of Cos., Inc., 10.00%, 7/15/17 | 1,975 | 2,249,031 |
| Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a) | 1,760 | 1,878,800 |
| News America, Inc., 6.15%, 3/01/37 (c) | 4,850 | 5,387,133 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 | 4,675 | 5,637,092 |
| Time Warner, Inc., 7.70%, 5/01/32 (c) | 4,900 | 6,419,750 |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a) | 1,225 | 1,313,812 |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18 | 3,175 | 3,460,750 |

54,369,061

Metals & Mining 2.0%

| | | |
|---|-------|------------|
| Alcoa, Inc., 5.40%, 4/15/21 (c) | 940 | 987,948 |
| Barrick Gold Corp., 2.90%, 5/30/16 (c) | 1,925 | 2,018,586 |
| Barrick North America Finance LLC, 5.70%, 5/30/41 (c) | 2,275 | 2,506,818 |
| Freeport-McMoRan Copper & Gold, Inc., 3.55%, 3/01/22 | 2,300 | 2,272,591 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | 3,500 | 4,319,105 |
| New Gold, Inc., 7.00%, 4/15/20 (a) | 215 | 219,838 |
| Novelis, Inc., 8.75%, 12/15/20 | 1,610 | 1,775,025 |
| Teck Resources Ltd., 10.75%, 5/15/19 | 1,000 | 1,237,500 |
| | | 15,337,411 |

Multi-Utilities 1.2%

| | | |
|---------------------------|-------|-----------|
| CenterPoint Energy, Inc.: | | |
| 5.95%, 2/01/17 | 3,600 | 4,115,671 |
| 6.50%, 5/01/18 | 3,950 | 4,700,710 |
| | | 8,816,381 |

Multiline Retail 0.8%

| | | |
|---|-------|-----------|
| JC Penney Co., Inc., 5.65%, 6/01/20 (c) | 6,015 | 5,834,550 |
|---|-------|-----------|

Corporate Bonds**Par
(000) Value****Oil, Gas & Consumable Fuels 13.5%**

| | | |
|--|-----------|--------------|
| Anadarko Petroleum Corp.: | | |
| 5.95%, 9/15/16 | USD 1,686 | \$ 1,949,259 |
| 6.38%, 9/15/17 | 52 | 61,797 |
| Berry Petroleum Co., 6.38%, 9/15/22 | 705 | 733,200 |
| BP Capital Markets Plc (c): | | |
| 5.25%, 11/07/13 | 2,100 | 2,234,711 |
| 3.88%, 3/10/15 | 3,085 | 3,304,211 |
| Buckeye Partners LP, 4.88%, 2/01/21 (c) | 1,650 | 1,704,458 |
| Chesapeake Midstream Partners LP: | | |
| 5.88%, 4/15/21 | 980 | 931,000 |
| 6.13%, 7/15/22 | 785 | 755,563 |
| Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a) | 70 | 65,800 |
| Concho Resources, Inc., 5.50%, 10/01/22 | 700 | 700,000 |
| CONSOL Energy, Inc., 6.38%, 3/01/21 | 745 | 700,300 |
| Copano Energy LLC, 7.13%, 4/01/21 | 930 | 981,150 |
| DCP Midstream LLC, 4.75%, 9/30/21 (a) | 2,100 | 2,267,721 |
| El Paso Pipeline Partners Operating Co. LLC: | | |
| 6.50%, 4/01/20 | 2,525 | 2,900,455 |
| 5.00%, 10/01/21 | 900 | 950,803 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | 2,425 | 3,271,230 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | 1,700 | 1,755,250 |
| Enterprise Products Operating LLC, 6.65%, 4/15/18 | 4,800 | 5,811,854 |
| Everest Acquisition LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 (a) | 565 | 593,250 |
| Forest Oil Corp., 8.50%, 2/15/14 | 2,055 | 2,209,125 |
| Kinder Morgan Energy Partners LP: | | |
| 6.85%, 2/15/20 | 4,800 | 5,805,072 |

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| | | |
|---|-------|-----------|
| 3.95%, 9/01/22 | 2,500 | 2,517,618 |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a) | 380 | 402,800 |
| Linn Energy LLC: | | |
| 6.25%, 11/01/19 (a) | 1,865 | 1,837,025 |
| 7.75%, 2/01/21 | 750 | 791,250 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 | 2,250 | 2,360,063 |
| MarkWest Energy Partners LP, 6.25%, 6/15/22 | 880 | 926,200 |
| Newfield Exploration Co., 6.88%, 2/01/20 | 950 | 1,009,375 |
| Nexen, Inc., 6.40%, 5/15/37 | 2,270 | 2,519,736 |
| Oasis Petroleum, Inc.: | | |
| 7.25%, 2/01/19 | 560 | 593,600 |
| 6.50%, 11/01/21 | 505 | 515,100 |
| OGX Petroleo e Gas Participacoes SA, | | |
| 8.50%, 6/01/18 (a)(c) | 2,495 | 2,588,563 |
| ONEOK Partners LP, 8.63%, 3/01/19 | 4,075 | 5,328,955 |
| Petrobras International Finance Co.: | | |
| 3.88%, 1/27/16 | 6,150 | 6,438,029 |
| 5.38%, 1/27/21 | 3,625 | 3,970,934 |
| Petrohawk Energy Corp., 10.50%, 8/01/14 | 1,020 | 1,132,200 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a) | 865 | 895,275 |
| Phillips 66, 2.95%, 5/01/17 (a) | 1,755 | 1,800,844 |
| Pioneer Natural Resources Co.: | | |
| 6.65%, 3/15/17 | 1,080 | 1,225,223 |
| 6.88%, 5/01/18 | 820 | 965,330 |
| Plains Exploration & Production Co.: | | |
| 10.00%, 3/01/16 | 700 | 770,000 |
| 6.75%, 2/01/22 | 95 | 98,800 |
| Precision Drilling Corp., 6.50%, 12/15/21 | 700 | 728,000 |
| Premier Oil Plc, 5.00%, 6/09/18 | 5,650 | 5,833,625 |
| Range Resources Corp., 6.75%, 8/01/20 | 1,415 | 1,535,275 |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (a) | 4,900 | 5,017,257 |
| Samson Investment Co., 9.75%, 2/15/20 (a) | 1,000 | 1,043,750 |
| SandRidge Energy, Inc.: | | |
| 7.50%, 3/15/21 | 330 | 333,300 |
| 8.13%, 10/15/22 (a) | 325 | 337,188 |
| SM Energy Co.: | | |
| 6.63%, 2/15/19 | 365 | 385,075 |
| 6.50%, 11/15/21 | 570 | 601,350 |
| Targa Resources Partners LP, 6.88%, 2/01/21 | 820 | 856,900 |

See Notes to Financial Statements.

42 SEMI-ANNUAL REPORT APRIL 30, 2012

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust IV (BTZ)**
(Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Oil, Gas & Consumable Fuels (concluded) | | |
| Tennessee Gas Pipeline Co., 8.00%, 2/01/16 | USD 1,376 | \$ 1,603,996 |
| Western Gas Partners LP, 5.38%, 6/01/21 | 2,525 | 2,754,901 |
| The Williams Cos., Inc., 8.75%, 3/15/32 | 1,175 | 1,587,573 |
| | | 100,991,319 |
| Paper & Forest Products 2.6% | | |
| Boise Paper Holdings LLC: | | |
| 9.00%, 11/01/17 | 480 | 534,000 |
| 8.00%, 4/01/20 | 1,070 | 1,179,675 |
| Georgia-Pacific LLC, 8.25%, 5/01/16 (a) | 2,375 | 2,624,375 |
| International Paper Co.: | | |
| 7.50%, 8/15/21 (c) | 3,950 | 5,014,726 |
| 8.70%, 6/15/38 | 3,100 | 4,223,087 |
| 7.30%, 11/15/39 | 4,075 | 5,042,218 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a) | 545 | 550,450 |
| | | 19,168,531 |
| Pharmaceuticals 2.5% | | |
| Merck & Co., Inc., 6.50%, 12/01/33 (c) | 2,885 | 3,978,150 |
| Pfizer, Inc., 7.20%, 3/15/39 (c) | 6,980 | 10,319,742 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)(c) | 3,020 | 4,286,337 |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 450 | 466,312 |
| | | 19,050,541 |
| Real Estate Investment Trusts (REITs) 2.5% | | |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (c) | 4,075 | 4,851,907 |
| Developers Diversified Realty Corp.: | | |
| 4.75%, 4/15/18 | 1,025 | 1,061,976 |
| 7.88%, 9/01/20 | 1,325 | 1,591,263 |
| ERP Operating LP, 5.75%, 6/15/17 | 4,080 | 4,695,937 |
| HCP, Inc., 5.38%, 2/01/21 | 1,675 | 1,845,379 |
| UDR, Inc., 4.25%, 6/01/18 | 2,675 | 2,842,487 |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21 | 1,880 | 1,938,216 |
| | | 18,827,165 |
| Real Estate Management & Development 0.4% | | |
| Realogy Corp. (a)(c): | | |
| 7.88%, 2/15/19 | 940 | 921,200 |
| 7.63%, 1/15/20 | 1,025 | 1,063,437 |
| Shea Homes LP, 8.63%, 5/15/19 (a) | 805 | 839,213 |
| | | 2,823,850 |
| Road & Rail 1.5% | | |
| Avis Budget Car Rental LLC, 8.25%, 1/15/19 | 180 | 188,550 |
| Florida East Coast Railway Corp., 8.13%, 2/01/17 | 320 | 328,800 |
| The Hertz Corp., 6.75%, 4/15/19 | 564 | 588,675 |

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| | | |
|--|--------------|--------------------|
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c) | 8,500 | 9,853,931 |
| | | 10,959,956 |
| Semiconductors & Semiconductor Equipment 0.5% | | |
| Advanced Micro Devices, Inc., 7.75%, 8/01/20 | 1,300 | 1,433,250 |
| KLA-Tencor Corp., 6.90%, 5/01/18 | 2,208 | 2,671,704 |
| | | 4,104,954 |
| Software 0.1% | | |
| Lawson Software, Inc., 9.38%, 4/01/19 (a) | 870 | 909,150 |
| Specialty Retail 1.2% | | |
| AutoNation, Inc., 6.75%, 4/15/18 | 2,775 | 3,010,875 |
| Limited Brands, Inc., 7.00%, 5/01/20 | 1,370 | 1,520,700 |
| QVC, Inc., 7.38%, 10/15/20 (a) | 175 | 191,625 |
| Sally Holdings LLC, 6.88%, 11/15/19 (a) | 990 | 1,054,350 |
| VF Corp., 5.95%, 11/01/17 (c) | 2,450 | 2,924,298 |
| | | 8,701,848 |
| | Par | Value |
| Corporate Bonds | (000) | |
| Tobacco 2.6% | | |
| Altria Group, Inc., 10.20%, 2/06/39 | USD6,607 | \$10,585,570 |
| Lorillard Tobacco Co., 3.50%, 8/04/16 | 4,150 | 4,348,669 |
| Philip Morris International, Inc., 2.50%, 5/16/16 (c) | 4,200 | 4,416,010 |
| | | 19,350,249 |
| Wireless Telecommunication Services 5.3% | | |
| America Movil SAB de CV, 2.38%, 9/08/16 | 7,455 | 7,607,947 |
| American Tower Corp.: | | |
| 4.50%, 1/15/18 | 3,200 | 3,378,992 |
| 5.90%, 11/01/21 | 2,180 | 2,450,455 |
| Cricket Communications, Inc., 7.75%, 5/15/16 | 780 | 820,950 |
| Crown Castle International Corp., 9.00%, 1/15/15 | 1,185 | 1,309,425 |
| Crown Castle Towers LLC (a): | | |
| 5.50%, 1/15/37 | 1,975 | 2,180,627 |
| 4.17%, 8/15/37 | 2,000 | 2,093,476 |
| 6.11%, 1/15/40 | 2,330 | 2,660,795 |
| Nextel Communications, Inc., Series E, | | |
| 6.88%, 10/31/13 | 1,040 | 1,040,000 |
| SBA Tower Trust, 5.10%, 4/15/42 (a) | 6,250 | 6,801,294 |
| Sprint Capital Corp., 6.88%, 11/15/28 | 1,650 | 1,233,375 |
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | 3,210 | 3,535,012 |
| 7.00%, 3/01/20 | 4,390 | 4,477,800 |
| | | 39,590,148 |
| Total Corporate Bonds 105.0% | | 785,552,025 |
| Preferred Securities | | |
| Capital Trusts | | |
| Capital Markets 3.0% | | |
| State Street Capital Trust III, 5.46% (b)(f) | 1,740 | 1,746,821 |
| State Street Capital Trust IV, 1.47%, 6/01/37 (b) | 28,195 | 20,981,958 |
| | | 22,728,779 |
| Commercial Banks 5.6% | | |

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| | | |
|--|--------|------------|
| Barclays Bank Plc, 7.43% (a)(b)(c)(f) | 1,100 | 1,100,000 |
| BB&T Capital Trust IV, 6.82%, 6/12/77 (b) | 15,300 | 15,453,000 |
| BNP Paribas, 7.20% (a)(b)(c)(f) | 2,500 | 2,150,000 |
| Credit Agricole SA, 8.38% (a)(b)(c)(f) | 2,450 | 2,156,000 |
| Dresdner Funding Trust I, 8.15%, 6/30/31 (a) | 3,715 | 2,990,575 |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f) | 7,000 | 9,100,000 |
| National City Preferred Capital Trust I, 12.00% (b)(f) | 3,713 | 3,952,117 |
| Standard Chartered Plc, 7.01% (a)(b)(f) | 5,000 | 4,802,625 |
| | | 41,704,317 |
| Consumer Finance 0.2% | | |
| Capital One Capital V, 10.25%, 8/15/39 | 1,275 | 1,329,187 |
| Diversified Financial Services 3.3% | | |
| JPMorgan Chase Capital XXI, Series U, 1.49%, 2/02/37 (b) | 12,875 | 9,534,169 |
| JPMorgan Chase Capital XXIII, 1.50%, 5/15/47 (b) | 20,695 | 15,314,735 |
| | | 24,848,904 |
| Electric Utilities 0.5% | | |
| PPL Capital Funding, 6.70%, 3/30/67 (b) | 3,900 | 3,861,000 |
| Insurance 8.2% | | |
| Ace Capital Trust II, 9.70%, 4/01/30 | 4,000 | 5,467,168 |
| The Allstate Corp., 6.50%, 5/15/67 (b) | 4,000 | 3,910,000 |
| American General Capital II, 8.50%, 7/01/30 | 300 | 327,902 |
| American International Group, Inc., 8.18%, 5/15/68 (b) | 1,300 | 1,389,375 |
| Aon Corp., 8.21%, 1/01/27 | 4,000 | 4,673,312 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 43

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust IV (BTZ)**
(Percentages shown are based on Net Assets)

| Capital Trusts | Par (000) | Value |
|---|----------------------|--------------------|
| Insurance (concluded) | | |
| AXA SA, 6.46% (a)(b)(f) | USD6,000 | \$ 4,875,000 |
| Chubb Corp., 6.38%, 3/29/67 (b) | 4,000 | 4,095,000 |
| 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 | 4,127,350 |
| MetLife, Inc., 6.40%, 12/15/66 | 4,550 | 4,450,874 |
| Mitsui Sumitomo Insurance Co., Ltd., 7.00%, 3/15/72 (a)(b) | 2,360 | 2,424,734 |
| Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c) | 5,500 | 6,553,145 |
| Reinsurance Group of America, 6.75%, 12/15/65 (b)(c) | 7,000 | 6,477,121 |
| Swiss Re Capital I LP, 6.85% (a)(b)(f) | 3,000 | 2,758,959 |
| ZFS Finance (USA) (a)(b): | | |
| Trust II, 6.45%, 12/15/65 | 3,850 | 3,773,000 |
| Trust IV, 5.88%, 5/09/62 | 599 | 599,749 |
| | | 61,342,689 |
| Oil, Gas & Consumable Fuels 1.2% | | |
| Enterprise Products Operating LLC, 8.38%, 8/01/66 (b) | 4,500 | 4,882,500 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b) | 4,000 | 4,175,568 |
| | | 9,058,068 |
| Total Capital Trusts 22.0% | | 164,872,944 |
| Preferred Stocks | | |
| | Shares | |
| Auto Components 0.1% | | |
| Dana Holding Corp., 4.00% (a) | 7,000 | 877,625 |
| Diversified Financial Services 0.4% | | |
| Ally Financial, Inc., 7.00% (a) | 3,640 | 3,089,450 |
| Real Estate Investment Trusts (REITs) 1.1% | | |
| Sovereign Real Estate Investment Trust, 12.00% (a) | 7,000 | 7,797,020 |
| Thriffs & Mortgage Finance 0.0% | | |
| Fannie Mae, 8.25%, Series S (b)(g) | 23,000 | 28,290 |
| Freddie Mac, 8.38%, Series Z (b)(g) | 23,000 | 28,750 |
| | | 57,040 |
| Wireless Telecommunication Services 1.6% | | |
| Centaur Funding Corp., 9.08% (a) | 10,000 | 11,850,000 |
| Total Preferred Stocks 3.2% | | 23,671,135 |
| Trust Preferreds 0.3% | | |
| Diversified Financial Services 0.3% | | |
| GMAC Capital Trust I, Series 2, 8.13% (b) | 89,130 | 2,096,443 |
| Total Preferred Securities 25.5% | | 190,640,522 |
| Taxable Municipal Bonds | | |
| | Par (000) | |

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| | | |
|--|--------------------------------------|---------------|
| City of Chicago Illinois, RB, Build America Bonds, 6.85%, 1/01/38 | USD 5,000 | 5,618,500 |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | 4,075 | 4,998,028 |
| Total Taxable Municipal Bonds 1.4% | | 10,616,528 |
| US Government Sponsored Agency Securities 0.3% | | |
| Agency Obligations 0.3% | | |
| Fannie Mae, 4.23%, 10/09/19 (c)(h) | 2,765 | 2,226,198 |
| US Treasury Obligations | Par (000) | Value |
| US Treasury Bonds (c): | | |
| 3.75%, 8/15/41 | USD 945 | \$ 1,066,963 |
| 3.13%, 11/15/41 | 3,935 | 3,947,297 |
| US Treasury Notes (c): | | |
| 0.88%, 12/31/16 | 6,377 | 6,414,867 |
| 0.88%, 1/31/17 | 6,000 | 6,031,872 |
| Total US Treasury Obligations 2.3% | | 17,460,999 |
| Total Long-Term Investments (Cost \$978,835,280) 135.7% | | 1,015,453,582 |
| Short-Term Securities | Shares | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (i)(j) | 2,310,288 | 2,310,288 |
| Total Short-Term Securities (Cost \$2,310,288) 0.3% | | 2,310,288 |
| Options Purchased | Contracts | |
| Exchange-Traded Put Options 0.0% | | |
| S&P 500 Index, Strike Price USD 1,200.00, Expires 6/16/12 | 472 | 122,720 |
| Options Purchased | Notional Amount (000) | |
| Over-the-Counter Interest Rate Call Swaptions 0.1% | | |
| Receive a fixed rate of 2.40% and pay a floating rate based on 3-month LIBOR, expires 5/11/12, Broker Citibank NA | USD 9,100 | 324 |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 17,600 | 815,123 |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 1/13/14, Broker Credit Suisse Securities (USA) LLC | 1,900 | 83,149 |
| | | 898,596 |
| Over-the-Counter Interest Rate Put Swaptions 0.1% | | |
| Receive a fixed rate of 2.61% and pay a floating rate based on 3-month LIBOR, expires 4/05/13, Broker Citibank NA | 17,600 | 370,126 |
| Pay a fixed rate of 2.61% and receive a floating rate | | |

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| | | |
|---|------------------|--------------------|
| based on 3-month LIBOR, Expires 1/13/14, Broker Credit Suisse Securities (USA) LLC Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG | 1,900 | 76,615 |
| | 8,000 | 268,512 715,253 |
| Total Options Purchased (Cost \$3,399,654) 0.2% | | 1,736,569 |
| Total Investments Before Options Written (Cost \$984,545,222) 136.2% | | 1,019,500,439 |
| Options Written | Contracts | |
| Over-the-Counter Call Options (0.0)% S&P 500 Index, Strike Price USD 1,450.00, Expires 6/15/12, Broker Deutsche Bank AG | 11,800 | (86,029) |

See Notes to Financial Statements.

44 SEMI-ANNUAL REPORT APRIL 30, 2012

Schedule of Investments (continued) **BlackRock Credit Allocation Income Trust IV (BTZ)**
 (Percentages shown are based on Net Assets)

| Options Written | Notional Amount (000) | Value |
|--|--------------------------------------|--------------------------|
| Over-the-Counter Interest Rate Call Swaptions (0.4)% | | |
| Pay a fixed rate of 4.75% and receive a floating rate based on 3-month LIBOR, Expires 3/24/14, Broker Citibank NA | USD 17,000 | \$(3,288,942) |
| Over-the-Counter Interest Rate Put Swaptions (0.1)% | | |
| Receive a fixed rate of 1.75% and pay a floating rate based on 3-month LIBOR, Expires 8/23/12, Broker Deutsche Bank AG | 37,000 | (50,982) |
| 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 | (102,988) |
| Receive a fixed rate of 6.00% and pay a floating rate based on 3-month LIBOR, Expires 2/02/17, Broker Deutsche Bank AG | 16,000 | (237,552) (391,522) |
| Total Options Written | | |
| (Premiums Received \$2,606,390) (0.5)% | | (3,766,493) |
| Total Investments, Net of Options Written 135.7% | | 1,015,733,946 |
| Liabilities in Excess of Other Assets (35.7)% | | (267,418,446) |
| Net Assets 100.0% | | \$748,315,500 |

(a) Security exempt from registration pursuant to Rule 144A under 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) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.

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

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

(g) Non-income producing security.

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

(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:

| Affiliate | Shares Held at October 31, 2011 | Net Activity | Shares Held at April 30, 2012 | Income |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 3,823,108 | (1,512,820) | 2,310,288 | \$3,544 |

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

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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, 2012 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|------------------------------------|---------------|------------|---------------|--------------------|-------------|
| Deutsche Bank AG | (0.50)% | 1/17/12 | Open | \$ 746,210 | \$ 747,300 |
| UBS Securities LLC | (1.25)% | 2/02/12 | Open | 866,003 | 868,687 |
| UBS Securities LLC | 0.35% | 2/07/12 | Open | 14,787,066 | 14,775,000 |
| UBS Securities LLC | 0.37% | 2/07/12 | Open | 14,062,943 | 14,050,813 |
| UBS Securities LLC | 0.38% | 2/07/12 | Open | 17,466,911 | 17,451,438 |
| Merrill Lynch | 0.04% | 2/13/12 | Open | 6,015,521 | 6,015,000 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/14/12 | Open | 6,206,143 | 6,201,500 |
| UBS Securities LLC | 0.38% | 2/17/12 | Open | 5,463,669 | 5,459,405 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/22/12 | Open | 6,432,437 | 6,428,125 |
| Barclays Capital, Inc. | 0.35% | 2/29/12 | Open | 2,174,810 | 2,173,500 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/02/12 | Open | 1,071,625 | 1,071,000 |
| UBS Securities LLC | 0.25% | 3/05/12 | Open | 356,541 | 356,400 |
| Credit Suisse Securities (USA) LLC | (0.25)% | 3/07/12 | Open | 2,637,455 | 2,638,461 |
| UBS Securities LLC | 0.38% | 3/12/12 | Open | 1,595,529 | 1,594,687 |
| Credit Suisse Securities (USA) LLC | 0.38% | 3/13/12 | Open | 19,860,048 | 19,849,781 |
| UBS Securities LLC | 0.32% | 3/13/12 | Open | 3,912,203 | 3,910,500 |
| UBS Securities LLC | 0.38% | 3/13/12 | Open | 8,173,225 | 8,169,000 |
| Deutsche Bank AG | 0.08% | 3/14/12 | Open | 3,837,495 | 3,836,625 |
| Credit Suisse Securities (USA) LLC | 0.30% | 3/20/12 | Open | 9,779,547 | 9,776,125 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/20/12 | Open | 3,635,184 | 3,633,700 |
| Barclays Capital, Inc. | 0.35% | 3/21/12 | Open | 4,540,340 | 4,538,531 |
| Barclays Capital, Inc. | 0.35% | 3/22/12 | Open | 6,887,115 | 6,884,438 |
| UBS Securities LLC | 0.35% | 3/23/12 | Open | 690,340 | 690,079 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/27/12 | Open | 2,410,195 | 2,409,375 |
| UBS Securities LLC | 0.38% | 3/27/12 | Open | 9,234,460 | 9,231,050 |
| Barclays Capital, Inc. | 0.35% | 4/03/12 | Open | 23,364,523 | 23,358,163 |
| Barclays Capital, Inc. | (1.00)% | 4/03/12 | Open | 1,079,429 | 1,080,269 |
| UBS Securities LLC | 0.10% | 4/16/12 | Open | 1,218,051 | 1,218,000 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/18/12 | Open | 1,515,660 | 1,515,469 |
| Credit Suisse Securities (USA) LLC | 0.38% | 4/18/12 | Open | 2,574,581 | 2,574,227 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/23/12 | Open | 1,525,819 | 1,525,700 |
| UBS Securities LLC | 0.34% | 4/23/12 | Open | 4,054,656 | 4,054,350 |

| | | | | |
|---------------------------------|-------|--------------|------------|------------|
| BNP Paribas Securities Corp. | 0.15% | 4/24/12 Open | 2,198,239 | 2,198,175 |
| BNP Paribas Securities Corp. | 0.35% | 4/24/12 Open | 8,253,562 | 8,253,000 |
| BNP Paribas Securities Corp. | 0.37% | 4/24/12 Open | 17,732,394 | 17,731,119 |
| BNP Paribas Securities Corp. | 0.39% | 4/24/12 Open | 3,262,247 | 3,262,000 |
| Deutsche Bank AG | 0.00% | 4/24/12 Open | 387,150 | 387,150 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 45

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

Reverse repurchase agreements outstanding as of April 30, 2012 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Net Closing Amount | Face Amount |
|---------------------|----------------------|-------------------|----------------------|---------------------------|--------------------|
| Deutsche Bank AG | 0.12% | 4/24/12 | Open | \$6,424,977 | \$6,424,828 |
| UBS Securities LLC | 0.34% | 4/24/12 | Open | 2,712,429 | 2,712,250 |
| UBS Securities LLC | 0.35% | 4/25/12 | Open | 22,756,141 | 22,754,813 |
| UBS Securities LLC | 0.38% | 4/25/12 | Open | 23,862,161 | 23,860,650 |
| UBS Securities LLC | 0.35% | 4/26/12 | Open | 921,245 | 921,200 |
| Deutsche Bank AG | 0.25% | 4/26/12 | Open | 5,413,688 | 5,413,500 |
| Total | | | | \$282,099,967 | \$282,005,383 |

Financial futures contracts purchased as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation |
|------------------|--------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 10 | 2-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 2,205,469 | \$ 2,294 |
| 70 | 30-Year US Treasury Bond | Chicago Board of Trade | June 2012 | USD 10,001,250 | 468,010 |
| 301 | 5-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 37,262,859 | 159,955 |
| Total | | | | | \$ 630,259 |

Financial futures contracts sold as of April 30, 2012 were as follows:

| Contracts | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|------------------|----------------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| 764 | 10-Year US Treasury Note | Chicago Board of Trade | June 2012 | USD 101,062,875 | \$(1,648,043) |
| 142 | Ultra Long Term US Treasury Bond | Chicago Board of Trade | June 2012 | USD 22,409,375 | (754,434) |
| Total | | | | | \$(2,402,477) |

Credit default swaps on single-name issues buy protection outstanding as of April 30, 2012 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|------------------------|-----------------------|------------------------------------|------------------------|------------------------------|--------------------------------|
| Southwest Airlines Co. | 1.00% | Goldman Sachs & Co. | 12/20/16 | USD 1,965 | \$(49,284) |
| Southwest Airlines Co. | 1.00% | Royal Bank of Scotland Plc | 12/20/16 | USD 1,965 | (56,923) |
| Time Warner Inc. | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | USD 12,300 | (11,046) |
| Total | | | | | \$(117,253) |

Credit default swaps on single-name issues sold protection outstanding as of April 30, 2012 were as follows:

| Issuer | Receive Fixed | Counter-party | Expiration Date | Issuer Credit | Notional Amount | Unrealized Appreciation |
|---------------|----------------------|----------------------|------------------------|----------------------|------------------------|--------------------------------|
|---------------|----------------------|----------------------|------------------------|----------------------|------------------------|--------------------------------|

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| | Rate | | | Rating ¹ | (000) ² | (Depreciation) |
|----------------------|-------|------------------------------------|---------|---------------------|--------------------|----------------|
| Aviva USA Corp. | 1.00% | Deutsche Bank AG | 5/25/12 | A | USD4,525 | \$ (59) |
| DIRECTV Holdings LLC | 1.00% | Credit Suisse Securities (USA) LLC | 3/20/17 | BBB | USD12,300 | 207,508 |
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD1,500 | (31,316) |
| Total | | | | | | \$ 176,133 |

¹Using S&P's rating.

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

Credit default swaps on traded indexes sold protection outstanding as of April 30, 2012 were as follows:

| Index | Receive Fixed Rate | Counter-party | Expiration Date | Credit Rating ³ | Notional Amount (000) ⁴ | Unrealized Appreciation |
|---|--------------------|------------------------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America High Yield Index Series 18, Version 1 | 5.00% | Credit Suisse Securities (USA) LLC | 6/20/17 | B+ | USD3,080 | \$ 46,622 |

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

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

Interest rate swaps outstanding as of April 30, 2012 were as follows:

| Fixed Rate | Floating Rate | Counter-party | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|------------------------------------|-----------------|-----------------------|--|
| 1.17% ⁵ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 4/11/17 | USD20,000 | \$ (84,273) |
| 1.18% ⁵ | 3-month LIBOR | Deutsche Bank AG | 4/11/17 | USD33,000 | (155,017) |
| 2.35% ⁵ | 3-month LIBOR | Deutsche Bank AG | 3/19/22 | USD10,700 | (314,894) |
| 4.06% ⁵ | 3-month LIBOR | Deutsche Bank AG | 4/18/22 | USD9,500 | (1,435,854) |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD9,800 | |
| 2.05% ⁶ | 3-month LIBOR | Credit Suisse Securities (USA) LLC | 5/02/22 | USD6,500 | 3,311 |
| Total | | | | | \$ (1,986,727) |

⁵Fund pays a fixed interest rate and receives floating rate.

⁶Fund pays a 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 categorized into a disclosure hierarchy consisting of three broad levels for

financial statement purposes as follows:

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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.

46SEMI-ANNUAL REPORT APRIL 30, 2012

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

The following tables summarize the inputs used as of April 30, 2012 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-Backed Securities | — | \$5,239,310 | \$3,718,000 | \$8,957,310 |
| Corporate Bonds | — | 779,718,400 | 5,833,625 | 785,552,025 |
| Preferred Securities | \$2,153,483 | 188,487,039 | — | 190,640,522 |
| Taxable Municipal Bonds | — | 10,616,528 | — | 10,616,528 |
| US Government Sponsored Agency Securities | — | 2,226,198 | — | 2,226,198 |
| US Treasury Obligations | — | 17,460,999 | — | 17,460,999 |
| Short-Term Securities | 2,310,288 | — | — | 2,310,288 |
| Total | \$4,463,771 | \$1,003,748,474 | \$9,551,625 | \$1,017,763,870 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|----------------------|-----------------------|----------------|-----------------------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Equity contracts | \$122,720 | — | — | \$122,720 |
| Interest rate contracts | 630,259 | \$1,617,160 | — | 2,247,419 |
| Credit contracts | — | 254,130 | — | 254,130 |
| Liabilities: | | | | |
| Equity contracts | — | (86,029) | — | (86,029) |
| Interest rate contracts | (2,402,477) | (5,670,502) | — | (8,072,979) |
| Credit contracts | — | (148,569) | \$(59) | (148,628) |
| Total | \$(1,649,498) | \$(4,033,810) | \$(59) | \$(5,683,367) |

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

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

| | Asset-Backed Securities | Corporate Bonds | Total |
|---|-------------------------|-----------------|-------------|
| Assets: | | | |
| Balance, as of October 31, 2011 | \$3,410,000 | \$5,876,000 | \$9,286,000 |
| Accrued discounts/premiums | 31,109 | — | 31,109 |
| Net realized gain (loss) | — | — | — |
| Net change in unrealized appreciation/depreciation ² | 276,891 | (42,375) | 234,516 |
| Purchases | — | — | — |
| Sales | — | — | — |
| Transfers in ³ | — | — | — |

| | | | |
|-------------------------------|--------------|--------------|--------------|
| Transfers out ³ | — | — | — |
| Balance, as of April 30, 2012 | \$ 3,718,000 | \$ 5,833,625 | \$ 9,551,625 |

²Included 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, 2012 was \$6,110,516.

³The 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 in determining fair value:

| | Credit Contracts |
|---|---------------------|
| Assets: | |
| Balance, as of October 31, 2011 | \$8,182 |
| Accrued discounts/premiums | 14,656 |
| Net realized gain (loss) | — |
| Net change in unrealized appreciation/depreciation ⁴ | (8,241) |
| Purchases | — |
| Issuances ⁵ | — |
| Sales | — |
| Settlements ⁶ | (14,656) |
| Transfers in ³ | — |
| Transfers out ³ | — |
| Balance, as of April 30, 2012 | \$(59) |

⁴Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at April 30, 2012 was \$(8,241).

⁵Issuances represent upfront cash received on certain derivative financial instruments.

⁶Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

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

See Notes to Financial Statements.

BlackRock Floating Rate Income Trust (BGT)

Consolidated Schedule of Investments April 30, 2012 (Unaudited)

(Percentages shown are based on Net Assets)

| Asset-Backed Securities | Par (000) | Value |
|---|----------------------|--------------|
| ARES CLO Funds, Series 2005-10A, Class B, 0.86%, 9/18/17 (a)(b) | USD 1,000 | \$ 937,310 |
| Canaras Summit CLO Ltd., Series 2007-1A, Class B, 0.95%, 6/19/21 (a)(b) | 930 | 805,566 |
| Chatham Light CLO Ltd., Series 2005-2A, Class A2, 0.94%, 8/03/19 (a)(b) | 1,000 | 900,000 |
| Flagship CLO, Series 2006-1A, Class B, 0.82%, 9/20/19 (a)(b) | 1,196 | 935,870 |
| Franklin CLO Ltd., Series 6A, Class B, 0.97%, 8/09/19 (a)(b) | 1,180 | 1,007,130 |
| Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b) | 575 | 511,290 |
| Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.83%, 10/27/20 (b) | 715 | 586,300 |
| Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.61%, 4/17/22 (a) | 950 | 866,115 |
| Greyrock CDO Ltd., Series 2005-1X, Class A2L, 0.92%, 11/15/17 | 1,495 | 1,296,763 |
| Landmark CDO Ltd., Series 2006-8A, Class B, 0.83%, 10/19/20 (a)(b) | 1,335 | 1,112,763 |
| MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.42%, 12/21/17 (a)(b) | 705 | 664,462 |
| Race Point CLO, Series 2012-6A, Class D, 4.97%, 5/24/23 (a)(b) | 675 | 631,991 |
| Symphony CLO Ltd., Series 2012-9A, Class D, 4.62%, 4/16/22 (a)(b) | 775 | 708,436 |
| T2 Income Fund CLO Ltd., Series 2007-1A, Class B, 1.07%, 7/15/19 (a)(b) | 815 | 719,278 |
| Total Asset-Backed Securities 3.5% | | 11,683,274 |
| Common Stocks (c) | Shares | |
| Auto Components 0.8% | | |
| Delphi Automotive Plc (180-day lock) (Acquired 11/17/11, cost \$500,143)(d) | 87,569 | 2,665,086 |
| Construction & Engineering 0.0% | | |
| USI United Subcontractors | 7,645 | 15,289 |
| Hotels, Restaurants & Leisure 0.2% | | |
| BLB Worldwide Holdings, Inc. | 50,832 | 632,858 |
| Metals & Mining 0.1% | | |
| Euramax International | 1,135 | 329,208 |
| Paper & Forest Products 0.0% | | |
| Ainsworth Lumber Co. Ltd. | 55,255 | 69,918 |

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| | | |
|---------------------------------------|---------|-----------|
| Ainsworth Lumber Co. Ltd. (a) | 62,685 | 79,320 |
| | | 149,238 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. | 2,947 | 383 |
| HMH Holdings/EduMedia | 115,632 | 8,673 |
| | | 9,056 |
| Total Common Stocks 1.1% | | 3,800,735 |

| Corporate Bonds | Par (000) | |
|---|----------------------|-----------|
| Airlines 0.1% | | |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23 | 335 | 353,230 |
| Auto Components 0.7% | | |
| Icahn Enterprises LP: | | |
| 7.75%, 1/15/16 | 1,515 | 1,594,537 |
| 8.00%, 1/15/18 | 660 | 705,375 |
| | | 2,299,912 |

| Corporate Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Beverages 0.7% | | |
| Central European Distribution Corp., 3.32%, 5/15/14 | EUR 1,500 | \$ 1,713,530 |
| Refresco Group BV, 5.06%, 5/15/18 (a)(b) | 500 | 595,665 |
| | | 2,309,195 |
| Building Products 0.3% | | |
| Grohe Holding GmbH, 4.88%, 9/15/17 (a)(b) | 700 | 889,527 |
| Capital Markets 0.1% | | |
| E*Trade Financial Corp., 0.01%, 8/31/19 (a)(e)(f) | USD 439 | 459,304 |
| Chemicals 0.4% | | |
| Hexion US Finance Corp., 6.63%, 4/15/20 (a) | 650 | 679,250 |
| Ineos Finance Plc (a): | | |
| 8.38%, 2/15/19 | 285 | 305,663 |
| 7.50%, 5/01/20 | 430 | 441,825 |
| | | 1,426,738 |
| Commercial Banks 1.3% | | |
| CIT Group, Inc., 7.00%, 5/02/17 (a) | 400 | 401,000 |
| VTB Bank OJSC Via VTB Capital SA, 6.88%, 5/29/18 | 3,940 | 4,157,527 |
| | | 4,558,527 |
| Commercial Services & Supplies 0.2% | | |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a) | 538 | 557,269 |
| Consumer Finance 0.3% | | |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 1,015 | 1,091,125 |
| Containers & Packaging 0.7% | | |
| Ardagh Packaging Finance Plc: | | |
| 7.38%, 10/15/17 (a) | EUR 400 | 558,602 |
| 7.38%, 10/15/17 | 300 | 418,951 |
| GCL Holdings SCA, 9.38%, 4/15/18 (a) | 329 | 389,770 |
| Smurfit Kappa Acquisitions (a): | | |
| 7.25%, 11/15/17 | 355 | 498,108 |
| 7.75%, 11/15/19 | 416 | 589,206 |

| | | |
|--|-----------|-----------|
| | | 2,454,637 |
| Diversified Financial Services 0.5% | | |
| Ally Financial, Inc., 2.69%, 12/01/14 (b) | USD 795 | 754,163 |
| Reynolds Group Issuer, Inc. (a): | | |
| 7.13%, 4/15/19 | 325 | 339,625 |
| 6.88%, 2/15/21 | 490 | 504,700 |
| | | 1,598,488 |
| Diversified Telecommunication Services 0.2% | | |
| ITC Deltacom, Inc., 10.50%, 4/01/16 | 530 | 567,100 |
| Energy Equipment & Services 0.6% | | |
| Compagnie Generale de Geophysique - Veritas, | | |
| 7.75%, 5/15/17 | 1,795 | 1,866,800 |
| Health Care Providers & Services 1.3% | | |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (a) | GBP 1,750 | 2,712,271 |
| HCA, Inc., 6.50%, 2/15/20 | USD 1,055 | 1,128,850 |
| Tenet Healthcare Corp., 6.25%, 11/01/18 (a) | 495 | 514,800 |
| | | 4,355,921 |
| Hotels, Restaurants & Leisure 0.3% | | |
| MGM Resorts International, 11.13%, 11/15/17 | 1,050 | 1,189,125 |
| Household Durables 0.4% | | |
| Beazer Homes USA, Inc., 12.00%, 10/15/17 | 1,135 | 1,232,184 |
| Berkline/Benchcraft LLC, 4.50%, 11/03/12 (c)(g) | 400 | |
| | | 1,232,184 |
| Independent Power Producers & Energy Traders 1.1% | | |
| Calpine Corp., 7.25%, 10/15/17 (a) | 125 | 133,437 |
| Energy Future Holdings Corp., 10.00%, 1/15/20 | 725 | 789,344 |
| Energy Future Intermediate Holding Co. LLC, | | |
| 10.00%, 12/01/20 | 2,525 | 2,786,969 |
| | | 3,709,750 |

See Notes to Financial Statements.

48 SEMI-ANNUAL REPORT APRIL 30, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Trust (BGT)**
 (Percentages shown are based on Net Assets)

| Corporate Bonds | Par (000) | Value |
|--|----------------------|--------------|
| Machinery 1.1% | | |
| KION Finance SA, 5.01%, 4/15/18 (a)(b) | EUR 3,000 | \$3,593,846 |
| UR Financing Escrow Corp., 5.75%, 7/15/18 (a) | USD 210 | 216,825 |
| | | 3,810,671 |
| Media 4.0% | | |
| Clear Channel Worldwide Holdings, Inc.: | | |
| 9.25%, 12/15/17 | 501 | 546,716 |
| Series B, 9.25%, 12/15/17 | 1,704 | 1,868,010 |
| Kabel BW Erste Beteiligungs GmbH, 5.13%, 3/15/18 (a)(b) | EUR 2,000 | 2,667,256 |
| Odeon & UCI Finco Plc, 9.00%, 8/01/18 (a) | GBP 914 | 1,453,664 |
| Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH): | | |
| 8.13%, 12/01/17 | EUR 500 | 696,598 |
| 8.13%, 12/01/17 (a) | USD 2,500 | 2,681,250 |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18 | GBP 1,197 | 2,073,737 |
| Ziggo Finance BV, 6.13%, 11/15/17 (a) | EUR 1,005 | 1,410,138 |
| | | 13,397,369 |
| Metals & Mining 0.1% | | |
| New World Resources NV, 7.88%, 5/01/18 | 285 | 377,255 |
| Oil, Gas & Consumable Fuels 3.1% | | |
| Coffeyville Resources LLC, 9.00%, 4/01/15 (a) | USD 342 | 365,085 |
| Everest Acquisition LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 (a) | 440 | 462,000 |
| Gazprom OAO Via RBS AG, 9.63%, 3/01/13 | 3,230 | 3,432,133 |
| KazmunaiGaz Finance Sub BV, 8.38%, 7/02/13 | 1,500 | 1,588,110 |
| OGX Petroleo e Gas Participacoes SA, 8.50%, 6/01/18 (a) | 1,600 | 1,660,000 |
| Petroleos de Venezuela SA, 5.25%, 4/12/17 | 4,000 | 3,105,000 |
| | | 10,612,328 |
| Paper & Forest Products 0.3% | | |
| Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(h) | 545 | 441,635 |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a) | 420 | 424,200 |
| | | 865,835 |
| Pharmaceuticals 0.1% | | |
| Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a) | 235 | 243,519 |
| Real Estate Management & Development 0.1% | | |
| Realogy Corp., 7.63%, 1/15/20 (a) | 445 | 461,688 |
| Specialty Retail 0.2% | | |
| House of Fraser Funding Plc, 8.88%, 8/15/18 (a) | GBP 349 | 519,665 |
| Transportation Infrastructure 0.4% | | |
| Aguila 3 SA, 7.88%, 1/31/18 (a) | CHF 1,100 | 1,266,457 |

Wireless Telecommunication Services 2.8%

| | | |
|--|----------|------------|
| Cricket Communications, Inc., 7.75%, 5/15/16 | USD1,950 | 2,052,375 |
| iPCS, Inc., 2.67%, 5/01/13 (b) | 1,155 | 1,120,350 |
| Matterhorn Mobile SA, 6.34%, 5/15/19 (b) | EUR3,000 | 4,030,667 |
| Sprint Nextel Corp. (a): | | |
| 9.00%, 11/15/18 | USD790 | 869,988 |
| 7.00%, 3/01/20 | 1,460 | 1,489,200 |
| | | 9,562,580 |
| Total Corporate Bonds 21.4% | | 72,036,199 |

Floating Rate Loan Interests (b)**Aerospace & Defense 1.7%**

| | | |
|---|-------|-----------|
| DynCorp International, Term Loan B, 6.25%, 7/07/16 | 491 | 490,205 |
| SI Organization, Inc., New Term Loan B, 4.50%, 11/22/16 | 1,080 | 1,045,746 |
| Spirit Aerosystems, Inc., Term Loan B, 1.00%, 4/18/19 | 1,085 | 1,086,628 |

Floating Rate Loan Interests (b)

**Par
(000) Value**

Aerospace & Defense (concluded)

| | | |
|---|--------|-----------|
| TransDigm, Inc.: | | |
| Add-On Term Loan B2, 4.00%, 2/14/17 | USD454 | \$454,089 |
| Term Loan (First Lien), 4.00%, 2/14/17 | 1,975 | 1,974,388 |
| Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17 | 818 | 818,729 |
| | | 5,869,785 |

Airlines 0.5%

| | | |
|--|-------|-----------|
| Delta Air Lines, Inc., Credit New Term Loan B, 5.50%, 4/20/17 | 1,640 | 1,641,269 |
|--|-------|-----------|

Auto Components 3.1%

| | | |
|--|-------|------------|
| Allison Transmission, Inc., Term Loan B, 2.74%, 8/07/14 | 2,800 | 2,790,842 |
| Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17 | 1,642 | 1,613,020 |
| Federal-Mogul Corp.: | | |
| Term Loan B, 2.18%, 12/29/14 | 1,706 | 1,651,255 |
| Term Loan C, 2.18%, 12/28/15 | 477 | 461,192 |
| The Goodyear Tire & Rubber Co., Term Loan (Second Lien), 1.00%, 4/30/19 | 1,785 | 1,759,332 |
| GPX International Tire Corp. (c)(g): | | |
| 14.00%, 3/30/12 | 4 | 0.00 |
| 12.25%, 3/31/12 | 274 | 0.00 |
| Schaeffler AG, Term Loan C2, 6.00%, 1/27/17 | 1,200 | 1,203,852 |
| UCI International, Inc., Term Loan, 5.50%, 7/26/17 | 938 | 941,061 |
| | | 10,420,554 |

Beverages 0.0%

| | | |
|---|-------|-----|
| Le-Nature's, Inc, Tranche B Term Loan, 9.50%, 3/01/11 (c)(g) | 1,000 | 100 |
|---|-------|-----|

Biotechnology 0.5%

| | | |
|---|-------|-----------|
| Grifols SA, Term Loan B, 4.50%, 6/01/17 | 1,864 | 1,863,854 |
|---|-------|-----------|

Building Products 2.7%

| | | |
|--|-------|-----------|
| Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18 | 2,061 | 2,059,903 |
|--|-------|-----------|

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| | | |
|---|---------|-----------|
| CPG International I, Inc., Term Loan B, 6.00%, 2/18/17 | 2,123 | 2,031,512 |
| Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/28/16 | 3,714 | 3,729,466 |
| Momentive Performance Materials, Inc. (Blitz 06-103 GmbH), Tranche B-2B Term Loan, 3.90%, 5/05/15 | EUR 810 | 1,022,207 |
| United Subcontractors, Inc., Term Loan (First Lien), 4.58%, 6/30/15 | USD 196 | 176,139 |
| | | 9,019,227 |

Capital Markets 1.5%

| | | |
|---|-------|-----------|
| American Capital Ltd., Term Loan B, 7.50%, 12/31/13 | 168 | 165,994 |
| HarbourVest Partners LLC, Term Loan (First Lien), 6.25%, 12/16/16 | 1,998 | 2,000,905 |
| Nuveen Investments, Inc.: | | |
| (First Lien) Term Loan, 5.74% 5.97%, 5/12/17 | 1,773 | 1,772,939 |
| (First Lien) Extended Term Loan, 5.97%, 5/13/17 | 750 | 750,332 |
| Incremental Term Loan, 7.25%, 5/13/17 | 425 | 427,019 |
| | | 5,117,189 |

Chemicals 6.6%

| | | |
|---|-----------|-----------|
| American Rock Salt Holdings LLC, Term Loan B, 5.50%, 4/25/17 | 1,609 | 1,551,442 |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16 | 1,800 | 1,809,900 |
| Gentek, Inc., Term Loan B, 5.00%, 10/06/15 | 1,302 | 1,304,381 |
| Ineos US Finance LLC: | | |
| 3 Year Term Loan, 5.50%, 4/27/15 | 235 | 235,588 |
| 5 Year Term Loan, 6.50%, 4/27/18 | 6,660 | 6,684,975 |
| MDI Holdings LLC, Tranche C Term Loan, 2.60%, 4/11/14 | EUR 1,358 | 1,776,524 |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17 | USD 1,386 | 1,355,965 |
| PolyOne Corp., Term Loan, 5.00%, 9/08/17 | 484 | 484,997 |
| PQ Corp. (FKA Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.99%, 7/30/14 | 2,302 | 2,244,290 |
| Styron Sarl LLC, Term Loan B, 6.00%, 8/02/17 | 614 | 572,185 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 49

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Trust (BGT)**
(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (b) | Par (000) | Value |
|--|----------------------|--------------|
| Chemicals (concluded) | | |
| Tronox Worldwide LLC, Term Loan B, 4.25%, 2/08/18 | USD 1,705 | \$1,707,370 |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | 2,351 | 2,354,077 |
| | | 22,081,694 |
| Commercial Services & Supplies 3.7% | | |
| ACCO Brands Corp., Term Loan B, 1.00%, 3/08/19 | 2,185 | 2,192,276 |
| Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15 | 1,825 | 1,827,076 |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16 | 1,455 | 1,464,943 |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16 | 2,175 | 2,181,808 |
| KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17 | 2,184 | 2,193,064 |
| Synagro Technologies, Inc., Term Loan B, 2.24% 2.25%, 4/02/14 | 1,728 | 1,556,238 |
| Volume Services America, Inc. (FKA Centerplate), Term Loan B, 10.50% 11.75%, 9/16/16 | 1,207 | 1,209,267 |
| | | 12,624,672 |
| Communications Equipment 2.9% | | |
| Avaya, Inc.: | | |
| Term Loan B1, 3.24%, 10/24/14 | 1,073 | 1,053,337 |
| Term Loan B3, 4.99%, 10/26/17 | 404 | 390,977 |
| CommScope, Inc., Term Loan B, 4.25%, 1/14/18 | 1,755 | 1,754,754 |
| Telesat Canada, Term Loan A, 4.25%, 3/24/17 | CAD6,670 | 6,532,596 |
| | | 9,731,664 |
| Construction & Engineering 0.8% | | |
| BakerCorp. International, Inc., Term Loan B, 4.75%, 6/01/18 | USD 680 | 679,863 |
| Safway Services LLC, First Out Tranche Loan, 9.00%, 12/16/17 | 2,100 | 2,100,000 |
| | | 2,779,863 |
| Construction Materials 1.4% | | |
| HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17 | 4,745 | 4,757,622 |
| Consumer Finance 1.4% | | |
| Springleaf Finance Corp. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17 | 5,160 | 4,888,016 |
| Containers & Packaging 0.8% | | |
| Sealed Air Corp., Term Loan B, 4.75%, 10/03/18 | 1,606 | 1,622,082 |
| Smurfit Kappa Acquisitions: | | |
| Term Loan B4, 4.03% 4.63%, 6/30/16 | EUR 456 | 603,628 |
| Term Loan C4, 4.22% 4.74%, 3/31/17 | 450 | 599,789 |
| | | 2,825,499 |
| Diversified Consumer Services 4.2% | | |
| Coinmach Service Corp.: | | |

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| | | |
|---|---------|------------|
| Delayed Draw Term Loan, 3.24%, 11/20/14 | USD 485 | 449,400 |
| Term Loan, 3.24%, 11/20/14 | 2,218 | 2,055,131 |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18 | 825 | 823,193 |
| Laureate Education, Inc., Series A, Extended Term Loan, 5.25%, 8/15/18 | 4,638 | 4,576,243 |
| Protection One Alarm Monitoring, Inc., Term Loan, 5.75%, 3/16/19 | 1,360 | 1,360,571 |
| ServiceMaster Co.: | | |
| Delayed Draw Term Loan, 2.74%, 7/24/14 | 252 | 248,719 |
| Term Loan, 2.75% 2.99%, 7/24/14 | 2,527 | 2,497,662 |
| Weight Watchers International, Inc., Term Loan F, 4.00%, 3/12/19 | 2,315 | 2,313,820 |
| | | 14,324,739 |

Diversified Financial Services 1.9%

| | | |
|---|-----------|-----------|
| Reynolds Group Holdings, Inc., Term Loan B, 6.75%, 2/09/18 | EUR 4,897 | 6,453,317 |
|---|-----------|-----------|

Floating Rate Loan Interests (b)

**Par
(000) Value**

Diversified Telecommunication Services 4.3%

| | | |
|--|-----------|--------------|
| Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17 | USD 1,470 | \$ 1,465,708 |
| Integra Telecom Holdings, Inc., Term Loan, 9.25%, 4/15/15 | 1,990 | 1,906,260 |
| Level 3 Financing, Inc.: | | |
| Term Loan B2, 5.75%, 9/03/18 | 4,600 | 4,662,100 |
| Term Loan B3, 5.75%, 8/31/18 | 2,025 | 2,052,337 |
| Tranche A Term Loan, 2.49% 2.72%, 3/13/14 | 2,550 | 2,530,875 |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17 | 1,908 | 1,823,317 |
| | | 14,440,597 |

Electronic Equipment, Instruments & Components 1.1%

| | | |
|--|-------|-----------|
| CDW LLC (FKA CDW Corp.), Extended Term Loan, 4.00%, 7/14/17 | 2,224 | 2,183,264 |
| Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18 | 1,665 | 1,663,492 |
| | | 3,846,756 |

Energy Equipment & Services 3.4%

| | | |
|--|-------|------------|
| CCS Corp.: | | |
| Incremental Term Loan, 6.50%, 10/17/14 | 928 | 930,959 |
| Term Loan B, 3.24%, 11/14/14 | 1,796 | 1,752,735 |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16 | 1,139 | 1,163,485 |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16 | 1,448 | 1,513,785 |
| MEG Energy Corp., Term Loan B, 4.00%, 3/16/18 | 6,070 | 6,073,627 |
| | | 11,434,591 |

Food & Staples Retailing 2.9%

| | | |
|---|-----------|-----------|
| AB Acquisitions UK Topco 2 Ltd., Facility B1, 3.57%, 7/09/15 | GBP 4,525 | 6,771,700 |
| Iceland Foods Group Ltd., Term Loan B1, 6.52%, 4/13/19 | 1,000 | 1,614,331 |

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| | | |
|---|-----------|-------------------------|
| US Foodservice, Inc., Term Loan B, 2.74%, 7/03/14 | USD 1,498 | 1,472,484 9,858,515 |
| Food Products 3.9% | | |
| Advance Pierre Foods, Inc.: | | |
| Term Loan (First Lien), 7.00%, 9/30/16 | 1,633 | 1,639,347 |
| Term Loan (Second Lien), 11.25%, 9/29/17 | 1,530 | 1,540,205 |
| Birds Eye Iglo Group Ltd. (Liberator Midco Ltd.), | | |
| Term Loan B, 5.62%, 4/30/16 | EUR 3,000 | 3,971,101 |
| Del Monte Corp., Term Loan, 4.50%, 3/08/18 | | |
| USD 2,596 | | 2,578,046 |
| Michaels Foods Group, Inc., Term Loan B, | | |
| 4.25%, 2/23/18 | 312 | 311,920 |
| Pinnacle Foods Finance LLC: | | |
| Term Loan E, 4.75%, 10/17/18 | 1,384 | 1,383,088 |
| Solvest Ltd. (Dole): | | |
| Tranche B-2 Term Loan, 5.00% 6.00%, 7/06/18 | 580 | 582,292 |
| Tranche C-2 Term Loan, 5.00% 6.00%, 7/06/18 | 1,038 | 1,041,997 13,047,996 |
| Health Care Equipment & Supplies 1.9% | | |
| Biomet, Inc., Term Loan B, 3.24% 3.47%, 3/25/15 | | |
| 481 | | 479,238 |
| DJO Finance LLC: | | |
| Extended Term Loan B2, 5.24%, 11/01/16 | | |
| 414 | | 413,015 |
| Term Loan B3, 6.25%, 9/15/17 | | |
| 2,785 | | 2,789,345 |
| Hupah Finance Inc., Term Loan B, 6.25%, 1/21/19 | | |
| 960 | | 968,400 |
| Immucor, Inc., Term Loan B, 7.25%, 8/17/18 | | |
| 1,751 | | 1,767,626 6,417,624 |
| Health Care Providers & Services 3.4% | | |
| CHS/Community Health Systems, Inc., Non-Extended | | |
| Delayed Draw Term Loan, 2.49% 2.74%, 7/25/14 | | |
| 1,126 | | 1,115,583 |
| ConvaTec, Inc., Term Loan, 5.75%, 12/22/16 | | |
| 1,186 | | 1,189,753 |
| DaVita, Inc., Term Loan B, 4.50%, 10/20/16 | | |
| 2,200 | | 2,207,031 |
| Emergency Medical Services, Term Loan, | | |
| 5.25%, 5/25/18 | 1,710 | 1,714,525 |

See Notes to Financial Statements.

50 SEMI-ANNUAL REPORT APRIL 30, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Trust (BGT)**
(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (b) | Par (000) | Value |
|---|----------------------|--------------|
| Health Care Providers & Services (concluded) | | |
| Harden Healthcare LLC: | | |
| Term Loan A, 8.50%, 3/02/15 | USD796 | \$ 779,845 |
| Tranche A Additional Term Loan, 7.75%, 3/02/15 | 1,319 | 1,292,619 |
| inVentiv Health, Inc.: | | |
| Incremental Term Loan B-3, 6.75%, 5/15/18 | 449 | 425,221 |
| Term Loan B, 6.50%, 8/04/16 | 1,451 | 1,368,008 |
| Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17 | 1,489 | 1,444,087 |
| | | 11,536,672 |
| Health Care Technology 1.3% | | |
| IMS Health, Inc., Term Loan B, 4.50%, 8/25/17 | 1,489 | 1,492,645 |
| Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18 | 1,751 | 1,785,625 |
| MedAssets, Inc., Term Loan, 5.25%, 11/16/16 | 970 | 974,575 |
| | | 4,252,845 |
| Hotels, Restaurants & Leisure 6.1% | | |
| Alpha D2 Ltd., Term Loan B, 5.75%, 4/19/17 | 390 | 392,340 |
| Ameristar Casinos, Inc., Term Loan B, 4.00%, 4/13/18 | 1,543 | 1,548,327 |
| Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15 | 1,047 | 1,056,098 |
| Caesars Entertainment Operating Co., Inc.: | | |
| Incremental Term Loan B4, 9.50%, 10/31/16 | 1,378 | 1,413,986 |
| Term Loan B1, 3.24%, 1/28/15 | 738 | 700,650 |
| Term Loan B3, 3.24%, 1/28/15 | 4,862 | 4,614,818 |
| DineEquity, Inc., Term Loan B, 4.25%, 10/19/17 | 75 | 75,122 |
| Dunkin' Brands, Inc., Term Loan B, 4.00%, 11/23/17 | 2,090 | 2,092,469 |
| OSI Restaurant Partners LLC: | | |
| Revolver, 2.54% 2.72%, 6/14/13 | 38 | 37,569 |
| Term Loan B, 2.56%, 6/14/14 | 59 | 58,276 |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17 | 1,174 | 1,174,444 |
| Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 4.25%, 12/20/18 | 1,885 | 1,887,620 |
| Station Casinos, Inc., Term Loan B1, 3.24%, 6/17/16 | 1,191 | 1,109,256 |
| Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15 | 1,254 | 1,257,935 |
| Wendy's / Arby's Restaurants LLC, Term Loan B, 4.75%, 5/03/19 | 3,180 | 3,195,900 |
| | | 20,614,810 |
| Household Durables 0.0% | | |
| Berkline/Benchcraft LLC, Term Loan B, 14.00%, 11/03/13 (c)(g) | 159 | 40,490 |
| Household Products 0.5% | | |
| Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19 | 1,650 | 1,659,490 |

| | | | |
|--|--------------|----------------------|--------------|
| Independent Power Producers & Energy Traders | 0.6% | | |
| AES Corp., Term Loan, 4.25%, 6/01/18 | | 1,931 | 1,932,102 |
| Industrial Conglomerates | 1.7% | | |
| Schrader International, Term Loan B, 5.75%, 4/20/18 | | 620 | 612,250 |
| Sequa Corp.: | | | |
| Incremental Term Loan, 6.25%, 12/03/14 | | 673 | 675,205 |
| Term Loan, 3.72% 3.78%, 12/03/14 | | 4,362 | 4,316,262 |
| | | | 5,603,717 |
| Insurance | 0.7% | | |
| Asurion LLC, Term Loan (First Lien), 5.50%, 5/24/18 | | 801 | 801,462 |
| CNO Financial Group, Inc., Term Loan B, 6.25%, 9/30/16 | | 1,557 | 1,562,746 |
| | | | 2,364,208 |
| Internet Software & Services | 0.4% | | |
| Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17 | | 1,206 | 1,205,291 |
| IT Services | 4.4% | | |
| Ceridian Corp., Term Loan, 3.24%, 11/10/14 | | 1,805 | 1,725,725 |
| First Data Corp.: | | | |
| Extended Term Loan B, 4.24%, 3/23/18 | | 7,440 | 6,780,695 |
| Term Loan B-1, 2.99%, 9/24/14 | | 1,161 | 1,110,181 |
| Term Loan B-3, 2.99%, 9/24/14 | | 281 | 268,532 |
| Floating Rate Loan Interests (b) | | Par (000) | Value |
| IT Services (concluded) | | | |
| Infogroup Inc., Term Loan, 5.75%, 5/25/18 | | USD442 | \$ 400,050 |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17 | | 332 | 333,599 |
| NeuStar, Inc., Term Loan B, 5.00%, 11/08/18 | | 1,095 | 1,102,249 |
| SunGard Data Systems, Inc. (Solar Capital Corp.), Tranche B Term Loan, 3.86% 4.15%, 2/26/16 | | 271 | 271,656 |
| TransUnion LLC, Term Loan B, 4.75%, 2/12/18 | | 2,831 | 2,857,649 |
| | | | 14,850,336 |
| Leisure Equipment & Products | 0.5% | | |
| Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/20/13 | | 560 | 569,128 |
| Freedom Group, Inc., Term Loan, 5.50%, 4/12/19 | | 1,080 | 1,088,100 |
| | | | 1,657,228 |
| Machinery | 1.5% | | |
| Rexnord Corp., Term Loan B, 5.00%, 4/02/18 | | 823 | 828,492 |
| Terex Corp.: | | | |
| Term Loan, 6.00%, 4/28/17 | | EUR353 | 465,226 |
| Term Loan B, 5.50%, 4/28/17 | | USD1,593 | 1,603,101 |
| Tomkins LLC, Term Loan B, 4.25%, 9/23/16 | | 1,999 | 2,004,908 |
| | | | 4,901,727 |
| Media | 19.8% | | |
| Acosta, Inc., Term Loan, 4.75%, 3/01/18 | | 627 | 626,416 |
| Affinion Group, Inc., Term Loan B, 5.00%, 10/10/16 | | 1,479 | 1,404,309 |
| AMC Entertainment, Inc., Term Loan B3, 4.25%, 2/22/18 | | 848 | 845,230 |
| AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18 | | 1,787 | 1,780,551 |
| Atlantic Broadband Finance LLC, Term Loan (First Lien), 5.25%, 4/03/19 | | 970 | 973,638 |
| Bresnan Telecommunications Co. LLC, Term Loan, 4.50%, 12/14/17 | | 1,550 | 1,551,200 |

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| | | |
|---|-----------|------------|
| Capsugel Healthcare Ltd., Term Loan, 5.25%, 8/01/18 | 1,286 | 1,298,477 |
| Catalina Marketing Corp., Extended Term Loan B, 5.74%, 12/13/17 | 1,440 | 1,420,123 |
| Cengage Learning Acquisitions, Inc. (FKA Thomson Learning): | | |
| Term Loan, 2.49%, 7/03/14 | 623 | 569,141 |
| Tranche 1 Incremental Term Loan, 7.50%, 7/03/14 | 1,115 | 1,071,065 |
| Cequel Communications LLC, Term Loan B, 4.00%, 2/11/19 | 1,345 | 1,330,608 |
| Charter Communications Operating LLC: | | |
| Term Loan C, 3.72%, 9/06/16 | 485 | 484,671 |
| Term Loan D, 4.00%, 4/26/19 | 189 | 188,074 |
| Clarke American Corp., Term Facility B, 2.74% 2.97%, 6/30/14 | 320 | 306,816 |
| Clear Channel Communications, Inc.: | | |
| Term Loan B, 3.89%, 1/28/16 | 2,850 | 2,296,724 |
| Term Loan C, 3.89%, 1/28/16 | 413 | 322,773 |
| Cumulus Media, Inc., Term Loan, 5.75%, 9/17/18 | 1,495 | 1,506,149 |
| EMI Music Publishing Ltd., Term Loan B, 6.00%, 11/14/17 | 1,215 | 1,221,840 |
| Gray Television, Inc., Term Loan B, 3.74%, 12/31/14 | 1,471 | 1,460,703 |
| HMH Publishing Co. Ltd., Tranche A Term Loan, 6.49%, 6/12/14 | 1,854 | 1,109,045 |
| Hubbard Broadcasting, Inc., Term Loan B (Second Lien), 5.25%, 4/28/17 | 1,022 | 1,026,673 |
| Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings, Ltd.), Tranche B Term Loan, 5.25%, 4/02/18 | 10,148 | 10,195,092 |
| Interactive Data Corp., Term Loan B, 4.50%, 2/12/18 | 3,589 | 3,590,437 |
| Kabel Deutschland GmbH: | | |
| Term Loan A1, 3.90%, 3/31/14 | EUR 3,043 | 4,014,069 |
| Term Loan D, 4.40%, 12/13/16 | 1,000 | 1,325,501 |
| Term Loan E, 3.65%, 6/15/18 | 4,000 | 5,276,958 |
| Term Loan F, 4.25%, 2/01/19 | USD 1,695 | 1,692,881 |
| Knology, Inc., Term Loan B, 4.00%, 8/18/17 | 412 | 411,874 |
| Lavena Holding 4 GmbH (Prosiebensat.1 Media AG): | | |
| Term Loan B, 3.68%, 3/06/15 | EUR 304 | 345,010 |
| Term Loan C, 4.06%, 3/04/16 | 608 | 694,042 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 51

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Trust (BGT)**
 (Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (b) | Par (000) | Value |
|--|----------------------|--------------|
| Media (concluded) | | |
| Liberty Cablevision of Puerto Rico Ltd., Term Loan B, 2.47%, 6/13/14 | USD 1,429 | \$ 1,405,533 |
| LIN Television Corp., Term Loan B, 5.00%, 12/21/18 | 868 | 870,715 |
| Newsday LLC, Fixed Rate Term Loan: 6.72%, 8/01/13 | 1,250 | 1,255,212 |
| 10.50%, 8/01/13 | 1,500 | 1,538,445 |
| Nielsen Finance LLC, Class B Dollar Term Loan, 3.99%, 5/02/16 | 1,706 | 1,713,317 |
| Serpering Investments BV (Casema NV), Term Loan B, 3.40%, 3/31/17 | EUR 619 | 817,086 |
| Sinclair Television Group, Inc., Tranche B Term Loan, 4.00%, 10/28/16 | USD 1,408 | 1,408,311 |
| Univision Communications, Inc., Extended First Lien Term Loan, 4.49%, 3/31/17 | 2,467 | 2,303,636 |
| UPC Broadband Holding BV, Term Loan U, 4.42%, 12/29/17 | EUR 775 | 1,006,216 |
| UPC Financing Partnership: Term Loan, 4.75%, 12/29/17 | USD 680 | 681,489 |
| Term Loan T, 3.74%, 12/30/16 | 195 | 194,025 |
| WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18 | 529 | 529,519 |
| Weather Channel, Term Loan B, 4.25%, 2/13/17 | 2,556 | 2,562,018 |
| | | 66,625,612 |
| Metals & Mining 2.4% | | |
| Novelis, Inc.: | | |
| Incremental Term Loan B2, 4.00%, 3/10/17 | 392 | 391,692 |
| Term Loan, 4.00%, 3/10/17 | 3,288 | 3,285,493 |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18 | 844 | 843,626 |
| Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18 | 3,416 | 3,410,114 |
| | | 7,930,925 |
| Multiline Retail 2.0% | | |
| 99 Cents Only Stores, Term Loan B, 6.25% 7.00%, 1/11/19 | | |
| | 1,312 | 1,311,712 |
| HEMA Holding BV: | | |
| Second Lien Term Loan, 5.77%, 1/05/17 | EUR 3,800 | 4,258,802 |
| Term Loan B, 2.42%, 7/06/16 | 169 | 211,783 |
| Term Loan C, 3.17%, 7/05/15 | 169 | 210,663 |
| The Neiman Marcus Group, Inc., Term Loan, 4.75%, 5/16/18 | USD 750 | 750,157 |
| | | 6,743,117 |
| Oil, Gas & Consumable Fuels 1.9% | | |
| EP Energy Corp., Term Loan B, 6.50%, 4/10/18 | 935 | 944,546 |
| EquiPower Resources Holdings LLC, Term Loan B, 5.75%, 1/26/18 | 1,903 | 1,776,333 |

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| | | |
|--|-------|-----------|
| Gibson Energy, Inc., Term Loan B, 5.75%, 6/15/18 | 2,184 | 2,189,876 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | 1,460 | 1,470,554 |
| | | 6,381,309 |

Paper & Forest Products 0.2%

| | | |
|--|-----|---------|
| NewPage Corp., DIP Term Loan, 8.00%, 3/07/13 | 550 | 554,356 |
| Verso Paper Finance Holdings LLC, Term Loan with PIK option, 6.79% 7.54%, 2/01/13 (h) | 426 | 213,049 |
| | | 767,405 |

Pharmaceuticals 3.8%

| | | |
|---|-------|-----------|
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17 | 2,666 | 2,636,255 |
| Endo Pharmaceuticals Holdings, Inc., Term Loan B, 4.00%, 6/18/18 | 433 | 433,954 |
| Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18 | 3,012 | 3,041,309 |
| Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18 | 1,310 | 1,310,506 |
| RPI Finance Trust, Term Loan Tranche 2, 4.00%, 5/09/18 | 1,090 | 1,093,408 |
| Taminco Global Chemical Corp., New Term Loan, 6.25%, 2/15/19 | 675 | 679,955 |

Floating Rate Loan Interests (b)

**Par
(000) Value**

Pharmaceuticals (concluded)

| | | |
|--|-----------|--------------|
| Valeant Pharmaceuticals International, Add-On Term Loan B, 3.75%, 2/08/19 | USD 2,355 | \$ 2,343,225 |
| Warner Chilcott Corp.: | | |
| Term Loan B-1, 4.25%, 3/15/18 | 769 | 770,210 |
| Term Loan B-2, 4.25%, 3/15/18 | 385 | 385,105 |
| | | 12,693,927 |

Professional Services 0.5%

| | | |
|--|-------|-----------|
| Emdeon, Inc., Term Loan B, 6.75%, 11/02/18 | 1,680 | 1,694,591 |
|--|-------|-----------|

Real Estate Investment Trusts (REITs) 0.8%

| | | |
|------------------------------|-------|-----------|
| iStar Financial, Inc.: | | |
| Term Loan A1, 5.00%, 6/28/13 | 2,783 | 2,778,434 |
| Term Loan A2, 7.00%, 6/30/14 | 95 | 95,000 |
| | | 2,873,434 |

Real Estate Management & Development 1.4%

| | | |
|--|-------|-----------|
| Realogy Corp.: | | |
| Extended Synthetic Letter of Credit, 3.24%, 10/10/13 | 68 | 64,712 |
| Extended Synthetic Letter of Credit, 4.49%, 10/10/16 | 306 | 284,881 |
| Extended Term Loan, 4.49%, 10/10/16 | 4,582 | 4,259,588 |
| | | 4,609,181 |

Road & Rail 1.4%

| | | |
|--|-----------|-----------|
| Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18 | 638 | 642,800 |
| RAC Ltd., Term Loan B, 5.38% 5.78%, 7/30/18 | GBP 1,356 | 2,168,374 |
| RailAmerica, Inc., Term Loan B, 4.00%, 3/01/19 | USD 1,180 | 1,180,366 |
| Road Infrastructure Investment LLC, Term Loan B, 5.47%, 3/30/18 | 625 | 623,831 |
| | | 4,615,371 |

Semiconductors & Semiconductor Equipment 0.6%

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| | | |
|---|-------|-----------|
| Freescale Semiconductor, Inc., Extended Term Loan B, 4.49%, 12/01/16 | 796 | 779,627 |
| NXP BV, Term Loan A-2, 5.50%, 3/03/17 | 1,130 | 1,130,023 |
| | | 1,909,650 |

Software 2.1%

| | | |
|--|-------|-----------|
| Bankruptcy Management Solutions, Inc.: | | |
| Term Loan (First Lien), 7.50%, 8/20/14 | 719 | 269,798 |
| Term Loan (Second Lien), 8.30%, 8/20/15 | 268 | 7,361 |
| Blackboard, Inc., Term Loan B, 7.50%, 10/04/18 | 449 | 445,284 |
| Lawson Software, Term Loan B, 6.25%, 4/05/18 | 4,750 | 4,809,375 |
| Sophia LP, Term Loan B, 6.25%, 7/19/18 | 1,100 | 1,116,500 |
| Vertafore, Inc., Term Loan B, 5.25%, 7/29/16 | 339 | 339,876 |
| | | 6,988,194 |

Specialty Retail 4.5%

| | | |
|---|-------|------------|
| Academy Ltd., Term Loan, 6.00%, 8/03/18 | 1,895 | 1,912,345 |
| Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17 | 1,491 | 1,492,781 |
| Burlington Coat Factory Warehouse Corp., Term Loan B, 6.25%, 2/23/17 | 1,022 | 1,021,520 |
| Claire's Stores, Inc., Term Loan B, 2.99% 3.30%, 5/29/14 | 440 | 419,105 |
| General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18 | 1,990 | 1,994,259 |
| The Gymboree Corp., Term Loan, 5.00%, 2/23/18 | 243 | 233,569 |
| Jo-Ann Stores, Inc., Term Loan B, 4.75%, 3/16/18 | 591 | 589,768 |
| Michaels Stores, Inc.: | | |
| Extended Term Loan B3, 5.00%, 7/29/16 | 820 | 824,050 |
| Term Loan B2, 5.00%, 7/29/16 | 780 | 784,095 |
| Petco Animal Supplies, Inc., Term Loan B, 4.50%, 11/24/17 | 2,008 | 2,008,657 |
| Toys 'R' Us Delaware, Inc.: | | |
| Incremental Term Loan B2, 5.25%, 5/25/18 | 496 | 485,496 |
| Term Loan, 6.00%, 5/25/18 | 510 | 497,887 |
| Term Loan B1, 6.00%, 9/01/16 | 1,065 | 1,063,927 |
| The Yankee Candle Co., Term Loan B, 5.25%, 4/02/19 | 1,665 | 1,675,107 |
| | | 15,002,566 |

See Notes to Financial Statements.

52 SEMI-ANNUAL REPORT APRIL 30, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Trust (BGT)**
(Percentages shown are based on Net Assets)

| Floating Rate Loan Interests (b) | Par (000) | Value |
|---|----------------------|----------------------|
| Textiles, Apparel & Luxury Goods 0.9% | | |
| Ascend Performance Materials LLC, 6.75%, 4/10/18 | USD2,430 | \$2,398,604 |
| Phillips-Van Heusen Corp., Term Loan B, 3.75%, 5/06/16 | EUR544 | 716,400 3,115,004 |
| Wireless Telecommunication Services 1.9% | | |
| Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19 | USD1,679 | 1,678,710 |
| MetroPCS Wireless, Inc., Term Loan B-3, 4.00%, 3/16/18 | 1,057 | 1,045,771 |
| Vodafone Americas Finance 2, Inc. (h): Term Loan, 6.88%, 8/11/15 | 2,647 | 2,686,857 |
| Term Loan B, 6.25%, 7/11/16 | 825 | 833,250 6,244,588 |
| Total Floating Rate Loan Interests 116.5% | | 392,258,933 |
| Foreign Agency Obligations | | |
| Argentina Bonos: | | |
| 0.79%, 8/03/12 (b) | 1,250 | 1,221,000 |
| 7.00%, 10/03/15 | 2,000 | 1,785,834 |
| Colombia Government International Bond, 4.02%, 3/17/13 (b) | 240 | 243,600 |
| Uruguay Government International Bond, 6.88%, 1/19/16 | EUR950 | 1,441,741 |
| Total Foreign Agency Obligations 1.4% | | 4,692,175 |
| Other Interests (i) | | |
| Auto Components 0.0% | | |
| Lear Corp. Escrow (c) | USD500 | 3,750 |
| Diversified Financial Services 0.3% | | |
| JG Wentworth LLC Preferred Equity Interests (c) | 1 | 1,176,896 |
| Hotels, Restaurants & Leisure 0.0% | | |
| Wembley Contigent (c) | 2 | 7,500 |
| Household Durables 0.0% | | |
| Berkline Benchcraft Equity LLC (c) | 2 | |
| Total Other Interests 0.3% | | 1,188,146 |
| Warrants (j) | | |
| Chemicals 0.0% | | |
| British Vita Holdings Co. (Non-Expiring) | 166 | |
| Media 0.0% | | |
| New Vision Holdings LLC: | | |

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| | | |
|---|--------|------------------------|
| (Expires 9/30/14) | 3 | |
| (Expires 9/30/14) | 19 | 1 |
| | | 1 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 9/29/17) | 251 | |
| HMH Holdings/EduMedia (Expires 3/09/17) | 21,894 | |
| Total Warrants 0.0% | | 1 |
| Total Long-Term Investments | | |
| (Cost \$490,017,626) 144.2% | | 485,659,463 |
| Options Purchased | | Contracts Value |
| 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 144.2% | | \$485,659,463 |
| Liabilities in Excess of Other Assets (44.2)% | | (148,839,402) |
| Net Assets 100.0% | | \$336,820,061 |

- (a) Security exempt from registration pursuant to Rule 144A under 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) Restricted security as to resale. As of report date the Fund held 0.8% of its net assets, with a current value of \$2,665,086 in this security.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Issuer filed for bankruptcy and/or is in default of interest payments.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- 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.

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, 2011 | Net Activity | Shares Held at April 30, 2012 | Income |
|--|---------------------------------------|-----------------|-------------------------------------|--------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,071,567 | (1,071,567)— | | \$825 |

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, 2012 were as follows:

Counterparty

| Currency Purchased | Currency Sold | | Settlement Date | Unrealized Appreciation (Depreciation) |
|---------------------------|----------------------|---------------------------------|------------------------|---|
| USD 321,627 | CAD316,000 | Citibank NA | 7/18/12 | \$ 2,291 |
| USD 6,068,072 | CAD5,975,000 | UBS AG | 7/18/12 | 30,016 |
| USD 1,149,852 | CHF 1,055,000 | JPMorgan Chase Securities, Inc. | 7/18/12 | (13,693) |
| USD 15,401,243 | GBP 9,647,000 | UBS AG | 7/18/12 | (247,493) |
| USD 52,981,500 | EUR 40,137,500 | Citibank NA | 7/25/12 | (172,940) |
| Total | | | | \$ (401,819) |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 53

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

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted 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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks 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, 2012 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-Backed Securities | — | \$3,574,917 | \$8,108,357 | \$11,683,274 |
| Common Stocks | \$149,238 | 3,297,944 | 353,553 | 3,800,735 |
| Corporate Bonds | — | 72,036,199 | — | 72,036,199 |
| Floating Rate | | | | |
| Loan Interests | — | 366,084,386 | 26,174,547 | 392,258,933 |
| Foreign Agency | | | | |
| Obligations | — | 1,685,341 | 3,006,834 | 4,692,175 |
| Other Interests | — | — | 1,188,146 | 1,188,146 |
| Warrants | — | — | 1 | 1 |
| Unfunded Loan | | | | |
| Commitments | — | 646 | — | 646 |
| Total | \$149,238 | \$446,679,433 | \$38,831,438 | \$485,660,109 |

| Valuation Inputs | Level 1 | Level 2 | Level 3 | Total |
|---|---------|------------|---------|------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Foreign currency | | | | |
| exchange contracts | — | \$32,307 | — | \$32,307 |
| Liabilities: | | | | |
| Foreign currency | | | | |
| exchange contracts | — | (434,126) | — | (434,126) |

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Total — \$(401,819) — \$(401,819)

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

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

| | Asset-Backed Securities | Common Stocks | Floating Rate Loan Interests | Foreign Agency Obligations | Other Interests | Warrants | Total |
|--|-------------------------|---------------|------------------------------|----------------------------|-----------------|----------|--------------|
| Assets: | | | | | | | |
| Balance, as of October 31, 2011 | \$6,561,220 | \$234,634 | \$32,466,825 | \$2,961,954 | \$1,281,000 | \$227 | \$43,505,860 |
| Accrued discounts/ premiums | 57,074 | — | 73,173 | 77,415 | — | — | 207,662 |
| Net realized gain (loss) | (35,410) | — | (781,119) | — | 182 | — | (816,347) |
| Net change in unrealized appreciation/ depreciation ² | 553,892 | (221,641) | 584,266 | (32,535) | (92,854) | (226) | 790,902 |
| Purchases | 2,717,831 | — | 2,121,822 | — | — | — | 4,839,653 |
| Sales | (1,746,250) | — | (5,739,826) | — | (182) | — | (7,486,258) |
| Transfers in ³ | — | 340,560 | 8,720,586 | — | — | — | 9,061,146 |
| Transfers out ³ | — | — | (11,271,180) | — | — | — | (11,271,180) |
| Balance, as of April 30, 2012 | \$8,108,357 | \$353,553 | \$26,174,547 | \$3,006,834 | \$1,188,146 | \$1 | \$38,831,438 |

²Included 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, 2012 was \$(266,753).

³The 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 derivative financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the period in relation to net assets.

See Notes to Financial Statements.

54 SEMI-ANNUAL REPORT APRIL 30, 2012

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)¹ |
|--|--|---|--|---|--|---|
| April 30, 2012 (Unaudited) | | | | | | |
| Assets | | | | | | |
| Investments at value unaffiliated ² | | \$ 152,043,139 | \$ 647,454,359 | \$ 301,004,063 | \$ 1,017,190,151 | \$ 485,659,463 |
| Investments at value affiliated ³ | | 621,268 | 1,908,035 | 841,364 | 2,310,288 | |
| Cash | | 35,000 | 174,001 | 83,578 | 232,893 | 292,928 |
| Cash pledged as collateral for financial futures contracts | | 282,000 | 940,000 | 351,000 | 1,163,940 | |
| Interest receivable | | 2,275,203 | 9,511,089 | 4,260,680 | 14,835,086 | 2,891,359 |
| Investments sold receivable | | 101,623 | 425,940 | 207,860 | 705,054 | 10,839,624 |
| Foreign currency at value ⁴ | | 126,272 | 126,089 | 475 | 45 | 7,003,431 |
| Cash pledged as collateral for swaps | | 100,000 | 830,000 | 891,000 | 5,590,000 | |
| Swaps premiums paid | | 36,894 | 156,478 | 196,650 | 181,551 | |
| Unrealized appreciation on foreign currency exchange contracts | | | | | | 32,307 |
| Unrealized appreciation on swaps | | 35,723 | 156,672 | 88,510 | 257,441 | |
| Unrealized appreciation on unfunded loan commitments | | | | | | 646 |
| Swaps receivable | | 10,226 | 43,850 | 20,372 | 88,109 | |
| Dividends receivable | | 8,925 | 38,325 | 20,475 | 63,700 | |
| Prepaid expenses | | 8,959 | 24,083 | 29,952 | 47,525 | 44,781 |
| Total assets | | 155,685,232 | 661,788,921 | 307,995,979 | 1,042,665,783 | 506,764,539 |
| Liabilities | | | | | | |
| Reverse repurchase agreements | | 42,901,352 | 179,538,212 | 73,924,855 | 282,005,383 | |
| Loan payable | | | | | | 135,000,000 |
| Investments purchased payable | | 304,826 | 1,297,882 | 630,765 | 2,156,391 | 33,660,194 |
| Options written at value ⁵ | | 48,027 | 194,294 | 1,106,321 | 3,766,493 | |
| Unrealized depreciation on swaps | | 361,742 | 1,546,453 | 567,441 | 2,138,666 | |
| Swaps premiums received | | 180,868 | 785,107 | 402,562 | 1,240,593 | |
| Swaps payable | | 101,555 | 448,473 | 219,982 | 1,121,746 | |
| Investment advisory fees payable | | 75,851 | 320,961 | 162,212 | 549,235 | 253,182 |
| Cash held as collateral for reverse repurchase agreements | | | 772,000 | | 628,057 | |
| Officers and Directors fees payable | | 3,423 | 120,293 | 61,387 | 180,953 | 130,790 |
| Unrealized depreciation on foreign currency exchange contracts | | 1,070 | 2,375 | | | 434,126 |
| Income dividends payable | | 27,097 | 104,943 | 31,877 | 229,294 | |
| Interest expense payable | | 10,355 | 66,119 | 27,432 | 92,355 | 170,389 |
| Variation margin payable | | 16,024 | 62,370 | 22,978 | 82,301 | |
| Deferred income | | | | | | 8,037 |
| Other accrued expenses payable | | 17,370 | 2,405 | 115,743 | 158,816 | 287,760 |

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| | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total liabilities | 44,049,560 | 185,261,887 | 77,273,555 | 294,350,283 | 169,944,478 |
| Net Assets | \$ 111,635,672 | \$ 476,527,034 | \$ 230,722,424 | \$ 748,315,500 | \$ 336,820,061 |

Net Assets Consist of

| | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Paid-in capital ^{6,7,8} | \$ 235,477,660 | \$ 937,350,272 | \$ 422,218,171 | \$ 1,123,084,063 | \$ 428,717,100 |
| Undistributed net investment income | 503,915 | 3,182,458 | 905,399 | 1,356,154 | 1,844,623 |
| Accumulated net realized loss | (132,342,917) | (493,636,691) | (201,589,952) | (406,266,387) | (88,803,323) |
| Net unrealized appreciation/depreciation | 7,997,014 | 29,630,995 | 9,188,806 | 30,141,670 | (4,938,339) |
| Net Assets | \$ 111,635,672 | \$ 476,527,034 | \$ 230,722,424 | \$ 748,315,500 | \$ 336,820,061 |
| Net asset value | \$ 10.83 | \$ 11.68 | \$ 12.49 | \$ 14.44 | \$ 14.26 |

¹ Consolidated Statement of Assets and Liabilities.

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| ² Investments at cost unaffiliated | \$ 143,519,809 | \$ 615,607,941 | \$ 290,605,124 | \$ 982,234,934 | \$ 490,043,048 |
| ³ Investments at cost affiliated | \$ 621,268 | \$ 1,908,035 | \$ 841,364 | \$ 2,310,288 | |
| ⁴ Foreign currency at cost | \$ 125,225 | \$ 125,042 | \$ 459 | \$ 43 | \$ 7,043,489 |
| ⁵ Premiums received | \$ 66,010 | \$ 267,430 | \$ 764,470 | \$ 2,606,390 | |
| ⁶ Common shares par value per share | \$ 0.100 | \$ 0.100 | \$ 0.001 | \$ 0.001 | \$ 0.001 |
| ⁷ Common shares outstanding | 10,311,941 | 40,807,418 | 18,467,785 | 51,828,157 | 23,623,502 |
| ⁸ Common shares authorized | 199,994,540 | 199,978,000 | unlimited | unlimited | unlimited |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 55

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)¹ |
| Six Months Ended April 30, 2012 (Unaudited) | | | | | |
| Investment Income | | | | | |
| Interest | \$4,166,335 | \$18,078,167 | \$8,322,992 | \$ 27,650,433 | \$13,530,755 |
| Dividends unaffiliated | 165,568 | 237,548 | 71,706 | 1,092,243 | 34,819 |
| Income affiliated | 926 | 5,983 | 3,402 | 8,943 | 4,826 |
| Facility and other fees | | | | | 14,869 |
| Total income | 4,332,829 | 18,321,698 | 8,398,100 | 28,751,619 | 13,585,269 |
| Expenses | | | | | |
| Investment advisory | 464,762 | 1,958,737 | 983,125 | 3,319,108 | 1,639,638 |
| Professional | 35,930 | 65,858 | 39,180 | 90,610 | 67,546 |
| Accounting Services | 23,002 | 49,782 | 32,876 | 61,804 | 28,212 |
| Custodian | 11,066 | 28,404 | 15,594 | 34,162 | 78,302 |
| Borrowing costs ² | | | | | 174,754 |
| Printing | 7,568 | 22,002 | 28,480 | 70,336 | 21,734 |
| Officer and Directors | 7,084 | 19,222 | 10,486 | 24,740 | 12,468 |
| Transfer agent | 13,578 | 19,176 | 6,168 | 5,936 | 6,180 |
| Registration | 4,724 | 7,090 | 4,696 | 8,996 | 4,728 |
| Miscellaneous | 14,340 | 34,511 | 17,874 | 37,762 | 34,100 |
| Total expenses excluding interest expense | 582,054 | 2,204,782 | 1,138,479 | 3,653,454 | 2,067,662 |
| Interest expense | 87,253 | 350,497 | 143,528 | 461,626 | 522,570 |
| Total expenses | 669,307 | 2,555,279 | 1,282,007 | 4,115,080 | 2,590,232 |
| Less fees waived by advisor | (491) | (1,276) | (772) | (1,945) | (109,701) |
| Total expenses after fees waived | 668,816 | 2,554,003 | 1,281,235 | 4,113,135 | 2,480,531 |
| Net investment income | 3,664,013 | 15,767,695 | 7,116,865 | 24,638,484 | 11,104,738 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from: | | | | | |
| Investments | 1,863,917 | 7,334,532 | 3,314,200 | 11,207,494 | (395,099) |
| Financial futures contracts | (358,576) | (1,388,225) | (497,124) | (1,600,523) | |
| Foreign currency transactions | (2,140) | (12,771) | | | 1,819,350 |
| Option written | 145,144 | 618,151 | 290,100 | 1,003,630 | |
| Swaps | (640,687) | (2,751,575) | (1,247,611) | (3,920,391) | |
| | 1,007,658 | 3,800,112 | 1,859,565 | 6,690,210 | 1,424,251 |
| Net change in unrealized appreciation/depreciation on: | | | | | |
| Investments | 2,368,239 | 12,387,567 | 5,653,576 | 19,091,940 | 9,124,638 |

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| | | | | | |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| Financial futures contracts | (340,848) | (1,407,481) | (459,337) | (1,926,895) | |
| Foreign currency transactions | 3,806 | 14,000 | (22) | (2) | 119,373 |
| Option written | 146,292 | 622,013 | 215,897 | 800,104 | |
| Swaps | 227,636 | 999,921 | 396,504 | 991,889 | |
| Unfunded loan commitments | | | | | 646 |
| | 2,405,125 | 12,616,020 | 5,806,618 | 18,957,036 | 9,244,657 |
| Total realized and unrealized gain | 3,412,783 | 16,416,132 | 7,666,183 | 25,647,246 | 10,668,908 |
| Net Increase in Net Assets Resulting from Operations | \$7,076,796 | \$32,183,827 | \$14,783,048 | \$50,285,730 | \$21,773,646 |

¹Consolidated Statement of Operations.

²See Note 6 of the Notes to the Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

56 SEMI-ANNUAL REPORT APRIL 30, 2012

Statements of Changes in Net Assets

| | BlackRock Credit Allocation Income Trust I, Inc. (PSW) | | BlackRock Credit Allocation Income Trust II, Inc. (PSY) | |
|--|---|--|--|--|
| | Six Months Ended | | Six Months Ended | |
| | April 30, 2012 (Unaudited) | Year Ended October 31, 2011 | April 30, 2012 (Unaudited) | Year Ended October 31, 2011 |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: Operations | | | | |
| Net investment income | \$3,664,013 | \$7,124,109 | \$15,767,695 | \$29,691,133 |
| Net realized gain (loss) | 1,007,658 | (2,345,593) | 3,800,112 | (12,706,661) |
| Net change in unrealized appreciation/depreciation | 2,405,125 | (690,779) | 12,616,020 | (3,271,622) |
| Dividends to Preferred Shareholders from net investment income | | (61,138) | | (506,078) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 7,076,796 | 4,026,599 | 32,183,827 | 13,206,772 |
| Dividends to Common Shareholders From | | | | |
| Net investment income | (3,970,261) | (6,305,752) | (14,935,515) | (26,912,492) |
| Net Assets Applicable to Common Shareholders | | | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 3,106,535 | (2,279,153) | 17,248,312 | (13,705,720) |
| Beginning of period | 108,529,137 | 110,808,290 | 459,278,722 | 472,984,442 |
| End of period | \$111,635,672 | \$108,529,137 | \$476,527,034 | \$459,278,722 |
| Undistributed net investment income | \$503,915 | \$810,163 | \$3,182,458 | \$2,350,278 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 57

Statements of Changes in Net Assets (continued)

| | BlackRock Credit Allocation Income Trust III (BPP) Six Months Ended | | BlackRock Credit Allocation Income Trust IV (BTZ) Six Months Ended | |
|---|--|--|---|--|
| | April 30, 2012 (Unaudited) | Year Ended October 31, 2011 | April 30, 2012 (Unaudited) | Year Ended October 31, 2011 |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | | | | |
| Operations | | | | |
| Net investment income | \$7,116,865 | \$13,010,8514 | \$24,638,484 | \$45,515,474 |
| Net realized gain (loss) | 1,859,565 | (3,054,857) | 6,690,210 | (10,984,247) |
| Net change in unrealized appreciation/depreciation | 5,806,618 | (3,755,447) | 18,957,036 | (17,087,131) |
| Dividends to Preferred Shareholders from net investment income | | (23,469) | | (646,135) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 14,783,048 | 6,177,078 | 50,285,730 | 16,797,961 |
| Dividends to Common Shareholders From | | | | |
| Net investment income | (6,999,291) | (12,336,480) | (24,307,405) | (43,820,706) |
| Net Assets Applicable to Common Shareholders | | | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 7,783,757 | (6,159,402) | 25,978,325 | (27,022,745) |
| Beginning of period | 222,938,667 | 229,098,069 | 722,337,175 | 749,359,920 |
| End of period | \$230,722,424 | \$222,938,667 | \$748,315,500 | \$722,337,175 |
| Undistributed net investment income | \$905,399 | \$787,825 | \$1,356,154 | \$1,025,075 |

See Notes to Financial Statements.

58 SEMI-ANNUAL REPORT APRIL 30, 2012

Statements of Changes in Net Assets (concluded)

| | BlackRock Floating Rate Income Trust (BGT) Six Months Ended | |
|--|--|--|
| | April 30, 2012 | Year Ended October 31, 2011 |
| (Unaudited)¹ | | |
| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | | |
| Operations | | |
| Net investment income | \$ 11,104,738 | \$ 23,584,991 |
| Net realized gain (loss) | 1,424,251 | (3,466,879) |
| Net change in unrealized appreciation/depreciation | 9,244,657 | (6,557,897) |
| Dividends to Preferred Shareholders from net investment income | | (90,614) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 21,773,646 | 13,469,601 |
| Dividends to Common Shareholders From | | |
| Net investment income | | (14,879,572) (25,653,072) |
| Capital Share Transactions | | |
| Reinvestment of common dividends | 95,382 | 577,941 |
| Net Assets Applicable to Common Shareholders | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 6,989,456 | (11,605,530) |
| Beginning of period | 329,830,605 | 341,436,135 |
| End of period | \$ 336,820,061 | \$ 329,830,605 |
| Undistributed net investment income | \$ 1,844,623 | \$ 5,628,436 |

¹Consolidated Statement of Changes in Net Assets.
See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 59

Statements of Cash Flows

| Six Months Ended April 30, 2012 (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)¹ |
|---|---|--|---|--|---|
| Cash Provided by Operating Activities | | | | | |
| Net increase in net assets resulting from operations | \$7,076,796 | \$32,183,827 | \$14,783,048 | \$50,285,730 | \$ 21,773,646 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: | | | | | |
| (Increase) decrease in interest receivable | 84,470 | 803,325 | 302,160 | 1,171,053 | (1,278,018) |
| Decrease in swap receivable | 3,382 | 18,342 | 40,709 | 125,061 | |
| Decrease in other assets | 456 | 89,507 | 51,943 | 138,860 | 106,808 |
| (Increase) decrease in prepaid expenses | (2,343) | (8,239) | (7,047) | 13,906 | 9,242 |
| (Increase) decrease in dividends receivable | (6,925) | (37,989) | (20,250) | (63,183) | 418 |
| Decrease in cash pledged as collateral for reverse repurchase agreements | | | | 690,000 | |
| Decrease in cash pledged as collateral for financial futures contracts | 235,000 | 1,306,000 | 454,000 | 1,226,000 | |
| (Increase) decrease in cash pledged as collateral for swaps | 500,000 | 440,000 | (891,000) | (240,000) | |
| Decrease in investment advisory fees payable | (4,521) | (14,848) | (5,805) | (18,126) | (25,201) |
| Increase (decrease) in interest expense and fees payable | (21,820) | (77,317) | (42,481) | (269,587) | 71,999 |
| Increase (decrease) in cash held as collateral for reverse repurchase agreements | | 772,000 | (325,000) | (219,943) | |
| Decrease in cash held as collateral for swaps | | | | (700,000) | |
| Decrease in other accrued expenses payable | (40,100) | (128,994) | (63,460) | (183,910) | (132,283) |
| Decrease in variation margin payable | (271,272) | (1,191,185) | (360,288) | (1,125,876) | |
| Increase in swaps payable | 68,897 | 312,970 | 147,120 | 881,672 | |
| Increase in Officer s and Directors fees payable | 2,885 | 29,965 | 2,942 | 27,348 | 21,591 |
| Increase in deferred income | | | | | 8,037 |
| Net periodic and termination payments of swaps | (347,541) | (1,527,833) | (639,005) | (1,946,023) | |
| | (4,071,222) | (19,142,036) | (8,545,052) | (28,865,368) | (8,876,838) |

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| | | | | | |
|--|--------------|---------------|--------------|---------------|---------------|
| Net realized and unrealized gain (loss) on investments | | | | | |
| Amortization of premium and accretion of discount on investments | 222,208 | 862,780 | 396,827 | 1,375,288 | (1,174,334) |
| Premiums received from options written | 434,317 | 1,863,276 | 717,641 | 2,460,786 | |
| Proceeds from sales of long-term investments | 38,815,381 | 156,146,423 | 71,668,850 | 252,883,626 | 131,136,093 |
| Purchases of long-term investments | (28,996,127) | (122,091,527) | (54,912,795) | (204,801,909) | (133,477,248) |
| Net proceeds from sales (purchases) of short-term securities | 741,664 | (1,502,327) | 1,618,550 | 1,512,820 | 1,071,567 |
| Premiums paid on closing options written | (352,762) | (1,532,095) | (514,470) | (1,774,467) | |
| Cash provided by operating activities | 14,070,823 | 47,574,025 | 23,857,137 | 72,583,758 | 9,235,479 |

Cash Used for Financing Activities

| | | | | | |
|--|--------------|---------------|--------------|---------------|---------------|
| Cash receipts from borrowings | 18,287,678 | 66,934,655 | 29,924,946 | 92,652,422 | 106,000,000 |
| Cash payments on borrowings | (28,281,507) | (99,469,580) | (46,764,354) | (141,351,227) | (93,000,000) |
| Cash dividends paid to Common Shareholders | (3,970,526) | (14,955,087) | (7,004,151) | (24,304,896) | (14,831,651) |
| Decrease in custodian bank payable | | | | | (67,411) |
| Cash used for financing activities | (13,964,355) | (47,490,012) | (23,843,559) | (73,003,701) | (1,899,062) |

Cash Impact from Foreign Exchange Fluctuations

| | | | | | |
|--|-------|-------|-------|------|-----------|
| Cash impact from foreign exchange fluctuations | 2,807 | 7,798 | (22) | (2) | (40,058) |
|--|-------|-------|-------|------|-----------|

Cash and Foreign Currency

| | | | | | |
|--|------------|------------|-----------|------------|--------------|
| Net increase (decrease) in cash and foreign currency | 109,275 | 91,811 | 13,556 | (419,945) | 7,296,359 |
| Cash and foreign currency at beginning of period | 51,997 | 208,279 | 70,497 | 652,883 | |
| Cash and foreign currency at end of period | \$ 161,272 | \$ 300,090 | \$ 84,053 | \$ 232,938 | \$ 7,296,359 |

Cash Flow Information

| | | | | | |
|--|------------|------------|------------|------------|------------|
| Cash paid during the year for interest | \$ 109,073 | \$ 427,814 | \$ 186,009 | \$ 731,213 | \$ 450,571 |
|--|------------|------------|------------|------------|------------|

Noncash Financing Activities

| | | | | | |
|--|--|--|--|--|-----------|
| Capital shares issued in reinvestment of dividends | | | | | \$ 95,382 |
|--|--|--|--|--|-----------|

¹ Consolidated Statement of Cash Flows.

A Statement of Cash Flows is presented when a Fund has 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.

60SEMI-ANNUAL REPORT APRIL 30, 2012

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

| | Six Months Ended | | | | | |
|--|-------------------------|-------------------------------|-------------|----------------------|-------------|-------------|
| | April 30, 2012 | Year Ended October 31, | | | | |
| | (Unaudited) | 2011 | 2010 | 2009 | 2008 | 2007 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 10.52 | \$ 10.75 | \$ 9.31 | \$ 7.43 | \$ 19.54 | \$ 22.25 |
| Net investment income ¹ | 0.35 | 0.69 | 0.63 | 0.86 | 1.70 | 2.01 |
| Net realized and unrealized gain (loss) | 0.35 | (0.30) | 1.58 | 2.06 | (12.06) | (2.41) |
| Dividends to Preferred Shareholders from net investment income | | (0.01) | (0.06) | (0.08) | (0.48) | (0.71) |
| Net increase (decrease) from investment operations | 0.70 | 0.38 | 2.15 | 2.84 | (10.84) | (1.11) |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.39) | (0.61) | (0.62) | (0.83) | (1.22) | (1.18) |
| Tax return of capital | | | (0.09) | (0.13) | (0.05) | (0.42) |
| Total dividends and distributions | (0.39) | (0.61) | (0.71) | (0.96) | (1.27) | (1.60) |
| Net asset value, end of period | \$ 10.83 | \$ 10.52 | \$ 10.75 | \$ 9.31 | \$ 7.43 | \$ 19.54 |
| Market price, end of period | \$ 10.08 | \$ 9.25 | \$ 9.67 | \$ 8.24 | \$ 7.00 | \$ 17.29 |
| Total Investment Return Applicable to Common Shareholders² | | | | | | |
| Based on net asset value | 7.14 | % ³ 4.55 | % 24.77 | % ⁴ 46.46 | % (58.09) | % (5.03) |
| Based on market price | 13.41 | % ³ 2.20 | % 26.81 | % 37.59 | % (55.38) | % (12.05) |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses ⁵ | 1.24 | % ⁶ 1.14 | % 1.16 | % 1.61 | % 2.00 | % 1.32 |
| Total expenses after fees waived and paid indirectly ⁵ | 1.24 | % ⁶ 1.14 | % 1.14 | % 1.59 | % 2.00 | % 1.32 |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁵ | 1.08 | % ⁶ 1.02 | % 1.13 | % 1.44 | % 1.48 | % 1.29 |
| Net investment income ⁵ | 6.79 | % ⁶ 6.56 | % 6.28 | % 12.45 | % 10.79 | % 9.38 |
| Dividends to Preferred Shareholders | | 0.06 | % 0.59 | % 1.09 | % 3.03 | % 3.29 |
| Net investment income to Common Shareholders | 6.79 | % ⁶ 6.50 | % 5.69 | % 11.36 | % 7.76 | % 6.09 |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 111,636 | \$ 108,529 | \$ 110,808 | \$ 96,048 | \$ 76,430 | \$ 201,155 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | | \$ 40,250 | \$ 40,250 | \$ 68,250 | \$ 136,500 |
| Borrowings outstanding, end of period (000) | \$ 42,901 | \$ 53,268 | \$ 6,083 | \$ 4,972 | \$ 4,024 | \$ 590 |
| | \$ 47,208 | \$ 34,952 | \$ 5,269 | \$ 5,321 | \$ 25,692 | \$ 2,690 |

Average borrowings outstanding during the period (000)

| | | | | | | | | | | | | |
|--|---------|---|---------|---|----------|---|----------|---|----------|---|----------|---|
| Portfolio turnover | 19 | % | 53 | % | 66 | % | 36 | % | 119 | % | 88 | % |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | | | | | \$93,831 | | \$84,663 | | \$53,009 | | \$61,846 | |
| Asset coverage, end of period per \$1,000 | \$3,602 | | \$3,037 | | | | | | | | | |

¹Based on average shares outstanding.

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.

³Aggregate total investment return.

⁴Includes proceeds from a settlement of litigation which impacted the Fund. Not including these proceeds the Fund's total return would have been 24.54%.

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

⁶Annualized.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 61

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

| | Six Months Ended | | | | | |
|--|-------------------------|---------------------|-------------------------------|----------------------|-------------|-------------|
| | April 30, 2012 | | Year Ended October 31, | | | |
| | (Unaudited) 2011 | | 2010 | 2009 | 2008 | 2007 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$ 11.25 | \$ 11.59 | \$ 10.03 | \$ 7.96 | \$ 19.93 | \$ 22.36 |
| Net investment income ¹ | 0.39 | 0.73 | 0.72 | 1.11 | 1.73 | 2.02 |
| Net realized and unrealized gain (loss) | 0.41 | (0.40) | 1.74 | 2.17 | (11.84) | (2.35) |
| Dividends to Preferred Shareholders from net investment income | | (0.01) | (0.06) | (0.09) | (0.49) | (0.73) |
| Net increase (decrease) from investment operations | 0.80 | 0.32 | 2.40 | 3.19 | (10.60) | (1.06) |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.37) | (0.66) | (0.71) | (1.12) | (1.15) | (1.16) |
| Tax return of capital | | | (0.13) | (0.00) ² | (0.22) | (0.21) |
| Total dividends and distributions | (0.37) | (0.66) | (0.84) | (1.12) | (1.37) | (1.37) |
| Net asset value, end of period | \$ 11.68 | \$ 11.25 | \$ 11.59 | \$ 10.03 | \$ 7.96 | \$ 19.93 |
| Market price, end of period | \$ 10.79 | \$ 9.74 | \$ 10.39 | \$ 8.90 | \$ 8.10 | \$ 16.94 |
| Total Investment Return Applicable to Common Shareholders³ | | | | | | |
| Based on net asset value | 7.57 | % ⁴ 3.71 | % 25.70 | % ⁵ 48.36 | % (55.71) | % (4.35) |
| Based on market price | 14.78 | % ⁴ 0.16 | % 26.99 | % 29.37 | % (46.97) | % (9.65) |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses ⁶ | 1.11 | % ⁷ 1.12 | % 1.04 | % 1.41 | % 1.90 | % 1.27 |
| Total expenses after fees waived and paid indirectly ⁶ | 1.11 | % ⁷ 1.12 | % 1.03 | % 1.41 | % 1.90 | % 1.27 |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 0.96 | % ⁷ 1.01 | % 1.02 | % 1.33 | % 1.40 | % 1.23 |
| Net investment income ⁶ | 6.87 | % ⁷ 6.42 | % 6.66 | % 15.05 | % 10.71 | % 9.29 |
| Dividends to Preferred Shareholders | | 0.11 | % 0.58 | % 1.19 | % 3.04 | % 3.34 |
| Net investment income to Common Shareholders | 6.87 | % ⁷ 6.31 | % 6.08 | % 13.86 | % 7.67 | % 5.95 |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ 476,527 | \$ 459,279 | \$ 472,984 | \$ 409,293 | \$ 323,132 | \$ 809,411 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | | \$ 169,025 | \$ 169,025 | \$ 275,000 | \$ 550,000 |
| Borrowings outstanding, end of period (000) | \$ 179,538 | \$ 213,033 | \$ 4,020 | \$ 9,511 | \$ 54,369 | |
| Average borrowings outstanding during the period (000) | \$ 194,349 | \$ 137,824 | \$ 13,407 | \$ 15,842 | \$ 94,908 | \$ 14,375 |

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| | | | | | | | | | | | | |
|--|---------|---|---------|---|----------|---|----------|---|----------|---|----------|---|
| Portfolio turnover | 19 | % | 50 | % | 73 | % | 16 | % | 120 | % | 81 | % |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | | | | | \$94,968 | | \$85,547 | | \$54,408 | | \$61,817 | |
| Asset coverage, end of year per \$1,000 | \$3,654 | | \$3,156 | | | | | | | | | |

¹Based on average shares outstanding.

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

³Total 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.

⁴Aggregate total investment return.

⁵Includes proceeds from a settlement of litigation which impacted the Fund. Not including these proceeds the Fund's total return would have been 25.37%.

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

⁷Annualized.

See Notes to Financial Statements.

62 SEMI-ANNUAL REPORT APRIL 30, 2012

Financial Highlights **BlackRock Credit Allocation Income Trust III (BPP)**

| | Six Months Ended April 30, 2012 (Unaudited) | | | | Year Ended October 31, | | | Period January 1, 2008 to October 31, 2008 | | | | | Year Ended December 31, 2007 | | 2006 |
|--|---|-----------------------|---------|---------|------------------------|------------------------|---------|--|--|--|--|--|------------------------------------|--|------|
| | 2011 | 2010 | 2009 | | 2008 | 2007 | 2006 | | | | | | | | |
| Per Share Operating Performance | | | | | | | | | | | | | | | |
| Net asset value, beginning of period | \$12.07 | \$12.41 | \$11.05 | \$8.77 | \$19.47 | \$24.52 | \$24.43 | | | | | | | | |
| Net investment income | 0.38 | 0.70 | 0.73 | 1.09 | 1.48 | 2.05 | 2.05 | | | | | | | | |
| Net realized and unrealized gain (loss) | 0.42 | (0.37) | 1.48 | 2.40 | (10.74) | (4.72) | 0.62 | | | | | | | | |
| Dividends and distributions to Preferred Shareholders from: | | | | | | | | | | | | | | | |
| Net investment income | | (0.00) | (0.01) | (0.03) | (0.31) | (0.62) | (0.46) | | | | | | | | |
| Net realized gain | | | | | | | (0.12) | | | | | | | | |
| Net increase (decrease) from investment operations | 0.80 | 0.33 | 2.20 | 3.46 | (9.57) | (3.29) | 2.09 | | | | | | | | |
| Dividends and distributions to Common Shareholders from: | | | | | | | | | | | | | | | |
| Net investment income | (0.38) | (0.67) | (0.76) | (0.95) | (0.83) | (1.59) | (1.58) | | | | | | | | |
| Net realized gain | | | | | | (0.02) | (0.42) | | | | | | | | |
| Tax return of capital | | | (0.08) | (0.23) | (0.30) | (0.15) | | | | | | | | | |
| Total dividends and distributions | (0.38) | (0.67) | (0.84) | (1.18) | (1.13) | (1.76) | (2.00) | | | | | | | | |
| Net asset value, end of period | \$12.49 | \$12.07 | \$12.41 | \$11.05 | \$8.77 | \$19.47 | \$24.52 | | | | | | | | |
| Market price, end of period | \$11.43 | \$10.53 | \$11.23 | \$9.94 | \$8.51 | \$17.31 | \$26.31 | | | | | | | | |
| Total Investment Return Applicable to Common Shareholders³ | | | | | | | | | | | | | | | |
| Based on net asset value | 7.12 | % ⁴ 3.56 | % 21.52 | % 47.16 | % (51.22) | % ⁴ (13.86) | % 8.89 | | | | | | | | |
| Based on market price | 12.37 | % ⁴ (0.16) | % 22.25 | % 36.42 | % (46.76) | % ⁴ (28.62) | % 17.98 | | | | | | | | |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | | | | | | | | | |
| Total expenses ⁵ | 1.15 | % ⁶ 1.05 | % 1.09 | % 1.66 | % 1.96 | % ⁶ 1.46 | % 1.62 | | | | | | | | |
| Total expenses after fees waived and paid indirectly ⁵ | 1.15 | % ⁶ 1.05 | % 1.08 | % 1.64 | % 1.96 | % ⁶ 1.45 | % 1.62 | | | | | | | | |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁵ | 1.02 | % ⁶ 0.96 | % 1.07 | % 1.39 | % 1.39 | % ⁶ 1.24 | % 1.25 | | | | | | | | |
| Net investment income ⁵ | 6.39 | % ⁶ 5.78 | % 6.31 | % 13.08 | % 10.53 | % ⁶ 8.90 | % 8.46 | | | | | | | | |
| Dividends to Preferred Shareholders | | 0.01 | % 0.10 | % 0.38 | % 2.19 | % ⁶ 2.70 | % 1.89 | | | | | | | | |
| Net investment income to Common Shareholders | 6.39 | % ⁶ 5.77 | % 6.21 | % 12.70 | % 8.34 | % ⁶ 6.20 | % 6.58 | | | | | | | | |

Supplemental Data

| | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 230,722 | \$ 222,939 | \$ 229,098 | \$ 204,133 | \$ 161,311 | \$ 358,017 | \$ 449,995 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | | \$ 70,425 | \$ 70,425 | \$ 110,400 | \$ 220,800 | \$ 220,800 |
| Borrowings outstanding, end of period (000) | \$ 73,925 | \$ 92,971 | | \$ 13,235 | \$ 44,281 | | |
| Average borrowings outstanding during the period (000) | \$ 80,114 | \$ 51,264 | \$ 2,121 | \$ 16,330 | \$ 51,995 | \$ 903 | 1,303 |
| Portfolio turnover | 18 | % 48 | % 67 | % 16 | % 121 | % 97 | % 91 |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | | | \$ 106,328 | \$ 97,465 | \$ 61,540 | \$ 65,554 | \$ 75,965 |
| Asset coverage, end of period per \$1,000 | \$ 4,121 | \$ 3,398 | | | | | |

¹ Based on average shares outstanding.

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

Total investment returns based on market price, which can be significantly greater or lesser than the net asset value,

³ 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.

SEMI-ANNUAL REPORT APRIL 30, 2012 63

Financial Highlights **BlackRock Credit Allocation Income Trust IV (BTZ)**

| | Six Months Ended April 30, 2012 (Unaudited) | | | | Year Ended October 31, 2011 | | | | Year Ended October 31, 2010 | | | | Year Ended October 31, 2009 | | | | Year Ended October 31, 2008 | | | | Period December 27, 2006 ¹ to October 31, 2007 | | | | | | | |
|--|--|---------|----------------|---|-----------------------------|---------|--------------|--|-----------------------------|---------|--------------|---|-----------------------------|---------|--------------|---|-----------------------------|---------|--------------|--|---|-----------|----|--|--|--|--|--|
| Per Share Operating Performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net asset value, beginning of period | \$ | 13.94 | | | \$ | 14.46 | | | \$ | 12.64 | | | \$ | 10.59 | | | \$ | 21.39 | | | \$ | 23.88 | | | | | | |
| Net investment income | | 0.47 | ³ | | | 0.88 | ³ | | | 0.85 | ³ | | | 0.99 | ³ | | | 1.33 | ³ | | | 1.25 | | | | | | |
| Net realized and unrealized gain (loss) | | 0.50 | |) | | (0.54) |) | | | 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 | | 0.97 | | | | 0.33 | | | | 2.92 | | | | 3.46 | | | | (9.06) |) | | | (0.92) |) | | | | | |
| Dividends and distributions to Common Shareholders from: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net investment income | | (0.47) |) | | | (0.85) |) | | | (0.81) |) | | | (0.93) |) | | | (0.90) |) | | | (0.93) |) | | | | | |
| Tax return of capital | | | | | | | | | | (0.29) |) | | | (0.48) |) | | | (0.84) |) | | | (0.47) |) | | | | | |
| Total dividends and distributions | | (0.47) |) | | | (0.85) |) | | | (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 | \$ | 14.44 | | | \$ | 13.94 | | | \$ | 14.46 | | | \$ | 12.64 | | | \$ | 10.59 | | | \$ | 21.39 | | | | | | |
| Market price, end of period | \$ | 13.26 | | | \$ | 12.08 | | | \$ | 13.02 | | | \$ | 10.96 | | | \$ | 9.36 | | | \$ | 18.65 | | | | | | |
| Total Investment Return Applicable to Common Shareholders⁴ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Based on net asset value | | 7.46 | % ⁵ | | | 3.28 | % | | | 25.16 | % | | | 41.06 | % | | | (44.27) |)% | | | (4.42) |)% | | | | | |
| Based on market price | | 13.87 | % ⁵ | | | (0.60) |)% | | | 29.98 | % | | | 38.38 | % | | | (43.51) |)% | | | (20.34) |)% | | | | | |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenses ⁶ | | 1.14 | % ⁷ | | | 1.09 | % | | | 1.12 | % | | | 1.60 | % | | | 1.65 | % | | | 1.90 | % | | | | | |
| Total expenses after fees waived and paid indirectly ⁶ | | 1.14 | % ⁷ | | | 1.09 | % | | | 1.11 | % | | | 1.58 | % | | | 1.65 | % | | | 1.88 | % | | | | | |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | | 1.01 | % ⁷ | | | 0.99 | % | | | 1.07 | % | | | 1.24 | % | | | 1.21 | % | | | 1.04 | % | | | | | |
| Net investment income ⁶ | | 6.82 | % ⁷ | | | 6.25 | % | | | 6.33 | % | | | 9.93 | % | | | 7.63 | % | | | 6.50 | % | | | | | |
| Dividends to Preferred Shareholders | | | | | | 0.09 | % | | | 0.50 | % | | | 0.74 | % | | | 1.89 | % | | | 1.64 | % | | | | | |
| Net investment income to Common Shareholders | | 6.82 | % ⁷ | | | 6.16 | % | | | 5.83 | % | | | 9.19 | % | | | 5.74 | % | | | 4.86 | % | | | | | |
| Supplemental Data | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$ | 748,316 | | | \$ | 722,337 | | | \$ | 749,360 | | | \$ | 654,999 | | | \$ | 548,612 | | | \$ | 1,108,534 | | | | | | |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of | | | | | | | | | | 231,000 | | | | 231,000 | | | | 231,000 | | | | 462,000 | | | | | | |

period (000)

| | | | | | | | |
|--|------------|------------|------------|-----------|------------|-----------|---|
| Borrowings outstanding, end of period (000) | \$ 282,005 | \$ 339,303 | | \$ 61,576 | \$ 223,512 | \$ 88,291 | |
| Average borrowings outstanding during the period (000) | \$ 300,482 | \$ 182,843 | \$ 63,660 | \$ 76,521 | \$ 107,377 | \$ 96,468 | |
| Portfolio turnover | 20 | % 54 | % 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 | \$ 3,654 | \$ 3,129 | | | | | |

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.

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.

64 SEMI-ANNUAL REPORT APRIL 30, 2012

Financial Highlights **BlackRock Floating Rate Income Trust (BGT)**

| | Six Months Ended April 30, 2012 (Unaudited) ¹ | | | Year Ended October 31, | | | Period January 1, 2008 to October 31, 2008 | | | Year Ended December 31, 2006 | | |
|---|---|-----------------------|----------|------------------------|-----------|------------------------|--|------|------|------------------------------|--|--|
| | 2011 | 2010 | 2009 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | | | |
| Per Share Operating Performance | | | | | | | | | | | | |
| Net asset value, beginning of period | \$ 13.97 | \$ 14.48 | \$ 13.29 | \$ 11.24 | \$ 17.71 | \$ 19.11 | \$ 19.13 | | | | | |
| Net investment income | 0.47 | 1.00 | 0.97 | 0.98 | 1.42 | 2.03 | 1.99 | | | | | |
| Net realized and unrealized gain (loss) | 0.45 | (0.42) | 1.09 | 2.72 | (6.62) | (1.39) | (0.06) | | | | | |
| Dividends and distributions to Preferred Shareholders from: | | | | | | | | | | | | |
| Net investment income | | (0.00) | (0.04) | (0.04) | (0.24) | (0.54) | (0.48) | | | | | |
| Net realized gain | | | | | | | (0.01) | | | | | |
| Net increase (decrease) from investment operations | 0.92 | 0.58 | 2.02 | 3.66 | (5.44) | 0.10 | 1.44 | | | | | |
| Dividends and distributions to Common Shareholders from: | | | | | | | | | | | | |
| Net investment income | (0.63) | (1.09) | (0.83) | (1.19) | (1.03) | (1.14) | (1.44) | | | | | |
| Net realized gain | | | | | | | (0.02) | | | | | |
| Tax return of capital | | | | (0.42) | | (0.36) | | | | | | |
| Total dividends and distributions | (0.63) | (1.09) | (0.83) | (1.61) | (1.03) | (1.50) | (1.46) | | | | | |
| Net asset value, end of period | \$ 14.26 | \$ 13.97 | \$ 14.48 | \$ 13.29 | \$ 11.24 | \$ 17.71 | \$ 19.11 | | | | | |
| Market price, end of period | \$ 14.41 | \$ 13.00 | \$ 14.52 | \$ 12.58 | \$ 9.63 | \$ 15.78 | \$ 19.27 | | | | | |
| Total Investment Return Applicable to Common Shareholders⁴ | | | | | | | | | | | | |
| Based on net asset value | 6.83 | % ⁵ 4.03 | % 15.55 | % 39.51 | % (31.62) | % ⁵ 0.98 | % 7.93 | | | | | |
| Based on market price | 16.01 | % ⁵ (3.46) | % 22.41 | % 54.14 | % (34.24) | % ⁵ (10.92) | % 21.31 | | | | | |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | | | | | | | |
| Total expenses ⁶ | 1.58 | % ⁷ 1.73 | % 1.43 | % 1.96 | % 2.22 | % ⁷ 1.67 | % 1.75 | | | | | |
| Total expenses after fees waived and paid indirectly ⁶ | 1.51 | % ⁷ 1.60 | % 1.25 | % 1.68 | % 1.89 | % ⁷ 1.33 | % 1.43 | | | | | |
| Total expenses after fees waived and paid indirectly and excluding interest expense and fees ^{6,8} | 1.20 | % ⁷ 1.24 | % 1.15 | % 1.24 | % 1.21 | % ⁷ 1.16 | % 1.19 | | | | | |
| Net investment income ⁶ | 6.78 | % ⁷ 6.95 | % 7.01 | % 8.92 | % 10.56 | % ⁷ 10.83 | % 10.38 | | | | | |
| Dividends to Preferred Shareholders | | 0.03 | % 0.27 | % 0.38 | % 1.75 | % ⁷ 2.88 | % 2.51 | | | | | |
| Net investment income to Common Shareholders | 6.78 | % ⁷ 6.92 | % 6.74 | % 8.54 | % 8.81 | % ⁷ 7.95 | % 7.87 | | | | | |

Supplemental Data

| | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| Net assets applicable to Common Shareholders, end of period (000) | \$ 336,820 | \$ 329,831 | \$ 341,436 | \$ 312,872 | \$ 264,590 | \$ 417,086 | \$ 449,065 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) | | | \$ 58,800 | \$ 58,800 | \$ 58,800 | \$ 243,450 | \$ 243,450 |
| Borrowings outstanding, end of period (000) | \$ 135,000 | \$ 122,000 | \$ 38,000 | \$ 14,000 | \$ 123,150 | | \$ 26,108 |
| Average borrowings outstanding during the period (000) | \$ 110,725 | \$ 120,334 | \$ 24,321 | \$ 53,156 | \$ 71,780 | \$ 10,524 | \$ 19,562 |
| Portfolio turnover | 30 | % 89 | % 87 | % 42 | % 25 | % 41 | % 50 |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period | | | \$ 170,174 | \$ 158,029 | \$ 137,505 | \$ 67,849 | \$ 73,810 |
| Asset coverage, end of period per \$1,000 | \$ 3,495 | \$ 3,704 | | | | | |

¹ Consolidated Financial Highlights.

² Based on average shares outstanding.

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

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

⁸ For the year ended April 30, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and fees and borrowing costs was 1.09%

See Notes to Financial Statements.

SEMI-ANNUAL REPORT APRIL 30, 2012 65

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 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 disclosures in the financial statements. Actual results could differ from those estimates. The Boards of Directors and the Boards of Trustees of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Directors . The Funds determine, and make available for publication the NAVs of their Common Shares on a daily basis.

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

Basis of Consolidation: BGT's accompanying consolidated financial statements include the account of BGT JGW SPV, LLC (the Taxable Subsidiary), a wholly owned taxable subsidiary of BGT. The Taxable Subsidiary enables BGT to hold its investment in J.G. Wentworth LLC Preferred Equity Interests that is organized as an operating partnership and still satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investment held by the Taxable Subsidiary are taxable to such subsidiary. An income tax provision for all income, including realized and unrealized gains, if any, is reflected as either a reduction in investment income or as component of realized and unrealized gain (loss) on the Consolidated Statement of Operations. BGT may invest up to 25% of its total assets in the Taxable Subsidiary. Intercompany accounts and transactions have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to BGT.

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. The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. 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, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing

matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

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 if a price 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

66SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (continued)

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 respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Funds' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Funds do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated on the Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. 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.

Asset-Backed and Mortgage-Backed Securities: The Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If the Funds have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

The Funds may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the

timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed Mortgage Pass-Through Certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States but are supported by the right of the issuer to borrow from the Treasury.

Collateralized Debt Obligations: The Funds may invest in collateralized debt obligations (CDOs), which include collateralized bond obligations (CBOs) and collateralized loan obligations (CLOs). CBOs and CLOs are types of asset-backed securities. A CDO is a bankruptcy remote entity which is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches , which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

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

SEMI-ANNUAL REPORT APRIL 30, 2012 67

Notes to Financial Statements (continued)

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 leveraged. 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 Interbank 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 the Fund purchases 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. 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 agree to repurchase the same securities at a mutually agreed upon date and price. Securities sold under reverse repurchase agreements are recorded at face value as a liability in the Statements of Assets and Liabilities. Due to the short term nature of the reverse repurchase agreements, face value approximates fair value. During the term of the reverse repurchase agreement, the Funds continue to receive the principal and interest payments on these securities. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of 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.

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 con-

68 SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (continued)

nection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts, swaps, and options written), 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 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 to such transactions 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 monthly. 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.

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.

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 each Fund's US federal tax returns remains open for each of the four years ended October 31, 2011. The statutes of limitations on the each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standards: In May 2011, the Financial Accounting Standards Board (the FASB) issued amended guidance to improve disclosure about fair value measurements, which will require the following disclosures for fair value measurements categorized as Level 3: quantitative information about the unobservable inputs and assumptions used in the fair value measurement, a description of the valuation policies and procedures and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, the amounts and reasons for all transfers in and out of Level 1 and Level 2 will be required to be disclosed as well as disclosure of the level in the fair value hierarchy of assets and liabilities not recorded at fair value but where fair value is disclosed. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

In December 2011, the FASB issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

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 thereunder represent general unsecured claims against the general assets of each Fund. Prior to March 31, 2012, each Fund elected to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations and dividends and distributions received from the BlackRock Closed-End Fund investments through March 31, 2012 are included in income affiliated in the Statements of Operations.

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

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.

SEMI-ANNUAL REPORT APRIL 30, 2012 69

Notes to Financial Statements (continued)

2. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk or foreign currency exchange rate 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 and centrally cleared swaps 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. master agreement ("ISDA Master Agreement") implemented between a Fund and each of its respective counterparties. An ISDA Master Agreement allows each Fund to offset with each separate counterparty certain derivative financial instruments 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 a Funds' net assets decline by a stated percentage or the Funds fail to meet the terms of their 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). 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, financial 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 the 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 variation margin 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 credit risk, equity risk and/or interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike 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 or strike 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 Fund enters 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

70SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (continued)

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 either make periodic net payments on a specified notional amount or net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be executed on a registered financial and commodities exchange (centrally cleared swaps). In a centrally cleared swap, the Funds typically enter into an agreement with a counterparty; however, performance is guaranteed by the central clearing-house reducing or eliminating the Funds' exposure to the credit risk of the counterparty. These 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). The daily change in valuation of centrally cleared swaps, if any, is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. 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 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.

Interest rate swaps The Funds enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating rate, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Interest rate floors, which are a type of interest

rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Derivative Financial Instruments Categorized by Risk Exposure:

Fair Values of Derivative Financial Instruments as of April 30, 2012

| | | Asset Derivatives | | | | |
|---|--|-------------------|------------------|------------------|--------------------|-----------------|
| | | PSW | PSY | BPP | BTZ | BGT |
| Statements of Assets and Liabilities Location | | Value | | | | |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency contracts | | | | | \$32,307 |
| Equity contracts | Net unrealized appreciation/depreciation ¹ | \$17,420 | \$74,100 | \$35,880 | \$122,720 | |
| Interest rate contracts | Net unrealized appreciation/depreciation ¹ ; Investments at value unaffiliated ² | 133,243 | 554,375 | 653,270 | 2,247,419 | |
| Credit contracts | Unrealized appreciation on swaps ¹ ; Investments at value unaffiliated ² | 35,265 | 154,685 | 87,542 | 254,130 | |
| Total | | \$185,928 | \$783,160 | \$776,692 | \$2,624,269 | \$32,307 |

SEMI-ANNUAL REPORT APRIL 30, 2012 71

Notes to Financial Statements (continued)

| Statements of Assets and Liabilities Location | | Liability Derivatives | | | | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | | PSW | PSY | BPP | BTZ | BGT |
| | | Value | | | | |
| Foreign currency exchange contracts | Unrealized depreciation on foreign currency contracts | \$ (1,070) | \$ (2,375) | | | \$ (434,126) |
| Equity contracts | Net unrealized appreciation/depreciation ¹ | (12,394) | (51,763) | \$ (25,517) | \$ (86,029) | |
| Interest rate contracts | Net unrealized appreciation/depreciation ¹ ; Unrealized depreciation on swaps ¹ ; Options written at value ² | (602,845) | (2,531,979) | (2,168,613) | (8,072,979) | |
| Credit contracts | Unrealized depreciation on swaps ¹ ; Options written at value ² | (29,734) | (127,551) | (51,777) | (148,628) | |
| Total | | \$ (646,043) | \$ (2,713,668) | \$ (2,245,907) | \$ (8,307,636) | \$ (434,126) |

Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps as reported ¹ in the Schedules of Investments. Only the current day s variation margin is reported within the Statements of Assets and Liabilities.

²Includes options purchased at value as reported in the Schedules of Investments.

**The Effect of Derivative Financial Instruments in the Statements of Operations
Six Months Ended April 30, 2012**

| | Net Realized Gain (Loss) From | | | | |
|--------------------------------------|-------------------------------|------------------------|-----------------------|-----------------------|---------------------|
| | PSW | PSY | BPP | BTZ | BGT |
| Interest rate contracts: | | | | | |
| Financial futures contracts | \$ (358,576) | \$ (1,388,225) | \$ (497,124) | \$ (1,600,523) | |
| Options ³ | 66,111 | 283,651 | 128,164 | 445,610 | |
| Swaps | (576,334) | (2,479,278) | (1,108,195) | (3,405,203) | |
| Foreign currency exchange contracts: | | | | | |
| Foreign currency exchange contracts | | | | | \$ 1,819,350 |
| Credit contracts: | | | | | |
| Swaps | (64,353) | (272,297) | (139,416) | (515,188) | |
| Equity contracts: | | | | | |
| Options ³ | 26,635 | 111,851 | 54,518 | 185,697 | |
| Total | \$ (906,517) | \$ (3,744,298) | \$ (1,562,053) | \$ (4,889,607) | \$ 1,819,350 |

| | Net Change in Unrealized Appreciation/Depreciation on | | | | |
|--------------------------------------|--|---------------------|---------------------|-----------------------|-------------------|
| | PSW | PSY | BPP | BTZ | BGT |
| Interest rate contracts: | | | | | |
| Financial futures contracts | \$ (340,848) | \$ (1,407,481) | \$ (459,337) | \$ (1,926,895) | |
| Options ³ | 41,296 | 187,017 | 99,516 | 403,296 | |
| Swaps | 118,094 | 527,155 | 159,052 | 129,819 | |
| Foreign currency exchange contracts: | | | | | |
| Foreign currency exchange contracts | 1,037 | 6,642 | | | \$ 288,994 |
| Credit contracts: | | | | | |
| Swaps | 109,542 | 472,766 | 237,452 | 862,070 | |
| Equity contracts: | | | | | |
| Options ³ | (179,647) | (764,695) | (370,025) | (1,266,277) | |
| Total | \$ (250,526) | \$ (978,596) | \$ (333,342) | \$ (1,797,987) | \$ 288,994 |

³ Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

72 SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (continued)

For the six months ended April 30, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

| | PSW | PSY | BPP | BTZ | BGT |
|--|---------------|---------------|---------------|----------------|---------------|
| Financial futures contracts: | | | | | |
| Average number of contracts purchased | 16 | 69 | 59 | 196 | |
| Average number of contracts sold | 168 | 650 | 233 | 801 | |
| Average notional value of contracts purchased | \$ 1,980,750 | \$ 8,541,984 | \$ 7,723,453 | \$ 25,948,914 | |
| Average notional value of contracts sold | \$ 22,699,253 | \$ 87,516,159 | \$ 34,452,875 | \$ 106,018,797 | |
| Foreign currency exchange contracts: | | | | | |
| Average number of contracts-US dollars purchased | 2 | 2 | | | 5 |
| Average number of contracts-US dollars sold | | | | | 2 |
| Average US dollar amounts purchased | \$ 351,351 | \$ 1,029,007 | | | \$ 72,125,864 |
| Average US dollar amounts sold | | | | | \$ 1,482,987 |
| Options: | | | | | |
| Average number of option contracts purchased | 67 | 285 | 138 | 472 | 26 |
| Average number of option contracts written | 884 | 3,693 | 1,819 | 6,136 | |
| Average notional value of option contracts purchased | \$ 8,040,000 | \$ 34,200,000 | \$ 16,560,000 | \$ 56,640,000 | \$ 24,514 |
| Average notional value of option contracts written | \$ 4,917,500 | \$ 20,822,500 | \$ 10,127,500 | \$ 34,515,000 | |
| Average number of swaption contracts purchased | 8 | 8 | 7 | 7 | |
| Average number of swaption contracts written | 2 | 2 | 5 | 5 | |
| Average notional value of swaption contracts purchased | \$ 10,200,000 | \$ 42,600,000 | \$ 18,250,000 | \$ 62,800,000 | |
| Average notional value of swaption contracts written | \$ 7,000,000 | \$ 29,500,000 | \$ 29,650,000 | \$ 101,750,000 | |
| Credit default swaps: | | | | | |
| Average number of contracts-buy protection | 6 | 6 | 6 | 4 | |
| Average number of contracts-sell protection | 5 | 5 | 5 | 5 | |
| Average notional value-buy protection | \$ 8,090,000 | \$ 34,915,000 | \$ 17,990,000 | \$ 51,730,000 | |
| Average notional value-sell protection | \$ 2,839,884 | \$ 12,410,665 | \$ 5,819,788 | \$ 20,371,766 | |
| Interest rate swaps: | | | | | |
| Average number of contracts-pays fixed rate | 5 | 5 | 5 | 4 | |
| Average number of contracts-receives fixed rate | 2 | 2 | 1 | 2 | |
| Average notional value-pays fixed rate | \$ 8,100,000 | \$ 35,000,000 | \$ 18,650,000 | \$ 53,750,000 | |
| Average notional value-receives fixed rate | \$ 1,300,000 | \$ 5,850,000 | \$ 2,100,000 | \$ 15,650,000 | |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

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As of April 30, 2012, the PNC Financial Services Group, Inc. ("PNC") and Barclays Bank PLC ("Barclays") are the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate for 1940 Act purposes, but Barclays is 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 (average weekly for BPP, BTZ and BGT) net assets (including any assets attributable to borrowings) as follows:

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

The Manager 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) minus the sum of liabilities (other than borrowings representing financial leverage) by 0.05% for the period September 1, 2011 to August 31, 2012. For the six months ended April 30, 2012, the Manager waived \$392, which is included in fees waived by advisor in the Statements of Operations.

The Manager voluntarily agreed to waive its investment 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 in connection with 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 ended April 30, 2012, the amounts waived were as follows:

| | | |
|-----|----|----------|
| PSW | \$ | 491 |
| PSY | | \$ 1,276 |
| BPP | | \$ 772 |
| BTZ | | \$ 1,945 |
| BGT | | \$ 332 |

The Manager provides investment management and other services to the Taxable Subsidiary. The Manager does not receive separate compensation from the Taxable Subsidiary for providing investment management or administrative services. However, the Fund pays the Manager based on the Fund's net assets, which includes the assets of the Taxable Subsidiary.

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.

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.

Notes to Financial Statements (continued)

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, 2012, were as follows:

| | Purchases | Sales |
|-----|------------------|----------------|
| PSW | \$ 23,218,848 | \$ 34,001,374 |
| PSY | \$ 100,161,146 | \$ 138,042,751 |
| BPP | \$ 43,854,009 | \$ 61,164,086 |
| BTZ | \$ 163,512,893 | \$ 219,531,092 |
| BGT | \$ 159,291,732 | \$ 133,965,223 |

Purchases and sales of US government securities for the six months ended April 30, 2012, were as follows:

| | Purchases | Sales |
|-----|------------------|---------------|
| PSW | \$ 5,304,724 | \$ 4,200,371 |
| PSY | \$ 19,942,739 | \$ 16,801,794 |
| BPP | \$ 9,397,688 | \$ 9,351,402 |
| BTZ | \$ 35,594,950 | \$ 29,384,746 |

Transactions in options written for the six months ended April 30, 2012 were as follows:

| | Calls | | | Puts | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Contract | Notional | Premiums | Contract | Notional | Premiums |
| | (000) | (000) | Received | (000) | (000) | Received |
| PSW | | | | | | |
| Outstanding options, beginning of period | | \$1,800 | \$64,800 | | \$1,800 | \$64,800 |
| Options written | 3,333 | 1,100 | 132,945 | 67 | 11,500 | 301,372 |
| Options exercised | | | | | | |
| Options expired | | | | | (1,800) | (64,800) |
| Options closed | (1,633) | (2,900) | (178,535) | (67) | (9,100) | (254,572) |
| Outstanding options, end of period | 1,700 | | \$19,210 | | \$2,400 | \$46,800 |
| PSY | | | | | | |
| Outstanding options, beginning of period | | \$7,700 | \$277,200 | | \$7,700 | \$277,200 |
| Options written | 14,443 | 4,900 | 582,663 | 285 | 48,500 | 1,280,613 |
| Options exercised | | | | | | |
| Options expired | | | | | (7,700) | (277,200) |
| Options closed | (7,343) | (12,600) | (779,633) | (285) | (38,900) | (1,093,413) |
| Outstanding options, end of period | 7,100 | | \$80,230 | | \$9,600 | \$187,200 |

BPP

| | | | | | |
|--|----------|-----------|------------|----------|----------------------|
| Outstanding options, beginning of period | \$8,700 | \$425,700 | | \$8,700 | \$425,700 |
| Options written | 6,969 | 164,701 | 138 | 31,900 | 552,940 |
| Options exercised | | | | (3,700) | (133,200) |
| Options expired | | | | | |
| Options closed | (3,469) | (3,700) | (258,351) | (138) | (16,500) (413,020) |
| Outstanding options, end of period | 3,500 | \$5,000 | \$332,050 | \$20,400 | \$432,420 |

BTZ

| | | | | | |
|--|----------|-------------|-------------|-----------|-----------------------|
| Outstanding options, beginning of period | \$30,000 | \$1,461,850 | | \$30,000 | \$1,461,850 |
| Options written | 23,836 | 563,326 | 472 | 109,500 | 1,897,460 |
| Options exercised | | | | | |
| Options expired | | | | (13,000) | (467,350) |
| Options closed | (12,036) | (13,000) | (897,336) | (472) | (56,500) (1,413,410) |
| Outstanding options, end of period | 11,800 | \$17,000 | \$1,127,840 | \$70,000 | \$1,478,550 |

74 SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (continued)

5. Income Tax Information:

As of October 31, 2011, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires October 31, | PSW | PSY | BPP | BTZ | BGT |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| 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 |
| 2019 | 2,118,889 | 11,730,113 | 2,683,880 | 10,353,275 | 406,589 |
| Total | \$ 133,183,040 | \$ 496,772,908 | \$ 203,308,710 | \$ 412,613,268 | \$ 90,203,968 |

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

As of April 30, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| | PSW | PSY | BPP | BTZ | BGT |
|---|----------------|----------------|----------------|----------------|-----------------|
| Tax cost | \$ 144,062,731 | \$ 617,375,114 | \$ 291,188,282 | \$ 983,935,275 | \$ 487,454,847 |
| Gross unrealized appreciation | \$ 10,316,219 | \$ 42,243,469 | \$ 19,031,366 | \$ 57,977,988 | \$ 10,646,677 |
| Gross unrealized depreciation | (1,714,543) | (10,256,188) | (8,374,221) | (22,412,823) | (12,442,061) |
| Net unrealized appreciation (depreciation) | \$ 8,601,676 | \$ 31,987,281 | \$ 10,657,145 | \$ 35,565,165 | \$ (1,795,384) |

6. 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 Fund has granted a security interest in substantially all of its assets to SSB. The SSB Agreement provides the Fund with a maximum commitment of \$172.2 million.

Advances will be made by SSB to the Fund, at the Fund's option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above 7-day, 30-day, 60-day or 90-day LIBOR.

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, 2012 are shown in the Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

The SSB Agreement was renewed for 364 days under substantially the same terms effective March 2, 2012. For the six months ended April 30, 2012, the daily weighted average interest rate was 0.95%.

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, 2012, the daily weighted average interest rates for Funds with borrowings from reverse repurchase agreements were as follows:

| | |
|-----|-------|
| PSW | 0.38% |
| PSY | 0.37% |
| BPP | 0.37% |
| BTZ | 0.35% |

7. Commitments:

The Funds may invest in floating rate loan interests. In connection with these investments, the Funds may also enter into unfunded floating rate loan interests and bridge loan commitments (commitments). Bridge loan commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged. At April 30, 2012, BGT had outstanding bridge loan commitments of \$3,765,000. In connection with either of these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. The unrecognized commitment fee income is recorded on the Statements of Assets and Liabilities as deferred income. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of April 30, 2012, BGT had the following unfunded floating rate loan interests:

| Borrower | Value of | | Unrealized |
|---|--------------------------------------|--|------------|
| | Unfunded Floating Rate Loan Interest | Underlying Floating Rate Loan Interest | |
| Tronox Worldwide LLC, Delayed Draw Term Loan | \$ 465,000 | \$ 465,646 | \$ 646 |

Notes to Financial Statements (continued)

8. Concentration, Market and Credit Risk:

As of April 30, 2012, PSW, PSY, BPP and BTZ invested a significant portion of their assets in securities in the financials sector, whereas BGT invested a significant portion of its assets in the media sector. 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 counter-party 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.

9. 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 Common Shares to Preferred Shares without approval of Common Shareholders. 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.

Common Shares

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

| | Six Months Ended April 30, 2012 | Year Ended October 31, 2011 |
|-----|--|--|
| BGT | 6,757 | 39,329 |

Shares issued and outstanding remained constant for the six months ended April 30, 2012 and the year ended October 31, 2011 for PSW, PSY, BPP and BTZ, respectively.

Preferred Shares

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During the year ended October 31, 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 Series | Shares | Aggregate |
|------|--------------------------|-----------------|------------------|
| | Date | Redeemed | Principal |
| PSWM | 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 line of credit.

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 of Supplementary (the "Governing Instrument") are 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 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.

76 SEMI-ANNUAL REPORT APRIL 30, 2012

Notes to Financial Statements (concluded)

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:

The Funds paid a net investment income dividend in the following amounts per share on May 31, 2012 to Common Shareholders on record on May 15, 2012:

| | Common Dividend Per Share |
|-----|--|
| PSW | \$0.0595 |
| PSY | \$0.0610 |
| BPP | \$0.0635 |
| BTZ | \$0.0785 |
| BGT | \$0.0775 |

Additionally, the Funds declared a net investment income dividend on June 1, 2012 payable to Common Shareholders of record on June 15, 2012 for the same amounts noted above.

SEMI-ANNUAL REPORT APRIL 30, 2012 77

Officers and Directors¹

Richard E. Cavanagh, Chairman of the Board and Director
Karen P. Robards, Vice Chairperson of the Board,
Chairperson of the Audit Committee and Director
Paul L. Audet, Director
Michael J. Castellano, Director and Member of the Audit
Committee
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 and
Anti-Money Laundering Officer
Ira P. Shapiro, Secretary

¹John F. Powers, who was a Director of the Fund, resigned as of February 21, 2012.

Investment Advisor

BlackRock Advisors, LLC
Wilmington, DE 19809

Sub-Advisor

BlackRock Financial Management, Inc.
New York, NY 10022

Custodian and Accounting Agent

State Street Bank and Trust Company
Boston, MA 02110

Transfer Agent

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

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Boston, MA 02116

Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP
New York, NY 10036

Address of the Funds

100 Bellevue Parkway
Wilmington, DE 19809

78 SEMI-ANNUAL REPORT APRIL 30, 2012

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 Roy Curbow and other plaintiffs, including 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. On March 15, 2012, the Supreme Court of the State of New York, New York County entered an order consolidating the above-referenced derivative complaint with another derivative complaint, containing almost identical allegations, already pending in that court. The court on March 15, 2012, also granted plaintiffs permission to file an amended complaint. On April 16, 2012, the plaintiffs filed a Consolidated Shareholder Derivative Complaint. The Manager, BlackRock, Inc. and the other defendants 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. On December 23, 2010, the court denied plaintiffs' motion for a preliminary injunction.

On June 3, 2011, a putative class action lawsuit was brought by Hinda Wachtel against PSY, certain former and current Directors of PSY, BlackRock, Inc., and certain other financial institutions in the Circuit Court for Baltimore City. The complaint alleges that the redemptions at par of certain AMPS issued by PSY constituted a breach of the

fiduciary duties purportedly owed to the common shareholders of PSY; that PSY allegedly aided and abetted breaches of fiduciary duties by the Directors; and that PSY, BlackRock, Inc., and others were unjustly enriched. The Complaint requests a declaratory judgment that PSY aided and abetted breaches of fiduciary duties by the Directors and that PSY, BlackRock, Inc. and certain other financial institutions were unjustly enriched; seeks to enjoin BlackRock, Inc. from serving as investment adviser to PSY or otherwise earning fees for services rendered to PSY; and claims unquantified damages, attorneys' fees, interest and punitive damages. On June 5, 2012, the plaintiff voluntarily dismissed the complaint without prejudice.

SEMI-ANNUAL REPORT APRIL 30, 2012 79

Additional Information (continued)

General Information (continued)

On June 9, 2011, a putative class action lawsuit was brought by Sydell Protas against BTZ, certain former and current Directors of BTZ, BlackRock, Inc., and certain other financial institutions, in the Court of Chancery of the State of Delaware. On August 31, 2011, Plaintiff filed an "Amended Verified Derivative and Class Action Complaint" (the "Amended Complaint"), which purports to assert certain of the claims derivatively on behalf of BTZ and certain of the claims directly as class claims. The Amended Complaint alleges that the redemptions at par of certain AMPS issued by BTZ constituted a breach of the fiduciary duties purportedly owed to the common shareholders of BTZ; that BTZ allegedly aided and abetted breaches of fiduciary duties by the Directors; and that BTZ, BlackRock, Inc., and others were unjustly enriched. The Amended Complaint requests a declaratory judgment that BTZ aided and abetted breaches of fiduciary duties by the Directors and that BTZ, BlackRock, Inc. and certain other financial institutions were unjustly enriched; seeks to enjoin BlackRock, Inc. from serving as investment adviser to BTZ or otherwise earning fees for services rendered to BTZ; and claims unquantified damages, attorneys' fees, interest and punitive damages. On May 4, 2012, the court dismissed the Amended Complaint with prejudice. On June 4, 2012, the Plaintiff appealed the Delaware Chancery Courts decision to the Delaware Supreme Court.

On February 9, 2012, the Board of BPP approved the removal of BPP's non-fundamental investment policy requiring that swaps may only be entered into with counterparties that are rated either A or A-1 or better by S&P or Fitch, or A or P-1 or better by Moody's. As a result of this investment policy change, BPP may enter into swaps with any counterparties approved by the Manager. Such counterparties may entail a greater degree of credit risk or risk of nonperformance than counterparties rated either A or A-1 or better by S&P or Fitch, or A or P-1 or better by Moody's. The Manager will seek to minimize BPP's exposure to counterparty risk by entering into swaps with counterparties the Manager believes to be creditworthy at the time they enter into such transactions. To the extent BPP engages in swaps, shareholders of BPP will be dependent on the analytical ability of the Manager to evaluate the credit quality of counterparties to such transactions. In the event of the insolvency of a counterparty, BPP may not be able to recover its assets, in full or at all, during the insolvency process. In addition, counterparties to investments may have no obligation to make markets in such investments and may have the ability to apply essentially discretionary margin and credit requirements. The foregoing investment policy amendment will not alter BPP's investment objective.

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, except as noted above, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

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 in this report.

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' web-sites 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 call the Funds at (800) 441-7762.

80SEMI-ANNUAL REPORT APRIL 30, 2012

Additional Information (continued)

General Information (concluded)

Availability of Quarterly Schedule of Investments

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

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 the Funds voted proxies relating to securities held in the Funds' portfolios 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. 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 in this report.

Section 19(a) Notices

The 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, 2012

| Total Cumulative Distributions for the Fiscal Year-to-Date | | | | % Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date | | | |
|---|---|--|---------------------------------------|--|---|----------------------------------|---------------------------------------|
| Net Investment Income | Net Realized Capital Gains | Total Per Return of Capital | Total Per Common Share | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |

| | | | | | |
|-----|------------|------------|-------|-----|---|
| BTZ | \$0.469000 | \$0.469000 | 100 % | 100 | % |
|-----|------------|------------|-------|-----|---|

SEMI-ANNUAL REPORT APRIL 30, 2012 81

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.

82SEMI-ANNUAL REPORT APRIL 30, 2012

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.

#CE-CAFRI-5-4/12-SAR

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

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 2, 2012

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 2, 2012

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Credit Allocation Income Trust II, Inc.

Date: July 2, 2012

3