

BLACKROCK CREDIT ALLOCATION INCOME TRUST  
Form N-CSR  
January 04, 2016

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: 811-21972

Name of Fund: BlackRock Credit Allocation Income Trust (BTZ)

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, 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 10/31/2015

Date of reporting period: 10/31/2015

Item 1 Report to Stockholders

OCTOBER 31, 2015

ANNUAL REPORT

**BlackRock Credit Allocation Income Trust (BTZ)**

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

**BlackRock Multi-Sector Income Trust (BIT)**

Not FDIC Insured May Lose Value No Bank Guarantee

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## The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks across regions were the overarching themes driving financial markets during the 12-month period ended October 31, 2015. U.S. economic growth was picking up considerably toward the end of 2014, while the broader global economy showed signs of slowing. Investors favored the stability of U.S. assets despite expectations that the Federal Reserve (the "Fed") would eventually be inclined to raise short-term interest rates, while international markets struggled even as the European Central Bank and the Bank of Japan eased monetary policy. Oil prices plummeted in late 2014 due to a global supply-and-demand imbalance, fueling a sell-off in energy-related assets and emerging markets. U.S. Treasury bonds benefited as their persistently low yields had become attractive as compared to the even lower yields on international sovereign debt.

Equity markets reversed in early 2015, with international markets outperforming the United States as global risks temporarily abated, and the U.S. economy hit a soft patch amid a harsh winter and a west coast port strike. High valuations took their toll on U.S. stocks, while bond yields fell to extreme lows. (Bond prices rise as yields fall.) In contrast, economic reports in Europe and Asia began to improve, and accommodative policies from central banks in those regions helped international equities rebound. Oil prices stabilized, providing some relief for emerging market stocks, although a stronger U.S. dollar posed another significant headwind for the asset class.

U.S. economic growth regained momentum in the second quarter, helping U.S. stocks resume an upward path; however, the improving data underscored the likelihood that the Fed would raise short-term rates before the end of 2015 and bond yields moved swiftly higher. The month of June brought a sharp, but temporary, sell-off across most asset classes as Greece's long-brewing debt troubles came to an impasse. These concerns abated when the Greek parliament passed a series of austerity and reform measures in July. But the market's calm was short-lived. Signs of weakness in China's economy sparked extreme levels of volatility in Chinese equities despite policymakers' attempts to stabilize the market.

Higher volatility spread through markets globally in the third quarter as further evidence of deceleration in China stoked worries about overall global growth. Weakening Chinese demand caused oil prices to slide once again and ignited another steep sell-off in emerging markets. Speculation as to whether the Fed would raise rates at its September meeting further fueled global volatility. Ultimately, the Fed postponed the rate hike, but this brought little relief in the markets as the central bank's decision reinforced investors' concerns about the state of the global economy. Stock markets finished the third quarter with the worst performance since 2011. High yield bonds also declined, while higher quality assets, including U.S. Treasury bonds, municipal bonds and investment grade credit benefited from investors seeking shelter amid global uncertainty.

The period ended with a strong October rally in risk assets. Given the recent scarcity of evidence of global growth, equity markets had become more reliant on central banks to drive performance. Although October brought generally soft economic data and lower growth estimates, global equities powered higher as China's central bank provided more stimulus, the European Central Bank poised for more easing and soft U.S. data pushed back expectations for a Fed rate hike. Treasury bonds declined in October while all other asset classes benefited from investors' increased risk appetite.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit [blackrock.com](http://blackrock.com) for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of October 31, 2015**

|  | <b>6-month</b> | <b>12-month</b> |
|--|----------------|-----------------|
| U.S. large cap equities<br>(S&P 500® Index)  | 0.77%          | 5.20%           |
| U.S. small cap equities<br>(Russell 2000® Index)   | (4.12)         | 0.34            |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                    | (6.44)         | (0.07)          |
| Emerging market equities<br>(MSCI Emerging Markets Index)                                  | (17.75)        | (14.53)         |
| 3-month Treasury bills<br>(BofA Merrill Lynch<br>3-Month U.S. Treasury<br>Bill Index)      | 0.01           | 0.02            |
| U.S. Treasury securities<br>(BofA Merrill Lynch<br>10-Year U.S. Treasury Index)            | (0.02)         | 3.57            |
| U.S. investment-grade bonds (Barclays U.S.<br>Aggregate Bond Index)                        | (0.10)         | 1.96            |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                                | 1.58           | 2.87            |
| U.S. high yield bonds<br>(Barclays U.S. Corporate<br>High Yield 2% Issuer<br>Capped Index) | (3.38)         | (1.91)          |

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

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## Trust Summary as of October 31, 2015

BlackRock Credit Allocation Income Trust

## Trust Overview

BlackRock Credit Allocation Income Trust's (BTZ) (the Trust) investment objective is to provide current income, current gains and capital appreciation. The Trust 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 Trust may invest directly in such securities or synthetically through the use of derivatives.

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

## Trust Information

|   |                   |
|---|-------------------|
| Symbol on New York Stock Exchange ( NYSE )  | BTZ               |
| Initial Offering Date   | December 27, 2006 |
| Current Distribution Rate on Closing Market Price as of October 31, 2015 (\$12.53) <sup>1</sup> | 7.71%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.0805          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.9660          |
| Economic Leverage as of October 31, 2015 <sup>3</sup>   | 31%               |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a return of capital or net realized gain.

<sup>3</sup> Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 10.

## Performance and Portfolio Management Commentary

Returns for the 12 months ended October 31, 2015 were as follows:

|  | Returns Based On |                  |
|--|------------------|------------------|
|  | Market Price     | NAV <sup>3</sup> |
| BTZ <sup>1</sup>   | (0.33)%          | 0.48%            |
| Lipper Corporate BBB-Rated Debt Funds (Leveraged) <sup>2</sup> | 1.05             | (0.28)           |

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>2</sup> Average return.

<sup>3</sup> The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Trust's absolute performance based on NAV:

**What factors influenced performance?**

The Trust's performance was helped by its positions in lower-quality bonds, which outperformed higher-rated issues during the period. The Trust maintained an allocation to capital securities, which benefited performance. (Capital securities are dividend-paying securities that combine some features of both corporate bonds and preferred stocks, while generally providing higher yields to compensate for being less senior in the issuer's capital structure.)

The Trust's yield curve positioning, which was geared for a flattening of the curve between the 10- and 30-year segments, was beneficial given the outperformance of longer-term bonds. Security selection in the utilities sector also aided performance.

Throughout the year, swap spreads faced tremendous pressure and in October they turned negative, largely due to technical pressures. After years of building reserves, official institutions (particularly Asian and Middle Eastern) started selling treasuries in July. With no new source of demand, dealers were forced to sell inventory which caused U.S. Treasuries to cheapen. Swaps broke down as a hedge versus other spread products (credit spreads widened while swaps tightened). This breakdown in credit hedge triggered unwinds and further tightening pressure. In addition, quarter end funding and uncertainty over a rate hike by the Federal Reserve added pressure in October as well. As a result, swaps had a negative impact on performance.

**Describe recent portfolio activity.**

During the 12-month period, the investment advisor became more cautious with regard to corporate bonds due to rising credit risk and an increase in activities that benefit stockholders over bond investors.

Believing the U.S. Federal Reserve would begin raising interest rates, the investment advisor decreased the Trust's duration (interest-rate sensitivity) during the period, and the Trust remained positioned for a flattening of the yield curve (outperformance for longer-term bonds).

Additionally, the Trust reduced its allocation to the industrial sector due to rising new-issue supply, and it increased its weighting in the financials sector. Within financials, the investment advisor sought opportunities lower in the capital structure among subordinated and preferred securities.

**Describe portfolio positioning at period end.**

Within the industrials sector, the Trust was overweight in the communications, energy and transportation subsectors, and it was underweight in the technology, capital goods and consumer subsectors. The Trust was underweight in financials and neutral in utilities.

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.



## Market Price and Net Asset Value Per Share Summary

|                 | 10/31/15 | 10/31/14 | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 12.53 | \$ 13.54 | (7.46)% | \$ 13.65 | \$ 12.06 |
| Net Asset Value | \$ 14.33 | \$ 15.36 | (6.71)% | \$ 15.41 | \$ 14.18 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Total Investments

| Portfolio Composition      | 10/31/15 | 10/31/14 <sup>1</sup> |
|----------------------------|----------|-----------------------|
| Corporate Bonds            | 76%      | 78%                   |
| Preferred Securities       | 19       | 16                    |
| Asset-Backed Securities    | 4        | 3                     |
| Municipal Bonds            | 1        | 1                     |
| Foreign Agency Obligations |          | 1                     |
| U.S. Treasury Obligations  |          | 1                     |
| Other                      | 2        | 3                     |

<sup>1</sup> Information has been revised to conform to current year presentation.

<sup>2</sup> Includes a less than 1% holding in each of the following investment types: Foreign Agency Obligations, Options Purchased, Options Written, U.S. Sponsored-Agency Securities and Short-Term Securities.

<sup>3</sup> Includes a less than 1% holding in each of the following investment types: Options Purchased, Options Written, U.S. Sponsored-Agency Securities and Short-Term Securities.

Credit Quality Allocation<sup>4,5</sup>

|                      | 10/31/15 | 10/31/14 <sup>1</sup> |
|----------------------|----------|-----------------------|
| AAA/Aaa <sup>6</sup> | 1%       | 2%                    |
| AA/Aa                | 2        | 2                     |
| A                    | 19       | 17                    |
| BBB/Baa              | 48       | 45                    |
| BB/Ba                | 18       | 21                    |
| B                    | 9        | 9                     |
| CCC/Caa              | 1        | 2                     |
| N/R                  | 2        | 2                     |

<sup>4</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

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<sup>5</sup> Excludes Short-Term Securities, Options Purchased and Options Written.

<sup>6</sup> The investment advisor evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuer. Using this approach, the investment advisor has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

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## Trust Summary as of October 31, 2015

## BlackRock Floating Rate Income Trust

## Trust Overview

BlackRock Floating Rate Income Trust s (BGT) (the Trust ) primary investment objective is to provide a high level of current income. The Trust s secondary investment objective is to seek the preservation of capital. The Trust 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 U.S. and non-U.S. 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 Trust expects that the average effective duration of its portfolio will be no more than 1.5 years. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

## Trust Information

|   |                 |
|---|-----------------|
| Symbol on NYSE  | BGT             |
| Initial Offering Date   | August 30, 2004 |
| Current Distribution Rate on Closing Market Price as of October 31, 2015 (\$12.77) <sup>1</sup> | 5.48%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.0583        |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.6996        |
| Economic Leverage as of October 31, 2015 <sup>3</sup>   | 24%             |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a return of capital or net realized gain.

<sup>3</sup> Represents bank borrowings outstanding as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 10.

## Performance and Portfolio Management Commentary

Returns for the 12 months ended October 31, 2015 were as follows:

|  | Returns Based On |                  |
|--|------------------|------------------|
|  | Market Price     | NAV <sup>3</sup> |
| BGT <sup>1</sup>                             | 3.08%            | 3.54%            |
| Lipper Loan Participation Funds <sup>2</sup> | (2.06)           | (0.65)           |

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>2</sup> Average return.

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<sup>3</sup> The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

The following discussion relates to the Trust's absolute performance based on NAV:

### **What factors influenced performance?**

After marginally declining in late 2014, the market for floating rate loan interests (i.e. bank loans) recovered to provide a modest positive return for the full 12-month period. Given the positive returns experienced, the Trust's use of leverage added to performance for the period. The Trust's loan holdings in the healthcare and technology sectors were among the top performers over the period, while exposure to collateralized loan obligations (CLOs) also added to returns.

During the period, oil prices experienced a significant decline and most commodity prices came under pressure as well. As a result, prices for the Trust's holdings within the energy sector fell notably during the period and detracted from returns. The metals & mining sector, while a smaller component of the market, declined as well. The electric segment, and in particular Texas Utilities, was also a detractor. Finally, the Trust's modest position in equities was a negative contributor.

### **Describe recent portfolio activity.**

Throughout the 12-month period, the Trust maintained its focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust has concentrated its investments in strong companies with stable cash flows and high quality collateral, with the ability to meet interest obligations and ultimately return principal. From a sector perspective, the Trust added to names in the pharmaceuticals and health care sectors, where increased merger and acquisition activity has led to some attractive investment opportunities.

### **Describe portfolio positioning at period end.**

At period end, the Trust held 93% of its total portfolio in bank loans, with the remainder primarily in corporate bonds and CLOs. The Trust continued to favor loans rated B where the investment advisor was comfortable with credit quality, in view of the incremental income they offered versus BB loans. Additionally, the Trust held a modest position in CCC-rated loans, with a focus on names that have shown consistent credit improvement. In general, the Trust maintained a bias toward more liquid loans, which have held up better during recent market volatility. Top portfolio holdings included Valeant Pharmaceuticals (pharmaceuticals), First Data (IT services), and Level 3 Communications (diversified telecommunication services).

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.

## Market Price and Net Asset Value Per Share Summary

|                 | 10/31/15 | 10/31/14 | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 12.77 | \$ 13.18 | (3.11)% | \$ 13.73 | \$ 12.27 |
| Net Asset Value | \$ 14.18 | \$ 14.57 | (2.68)% | \$ 14.69 | \$ 14.12 |

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Trust's Total Investments

| Portfolio Composition        | 10/31/15     | 10/31/14 <sup>1</sup> |
|------------------------------|--------------|-----------------------|
| Floating Rate Loan Interests | 93%          | 93%                   |
| Asset-Backed Securities      | 4            | 2                     |
| Corporate Bonds              | 3            | 4                     |
| Common Stocks                | <sup>2</sup> | 1                     |
| Other                        | 3            | 4                     |

<sup>1</sup> Information has been revised to conform to current year presentation.

<sup>2</sup> Includes a less than 1% holding in Common Stocks.

<sup>3</sup> Includes a less than 1% holding in each of the following investment types: Non-Agency Mortgage Backed Securities, Other Interests, Investment Companies, Warrants, Short-Term Securities and Options Purchased.

<sup>4</sup> Includes a less than 1% holding in each of the following investment types: Non-Agency Mortgage-Backed Securities, Other Interests, Warrants and Options Purchased.

| Credit Quality Allocation <sup>5,6</sup> | 10/31/15 | 10/31/14 <sup>1</sup> |
|--|----------|-----------------------|
| A  | 1%       |                       |
| BBB/Baa                                  | 8        | 7%                    |
| BB/Ba                                    | 45       | 38                    |
| B  | 39       | 43                    |
| CCC/Caa                                  | 3        | 4                     |
| N/R                                      | 4        | 8                     |

<sup>5</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

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<sup>6</sup> Excludes Short-Term Securities and Options Purchased.

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## Trust Summary as of October 31, 2015

BlackRock Multi-Sector Income Trust

## Trust Overview

BlackRock Multi-Sector Income Trust's (BIT) (the Trust) primary investment objective is to seek high current income, with a secondary objective of capital appreciation. The Trust seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its assets in loan and debt instruments and other investments with similar economic characteristics. The Trust may invest directly in such securities or synthetically through the use of derivatives.

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

## Trust Information

|   |                   |
|---|-------------------|
| Symbol on NYSE  | BIT               |
| Initial Offering Date   | February 27, 2013 |
| Current Distribution Rate on Closing Market Price as of October 31, 2015 (\$16.31) <sup>1</sup> | 8.59%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.1167          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$1.4004          |
| Economic Leverage as of October 31, 2015 <sup>3</sup>   | 41%               |

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a return of capital. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a return of capital or net realized gain.

<sup>3</sup> Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (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 Trust, please see The Benefits and Risks of Leveraging on page 10.

## Performance and Portfolio Management Commentary

Returns for the 12 months ended October 31, 2015 were as follows:

|  | Returns Based On |                    |
|--|------------------|--------------------|
|  | Market Price     | NAV <sup>3</sup>   |
| BIT <sup>1</sup>                       | 0.06%            | 3.87% <sup>4</sup> |
| Lipper General Bond Funds <sup>2</sup> | (1.69)           | (0.29)             |

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

<sup>2</sup> Average return.

<sup>3</sup> The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV.

<sup>4</sup> For financial reporting purposes, the market value of certain investments were adjusted as of report date. Accordingly, the net asset value ( NAV ) per share and total return performance based on net asset value presented herein are different than the information previously published on October 31, 2015. The following discussion relates to the Trust's absolute performance based on NAV:

**What factors influenced performance?**

The Trust's positions in non-agency mortgage-backed securities ( MBS ), high yield corporate bonds, commercial mortgage-backed securities ( CMBS ) and asset-backed securities ( ABS ) were the most significant contributors to performance. The Trust also received positive contributions from its allocation to senior bank loans, as well as from both its stance with respect to duration (a measure of interest rate sensitivity) and yield curve positioning.

The main detractors from the Trust's performance were its allocations to emerging market debt and investment grade corporate bonds.  
**Describe recent portfolio activity.**

During the period, the Trust rotated its exposure to sectors that trade at a yield spread versus U.S. Treasuries by reducing allocations to high yield corporate bonds, investment grade corporate bonds and CMBS, while increasing exposure to non-agency MBS and ABS. The net effect of this rotation was a reduction in credit risk. In addition, sensitivity to interest rates was reduced by lowering the Trust's effective duration. Both macroeconomic and technical market factors contributed to the decision to reduce risk within the Trust, including historically tight credit spreads, an increase in market volatility and the prospect of a higher interest rate environment.  
**Describe portfolio positioning at period end.**

The Trust maintained diversified exposure to non-government spread sectors, including high yield and investment grade corporate bonds, as well as to structured credits including CMBS, ABS and non-agency MBS.

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.



## Market Price and Net Asset Value Per Share Summary

|                 | 10/31/15 | 10/31/14 | Change  | High     | Low      |
|-----------------|----------|----------|---------|----------|----------|
| Market Price    | \$ 16.31 | \$ 17.79 | (8.32)% | \$ 17.98 | \$ 15.15 |
| Net Asset Value | \$ 18.91 | \$ 19.87 | (4.83)% | \$ 19.90 | \$ 18.77 |

## Market Price and Net Asset Value History Since Inception

<sup>1</sup> Commencement of operations.

## Overview of the Trust's Total Investments

| Portfolio Composition                 | 10/31/15 | 10/31/14 <sup>1</sup> |
|---------------------------------------|----------|-----------------------|
| Corporate Bonds                       | 33%      | 35%                   |
| Non-Agency Mortgage-Backed Securities | 25       | 29                    |
| Asset-Backed Securities               | 21       | 15                    |
| Preferred Securities                  | 13       | 14                    |
| Floating Rate Loan Interests          | 5        | 5                     |
| Foreign Agency Obligations            | 2        | 1                     |
| Short-Term Securities                 | 1        | 1                     |
| Other <sup>2</sup>                    |          |                       |

<sup>1</sup> Information has been revised to conform to current year presentation.

<sup>2</sup> Includes a less than 1% holding in each of the following investment types: Options Purchased and Options Written.

| Credit Quality Allocation <sup>3,4</sup> | 10/31/15 | 10/31/14 <sup>1</sup> |
|--|----------|-----------------------|
| A  | 3%       | 3%                    |
| BBB/Baa                                  | 17       | 17                    |
| BB/Ba                                    | 28       | 25                    |
| B  | 12       | 17                    |
| CCC/Caa                                  | 19       | 21                    |
| CC/Ca                                    | 5        | 5                     |
| N/R                                      | 16       | 12                    |

<sup>3</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>4</sup> Excludes Short-Term Securities, Options Purchased and Options Written.



## The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the distribution rate on, and net asset value ( NAV ) of, their common shares ( Common Shares ). However, these objectives cannot be achieved in all interest rate environments.

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trusts (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trusts' shareholders 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.

To illustrate these concepts, assume a Trust's capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, a Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by a Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Trust's financing cost of leverage is significantly lower than the income earned on a Trust's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trusts' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Trusts had not used leverage. Furthermore, the value of the Trusts' 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 value of the Trusts' obligations under their respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest

rates can influence the Trusts' NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Trusts' intended leveraging strategy will be successful.

Leverage also generally causes greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of the Trusts' shares than if the Trusts were not leveraged. In addition, the Trusts 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 the Trusts to incur losses. The use of leverage may limit the Trusts' ability to invest in certain types of securities or use certain types of hedging strategies. The Trusts incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shareholders. Moreover, to the extent the calculation of the Trusts' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Trusts' investment advisor will be higher than if the Trusts did not use leverage.

Each Trust may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), each Trust is permitted to issue debt up to 3 $\frac{1}{3}$ % of its total managed assets. BIT is permitted to use economic leverage (which includes leverage attributable to reverse repurchase agreements) of up to 50% of its total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

If a Trust segregates or designates on its books and records cash or liquid assets having values not less than the value of a Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction is not considered a senior security and is not subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

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The Trusts may invest in various derivative financial instruments. Derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage. Derivative financial instruments also 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 Trusts' 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 limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Schedule of Investments October 31, 2015

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par        |  | Value      |
|---|------------|--|------------|
|   | (000)      |  |            |
| <b>Asset-Backed Securities (a)</b>  |            |  |            |
| <b>Asset-Backed Securities 5.8%</b>   |            |  |            |
| ACAS CLO Ltd., Class C (b):   |            |  |            |
| Series 2014-1A, 3.22%, 7/18/26  | USD 750    |  | \$ 726,187 |
| Series 2014-2A, 3.52%, 1/15/27  | 1,000      |  | 980,188    |
| ALM Loan Funding (b):   |            |  |            |
| Series 2012-5A, Class BR, 3.31%, 10/18/27   | 2,000      |  | 1,962,600  |
| Series 2013-7R2A, Class B, 2.89%, 4/24/24   | 3,000      |  | 2,968,766  |
| ALM XII Ltd., Series 2015-12A, Class B, 3.57%, 4/16/27 (b)                          | 1,000      |  | 995,000    |
| ALM XIV Ltd., Series 2014-14A (b):  |            |  |            |
| Class B, 3.24%, 7/28/26   | 5,000      |  | 4,912,841  |
| Class C, 3.74%, 7/28/26   | 5,000      |  | 4,623,522  |
| Anchorage Capital CLO Ltd., 3.32%, 4/28/26 (b)                                      | 1,000      |  | 972,012    |
| Apidos CDO, Series 2012-9AR, Class CR, 3.22%, 7/15/23 (b)                           | 1,000      |  | 990,600    |
| Apidos CLO XVII, Series 2014-17A, Class B, 3.17%, 4/17/26 (b)                       | 1,000      |  | 974,251    |
| Apidos CLO XVIII, Series 2014-18A, Class C, 3.97%, 7/22/26 (b)                      | 1,300      |  | 1,215,857  |
| Atlas Senior Loan Fund V Ltd., Series 2014-1A (b):                                  |            |  |            |
| Class C, 3.32%, 7/16/26   | 1,000      |  | 999,990    |
| Class D, 3.77%, 7/16/26   | 2,000      |  | 1,828,801  |
| Atlas Senior Loan Fund VI Ltd., Series 2014-6A, Class D, 3.99%, 10/15/26 (b)        | 3,000      |  | 2,779,176  |
| Atrium CDO Corp., Series 5A, Class A4, 0.72%, 7/20/20 (b)                           | 9,000      |  | 8,681,002  |
| Babson CLO Ltd., Series 2014-3A (b):  |            |  |            |
| Class C1, 3.32%, 1/15/26  | 1,500      |  | 1,490,250  |
| Class D1, 3.82%, 1/15/26  | 1,000      |  | 927,500    |
| Battalion CLO VII Ltd., Series 2014-7A, Class C, 4.22%, 10/17/26 (b)                | 1,000      |  | 926,590    |
| Benefit Street Partners CLO IV Ltd., Series 2014-IVA, Class B, 3.12%, 7/20/26 (b)   | 1,250      |  | 1,221,875  |
| Benefit Street Partners CLO VI Ltd., Series 2015-VIA, Class B, 3.37%, 4/18/27 (b)   | 1,000      |  | 985,000    |
| BlueMountain CLO Ltd., Series 2011-1A, Class D, 4.32%, 8/16/22 (b)                  | 2,000      |  | 2,003,664  |
| Bowman Park CLO Ltd., Series 2014-1A, Class D2, 4.28%, 11/23/25 (b)                 | 1,000      |  | 951,827    |
| Carlyle Global Market Strategies CLO Ltd., Class C (b):                             |            |  |            |
| Series 2014-5A, 4.47%, 10/16/25   | 1,000      |  | 993,862    |
| Series 2015-1A, 3.44%, 4/20/27  | 1,000      |  | 993,727    |
| CIFC Funding Ltd., Series 2014-3A (b):  |            |  |            |
| Class C1, 3.12%, 7/22/26  | 1,500      |  | 1,446,690  |
| Class D, 3.72%, 7/22/26   | 1,071      |  | 974,311    |
| Dryden 34 Senior Loan Fund, Series 2014-34A, Class C, 3.12%, 10/15/26 (b)           | 750        |  | 729,820    |
| GoldenTree Loan Opportunities IX Ltd., Series 2014-9A, Class D, 3.79%, 10/29/26 (b) | 1,000      |  | 928,929    |
| Highbridge Loan Management 4-2014 Ltd., Series 4A-2014, Class B, 3.29%, 7/28/25 (b) | 1,000      |  | 962,727    |
|   | <b>Par</b> |  |            |
|   | (000)      |  | Value      |
| <b>Asset-Backed Securities (a)</b>  |            |  |            |
| <b>Asset-Backed Securities (continued)</b>  |            |  |            |
| ING IM CLO Ltd., Series 2012-4A, Class C, 4.82%, 10/15/23 (b)                       | USD 1,000  |  | \$ 984,662 |
| LCM XVIII LP, Series 18A, Class C1, 3.47%, 4/20/27 (b)                              | 1,000      |  | 982,675    |
| Limerock CLO III LLC, Series 2014-3A, Class C, 3.89%, 10/20/26 (b)                  | 1,000      |  | 905,137    |
| Madison Park Funding Ltd. (b):  |            |  |            |
| Series 2012-10A, Class D, 4.57%, 1/20/25  | 3,000      |  | 2,970,535  |
| Series 2012-8AR, Class CR, 3.10%, 4/22/22   | 1,350      |  | 1,350,259  |
| Series 2012-8AR, Class DR, 4.15%, 4/22/22   | 1,500      |  | 1,474,758  |
| Series 2014-14A, Class D, 3.89%, 7/20/26  | 2,000      |  | 1,873,189  |
| Madison Park Funding IX Ltd., Series 2012-9AR, Class C1R, 3.17%, 8/15/22 (b)        | 1,000      |  | 997,714    |
| Madison Park Funding XIII Ltd., Series 2014-13A, Class C, 3.07%, 1/19/25 (b)        | 1,000      |  | 972,234    |
| Madison Park Funding XV Ltd., Series 2014-15A, Class B1, 3.55%, 1/27/26 (b)         | 2,400      |  | 2,399,951  |
| Madison Park Funding XVI Ltd., Series 2015-16A, Class B, 3.30%, 4/20/26 (b)         | 1,000      |  | 987,800    |
| Octagon Investment Partners XX Ltd., Series 2014-1A, Class C, 3.11%, 8/12/26 (b)    | 750        |  | 724,101    |
| Octagon Loan Funding Ltd., Series 2014-1A, Class D, 3.97%, 11/18/26 (b)             | 1,500      |  | 1,382,283  |
| OZLM VII Ltd., Series 2014-7A, Class C, 3.92%, 7/17/26 (b)                          | 1,500      |  | 1,379,154  |
| OZLM VIII Ltd., Series 2014-8A, Class B, 3.29%, 10/17/26 (b)                        | 900        |  | 871,457    |
| OZLM XI Ltd., Series 2015-11A, Class B, 3.30%, 1/30/27 (b)                          | 2,750      |  | 2,704,857  |

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|  |       |           |
|--|-------|-----------|
| Regatta IV Funding Ltd., Series 2014-1A (b):                         |       |           |
| Class C, 3.25%, 7/25/26  | 1,500 | 1,453,592 |
| Class D, 3.80%, 7/25/26  | 1,000 | 898,879   |
| Regatta V Funding Ltd., Series 2014-1A (b):                          |       |           |
| Class B, 3.32%, 10/25/26   | 1,000 | 973,051   |
| Class C, 3.77%, 10/25/26   | 1,000 | 899,408   |
| Silver Spring CLO Ltd., Series 2014-1A, Class D, 3.77%, 10/15/26 (b) | 750   | 646,133   |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.54%, 6/15/21      | 1,745 | 1,736,554 |
| Sound Point CLO Ltd., Series 2014-3A, Class D, 3.92%, 1/23/27 (b)    | 1,000 | 911,632   |
| Symphony CLO Ltd., Series 2012-10AR, Class CR, 3.17%, 7/23/23 (b)    | 1,000 | 1,004,672 |
| Symphony CLO XV Ltd., Series 2014-15A (b):                           |       |           |
| Class C, 3.52%, 10/17/26   | 1,500 | 1,483,125 |
| Class D, 4.07%, 10/17/26   | 1,000 | 965,000   |
| Venture XIII CLO Ltd., Series 2013-13A, Class D, 3.88%, 6/10/25 (b)  | 800   | 749,141   |
| Voya CLO Ltd., Class C (b):  |       |           |
| Series 2014-3A, 3.92%, 7/25/26                                       | 1,250 | 1,131,252 |

### Portfolio Abbreviations

|             |                                |                |                                     |              |   |
|-------------|--------------------------------|----------------|-------------------------------------|--------------|---|
| <b>ABS</b>  | Asset-Backed Security          | <b>FKA</b>     | Formerly Known As                   | <b>OTC</b>   | Over-the-Counter                        |
| <b>ADS</b>  | American Depository Shares     | <b>GBP</b>     | British Pound                       | <b>PIK</b>   | Payment-In-Kind                         |
| <b>ARB</b>  | Airport Revenue Bonds          | <b>IDR</b>     | Indonesian Rupiah                   | <b>PLN</b>   | Polish Zloty                            |
| <b>AUD</b>  | Australian Dollar              | <b>JIBAR</b>   | Johannesburg Interbank Agreed Rate  | <b>RB</b>    | Revenue Bonds                           |
| <b>BRL</b>  | Brazilian Real                 | <b>JPY</b>     | Japanese Yen                        | <b>REMIC</b> | Real Estate Mortgage Investment Conduit |
| <b>CAD</b>  | Canadian Dollar                | <b>KLIBOR</b>  | Kuala Lumpur Interbank Offered Rate | <b>RUB</b>   | Russian Ruble                           |
| <b>CLO</b>  | Collateralized Loan Obligation | <b>KRW</b>     | South Korean Won                    | <b>SEK</b>   | Swedish Krona                           |
| <b>CLP</b>  | Chilean Peso                   | <b>LIBOR</b>   | London Interbank Offered Rate       | <b>TRY</b>   | Turkish Lira                            |
| <b>CNRR</b> | Chinese Repo Rate              | <b>MXIBTIE</b> | Mexico Interbank TIE 28 Day         | <b>TWD</b>   | Taiwan Dollar                           |
| <b>CNY</b>  | Chinese Renminbi               | <b>MXN</b>     | Mexican Peso                        | <b>USD</b>   | U.S. Dollar                             |
| <b>DIP</b>  | Debtor-In-Possession           | <b>MYR</b>     | Malaysian Ringgit                   | <b>ZAR</b>   | South African Rand                      |
| <b>EUR</b>  | Euro                           | <b>NZD</b>     | New Zealand Dollar                  |              |   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

|  | Par       |            |
|--|-----------|------------|
|  | (000)     | Value      |
| <b>Asset-Backed Securities (a)</b>   |           |            |
| <b>Asset-Backed Securities (continued)</b>                                   |           |            |
| Voya CLO Ltd., Class C (b) (continued):                                      |           |            |
| Series 2014-4A, 4.32%, 10/14/26  | USD 1,000 | \$ 952,637 |
| WhiteHorse IX Ltd., Series 2014-9A, Class C, 3.02%, 7/17/26 (b)              | 1,500     | 1,404,816  |
| <b>Total Asset-Backed Securities 5.8%</b>                                    |           | 89,318,223 |
| <br>   |           |            |
| <b>Corporate Bonds</b>   |           |            |
| <b>Aerospace &amp; Defense 0.6%</b>  |           |            |
| Huntington Ingalls Industries, Inc.:   |           |            |
| 7.13%, 3/15/21   | 2,000     | 2,090,000  |
| 5.00%, 12/15/21 (b)  | 536       | 557,440    |
| TransDigm, Inc.:   |           |            |
| 6.00%, 7/15/22   | 4,585     | 4,630,850  |
| 6.50%, 7/15/24   | 2,140     | 2,177,450  |
|  |           | 9,455,740  |
| <b>Air Freight &amp; Logistics 0.2%</b>                                      |           |            |
| XPO Logistics, Inc. (b):   |           |            |
| 7.88%, 9/01/19   | 1,548     | 1,557,675  |
| 6.50%, 6/15/22   | 1,576     | 1,406,580  |
|  |           | 2,964,255  |
| <b>Airlines 1.1%</b>   |           |            |
| American Airlines Group, Inc.,   |           |            |
| 4.63%, 3/01/20 (b)   | 692       | 685,945    |
| Continental Airlines Pass-Through Trust:                                     |           |            |
| Series 2009-2, Class B, 9.25%, 11/10/18                                      | 2,166     | 2,360,467  |
| Series 2012-3, Class C, 6.13%, 4/29/18                                       | 2,040     | 2,102,016  |
| Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 7/02/24 | 3,200     | 3,639,748  |
| Turkish Airlines 2015-1 Class A Pass Through Trust, 4.20%, 9/15/28 (b)       | 3,029     | 2,930,774  |
| United Airlines Pass-Through Trust, Series 2014-1, Class B, 4.75%, 10/11/23  | 3,999     | 4,016,284  |
| Virgin Australia Trust, Series 2013-1, Class B, 6.00%, 4/23/22 (b)           | 1,326     | 1,349,279  |
|  |           | 17,084,513 |
| <b>Auto Components 1.3%</b>  |           |            |
| Goodyear Tire & Rubber Co., 6.50%, 3/01/21                                   |           |            |
|  | 1,600     | 1,700,000  |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:                        |           |            |
| 3.50%, 3/15/17   | 265       | 268,101    |
| 4.88%, 3/15/19   | 3,950     | 4,040,060  |
| 6.00%, 8/01/20   | 3,108     | 3,243,975  |
| 5.88%, 2/01/22   | 3,816     | 3,930,480  |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b)                                    | 2,470     | 2,513,225  |
| Schaeffler Holding Finance BV (b)(c):  |           |            |
| 6.25%, (6.25% Cash) 11/15/19   | 1,112     | 1,173,160  |
| 6.75%, (6.75% Cash) 11/15/22   | 2,417     | 2,640,572  |
| ZF North America Capital, Inc., 4.50%, 4/29/22 (b)                           | 291       | 292,999    |
|  |           | 19,802,572 |
| <b>Automobiles 0.5%</b>  |           |            |
| General Motors Co.:  |           |            |
| 4.88%, 10/02/23  | 1,875     | 1,967,072  |
| 7.45%, 7/16/31   | 3,660     | 4,697,724  |
| 6.25%, 10/02/43  | 940       | 1,037,945  |
|  |           | 7,702,741  |
| <b>Banks 5.0%</b>  |           |            |

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|  |            |           |
|--|------------|-----------|
| Associated Banc-Corp, 5.13%, 3/28/16 (d) | 7,430      | 7,522,266 |
| CIT Group, Inc.:                         |            |           |
| 4.25%, 8/15/17                           | 4,600      | 4,703,500 |
|  | <b>Par</b> |           |

| <b>Corporate Bonds</b>  |     | <b>(000)</b> | <b>Value</b> |
|---|-----|--------------|--------------|
| <b>Banks (continued)</b>  |     |              |              |
| CIT Group, Inc. (continued):  |     |              |              |
| 5.25%, 3/15/18  | USD | 4,030        | \$ 4,226,462 |
| 6.63%, 4/01/18 (b)  |     | 335          | 360,963      |
| 5.50%, 2/15/19 (b)  |     | 5,147        | 5,462,254    |
| 5.00%, 8/01/23  |     | 660          | 691,350      |
| City National Corp., 5.25%, 9/15/20 (d)                                 |     | 2,900        | 3,261,636    |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, 3.95%, 11/09/22 (d) |     | 3,775        | 3,816,593    |
| Credit Suisse Group AG, 6.50%, 8/08/23 (b)                              |     | 12,000       | 13,140,000   |
| Discover Bank, 8.70%, 11/18/19  |     | 748          | 888,200      |
| Fifth Third Bancorp, 5.10% (a)(e)                                       |     | 5,000        | 4,593,750    |
| HSBC Finance Corp., 6.68%, 1/15/21 (d)                                  |     | 5,150        | 5,989,192    |
| Royal Bank of Scotland Group PLC, 6.00%, 12/19/23                       |     | 10,080       | 10,943,029   |
| Wells Fargo & Co. (d):  |     |              |              |
| 3.45%, 2/13/23  |     | 2,325        | 2,331,756    |
| 4.13%, 8/15/23  |     | 4,000        | 4,162,764    |
| 5.61%, 1/15/44  |     | 4,119        | 4,670,176    |

76,763,891

|                                 |  |       |           |
|---------------------------------|--|-------|-----------|
| <b>Biotechnology 0.2%</b>       |  |       |           |
| Amgen, Inc., 4.40%, 5/01/45 (d) |  | 3,050 | 2,824,690 |

|  |  |       |           |
|--|--|-------|-----------|
| <b>Building Products 0.4%</b>                    |  |       |           |
| Building Materials Corp. of America (b):         |  |       |           |
| 6.75%, 5/01/21                                   |  | 2,700 | 2,863,350 |
| 6.00%, 10/15/25                                  |  | 2,828 | 3,004,750 |
| Masonite International Corp., 5.63%, 3/15/23 (b) |  | 610   | 637,450   |

6,505,550

|  |  |        |            |
|--|--|--------|------------|
| <b>Capital Markets 3.1%</b>              |  |        |            |
| E*Trade Financial Corp., 5.38%, 11/15/22 |  | 1,348  | 1,441,279  |
| Goldman Sachs Group, Inc. (d):           |  |        |            |
| 6.25%, 9/01/17                           |  | 625    | 678,345    |
| 7.50%, 2/15/19                           |  | 5,165  | 6,019,719  |
| 5.25%, 7/27/21                           |  | 1,175  | 1,311,070  |
| 5.75%, 1/24/22                           |  | 5,500  | 6,302,494  |
| 6.25%, 2/01/41                           |  | 15,000 | 18,147,945 |
| Morgan Stanley (d):                      |  |        |            |
| 5.63%, 9/23/19                           |  | 6,770  | 7,543,053  |
| 5.50%, 7/28/21                           |  | 2,695  | 3,050,508  |
| UBS AG, 5.88%, 7/15/16                   |  | 3,450  | 3,560,524  |

48,054,937

|   |  |       |           |
|---|--|-------|-----------|
| <b>Chemicals 1.3%</b>   |  |       |           |
| Ashland, Inc., 3.88%, 4/15/18   |  | 1,745 | 1,803,894 |
| Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV, |  |       |           |
| 7.38%, 5/01/21 (b)  |  | 617   | 652,478   |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b)(d)                                      |  | 6,000 | 7,686,924 |
| CF Industries, Inc., 5.38%, 3/15/44   |  | 2,500 | 2,468,767 |
| Chemours Co., 7.00%, 5/15/25 (b)  |  | 434   | 323,330   |
| Huntsman International LLC:   |  |       |           |
| 4.88%, 11/15/20   |  | 1,075 | 1,011,199 |
| 5.13%, 11/15/22 (b)   |  | 2,495 | 2,320,350 |
| NOVA Chemicals Corp., 5.25%, 8/01/23 (b)  |  | 2,277 | 2,329,826 |
| Platform Specialty Products Corp.,  |  |       |           |
| 6.50%, 2/01/22 (b)  |  | 1,372 | 1,166,200 |

19,762,968

|  |  |        |            |
|--|--|--------|------------|
| <b>Commercial Services &amp; Supplies 3.1%</b> |  |        |            |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20      |  | 1,003  | 1,051,896  |
| Aviation Capital Group Corp. (b):              |  |        |            |
| 7.13%, 10/15/20 (d)                            |  | 31,000 | 36,037,500 |
| 6.75%, 4/06/21                                 |  | 7,850  | 8,890,125  |



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Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b)

301

272,405

See Notes to Financial Statements.

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ANNUAL REPORT

OCTOBER 31, 2015

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

|   | Par       | Value        |
|---|-----------|--------------|
|   | (000)     |              |
| <b>Corporate Bonds</b>  |           |              |
| <b>Commercial Services &amp; Supplies (continued)</b>               |           |              |
| Mobile Mini, Inc., 7.88%, 12/01/20                                  | USD 2,480 | \$ 2,579,200 |
|   |           | 48,831,126   |
| <b>Communications Equipment 0.3%</b>                                |           |              |
| CommScope Technologies Finance LLC,<br>6.00%, 6/15/25 (b)           | 2,242     | 2,275,630    |
| CommScope, Inc., 5.50%, 6/15/24 (b)                                 | 254       | 251,460      |
| Harris Corp., 5.05%, 4/27/45  | 1,790     | 1,753,584    |
| Plantronics, Inc., 5.50%, 5/31/23 (b)                               | 423       | 430,403      |
|   |           | 4,711,077    |
| <b>Construction &amp; Engineering 0.3%</b>                          |           |              |
| AECOM Co.:  |           |              |
| 5.75%, 10/15/22   | 333       | 346,320      |
| 5.88%, 10/15/24 (b)   | 2,311     | 2,386,107    |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (b)                   | 413       | 416,614      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)   | 568       | 583,620      |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23             | 825       | 792,000      |
|   |           | 4,524,661    |
| <b>Construction Materials 0.5%</b>                                  |           |              |
| Allegion US Holding Co., Inc., 5.75%, 10/01/21                      | 1,907     | 2,002,350    |
| HD Supply, Inc.:  |           |              |
| 7.50%, 7/15/20 (d)  | 2,905     | 3,093,825    |
| 5.25%, 12/15/21 (b)   | 3,278     | 3,441,900    |
|   |           | 8,538,075    |
| <b>Consumer Finance 2.9%</b>  |           |              |
| Ally Financial, Inc.:   |           |              |
| 5.13%, 9/30/24  | 855       | 900,914      |
| 4.63%, 3/30/25  | 136       | 137,020      |
| 8.00%, 11/01/31   | 5,705     | 6,917,313    |
| Capital One Bank USA NA, 3.38%, 2/15/23 (d)                         | 11,610    | 11,360,698   |
| Countrywide Financial Corp., 6.25%, 5/15/16 (d)                     | 8,069     | 8,284,224    |
| Discover Financial Services, 3.85%, 11/21/22                        | 3,252     | 3,225,587    |
| Experian Finance PLC, 2.38%, 6/15/17 (b)(d)                         | 2,550     | 2,559,624    |
| Navient Corp., 6.25%, 1/25/16                                       | 11,620    | 11,721,675   |
|   |           | 45,107,055   |
| <b>Containers &amp; Packaging 0.5%</b>                              |           |              |
| Beverage Packaging Holdings Luxembourg II SA, 5.63%, 12/15/16 (b)   | 904       | 904,000      |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | 3,128     | 3,249,210    |
| Sealed Air Corp. (b):   |           |              |
| 6.50%, 12/01/20   | 2,330     | 2,603,775    |
| 5.13%, 12/01/24   | 649       | 666,848      |
| 5.50%, 9/15/25  | 835       | 880,925      |
|   |           | 8,304,758    |
| <b>Diversified Consumer Services 0.3%</b>                           |           |              |
| Service Corp. International, 4.50%, 11/15/20                        | 4,382     | 4,480,595    |
| <b>Diversified Financial Services 10.2%</b>                         |           |              |
| AerCap Ireland Capital, Ltd./AerCap Global Aviation Trust:          |           |              |
| 4.63%, 10/30/20   | 1,619     | 1,677,689    |
| 4.63%, 7/01/22  | 518       | 529,008      |
| Air Lease Corp., 3.75%, 2/01/22                                     | 5,000     | 4,948,735    |
| Aircastle Ltd., 6.25%, 12/01/19                                     | 3,937     | 4,301,172    |
| Bank of America Corp. (d):  |           |              |

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|  |  |        |            |
|--|--|--------|------------|
| 3.75%, 7/12/16                         |  | 5,525  | 5,631,400  |
| 5.00%, 5/13/21                         |  | 17,100 | 18,793,635 |
| 5.70%, 1/24/22                         |  | 2,590  | 2,961,994  |
| Bank of America NA, 5.30%, 3/15/17 (d) |  | 13,440 | 14,100,845 |

Par

| Corporate Bonds  |     | (000)  | Value        |
|--|-----|--------|--------------|
| <b>Diversified Financial Services (continued)</b>              |     |        |              |
| Barclays PLC, 4.38%, 9/11/24                                   | USD | 2,100  | \$ 2,062,578 |
| Citigroup, Inc. (d):   |     |        |              |
| 4.45%, 1/10/17   |     | 4,800  | 4,980,048    |
| 8.50%, 5/22/19   |     | 464    | 560,186      |
| 6.68%, 9/13/43   |     | 4,125  | 5,163,316    |
| Deutsche Bank AG, 4.50%, 4/01/25                               |     | 3,985  | 3,872,085    |
| Ford Motor Credit Co. LLC:                                     |     |        |              |
| 8.00%, 12/15/16  |     | 4,000  | 4,279,300    |
| 5.88%, 8/02/21   |     | 9,420  | 10,737,660   |
| General Motors Financial Co., Inc.:                            |     |        |              |
| 6.75%, 6/01/18   |     | 1,700  | 1,858,947    |
| 4.38%, 9/25/21   |     | 2,260  | 2,344,721    |
| 4.25%, 5/15/23   |     | 1,681  | 1,708,585    |
| ING Bank NV, 5.00%, 6/09/21 (b)(d)                             |     | 8,000  | 8,903,408    |
| Intesa Sanpaolo SpA, 3.13%, 1/15/16                            |     | 5,450  | 5,473,217    |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b) |     | 1,705  | 1,670,900    |
| Leucadia National Corp., 5.50%, 10/18/23                       |     | 4,000  | 3,989,852    |
| Moody s Corp., 6.06%, 9/07/17                                  |     | 20,000 | 20,618,360   |
| MSCI, Inc., 5.75%, 8/15/25 (b)                                 |     | 738    | 778,221      |
| Mubadala GE Capital Ltd., 3.00%, 11/10/19 (b)                  |     | 5,000  | 4,978,550    |
| Pershing Square Holdings Ltd., 5.50%, 7/15/22 (b)              |     | 5,500  | 5,170,000    |
| Resparcs Funding LP I, 8.00% (e)(f)(g)                         |     | 4,000  | 1,397,600    |
| Reynolds Group Issuer, Inc.:                                   |     |        |              |
| 9.00%, 4/15/19   |     | 370    | 378,325      |
| 7.88%, 8/15/19   |     | 2,480  | 2,569,900    |
| 9.88%, 8/15/19   |     | 147    | 154,718      |
| 5.75%, 10/15/20  |     | 3,142  | 3,267,680    |
| 6.88%, 2/15/21   |     | 105    | 109,725      |
| Royal Bank of Scotland Group PLC:                              |     |        |              |
| 6.10%, 6/10/23   |     | 2,500  | 2,719,543    |
| 5.13%, 5/28/24   |     | 5,250  | 5,382,856    |

158,074,759

|  |  |        |            |
|--|--|--------|------------|
| <b>Diversified Telecommunication Services 5.1%</b> |  |        |            |
| AT&T, Inc.:  |  |        |            |
| 6.30%, 1/15/38 (d)                                 |  | 12,000 | 13,341,528 |
| 4.30%, 12/15/42                                    |  | 265    | 229,734    |
| 4.35%, 6/15/45                                     |  | 367    | 317,775    |
| CenturyLink, Inc.:                                 |  |        |            |
| 5.63%, 4/01/20                                     |  | 1,375  | 1,376,568  |
| 6.45%, 6/15/21                                     |  | 285    | 287,138    |
| Frontier Communications Corp.:                     |  |        |            |
| 6.25%, 9/15/21                                     |  | 980    | 875,140    |
| 7.63%, 4/15/24                                     |  | 1,384  | 1,238,680  |
| 6.88%, 1/15/25                                     |  | 475    | 410,446    |
| 11.00%, 9/15/25 (b)                                |  | 797    | 835,352    |
| Level 3 Financing, Inc.:                           |  |        |            |
| 5.38%, 8/15/22                                     |  | 2,250  | 2,289,375  |
| 5.13%, 5/01/23 (b)                                 |  | 1,183  | 1,196,309  |
| 5.38%, 1/15/24 (b)(h)                              |  | 754    | 763,425    |
| 5.38%, 5/01/25 (b)                                 |  | 2,455  | 2,461,137  |
| Telefonica Emisiones SAU, 3.19%, 4/27/18           |  | 6,550  | 6,718,001  |
| Verizon Communications, Inc. (d):                  |  |        |            |
| 5.15%, 9/15/23                                     |  | 8,775  | 9,780,668  |
| 6.40%, 9/15/33                                     |  | 9,475  | 10,950,845 |
| 7.35%, 4/01/39                                     |  | 7,825  | 9,998,871  |
| 6.55%, 9/15/43                                     |  | 13,225 | 15,830,695 |

78,901,687

|                                |  |  |  |
|--------------------------------|--|--|--|
| <b>Electric Utilities 3.8%</b> |  |  |  |
|--------------------------------|--|--|--|

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|   |       |            |
|---|-------|------------|
| CMS Energy Corp., 5.05%, 3/15/22              | 9,900 | 10,984,555 |
| Duke Energy Corp., 3.55%, 9/15/21 (d)         | 3,650 | 3,776,542  |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (i) | 5,550 | 6,149,988  |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

|  | Par   |        | Value        |
|--|-------|--------|--------------|
|  | (000) |        |              |
| <b>Corporate Bonds</b>   |       |        |              |
| <b>Electric Utilities (continued)</b>  |       |        |              |
| Midland Cogeneration Venture LP, 5.25%, 3/15/25 (b)                                | USD   | 4,552  | \$ 4,729,342 |
| NiSource Finance Corp., 6.80%, 1/15/19 (d)   |       | 3,075  | 3,496,241    |
| Oncor Electric Delivery Co. LLC (d):   |       |        |              |
| 4.10%, 6/01/22   |       | 4,150  | 4,345,610    |
| 5.30%, 6/01/42   |       | 2,750  | 2,996,026    |
| Progress Energy, Inc., 7.00%, 10/30/31 (d)   |       | 12,000 | 15,257,772   |
| Puget Energy, Inc.:  |       |        |              |
| 6.00%, 9/01/21   |       | 275    | 315,647      |
| 5.63%, 7/15/22   |       | 5,550  | 6,270,496    |
|  |       |        | 58,322,219   |
| <b>Electrical Equipment 0.1%</b>   |       |        |              |
| GrafTech International Ltd., 6.38%, 11/15/20                                       |       | 1,950  | 1,111,500    |
| <b>Electronic Equipment, Instruments &amp; Components 0.3%</b>                     |       |        |              |
| Jabil Circuit, Inc., 8.25%, 3/15/18  |       | 2,600  | 2,918,500    |
| Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (b)                        |       | 475    | 482,719      |
| Sanmina Corp., 4.38%, 6/01/19 (b)  |       | 1,415  | 1,443,300    |
|  |       |        | 4,844,519    |
| <b>Energy Equipment &amp; Services 0.7%</b>  |       |        |              |
| Energy Transfer Partners LP, 5.20%, 2/01/22  |       | 10,200 | 10,148,592   |
| Genesis Energy LP/Genesis Energy Finance Corp.:                                    |       |        |              |
| 5.75%, 2/15/21   |       | 293    | 273,955      |
| 6.75%, 8/01/22   |       | 375    | 365,625      |
| Transocean, Inc., 6.00%, 3/15/18 (d)   |       | 540    | 506,520      |
|  |       |        | 11,294,692   |
| <b>Food &amp; Staples Retailing 1.6%</b>   |       |        |              |
| CVS Health Corp.:  |       |        |              |
| 4.75%, 12/01/22 (b)  |       | 289    | 315,002      |
| 5.00%, 12/01/24 (b)  |       | 183    | 203,267      |
| 5.13%, 7/20/45   |       | 3,879  | 4,158,618    |
| Family Tree Escrow LLC (b):  |       |        |              |
| 5.25%, 3/01/20   |       | 335    | 349,238      |
| 5.75%, 3/01/23   |       | 4,623  | 4,871,486    |
| H.J. Heinz Finance Co., 7.13%, 8/01/39 (b)   |       | 4,415  | 5,643,491    |
| Rite Aid Corp.:  |       |        |              |
| 6.75%, 6/15/21   |       | 541    | 580,899      |
| 6.13%, 4/01/23 (b)   |       | 2,974  | 3,204,485    |
| Wal-Mart Stores, Inc., 5.25%, 9/01/35 (d)  |       | 5,150  | 5,929,277    |
|  |       |        | 25,255,763   |
| <b>Food Products 1.2%</b>  |       |        |              |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (b)                                    |       | 835    | 886,837      |
| Kellogg Co., Series B, 7.45%, 4/01/31 (d)  |       | 3,425  | 4,403,139    |
| Mondelez International, Inc.:  |       |        |              |
| 6.50%, 8/11/17   |       | 4,450  | 4,835,864    |
| 6.13%, 8/23/18   |       | 4,840  | 5,354,559    |
| Post Holdings, Inc. (b):   |       |        |              |
| 7.75%, 3/15/24   |       | 1,502  | 1,599,630    |
| 8.00%, 7/15/25   |       | 743    | 806,155      |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (b)   |       | 715    | 750,750      |
|  |       |        | 18,636,934   |
| <b>Gas Utilities 0.1%</b>  |       |        |              |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp., 6.88%, 2/01/21 |       | 1,265  | 1,271,325    |
| <b>Health Care Equipment &amp; Supplies 0.6%</b>                                   |       |        |              |
| DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., 8.13%, 6/15/21 (b)               |       | 2,065  | 2,049,513    |

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|   |              |              |
|---|--------------|--------------|
| Mallinckrodt International Finance SA / Mallinckrodt CB LLC (b):                            |              |              |
| 4.88%, 4/15/20  | 517          | 495,674      |
| 5.75%, 8/01/22  | 1,370        | 1,302,349    |
|   | <b>Par</b>   |              |
| <b>Corporate Bonds</b>  | <b>(000)</b> | <b>Value</b> |
| <b>Health Care Equipment &amp; Supplies (continued)</b>                                     |              |              |
| Mallinckrodt International Finance SA / Mallinckrodt CB LLC (b) (continued):                |              |              |
| 5.63%, 10/15/23   | USD 1,099    | \$ 1,037,181 |
| Medtronic, Inc., 4.63%, 3/15/45 (d)   | 4,565        | 4,799,034    |
|   |              | 9,683,751    |
| <b>Health Care Providers &amp; Services 4.2%</b>  |              |              |
| Acadia Healthcare Co., Inc., 5.13%, 7/01/22   | 435          | 429,563      |
| Amsurg Corp., 5.63%, 7/15/22  | 1,856        | 1,823,520    |
| CHS/Community Health Systems, Inc.:   |              |              |
| 5.13%, 8/15/18  | 1,620        | 1,650,375    |
| 6.88%, 2/01/22  | 1,111        | 1,119,332    |
| DaVita HealthCare Partners, Inc.:   |              |              |
| 5.13%, 7/15/24  | 1,990        | 2,019,850    |
| 5.00%, 5/01/25  | 1,871        | 1,857,338    |
| HCA, Inc.:  |              |              |
| 3.75%, 3/15/19 (d)  | 4,364        | 4,440,370    |
| 6.50%, 2/15/20 (d)  | 10,421       | 11,658,494   |
| 7.50%, 2/15/22  | 2,214        | 2,546,100    |
| 5.88%, 3/15/22  | 340          | 374,000      |
| 4.75%, 5/01/23  | 676          | 692,900      |
| HealthSouth Corp.:  |              |              |
| 5.13%, 3/15/23  | 512          | 503,040      |
| 5.75%, 11/01/24   | 889          | 889,000      |
| Hologic, Inc., 5.25%, 7/15/22 (b)   | 805          | 840,219      |
| Tenet Healthcare Corp.:   |              |              |
| 6.25%, 11/01/18   | 736          | 783,840      |
| 4.75%, 6/01/20  | 1,450        | 1,471,750    |
| 6.00%, 10/01/20   | 3,645        | 3,936,600    |
| 4.50%, 4/01/21  | 73           | 73,000       |
| 4.38%, 10/01/21   | 7,335        | 7,316,662    |
| 8.13%, 4/01/22  | 4,907        | 5,189,152    |
| 6.75%, 6/15/23  | 1,758        | 1,744,815    |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (d)  | 10,000       | 13,420,100   |
|   |              | 64,780,020   |
| <b>Health Care Technology 0.2%</b>  |              |              |
| Amgen, Inc., 5.15%, 11/15/41 (d)  | 3,450        | 3,563,160    |
| <b>Hotels, Restaurants &amp; Leisure 0.9%</b>   |              |              |
| CDW LLC/CDW Finance Corp.:  |              |              |
| 6.00%, 8/15/22  | 1,380        | 1,481,071    |
| 5.00%, 9/01/23  | 306          | 317,475      |
| 5.50%, 12/01/24   | 2,458        | 2,574,755    |
| ESH Hospitality, Inc., 5.25%, 5/01/25 (b)   | 688          | 690,546      |
| Jarden Corp., 5.00%, 11/15/23 (b)   | 398          | 408,945      |
| MGM Resorts International, 6.00%, 3/15/23   | 1,374        | 1,394,610    |
| New Red Finance, Inc., 6.00%, 4/01/22 (b)   | 2,215        | 2,317,444    |
| Pinnacle Entertainment, Inc., 6.38%, 8/01/21  | 1,586        | 1,689,090    |
| RHP Hotel Properties LP/RHP Finance Corp., 5.00%, 4/15/23                                   | 607          | 626,727      |
| Sabre GLOBL, Inc., 5.38%, 4/15/23 (b)   | 594          | 602,910      |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b)   | 1,718        | 1,782,425    |
|   |              | 13,885,998   |
| <b>Household Durables 1.2%</b>  |              |              |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  | 1,960        | 2,023,700    |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b) | 1,647        | 1,618,177    |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b)   | 398          | 374,120      |
| KB Home, 7.25%, 6/15/18   | 1,990        | 2,129,300    |
| Shea Homes LP / Shea Homes Funding Corp. (b):   |              |              |
| 5.88%, 4/01/23  | 910          | 952,088      |
| 6.13%, 4/01/25  | 920          | 963,700      |
| Standard Pacific Corp., 8.38%, 1/15/21  | 3,015        | 3,576,694    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

|   | Par     | Value      |
|---|---------|------------|
|   | (000)   |            |
| <b>Corporate Bonds</b>  |         |            |
| <b>Household Durables (continued)</b>   |         |            |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b) | USD 767 | \$ 772,753 |
| Toll Brothers Finance Corp., 4.88%, 11/15/25                                    | 96      | 95,880     |
| TRI Pointe Holdings, Inc.:  |         |            |
| 4.38%, 6/15/19  | 920     | 914,250    |
| 5.88%, 6/15/24  | 625     | 625,000    |
| United Rentals North America, Inc.:   |         |            |
| 7.38%, 5/15/20  | 2,025   | 2,149,031  |
| 7.63%, 4/15/22  | 1,853   | 2,010,709  |
|   |         | 18,205,402 |
| <b>Household Products 0.2%</b>  |         |            |
| Spectrum Brands, Inc.:  |         |            |
| 6.38%, 11/15/20   | 810     | 864,675    |
| 6.63%, 11/15/22   | 1,110   | 1,212,675  |
| 5.75%, 7/15/25 (b)  | 1,002   | 1,068,383  |
|   |         | 3,145,733  |
| <b>Independent Power and Renewable Electricity Producers 0.7%</b>               |         |            |
| Calpine Corp.:  |         |            |
| 6.00%, 1/15/22 (b)  | 1,548   | 1,626,948  |
| 5.38%, 1/15/23  | 2,109   | 2,016,731  |
| 5.88%, 1/15/24 (b)  | 823     | 860,035    |
| 5.50%, 2/01/24  | 1,749   | 1,661,550  |
| 5.75%, 1/15/25  | 1,064   | 1,008,140  |
| Dynegy, Inc., 6.75%, 11/01/19   | 2,195   | 2,189,513  |
| QEP Resources, Inc., 5.38%, 10/01/22  | 1,927   | 1,734,300  |
|   |         | 11,097,217 |
| <b>Insurance 5.4%</b>   |         |            |
| American International Group, Inc., 6.40%, 12/15/20 (d)                         | 8,710   | 10,284,594 |
| Aon Corp., 5.00%, 9/30/20 (d)   | 7,700   | 8,493,247  |
| Aon PLC, 4.25%, 12/12/42 (d)  | 6,500   | 5,913,401  |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (b)                           | 3,400   | 3,899,790  |
| Manulife Financial Corp., 4.90%, 9/17/20 (d)                                    | 10,425  | 11,355,014 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)                               | 1,455   | 1,527,750  |
| Northwestern Mutual Life Insurance Co., 6.06%, 3/30/40 (b)(d)                   | 12,000  | 14,464,164 |
| Principal Financial Group, Inc., 8.88%, 5/15/19                                 | 2,825   | 3,427,092  |
| Prudential Financial, Inc., 6.63%, 12/01/37 (d)                                 | 10,000  | 12,559,130 |
| XLIT Ltd., 5.75%, 10/01/21 (d)  | 10,085  | 11,374,962 |
|   |         | 83,299,144 |
| <b>Internet Software &amp; Services 0.0%</b>                                    |         |            |
| Netflix, Inc., 5.50%, 2/15/22 (b)   | 563     | 593,965    |
| <b>IT Services 0.8%</b>   |         |            |
| Fidelity National Information Services, Inc., 5.00%, 10/15/25                   | 1,935   | 2,000,627  |
| First Data Corp. (b):   |         |            |
| 6.75%, 11/01/20   | 1,768   | 1,863,030  |
| 8.25%, 1/15/21  | 250     | 262,188    |
| 5.38%, 8/15/23  | 1,854   | 1,886,445  |
| 7.00%, 12/01/23 (h)   | 6,385   | 6,496,737  |
|   |         | 12,509,027 |
| <b>Life Sciences Tools &amp; Services 0.9%</b>                                  |         |            |
| Life Technologies Corp., 6.00%, 3/01/20 (d)                                     | 12,000  | 13,569,276 |
| <b>Media 7.0%</b>   |         |            |
| 21st Century Fox America, Inc., 6.15%, 3/01/37 (d)                              | 9,575   | 11,023,832 |
| A&E Television Networks LLC, 3.11%, 8/22/19                                     | 5,000   | 5,079,000  |
| Altice Financing SA, 6.63%, 2/15/23 (b)   | 1,313   | 1,316,283  |



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|   |     |              |              |
|---|-----|--------------|--------------|
| Altice Finco SA, 7.63%, 2/15/25 (b)   |     | 96           | 90,960       |
|   |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b> | <b>Value</b> |
| <b>Media (continued)</b>  |     |              |              |
| Altice SA (b):  |     |              |              |
| 7.75%, 5/15/22  | USD | 2,425        | \$ 2,334,062 |
| 7.63%, 2/15/25  |     | 1,515        | 1,393,042    |
| Altice US Finance I Corp., 5.38%, 7/15/23 (b)   |     | 2,919        | 2,954,028    |
| AMC Networks, Inc.:   |     |              |              |
| 7.75%, 7/15/21  |     | 1,330        | 1,426,425    |
| 4.75%, 12/15/22   |     | 685          | 687,569      |
| CCO Safari II LLC (b):  |     |              |              |
| 6.38%, 10/23/35   |     | 479          | 493,412      |
| 6.48%, 10/23/45   |     | 4,584        | 4,753,571    |
| 6.83%, 10/23/55   |     | 3,540        | 3,587,040    |
| Cinemark USA, Inc., 5.13%, 12/15/22   |     | 349          | 350,745      |
| Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22                                 |     | 10,205       | 10,604,237   |
| COX Communications, Inc., 8.38%, 3/01/39 (b)(d)   |     | 5,000        | 5,718,440    |
| CSC Holdings LLC, 8.63%, 2/15/19  |     | 4,005        | 4,255,312    |
| DIRECTV Holdings LLC/DIRECTV Financing Co., Inc., 5.00%, 3/01/21 (d)                    |     | 8,575        | 9,374,104    |
| DISH DBS Corp., 5.88%, 11/15/24   |     | 2,462        | 2,354,903    |
| Gray Television, Inc., 7.50%, 10/01/20  |     | 543          | 566,729      |
| Grupo Televisa SAB, 5.00%, 5/13/45 (d)  |     | 3,345        | 3,016,769    |
| Intelsat Jackson Holdings SA, 5.50%, 8/01/23  |     | 2,909        | 2,398,107    |
| Interpublic Group of Cos., Inc., 3.75%, 2/15/23   |     | 6,025        | 5,911,423    |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b)                                     |     | 463          | 490,780      |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b) |     | 1,471        | 1,518,807    |
| Neptune Finco Corp., 6.63%, 10/15/25 (b)  |     | 1,436        | 1,511,390    |
| Numericable Group SA, 6.00%, 5/15/22 (b)  |     | 8,520        | 8,541,300    |
| Outfront Media Capital LLC/Outfront Media Capital Corp.:                                |     |              |              |
| 5.25%, 2/15/22  |     | 249          | 255,848      |
| 5.63%, 2/15/24  |     | 122          | 126,957      |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (b)   |     | 2,300        | 2,328,750    |
| Time Warner Cable, Inc., 6.55%, 5/01/37 (d)   |     | 3,519        | 3,526,182    |
| Tribune Media Co., 5.88%, 7/15/22 (b)   |     | 1,403        | 1,441,582    |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)                 |     | 1,000        | 1,027,800    |
| Univision Communications, Inc. (b):   |     |              |              |
| 5.13%, 5/15/23  |     | 5,293        | 5,240,070    |
| 5.13%, 2/15/25  |     | 999          | 981,518      |
| Virgin Media Secured Finance PLC, 5.38%, 4/15/21 (b)                                    |     | 1,255        | 1,317,330    |
|   |     |              | 107,998,307  |
| <b>Metals &amp; Mining 2.3%</b>   |     |              |              |
| Alcoa, Inc., 5.13%, 10/01/24  |     | 1,903        | 1,886,349    |
| AngloGold Ashanti Holdings PLC, 5.13%, 8/01/22  |     | 5,000        | 4,559,375    |
| ArcelorMittal, 6.13%, 6/01/18   |     | 2,575        | 2,581,437    |
| Commercial Metals Co., 4.88%, 5/15/23   |     | 2,194        | 1,941,690    |
| Constellium NV:   |     |              |              |
| 4.63%, 5/15/21  | EUR | 490          | 434,835      |
| 5.75%, 5/15/24 (b)  | USD | 1,178        | 848,160      |
| First Quantum Minerals Ltd. (b):  |     |              |              |
| 7.00%, 2/15/21  |     | 303          | 224,220      |
| 7.25%, 5/15/22  |     | 912          | 665,190      |
| Freeport-McMoRan, Inc.:   |     |              |              |
| 7.13%, 11/01/27 (d)   |     | 8,500        | 7,626,310    |
| 5.40%, 11/14/34   |     | 5,225        | 3,685,245    |
| Novelis, Inc., 8.75%, 12/15/20  |     | 3,247        | 3,255,117    |
| Southern Copper Corp., 5.88%, 4/23/45   |     | 3,870        | 3,382,991    |
| Steel Dynamics, Inc.:   |     |              |              |
| 5.13%, 10/01/21   |     | 1,105        | 1,096,713    |
| 6.38%, 8/15/22  |     | 1,430        | 1,469,325    |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

|  | Par     | Value      |
|--|---------|------------|
|  | (000)   |            |
| <b>Corporate Bonds</b>   |         |            |
| <b>Metals &amp; Mining (continued)</b>                               |         |            |
| Steel Dynamics, Inc. (continued):                                    |         |            |
| 5.25%, 4/15/23   | USD 163 | \$ 158,518 |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (b) | 2,785   | 2,631,825  |
|  |         | 36,447,300 |
| <b>Multi-Utilities 1.3%</b>  |         |            |
| CenterPoint Energy, Inc. (d):  |         |            |
| 5.95%, 2/01/17   | 9,000   | 9,469,665  |
| 6.50%, 5/01/18   | 9,675   | 10,694,581 |
|  |         | 20,164,246 |
| <b>Multiline Retail 0.2%</b>   |         |            |
| Dufry Finance SCA, 5.50%, 10/15/20 (b)                               | 3,460   | 3,598,400  |
| <b>Offshore Drilling &amp; Other Services 0.1%</b>                   |         |            |
| Sensata Technologies BV (b):   |         |            |
| 5.63%, 11/01/24  | 695     | 707,163    |
| 5.00%, 10/01/25  | 1,418   | 1,384,322  |
|  |         | 2,091,485  |
| <b>Oil, Gas &amp; Consumable Fuels 14.1%</b>                         |         |            |
| Access Midstream Partners LP/ACMP Finance Corp.:                     |         |            |
| 6.13%, 7/15/22   | 1,668   | 1,707,410  |
| 4.88%, 5/15/23   | 343     | 309,591    |
| Anadarko Petroleum Corp., 6.38%, 9/15/17                             | 75      | 80,758     |
| Antero Resources Finance Corp., 5.38%, 11/01/21                      | 378     | 347,760    |
| Bonanza Creek Energy, Inc.:  |         |            |
| 6.75%, 4/15/21   | 778     | 560,160    |
| 5.75%, 2/01/23   | 1,245   | 834,150    |
| California Resources Corp.:  |         |            |
| 5.00%, 1/15/20   | 495     | 360,112    |
| 5.50%, 9/15/21   | 1,894   | 1,302,125  |
| 6.00%, 11/15/24  | 5,517   | 3,751,560  |
| Chesapeake Energy Corp., 6.88%, 11/15/20                             | 493     | 334,007    |
| Concho Resources, Inc.:  |         |            |
| 5.50%, 10/01/22  | 166     | 166,623    |
| 5.50%, 4/01/23   | 1,079   | 1,084,395  |
| CONSOL Energy, Inc., 5.88%, 4/15/22                                  | 5,691   | 3,599,557  |
| Continental Resources, Inc.:   |         |            |
| 5.00%, 9/15/22   | 7,000   | 6,291,250  |
| 4.50%, 4/15/23   | 469     | 414,369    |
| Denbury Resources, Inc., 5.50%, 5/01/22                              | 604     | 422,800    |
| El Paso LLC:   |         |            |
| 7.80%, 8/01/31   | 197     | 199,593    |
| 7.75%, 1/15/32   | 4,586   | 4,641,596  |
| El Paso Natural Gas Co. LLC, 8.63%, 1/15/22                          | 2,345   | 2,781,993  |
| El Paso Pipeline Partners Operating Co. LLC, 6.50%, 4/01/20          | 5,075   | 5,519,164  |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 (d)                      | 6,000   | 7,123,584  |
| Energy Transfer Equity LP:   |         |            |
| 7.50%, 10/15/20  | 1,028   | 1,105,306  |
| 5.88%, 1/15/24   | 2,788   | 2,700,945  |
| Energy Transfer Partners LP, 6.13%, 12/15/45                         | 3,579   | 3,212,346  |
| Enterprise Products Operating LLC:                                   |         |            |
| 4.90%, 5/15/46   | 5,375   | 4,926,429  |
| Series N, 6.50%, 1/31/19 (d)   | 12,000  | 13,413,072 |
| EP Energy LLC/Everest Acquisition Finance, Inc., 9.38%, 5/01/20      | 3,290   | 2,862,300  |
| Hilcorp Energy I LP/Hilcorp Finance Co., 5.00%, 12/01/24 (b)         | 3,666   | 3,317,730  |
| Kinder Morgan Energy Partners LP:                                    |         |            |
| 6.85%, 2/15/20 (d)   | 12,000  | 13,102,728 |

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|  |     |              |              |
|--|-----|--------------|--------------|
| 4.25%, 9/01/24   |     | 2,170        | 1,937,784    |
| 5.40%, 9/01/44   |     | 3,615        | 2,970,041    |
|  |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>   |     | <b>(000)</b> | <b>Value</b> |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                           |     |              |              |
| Laredo Petroleum, Inc., 7.38%, 5/01/22                                       | USD | 231          | \$ 228,113   |
| Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19                   |     | 597          | 140,295      |
| Marathon Petroleum Corp., 3.50%, 3/01/16 (d)                                 |     | 4,600        | 4,638,654    |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp., 4.88%, 6/01/25    |     | 1,144        | 1,069,640    |
| MEG Energy Corp. (b):  |     |              |              |
| 6.50%, 3/15/21   |     | 3,839        | 3,368,722    |
| 7.00%, 3/31/24   |     | 3,533        | 3,056,045    |
| Midcontinent Express Pipeline LLC, 6.70%, 9/15/19 (b)                        |     | 3,500        | 3,395,000    |
| Nexen, Inc., 6.40%, 5/15/37 (d)  |     | 4,615        | 5,390,020    |
| NGPL PipeCo LLC, 9.63%, 6/01/19 (b)  |     | 902          | 845,625      |
| Noble Energy, Inc., 5.63%, 5/01/21   |     | 3,448        | 3,496,238    |
| Oasis Petroleum, Inc.:   |     |              |              |
| 7.25%, 2/01/19 (d)   |     | 915          | 873,825      |
| 6.50%, 11/01/21  |     | 1,025        | 873,812      |
| ONEOK Partners LP, 8.63%, 3/01/19 (d)  |     | 10,000       | 11,486,090   |
| Paramount Resources Ltd., 6.88%, 6/30/23 (b)                                 |     | 600          | 528,000      |
| PDC Energy, Inc., 7.75%, 10/15/22  |     | 1,225        | 1,231,125    |
| Peabody Energy Corp., 6.00%, 11/15/18  |     | 2,120        | 371,000      |
| Petrobras International Finance Co. SA, 3.88%, 1/27/16                       |     | 12,550       | 12,518,625   |
| Petroleos Mexicanos (d):   |     |              |              |
| 3.50%, 1/30/23   |     | 5,000        | 4,642,500    |
| 4.88%, 1/18/24   |     | 2,000        | 1,998,400    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b)                              |     | 3,980        | 3,228,775    |
| Pioneer Natural Resources Co., 6.88%, 5/01/18                                |     | 1,665        | 1,811,863    |
| Plains All American Pipeline LP/PAA Finance Corp.:                           |     |              |              |
| 4.70%, 6/15/44   |     | 1,498        | 1,290,173    |
| 4.90%, 2/15/45   |     | 2,102        | 1,867,261    |
| Range Resources Corp.:   |     |              |              |
| 5.00%, 8/15/22   |     | 32           | 28,478       |
| 5.00%, 3/15/23   |     | 75           | 66,563       |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23     |     | 4,351        | 3,993,396    |
| Rockies Express Pipeline LLC, 6.88%, 4/15/40 (b)                             |     | 580          | 551,000      |
| RSP Permian, Inc., 6.63%, 10/01/22   |     | 789          | 781,110      |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (b)  |     | 10,000       | 10,477,310   |
| Sabine Pass Liquefaction LLC:  |     |              |              |
| 5.63%, 4/15/23   |     | 7,393        | 7,194,313    |
| 5.75%, 5/15/24   |     | 2,869        | 2,768,585    |
| Sabine Pass LNG LP, 7.50%, 11/30/16  |     | 5,965        | 6,155,134    |
| Sanchez Energy Corp., Series WI, 6.13%, 1/15/23                              |     | 1,141        | 827,225      |
| SandRidge Energy, Inc.:  |     |              |              |
| 8.13%, 10/16/22  |     | 114          | 29,925       |
| 7.50%, 2/16/23   |     | 622          | 157,444      |
| Seventy Seven Energy, Inc., 6.50%, 7/15/22                                   |     | 469          | 141,873      |
| SM Energy Co., 6.50%, 1/01/23  |     | 322          | 317,298      |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 |     | 1,614        | 1,565,580    |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 6.25%, 10/15/22 (b)      |     | 1,519        | 1,579,760    |
| Western Gas Partners LP, 5.38%, 6/01/21 (d)                                  |     | 5,125        | 5,430,640    |
| Whiting Petroleum Corp.:   |     |              |              |
| 5.00%, 3/15/19   |     | 1,672        | 1,588,400    |
| 5.75%, 3/15/21   |     | 1,171        | 1,087,566    |
| Williams Cos., Inc.:   |     |              |              |
| 3.70%, 1/15/23   |     | 5,283        | 4,312,196    |
| 4.55%, 6/24/24   |     | 1,813        | 1,517,370    |
| 8.75%, 3/15/32   |     | 2,478        | 2,431,136    |
| 5.75%, 6/24/44   |     | 685          | 501,336      |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

|   | Par       |              |
|---|-----------|--------------|
|   | (000)     | Value        |
| <b>Corporate Bonds</b>                                  |           |              |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>      |           |              |
| Williams Partners LP, 5.10%, 9/15/45 (d)                | USD 5,075 | \$ 3,904,964 |
| WPX Energy, Inc., 5.25%, 9/15/24                        | 856       | 710,480      |
|   |           | 217,850,121  |
| <b>Paper &amp; Forest Products 2.1%</b>                 |           |              |
| Clearwater Paper Corp., 4.50%, 2/01/23                  | 532       | 508,060      |
| International Paper Co.:                                |           |              |
| 7.50%, 8/15/21 (d)                                      | 9,675     | 11,702,686   |
| 8.70%, 6/15/38  | 4,000     | 5,464,100    |
| 7.30%, 11/15/39 (d)                                     | 10,000    | 12,036,190   |
| Louisiana-Pacific Corp., 7.50%, 6/01/20                 | 2,130     | 2,236,500    |
|   |           | 31,947,536   |
| <b>Pharmaceuticals 3.7%</b>                             |           |              |
| AbbVie, Inc. (d):                                       |           |              |
| 2.90%, 11/06/22   | 5,675     | 5,491,800    |
| 4.70%, 5/14/45  | 3,255     | 3,115,790    |
| Actavis Funding SCS:                                    |           |              |
| 3.45%, 3/15/22  | 4,610     | 4,580,247    |
| 3.85%, 6/15/24  | 6,000     | 5,970,540    |
| 3.80%, 3/15/25  | 1,650     | 1,635,048    |
| 4.75%, 3/15/45  | 1,450     | 1,386,652    |
| Endo Finance LLC/Endo Finco, Inc. (b):                  |           |              |
| 7.25%, 12/15/20   | 241       | 249,134      |
| 7.75%, 1/15/22  | 499       | 517,713      |
| 6.00%, 7/15/23  | 1,514     | 1,514,000    |
| 6.00%, 2/01/25  | 1,601     | 1,588,992    |
| Forest Laboratories, Inc. (b):                          |           |              |
| 4.38%, 2/01/19  | 2,924     | 3,076,238    |
| 5.00%, 12/15/21   | 1,631     | 1,762,716    |
| Grifols Worldwide Operations Ltd., 5.25%, 4/01/22       | 1,613     | 1,669,455    |
| Merck & Co., Inc., 6.50%, 12/01/33 (d)                  | 6,420     | 8,479,453    |
| Valeant Pharmaceuticals International (b):              |           |              |
| 6.75%, 8/15/18  | 6,955     | 6,712,270    |
| 5.38%, 3/15/20  | 1,668     | 1,451,160    |
| 7.00%, 10/01/20   | 382       | 353,350      |
| 6.38%, 10/15/20   | 3,180     | 2,846,100    |
| 7.50%, 7/15/21  | 273       | 249,113      |
| 5.63%, 12/01/21   | 1,737     | 1,506,847    |
| 5.50%, 3/01/23  | 979       | 822,360      |
| 5.88%, 5/15/23  | 2,513     | 2,115,632    |
| 6.13%, 4/15/25  | 476       | 400,435      |
|   |           | 57,495,045   |
| <b>Professional Services 0.5%</b>                       |           |              |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b)         | 1,755     | 1,544,400    |
| Dun & Bradstreet Corp., 3.25%, 12/01/17                 | 5,750     | 5,859,256    |
|   |           | 7,403,656    |
| <b>Real Estate Investment Trusts (REITs) 2.8%</b>       |           |              |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (d)         | 10,000    | 11,409,510   |
| DDR Corp.:  |           |              |
| 4.75%, 4/15/18  | 2,140     | 2,257,019    |
| 7.88%, 9/01/20  | 2,650     | 3,212,219    |
| ERP Operating LP, 5.75%, 6/15/17 (d)                    | 10,000    | 10,661,230   |
| Felcor Lodging LP, 5.63%, 3/01/23                       | 999       | 1,033,965    |
| HCP, Inc., 5.38%, 2/01/21 (d)                           | 3,450     | 3,799,030    |
| Host Hotels & Resorts LP, Series D, 3.75%, 10/15/23 (d) | 3,600     | 3,479,404    |

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|   |              |              |
|---|--------------|--------------|
| iStar Financial, Inc.:                                      |              |              |
| 4.00%, 11/01/17   | 825          | 806,437      |
| 5.00%, 7/01/19  | 580          | 567,675      |
| UDR, Inc., 4.25%, 6/01/18 (d)                               | 5,225        | 5,501,779    |
|   |              | 42,728,268   |
|   | <b>Par</b>   |              |
| <b>Corporate Bonds</b>                                      | <b>(000)</b> | <b>Value</b> |
| <b>Real Estate Management &amp; Development 0.8%</b>        |              |              |
| Lennar Corp.:   |              |              |
| 4.75%, 11/15/22   | USD 1,805    | \$ 1,805,000 |
| 4.88%, 12/15/23   | 816          | 812,940      |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (b)(d) | 4,485        | 3,937,130    |
| Realogy Corp., 7.63%, 1/15/20 (b)(d)                        | 5,090        | 5,351,066    |
| Realogy Group LLC / Realogy Co-Issuer Corp. (b):            |              |              |
| 4.50%, 4/15/19  | 803          | 827,090      |
| 5.25%, 12/01/21 (d)   | 344          | 356,900      |
|   |              | 13,090,126   |
| <b>Road &amp; Rail 1.1%</b>                                 |              |              |
| Hertz Corp.:  |              |              |
| 4.25%, 4/01/18  | 983          | 995,287      |
| 6.75%, 4/15/19  | 1,167        | 1,197,634    |
| 5.88%, 10/15/20   | 925          | 957,375      |
| 7.38%, 1/15/21  | 310          | 322,592      |
| Norfolk Southern Corp., 6.00%, 3/15/05 (d)                  | 12,700       | 13,834,085   |
|   |              | 17,306,973   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.3%</b>    |              |              |
| Micron Technology, Inc., 5.25%, 1/15/24 (b)                 | 1,115        | 1,067,613    |
| NXP BV/NXP Funding LLC (b):                                 |              |              |
| 4.13%, 6/15/20  | 1,154        | 1,177,080    |
| 5.75%, 2/15/21  | 1,655        | 1,729,475    |
| 4.63%, 6/15/22  | 490          | 499,800      |
|   |              | 4,473,968    |
| <b>Software 0.5%</b>  |              |              |
| Infor US, Inc., 6.50%, 5/15/22 (b)                          | 2,425        | 2,297,688    |
| Italics Merger Sub, Inc., 7.13%, 7/15/23 (b)                | 557          | 552,538      |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)             | 4,435        | 4,523,700    |
|   |              | 7,373,926    |
| <b>Specialty Retail 1.3%</b>                                |              |              |
| AutoNation, Inc., 6.75%, 4/15/18                            | 6,125        | 6,783,143    |
| L Brands, Inc.:   |              |              |
| 7.00%, 5/01/20  | 3,050        | 3,494,171    |
| 6.88%, 11/01/35 (b)   | 1,514        | 1,572,668    |
| Penske Automotive Group, Inc., 5.38%, 12/01/24              | 2,750        | 2,791,250    |
| VF Corp., 5.95%, 11/01/17 (d)                               | 5,000        | 5,448,850    |
|   |              | 20,090,082   |
| <b>Textiles Apparel &amp; Shoes 0.1%</b>                    |              |              |
| Springs Industries, Inc., 6.25%, 6/01/21                    | 1,674        | 1,665,630    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>            |              |              |
| Levi Strauss & Co., 5.00%, 5/01/25                          | 699          | 707,738      |
| William Carter Co., 5.25%, 8/15/21                          | 1,406        | 1,460,482    |
|   |              | 2,168,220    |
| <b>Thriffs &amp; Mortgage Finance 0.1%</b>                  |              |              |
| Radian Group, Inc., 5.25%, 6/15/20                          | 1,475        | 1,473,156    |
| <b>Tobacco 2.3%</b>   |              |              |
| Altria Group, Inc., 10.20%, 2/06/39 (d)                     | 13,392       | 22,137,873   |
| Reynolds American, Inc.:                                    |              |              |
| 3.50%, 8/04/16 (b)  | 8,375        | 8,506,245    |
| 3.25%, 11/01/22   | 970          | 965,106      |
| 4.85%, 9/15/23  | 1,120        | 1,212,051    |

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|  |       |            |
|--|-------|------------|
| 5.85%, 8/15/45   | 2,335 | 2,590,288  |
|  |       | 35,411,563 |
| <b>Trading Companies &amp; Distributors 0.4%</b>   |       |            |
| Doric Nimrod Air Alpha Pass-Through Trust, Series 2013-1 (b):<br>Class A, 5.25%, 5/30/25 | 2,604 | 2,708,507  |

See Notes to Financial Statements.

ANNUAL REPORT

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## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

|  | Par        | Value         |
|--|------------|---------------|
|  | (000)      |               |
| <b>Corporate Bonds</b>   |            |               |
| <b>Trading Companies &amp; Distributors (continued)</b>  |            |               |
| Doric Nimrod Air Alpha Pass-Through Trust, Series 2013-1 (b) (continued):  |            |               |
| Class B, 6.13%, 11/30/21   | USD 3,116  | \$ 3,217,266  |
|  |            | 5,925,773     |
| <b>Transportation Infrastructure 1.0%</b>  |            |               |
| CEVA Group PLC (b):  |            |               |
| 4.00%, 5/01/18   | 3,310      | 2,945,900     |
| 7.00%, 3/01/21   | 1,067      | 964,301       |
| Penske Truck Leasing Co. LP/PTL Finance Corp., 4.88%, 7/11/22 (b)  | 10,500     | 11,029,820    |
|  |            | 14,940,021    |
| <b>Wireless Telecommunication Services 5.6%</b>  |            |               |
| America Movil SAB de CV (d):   |            |               |
| 2.38%, 9/08/16   | 12,495     | 12,605,781    |
| 3.13%, 7/16/22   | 1,275      | 1,261,679     |
| American Tower Corp.:  |            |               |
| 4.50%, 1/15/18   | 6,500      | 6,823,908     |
| 5.05%, 9/01/20   | 500        | 543,525       |
| 5.90%, 11/01/21 (d)  | 3,770      | 4,187,614     |
| 4.00%, 6/01/25   | 4,225      | 4,175,229     |
| Crown Castle International Corp., 5.25%, 1/15/23   | 1,380      | 1,485,225     |
| Crown Castle Towers LLC (b):   |            |               |
| 5.50%, 1/15/37   | 4,000      | 4,103,650     |
| 4.17%, 8/15/37   | 3,000      | 3,068,622     |
| 6.11%, 1/15/40   | 4,555      | 5,030,380     |
| Digicel Group Ltd., 7.13%, 4/01/22 (b)   | 370        | 305,250       |
| Digicel Ltd., 6.00%, 4/15/21 (b)   | 1,285      | 1,156,500     |
| SBA Communications Corp., 4.88%, 7/15/22   | 1,445      | 1,477,440     |
| SBA Tower Trust, 5.10%, 4/15/42 (b)  | 13,975     | 14,268,943    |
| Sprint Communications, Inc. (b):   |            |               |
| 9.00%, 11/15/18  | 5,290      | 5,815,667     |
| 7.00%, 3/01/20   | 9,302      | 9,767,100     |
| Sprint Corp.:  |            |               |
| 7.88%, 9/15/23   | 2,715      | 2,511,375     |
| 7.13%, 6/15/24   | 1,755      | 1,541,109     |
| T-Mobile USA, Inc.:  |            |               |
| 6.63%, 4/28/21   | 2,680      | 2,773,800     |
| 6.73%, 4/28/22   | 2,495      | 2,576,088     |
| 6.84%, 4/28/23   | 645        | 665,963       |
|  |            | 86,144,848    |
| <b>Total Corporate Bonds 107.5%</b>  |            | 1,665,253,945 |
| <b>Foreign Agency Obligations</b>  |            |               |
| Brazilian Government International Bond, 5.00%, 1/27/45  | 5,000      | 3,750,000     |
| Indonesia Government International Bond, 5.88%, 1/15/24 (b)  | 4,400      | 4,858,097     |
| Mexico Government International Bond, 4.75%, 3/08/44   | 2,300      | 2,185,000     |
| <b>Total Foreign Agency Obligations 0.7%</b>   |            | 10,793,097    |
| <b>Municipal Bonds</b>   |            |               |
| City of Chicago Illinois, Refunding ARB, O Hare International Airport, General 3rd Lien, Build America Bonds, Series B, 6.85%, 1/01/38 | 5,000      | 5,552,350     |
| <b>Municipal Bonds</b>   | <b>Par</b> | <b>Value</b>  |

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|   | (000) |        |               |
|---|-------|--------|---------------|
| Metropolitan Transportation Authority, RB, Build America Bonds, Series B-1, 6.55%, 11/15/31 (d) | USD   | 10,000 | \$ 12,690,500 |
| <b>Total Municipal Bonds 1.2%</b>   |       |        | 18,242,850    |
| <b>U.S. Government Sponsored Agency Securities</b>  |       |        |               |
| <b>Agency Obligations 0.2%</b>  |       |        |               |
| Fannie Mae, 0.00%, 10/09/19 (d)(j)  |       | 3,945  | 3,669,639     |
| <b>Preferred Securities</b>   |       |        |               |
| <b>Capital Trusts</b>   |       |        |               |
| <b>Banks 4.0%</b>   |       |        |               |
| BNP Paribas SA (a)(b)(e):   |       |        |               |
| 7.20% (d)   |       | 5,000  | 5,725,000     |
| 7.38%   |       | 4,535  | 4,693,725     |
| Capital One Financial Corp., Series E, 5.55% (a)(e)   |       | 10,000 | 10,018,750    |
| Credit Agricole SA, 8.38% (a)(b)(e)   |       | 5,000  | 5,663,000     |
| Credit Suisse Group AG, 7.50% (a)(e)  |       | 3,250  | 3,430,992     |
| HSBC Capital Funding LP (a)(e):   |       |        |               |
| 6.38%   |       | 4,695  | 4,636,312     |
| 10.18% (b)  |       | 11,835 | 17,870,850    |
| Nordea Bank AB, 6.13% (a)(b)(e)   |       | 5,540  | 5,470,750     |
| Wells Fargo & Co. (a)(e):   |       |        |               |
| Series S, 5.90%   |       | 1,090  | 1,117,250     |
| Series U, 5.88%   |       | 2,655  | 2,808,194     |
|   |       |        | 61,434,823    |
| <b>Capital Markets 2.0%</b>   |       |        |               |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (a)  |       | 3,000  | 2,985,000     |
| Goldman Sachs Group, Inc., Series L, 5.70% (a)(e)   |       | 2,950  | 2,990,563     |
| Morgan Stanley (a)(e):  |       |        |               |
| Series H, 5.45%   |       | 2,200  | 2,164,250     |
| Series J, 5.55%   |       | 6,530  | 6,521,838     |
| State Street Capital Trust IV, 1.34%, 6/01/77 (a)(d)  |       | 17,845 | 14,409,837    |
| State Street Corp., Series F, 5.25% (a)(e)  |       | 1,855  | 1,861,678     |
|   |       |        | 30,933,166    |
| <b>Consumer Finance 0.3%</b>  |       |        |               |
| American Express Co., Series C, 4.90% (a)(e)  |       | 4,510  | 4,374,700     |
| <b>Diversified Financial Services 4.6%</b>  |       |        |               |
| Bank of America Corp. (a)(e):   |       |        |               |
| Series AA, 6.10%  |       | 5,640  | 5,703,450     |
| Series K, 8.00%   |       | 2,420  | 2,523,092     |
| Series M, 8.13%   |       | 950    | 989,273       |
| Series U, 5.20%   |       | 5,785  | 5,472,245     |
| Barclays PLC, 6.63% (a)(e)  |       | 4,885  | 4,820,616     |
| Citigroup, Inc. (a)(e):   |       |        |               |
| 5.90%   |       | 2,210  | 2,198,950     |
| 5.95%   |       | 7,000  | 6,755,000     |
| General Electric Capital Corp. (a)(e):  |       |        |               |
| Series B, 6.25% (d)   |       | 9,100  | 10,142,860    |
| Series C, 5.25%   |       | 1,200  | 1,254,000     |
| JPMorgan Chase & Co. (a)(e):  |       |        |               |
| Series I, 7.90%   |       | 3,650  | 3,792,350     |
| Series Q, 5.15%   |       | 4,000  | 3,850,000     |
| Series R, 6.00%   |       | 14,130 | 14,334,885    |
| Series S, 6.75%   |       | 7,775  | 8,435,875     |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

|  | Par     |                    |
|--|---------|--------------------|
|  | (000)   | Value              |
| <b>Capital Trusts</b>  |         |                    |
| <b>Diversified Financial Services (continued)</b>                        |         |                    |
| Royal Bank of Scotland Group PLC, 8.00% (a)(e)                           | USD 970 | \$ 1,013,650       |
|  |         | 71,286,246         |
| <b>Electric Utilities 0.4%</b>   |         |                    |
| PPL Capital Funding, Inc., Series A, 6.70%, 3/30/67 (a)                  | 8,300   | 7,013,500          |
| <b>Insurance 7.4%</b>  |         |                    |
| ACE Capital Trust II, 9.70%, 4/01/30 (d)                                 | 7,000   | 10,237,500         |
| Allstate Corp., 6.50%, 5/15/67 (a)                                       | 10,400  | 11,492,000         |
| American International Group, Inc., 8.18%, 5/15/68 (a)                   | 3,755   | 4,956,600          |
| AXA SA (a)(b)(e):  |         |                    |
| 6.38%  | 4,900   | 5,261,375          |
| 6.46%  | 6,000   | 6,232,500          |
| Bank One Capital III, 8.75%, 9/01/30 (d)                                 | 2,000   | 2,841,514          |
| Chubb Corp., 6.38%, 3/29/67 (a)(d)                                       | 7,400   | 7,104,000          |
| Equitable of Iowa Cos. Capital Trust II, Series B, 8.42%, 4/01/27        | 5,000   | 5,930,545          |
| Farmers Exchange Capital II,<br>6.15%, 11/01/53 (a)(b)                   | 4,890   | 5,206,471          |
| Great-West Life & Annuity Insurance Capital LP II, 7.15%, 5/16/46 (a)(b) | 500     | 503,125            |
| Hartford Financial Services Group, Inc., 8.13%, 6/15/68 (a)              | 5,050   | 5,608,025          |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)                       | 8,325   | 12,487,500         |
| MetLife, Inc., 6.40%, 12/15/66 (d)                                       | 9,775   | 10,719,265         |
| Principal Financial Group, Inc., 4.70%, 5/15/55 (b)                      | 5,000   | 5,037,000          |
| Reinsurance Group of America, Inc., 6.75%, 12/15/65 (a)                  | 12,000  | 10,125,000         |
| Swiss Re Capital I LP, 6.85% (a)(b)(e)                                   | 4,450   | 4,513,413          |
| ZFS Finance USA Trust II,<br>6.45%, 12/15/65 (a)(b)(d)                   | 6,800   | 6,898,600          |
|  |         | 115,154,433        |
| <b>Multi-Utilities 0.3%</b>  |         |                    |
| Dominion Resources, Inc., 7.50%, 6/30/66 (a)                             | 4,400   | 3,938,000          |
| <b>Oil, Gas &amp; Consumable Fuels 1.4%</b>                              |         |                    |
| Enterprise Products Operating LLC, (a):                                  |         |                    |
| 7.00%, 6/01/67   | 2,500   | 2,225,000          |
| Series A, 8.38%, 8/01/66   | 9,325   | 9,161,812          |
| TransCanada PipeLines Ltd.,<br>6.35%, 5/15/67 (a)                        | 9,400   | 7,802,000          |
| TransCanada Trust, 5.63%, 5/20/75 (a)                                    | 2,755   | 2,637,913          |
|  |         | 21,826,725         |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                        |         |                    |
| Sovereign Real Estate Investment Trust, 12.00% (b)                       | 7,000   | 8,890,000          |
| <b>Road &amp; Rail 0.4%</b>  |         |                    |
| BNSF Funding Trust I, 6.61%, 12/15/55 (a)(d)                             | 6,125   | 6,866,125          |
| <b>Total Capital Trusts 21.4%</b>  |         | <b>331,717,718</b> |
| <b>Preferred Stocks</b>  |         |                    |
| <b>Banks 0.9%</b>  |         |                    |
| Wells Fargo & Co., 5.85% (a)(e)  | 550,500 | 14,307,495         |
| <b>Capital Markets 0.7%</b>  |         |                    |
| Goldman Sachs Group, Inc., Series J, 5.50% (a)(e)                        | 162,450 | 4,043,380          |
| SCE Trust III, 5.75% (a)(e)  | 31,650  | 881,453            |
| <b>Preferred Stocks</b>  |         |                    |
| <b>Capital Markets (continued)</b>                                       |         |                    |
| State Street Corp., Series D, 5.90% (a)(e)                               | 220,495 | \$ 5,869,577       |

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|  |         |                  |
|--|---------|------------------|
|  |         | 10,794,410       |
| <b>Consumer Finance 0.0%</b>   |         |                  |
| Ally Financial, Inc., Series A, 8.50% (a)(e)                                       | 10,220  | 262,654          |
| <b>Diversified Financial Services 0.9%</b>   |         |                  |
| Citigroup, Inc., Series K, 6.88% (a)(e)  | 488,320 | 13,448,333       |
| <b>Electric Utilities 0.1%</b>   |         |                  |
| Entergy Louisiana LLC, 5.25%   | 90,000  | 2,295,900        |
| <b>Machinery 0.1%</b>  |         |                  |
| Stanley Black & Decker, Inc., 6.25% (k)  | 11,107  | 1,333,506        |
| <b>Media 0.4%</b>  |         |                  |
| NBCUniversal Enterprise, Inc., 5.25% (b)(e)  | 5,600   | 5,964,000        |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                                  |         |                  |
| Ventas Realty LP/Ventas Capital Corp., 5.45%                                       | 75,000  | 1,983,000        |
| Vornado Realty Trust, Series K, 5.70% (e)  | 50,000  | 1,275,500        |
|  |         | 3,258,500        |
| <b>Wireless Telecommunication Services 1.2%</b>                                    |         |                  |
| Centaur Funding Corp., 9.08% (b)   | 15,143  | 18,701,605       |
| <b>Total Preferred Stocks 4.5%</b>   |         | 70,366,403       |
|  |         |                  |
| <b>Trust Preferreds 0.5%</b>   |         |                  |
| <b>Diversified Financial Services 0.5%</b>   |         |                  |
| GMAC Capital Trust I, Series 2,<br>8.13%, 2/15/40 (a)                              | 300,141 | 7,623,936        |
| <b>Total Preferred Securities 26.4%</b>  |         | 409,708,057      |
| <b>Total Long-Term Investments<br/>(Cost \$2,126,860,257) 141.8%</b>               |         | 2,196,985,811    |
|  |         |                  |
| <b>Short-Term Securities 0.0%</b>  |         |                  |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (l)(m)             | 610,104 | 610,104          |
| <b>Total Short-Term Securities<br/>(Cost \$610,104) 0.0%</b>                       |         | 610,104          |
| <b>Options Purchased<br/>(Cost \$4,852,495) 0.1%</b>                               |         | 1,256,386        |
| <b>Total Investments Before Options Written<br/>(Cost \$2,132,322,856) 141.9%</b>  |         | 2,198,852,301    |
| <b>Options Written<br/>(Premiums Received \$1,061,185) (0.0)%</b>                  |         | (21,225)         |
| <b>Total Investments, Net of Options Written<br/>(Cost \$2,131,261,671) 141.9%</b> |         | 2,198,831,076    |
| <b>Liabilities in Excess of Other Assets (41.9)%</b>                               |         | (649,708,307)    |
|  |         |                  |
| <b>Net Assets 100.0%</b>   |         | \$ 1,549,122,769 |

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Notes to Schedule of Investments

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (d) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (e) Security is perpetual in nature and has no stated maturity date.
- (f) Issuer filed for bankruptcy and/or is in default of interest payments.
- (g) Non-income producing security.
- (h) When-issued security.
- (i) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (j) Zero-coupon bond.
- (k) Convertible security.
- (l) During the year ended October 31, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2014 | Net<br>Activity | Shares Held<br>at October 31,<br>2015 | Income   |
|--|---------------------------------------|-----------------|---------------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 4,283,291                             | (3,673,187)     | 610,104                               | \$ 7,660 |

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

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

**As of period end, reverse repurchase agreements outstanding were as follows:**

| Counterparty           | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value | Face Value Including Accrued Interest |
|------------------------|---------------|------------|----------------------------|------------|---------------------------------------|
| UBS Securities LLC     | 0.32%         | 2/05/14    | Open                       | \$ 956,709 | \$ 962,127                            |
| UBS Securities LLC     | 0.33%         | 2/10/14    | Open                       | 6,197,000  | 6,232,674                             |
| Barclays Capital, Inc. | 0.35%         | 2/28/14    | Open                       | 7,944,000  | 7,991,190                             |
| UBS Securities LLC     | 0.30%         | 5/08/14    | Open                       | 9,646,000  | 9,689,568                             |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 4,668,000  | 4,712,029                             |
| UBS Securities LLC     | (0.50)%       | 5/13/14    | Open                       | 2,016,000  | 2,000,992                             |
| UBS Securities LLC     | 0.32%         | 5/13/14    | Open                       | 8,649,000  | 8,690,208                             |
| UBS Securities LLC     | 0.32%         | 5/13/14    | Open                       | 2,182,000  | 2,192,396                             |
| UBS Securities LLC     | 0.32%         | 5/13/14    | Open                       | 7,149,000  | 7,183,061                             |
| UBS Securities LLC     | 0.34%         | 5/13/14    | Open                       | 1,256,000  | 1,262,358                             |
| UBS Securities LLC     | 0.34%         | 5/13/14    | Open                       | 10,604,000 | 10,657,680                            |
| UBS Securities LLC     | 0.34%         | 5/13/14    | Open                       | 683,000    | 686,458                               |
| UBS Securities LLC     | 0.34%         | 5/13/14    | Open                       | 5,229,000  | 5,255,470                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 10,880,000 | 10,936,697                            |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 6,046,000  | 6,077,506                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 1,115,000  | 1,120,810                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 6,061,000  | 6,092,585                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 5,546,000  | 5,574,901                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 3,255,000  | 3,271,962                             |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 23,285,000 | 23,406,341                            |
| UBS Securities LLC     | 0.35%         | 5/13/14    | Open                       | 11,160,000 | 11,218,156                            |
| Barclays Capital, Inc. | 0.35%         | 5/14/14    | Open                       | 6,234,000  | 6,275,690                             |
| Barclays Capital, Inc. | 0.35%         | 5/14/14    | Open                       | 1,213,000  | 1,223,455                             |
| Barclays Capital, Inc. | 0.35%         | 5/14/14    | Open                       | 2,791,000  | 2,815,886                             |
| Barclays Capital, Inc. | 0.35%         | 5/14/14    | Open                       | 11,233,000 | 11,331,492                            |
| Barclays Capital, Inc. | 0.40%         | 7/01/14    | Open                       | 10,010,000 | 10,063,818                            |
| Barclays Capital, Inc. | 0.40%         | 10/07/14   | Open                       | 13,545,000 | 13,603,695                            |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 734,000    | 775,704                               |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 9,152,000  | 9,194,479                             |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 2,514,000  | 2,557,254                             |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 4,956,000  | 5,000,804                             |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 4,995,000  | 5,040,579                             |
| Barclays Capital, Inc. | 0.35%         | 10/29/14   | Open                       | 5,182,000  | 5,228,354                             |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income  
Trust (BTZ)

As of period end, reverse repurchase agreements outstanding were as follows (continued):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| UBS Securities LLC                 | 0.34%         | 5/13/14    | Open                       | \$ 4,668,000 | \$ 4,691,630                          |
| Credit Suisse Securities (USA) LLC | 0.50%         | 12/19/14   | Open                       | 3,368,000    | 3,382,688                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 528,000      | 529,962                               |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 3,197,000    | 3,210,943                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 12/19/14   | Open                       | 2,287,000    | 2,296,974                             |
| Credit Suisse Securities (USA) LLC | 0.45%         | 12/19/14   | Open                       | 556,000      | 558,045                               |
| Credit Suisse Securities (USA) LLC | 0.45%         | 4/27/15    | Open                       | 5,322,969    | 5,335,478                             |
| Credit Suisse Securities (USA) LLC | 0.45%         | 12/19/14   | Open                       | 4,926,000    | 4,947,483                             |
| Credit Suisse Securities (USA) LLC | 0.45%         | 12/19/14   | Open                       | 3,627,000    | 3,642,818                             |
| Credit Suisse Securities (USA) LLC | 0.45%         | 12/19/14   | Open                       | 6,627,000    | 6,655,901                             |
| Credit Suisse Securities (USA) LLC | 0.50%         | 12/19/14   | Open                       | 2,740,000    | 2,751,949                             |
| Credit Suisse Securities (USA) LLC | 0.50%         | 12/19/14   | Open                       | 1,203,000    | 1,208,246                             |
| UBS Securities LLC                 | 0.40%         | 12/19/14   | Open                       | 9,435,000    | 9,468,232                             |
| Deutsche Bank Securities, Inc.     | 0.17%         | 3/05/15    | Open                       | 3,570,225    | 3,574,747                             |
| HSBC Securities (USA), Inc.        | 0.38%         | 3/12/15    | Open                       | 8,240,466    | 8,260,820                             |
| BNP Paribas Securities Corp.       | 0.42%         | 4/06/15    | Open                       | 5,675,000    | 5,687,788                             |
| Credit Suisse Securities (USA) LLC | 0.45%         | 4/07/15    | Open                       | 5,499,000    | 5,511,709                             |
| BNP Paribas Securities Corp.       | 0.42%         | 4/29/15    | Open                       | 3,345,000    | 3,352,259                             |
| BNP Paribas Securities Corp.       | 0.42%         | 4/30/15    | Open                       | 2,894,325    | 2,900,274                             |
| BNP Paribas Securities Corp.       | 0.42%         | 5/07/15    | Open                       | 3,443,000    | 3,449,980                             |
| BNP Paribas Securities Corp.       | 0.42%         | 5/14/15    | Open                       | 12,214,000   | 12,238,367                            |
| BNP Paribas Securities Corp.       | 0.42%         | 5/14/15    | Open                       | 3,125,000    | 3,131,234                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 5/27/15    | Open                       | 3,484,500    | 3,492,147                             |
| HSBC Securities (USA), Inc.        | 0.40%         | 6/01/15    | Open                       | 11,850,000   | 11,870,145                            |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 9,261,000    | 9,275,347                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 4,656,000    | 4,663,213                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 5,665,000    | 5,673,776                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 2,955,000    | 2,959,578                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 4,202,000    | 4,208,727                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 7,177,000    | 7,189,458                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 5,313,000    | 5,321,505                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 14,483,000   | 14,506,185                            |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 7,799,000    | 7,811,485                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 5,230,000    | 5,238,372                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 4,799,000    | 4,806,682                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 10,541,000   | 10,557,874                            |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 3,234,000    | 3,239,177                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 4,786,000    | 4,793,662                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 2,027,000    | 2,030,245                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 4,825,000    | 4,832,724                             |
| BNP Paribas Securities Corp.       | 0.42%         | 6/10/15    | Open                       | 9,401,000    | 9,417,804                             |
| RBC Capital Markets LLC            | 0.39%         | 6/10/15    | Open                       | 172,559,000  | 172,826,323                           |
| RBC Capital Markets LLC            | 0.39%         | 6/12/15    | Open                       | 2,706,875    | 2,711,039                             |
| RBC Capital Markets LLC            | (1.00)%       | 6/16/15    | Open                       | 333,680      | 332,401                               |
| RBC Capital Markets LLC            | 0.39%         | 6/25/15    | Open                       | 3,413,250    | 3,418,020                             |
| RBC Capital Markets LLC            | 0.39%         | 6/25/15    | Open                       | 3,567,375    | 3,572,360                             |
| RBC Capital Markets LLC            | 0.39%         | 9/03/15    | Open                       | 4,363,968    | 4,366,757                             |
| BNP Paribas Securities Corp.       | 0.45%         | 9/11/15    | Open                       | 12,494,000   | 12,501,496                            |
| BNP Paribas Securities Corp.       | 0.45%         | 9/11/15    | Open                       | 11,165,000   | 11,171,699                            |
| BNP Paribas Securities Corp.       | 0.45%         | 9/11/15    | Open                       | 7,395,000    | 7,399,437                             |
| RBC Capital Markets LLC            | 0.39%         | 10/21/15   | Open                       | 4,160,375    | 4,160,871                             |
| RBC Capital Markets LLC            | 0.39%         | 10/23/15   | Open                       | 13,890,000   | 13,890,903                            |
| RBC Capital Markets LLC            | 0.39%         | 10/23/15   | Open                       | 3,940,000    | 3,940,256                             |
| RBC Capital Markets LLC            | 0.39%         | 10/23/15   | Open                       | 5,655,000    | 5,655,368                             |



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|                                |         |          |      |                       |                       |
|--------------------------------|---------|----------|------|-----------------------|-----------------------|
| RBC Capital Markets LLC        | 0.39%   | 10/23/15 | Open | 3,779,000             | 3,779,246             |
| RBC Capital Markets LLC        | 0.39%   | 10/23/15 | Open | 4,370,000             | 4,370,284             |
| RBC Capital Markets LLC        | 0.39%   | 10/23/15 | Open | 3,285,000             | 3,285,214             |
| Barclays Capital, Inc.         | (1.25)% | 10/29/15 | Open | 438,075               | 438,029               |
| Deutsche Bank Securities, Inc. | (2.50)% | 10/29/15 | Open | 894,413               | 894,226               |
| <b>Total</b>                   |         |          |      | <b>\$ 683,676,205</b> | <b>\$ 685,715,941</b> |

<sup>1</sup> Certain agreements have no started maturity and can be terminated by either party at any time.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust  
(BTZ)

## Derivative Financial Instruments Outstanding as of Period End

## Financial Futures Contracts

| Contracts<br>Long (Short) | Issue                         | Expiration    |     | Notional<br>Value | Unrealized<br>Appreciation<br>(Depreciation) |
|---------------------------|-------------------------------|---------------|-----|-------------------|--|
| 102                       | 2-Year U.S. Treasury Note     | December 2015 | USD | 22,302,938        | \$ (36,688)                                  |
| 2,286                     | 5-Year U.S. Treasury Note     | December 2015 | USD | 273,802,079       | (728,387)                                    |
| (542)                     | 10-Year U.S. Treasury Note    | December 2015 | USD | 69,206,625        | (13,095)                                     |
| (202)                     | Long U.S. Treasury Bond       | December 2015 | USD | 31,600,375        | 404,250                                      |
| 617                       | Ultra Long U.S. Treasury Bond | December 2015 | USD | 98,565,750        | (109,474)                                    |
| (871)                     | 90-Day Euro Future            | December 2016 | USD | 215,550,725       | (790,992)                                    |
| (900)                     | 90-Day Euro Future            | March 2017    | USD | 222,412,500       | (1,542,474)                                  |
| <b>Total</b>              |                               |               |     |                   | \$ (2,816,860)                               |

## Exchange-Traded Options Purchased

| Description        | Put/<br>Call | Strike<br>Price | Expiration<br>Date | Contracts | Value      |
|--------------------|--------------|-----------------|--------------------|-----------|------------|
|                    |              |                 |                    |           |            |
| 90-Day Euro-Dollar | Put          | USD 98.00       | 12/14/15           | 1,698     | \$ 10,612  |
| 90-Day Euro-Dollar | Put          | USD 99.00       | 12/14/15           | 1,698     | 10,613     |
| S&P 500 Index      | Put          | USD 1,980.00    | 1/15/16            | 250       | 717,500    |
| <b>Total</b>       |              |                 |                    |           | \$ 738,725 |

## OTC Interest Rate Swaptions Purchased

| Description           | Counterparty     | Put/<br>Call | Exercise<br>Rate | Pay/<br>Receive<br>Exercise Rate | Floating Rate<br>Index | Expiration<br>Date | Notional<br>Amount<br>(000) | Value      |
|-----------------------|------------------|--------------|------------------|----------------------------------|------------------------|--------------------|-----------------------------|------------|
|                       |                  |              |                  |                                  |                        |                    |                             |            |
| 30-Year Interest Swap | Deutsche Bank AG | Put          | 3.35%            | Pay                              | 3-month LIBOR          | 6/09/16            | USD 63,150                  | \$ 517,661 |

## Exchange-Traded Options Written

| Description        | Put/<br>Call | Strike<br>Price | Expiration<br>Date | Contracts | Value       |
|--------------------|--------------|-----------------|--------------------|-----------|-------------|
| 90-Day Euro-Dollar | Put          | USD 98.50       | 12/14/15           | 3,396     | \$ (21,225) |

## Centrally Cleared Interest Rate Swaps

| Fixed Rate         | Floating<br>Rate | Effective<br>Date | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------|------------------|-------------------|--------------------|-----------------------------|--|
| 1.65% <sup>1</sup> | 3-month LIBOR    | N/A               | 11/30/19           | USD 39,200                  | \$ (478,038)                                 |

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|                    |               |                       |          |     |        |                 |
|--------------------|---------------|-----------------------|----------|-----|--------|-----------------|
| 1.36% <sup>1</sup> | 3-month LIBOR | 1/6/2016 <sup>2</sup> | 2/29/20  | USD | 50,180 | 141,774         |
| 1.37% <sup>1</sup> | 3-month LIBOR | 1/6/2016 <sup>2</sup> | 2/29/20  | USD | 49,620 | 111,378         |
| 1.32% <sup>1</sup> | 3-month LIBOR | 1/6/2016 <sup>2</sup> | 2/29/20  | USD | 24,690 | 109,131         |
| 1.35% <sup>1</sup> | 3-month LIBOR | 1/6/2016 <sup>2</sup> | 2/29/20  | USD | 24,890 | 80,361          |
| 2.21% <sup>1</sup> | 3-month LIBOR | N/A                   | 10/18/20 | USD | 65,000 | (2,233,926)     |
| 2.79% <sup>1</sup> | 3-month LIBOR | N/A                   | 10/11/23 | USD | 68,000 | (4,574,794)     |
| 2.79% <sup>1</sup> | 3-month LIBOR | N/A                   | 11/18/23 | USD | 10,600 | (710,255)       |
| 3.03% <sup>1</sup> | 3-month LIBOR | N/A                   | 1/08/24  | USD | 10,900 | (933,899)       |
| 2.38% <sup>1</sup> | 3-month LIBOR | N/A                   | 5/14/25  | USD | 12,500 | (381,543)       |
| 3.03% <sup>1</sup> | 3-month LIBOR | N/A                   | 2/15/40  | USD | 8,769  | (897,056)       |
| 3.05% <sup>1</sup> | 3-month LIBOR | N/A                   | 2/15/40  | USD | 8,769  | (914,046)       |
| 3.05% <sup>1</sup> | 3-month LIBOR | N/A                   | 2/15/40  | USD | 8,769  | (918,379)       |
| 3.06% <sup>1</sup> | 3-month LIBOR | N/A                   | 2/15/40  | USD | 4,769  | (512,457)       |
| <b>Total</b>       |               |                       |          |     |        | \$ (12,111,749) |

<sup>1</sup> Trust pays the fixed rate and receives the floating rate.

<sup>2</sup> Forward swap.

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

## OTC Credit Default Swaps Buy Protection

| Issuer/Index               | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid (Received) | Unrealized Appreciation (Depreciation) |
|----------------------------|----------------|-----------------------------|-----------------|-----------------------|--------------|--------------------------|--|
| Southwest Airlines Co.     | 1.00%          | Goldman Sachs Bank USA      | 12/20/16        | USD 2,535             | \$ (27,174)  | \$ 27,456                | \$ (54,630)                            |
| Southwest Airlines Co.     | 1.00%          | Goldman Sachs International | 12/20/16        | USD 1,465             | (15,704)     | 15,867                   | (31,571)                               |
| Southwest Airlines Co.     | 1.00%          | Royal Bank of Scotland PLC  | 12/20/16        | USD 4,000             | (42,964)     | 47,112                   | (90,076)                               |
| STMicro Electronics        | 1.00%          | Barclays Bank PLC           | 6/20/17         | EUR 1,500             | (13,567)     | 21,083                   | (34,650)                               |
| Cigna Corp.                | 1.00%          | Goldman Sachs Bank USA      | 9/20/17         | USD 4,500             | (78,066)     | (4,070)                  | (73,996)                               |
| Cigna Corp.                | 1.00%          | Goldman Sachs International | 9/20/17         | USD 2,800             | (48,575)     | (2,532)                  | (46,043)                               |
| General Dynamic Corp.      | 1.00%          | Credit Suisse International | 9/20/17         | USD 5,585             | (98,263)     | (52,441)                 | (45,822)                               |
| Humana, Inc.               | 1.00%          | Goldman Sachs Bank USA      | 9/20/17         | USD 4,500             | (76,327)     | 28,010                   | (104,337)                              |
| Humana, Inc.               | 1.00%          | Goldman Sachs International | 9/20/17         | USD 2,800             | (47,493)     | 17,428                   | (64,921)                               |
| Lockheed Martin Corp.      | 1.00%          | Credit Suisse International | 9/20/17         | USD 5,585             | (99,317)     | (18,247)                 | (81,070)                               |
| Northrop Grumman Corp.     | 1.00%          | Credit Suisse International | 9/20/17         | USD 4,715             | (84,456)     | (40,729)                 | (43,727)                               |
| Raytheon Co.               | 1.00%          | Credit Suisse International | 9/20/17         | USD 4,715             | (85,407)     | (43,385)                 | (42,022)                               |
| Citigroup, Inc.            | 1.00%          | Deutsche Bank AG            | 3/20/19         | USD 16,700            | (221,048)    | (48,292)                 | (172,756)                              |
| YUM! Brands, Inc.          | 1.00%          | Deutsche Bank AG            | 3/20/19         | USD 20,000            | 235,915      | (253,252)                | 489,167                                |
| MetLife, Inc.              | 1.00%          | Citibank N.A.               | 12/20/20        | USD 1,360             | (10,938)     | (1,318)                  | (9,620)                                |
| Prudential Financial, Inc. | 1.00%          | Goldman Sachs International | 12/20/20        | USD 1,181             | (9,291)      | (8,647)                  | (644)                                  |
| Prudential Financial, Inc. | 1.00%          | Citibank N.A.               | 12/20/20        | USD 1,879             | (14,782)     | (5,470)                  | (9,312)                                |
| <b>Total</b>               |                |                             |                 |                       | \$ (737,457) | \$ (321,427)             | \$ (416,030)                           |

## OTC Credit Default Swaps Sell Protection

| Issuer/Index                       | Receive Fixed Rate | Counterparty                        | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value | Premiums Paid (Received) | Unrealized Appreciation |
|------------------------------------|--------------------|-------------------------------------|-----------------|----------------------------|------------------------------------|--------------|--------------------------|-------------------------|
| Anadarko Petroleum Corp.           | 1.00%              | Credit Suisse International         | 6/20/17         | BBB                        | USD 2,425                          | \$ 18,665    | \$ (39,736)              | \$ 58,401               |
| Anadarko Petroleum Corp.           | 1.00%              | Morgan Stanley Capital Services LLC | 6/20/17         | BBB                        | USD 10                             | 77           | (181)                    | 258                     |
| Anadarko Petroleum Corp.           | 1.00%              | UBS AG                              | 6/20/17         | BBB                        | USD 994                            | 7,651        | (17,717)                 | 25,368                  |
| Anthem, Inc. (FKA WellPoint, Inc.) | 1.00%              | Goldman Sachs International         | 9/20/17         | A                          | USD 2,800                          | 42,797       | (10,023)                 | 52,820                  |
| Anthem, Inc. (FKA WellPoint, Inc.) | 1.00%              | Goldman Sachs Bank USA              | 9/20/17         | A                          | USD 4,500                          | 68,781       | (16,108)                 | 84,889                  |
| Comcast Corp.                      | 1.00%              | Credit Suisse International         | 9/20/17         | A-                         | USD 12,200                         | 211,562      | 19,865                   | 191,697                 |
| United Health Group, Inc.          | 1.00%              | Goldman Sachs Bank USA              | 9/20/17         | A+                         | USD 4,500                          | 75,914       | (4,053)                  | 79,967                  |
| United Health Group, Inc.          | 1.00%              | Goldman Sachs International         | 9/20/17         | A+                         | USD 2,800                          | 47,235       | (2,522)                  | 49,757                  |
| MetLife, Inc.                      | 1.00%              | Deutsche Bank AG                    | 3/20/18         | A-                         | USD 3,025                          | 45,872       | (58,587)                 | 104,459                 |
| Bank of America Corp.              | 1.00%              | Deutsche Bank AG                    | 3/20/19         | A-                         | USD 16,700                         | 260,427      | 86,105                   | 174,322                 |
| Valero Energy Corp.                | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 40                             | 387          | 146                      | 241                     |
| Valero Energy Corp.                | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 3                              | 28           | 11                       | 17                      |
| Valero Energy Corp.                | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 110                            | 1,071        | 364                      | 707                     |
| Valero Energy Corp.                | 1.00%              | Citibank N.A.                       | 9/20/19         | BBB                        | USD 24                             | 233          | 159                      | 74                      |
| <b>Total</b>                       |                    |                                     |                 |                            |                                    | \$ 780,700   | \$ (42,277)              | \$ 822,977              |

<sup>1</sup> Using Standard & Poor's rating of the issuer or the underlying securities of the index, as applicable.

<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

## Transactions in Options Written for the Year Ended October 31, 2015

|  | Contracts | Calls Notional (000) <sup>1</sup> | Premiums Received | Contracts | Puts Notional (000) <sup>1</sup> | Premiums Received |
|--|-----------|-----------------------------------|-------------------|-----------|----------------------------------|-------------------|
| Outstanding options, beginning of year |           |                                   |                   | 3,396     | 406,600                          | \$ 7,454,970      |

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|                                  |          |            |       |           |              |
|----------------------------------|----------|------------|-------|-----------|--------------|
| Options written                  | 44,200   | \$ 901,516 | 1,230 | 44,200    | 2,405,492    |
| Options exercised                |          |            |       |           |              |
| Options expired                  |          |            | (850) |           | (327,114)    |
| Options closed                   | (44,200) | (901,516)  | (380) | (450,800) | (8,472,163)  |
| Outstanding options, end of year |          |            | 3,396 |           | \$ 1,061,185 |

<sup>1</sup> Amount shown is in the currency in which the transaction was denominated.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

## Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|  |  | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total        |
|--|--|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|--------------|
| <b>Assets Derivative Financial Instruments</b> |  |                        |                     |                     |  |                               |                    |              |
| Financial futures contracts                    | Net unrealized appreciation <sup>1</sup>   |                        |                     |                     |  | \$ 404,250                    |                    | \$ 404,250   |
| Options purchased                              | Investments at value unaffiliated          |                        |                     | \$ 717,500          |  | 538,886                       |                    | 1,256,386    |
| Swaps OTC                                      | Unrealized appreciation on OTC swaps; Swap |                        |                     |                     |  |                               |                    |              |
|  | premiums paid                              |                        | \$ 1,575,750        |                     |  |                               |                    | 1,575,750    |
| Swaps centrally cleared                        | Net unrealized appreciation <sup>1</sup>   |                        |                     |                     |  | 442,644                       |                    | 442,644      |
| <b>Total</b>                                   |  |                        | \$ 1,575,750        | \$ 717,500          |  | \$ 1,385,780                  |                    | \$ 3,679,030 |

**Liabilities Derivative Financial Instruments**

|                             |  |  |              |  |  |               |  |               |
|-----------------------------|--|--|--------------|--|--|---------------|--|---------------|
| Financial futures contracts | Net unrealized depreciation <sup>1</sup>   |  |              |  |  | \$ 3,221,110  |  | \$ 3,221,110  |
| Options written             | Options written at value                   |  |              |  |  | 21,225        |  | 21,225        |
| Swaps OTC                   | Unrealized depreciation on OTC swaps; Swap |  |              |  |  |               |  |               |
|                             | premiums received                          |  | \$ 1,532,507 |  |  |               |  | 1,532,507     |
| Swaps centrally cleared     | Net unrealized depreciation <sup>1</sup>   |  |              |  |  | 12,554,393    |  | 12,554,393    |
| <b>Total</b>                |  |  | \$ 1,532,507 |  |  | \$ 15,796,728 |  | \$ 17,329,235 |

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contracts and centrally cleared swaps, if any, as reported in the Schedules of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Schedules of Investments.

For the year ended October 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

|                                       |  | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total        |
|---------------------------------------|--|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b> |  |                        |                     |                     |  |                               |                    |              |
| Financial futures contracts           |  |                        |                     |                     |  | \$ (901,072)                  |                    | \$ (901,072) |
| Options purchased <sup>1</sup>        |  |                        | \$ 1,988,820        |                     |  | (5,067,151)                   |                    | (3,078,331)  |

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|                 |              |             |                |                |
|-----------------|--------------|-------------|----------------|----------------|
| Options written |              | (1,180,312) | 5,857,045      | 4,676,733      |
| Swaps           | \$ (492,839) |             | (3,665,540)    | (4,158,379)    |
| <b>Total</b>    | \$ (492,839) | \$ 808,508  | \$ (3,776,718) | \$ (3,461,049) |

<sup>1</sup> Options purchased are included in net realized gain (loss) from investments.

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign               |                               |                    | Total           |
|---|------------------------|---------------------|---------------------|-----------------------|-------------------------------|--------------------|-----------------|
|   |                        |                     |                     | Currency<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts |                 |
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                        |                     |                     |                       |                               |                    |                 |
| Financial futures contracts                                     |                        |                     |                     |                       | \$ (3,241,507)                |                    | \$ (3,241,507)  |
| Options purchased <sup>1</sup>                                  |                        |                     | \$ (85,760)         |                       | 1,299,762                     |                    | 1,214,002       |
| Options written   |                        |                     |                     |                       | (3,970,751)                   |                    | (3,970,751)     |
| Swaps   | \$ 799,554             |                     |                     |                       | (7,720,941)                   |                    | (6,921,387)     |
| <b>Total</b>  | \$ 799,554             | \$ (85,760)         |                     |                       | \$ (13,633,437)               |                    | \$ (12,919,643) |

<sup>1</sup> Options purchased are included in net change in unrealized appreciation (depreciation) on investments.

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

|  |                     |                |
|--|---------------------|----------------|
| Financial futures contracts:                           |                     |                |
| Average notional value of contracts                    | long                | \$ 334,314,350 |
| Average notional value of contracts                    | short               | \$ 827,532,673 |
| Options:   |                     |                |
| Average value of option contracts purchased            |                     | \$ 504,769     |
| Average value of option contracts written              |                     | \$ 68,981      |
| Average notional value of swaption contracts purchased |                     | \$ 179,800,000 |
| Average notional value of swaption contracts written   |                     | \$ 203,300,000 |
| Credit default swaps:                                  |                     |                |
| Average notional value                                 | buy protection      | \$ 84,010,394  |
| Average notional value                                 | sell protection     | \$ 50,843,791  |
| Interest rate swaps:                                   |                     |                |
| Average notional value                                 | pays fixed rate     | \$ 283,760,000 |
| Average notional value                                 | receives fixed rate | \$ 11,800,000  |

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Derivative Financial Instruments Offsetting as of Period End

The Trust's derivative assets and liabilities (by type) were as follows:

|   | Assets                 | Liabilities  |
|---|------------------------|--------------|
| <b>Derivative Financial Instruments:</b>  |                        |              |
| Financial futures contracts   | \$ 715,208             | \$ 160,317   |
| Options   | 1,256,386 <sup>1</sup> | 21,225       |
| Swaps Centrally cleared   |                        | 498,178      |
| Swaps OTC   | 1,575,750              | 1,532,507    |
| Total derivative assets and liabilities in the Statements of Assets and Liabilities | \$ 3,547,344           | \$ 2,212,227 |
| Derivatives not subject to a Master Netting Agreement or similar agreement ( MNA )  | (1,453,933)            | (679,720)    |
| Total derivative assets and liabilities subject to an MNA                           | \$ 2,093,411           | \$ 1,532,507 |

<sup>1</sup> Includes options purchased at value which is included in Investments at value unaffiliated in the Statements of Assets and Liabilities and reported in the Schedules of Investments.

<sup>2</sup> Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums paid/received in the Statements of Assets and Liabilities.

The following table presents the Trust's derivative assets and liabilities by counterparty net of amounts available for offset under an Master Netting Agreement ( MNA ) and net of the related collateral received and pledged by the Trust:

| Counterparty                | Derivative Assets<br>Subject to an MNA<br>by<br>Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Received | Cash Collateral<br>Received <sup>2</sup> | Net<br>Amount of<br>Derivative<br>Assets <sup>3</sup> |
|-----------------------------|--|---|---------------------------------|--|---|
| Barclays Bank PLC           | \$ 22,569  | \$ (22,569)   |                                 |  |   |
| Citibank N.A.               | 233  | (233)   |                                 |  |   |
| Credit Suisse International | 269,963  | (269,963)   |                                 |  |   |



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|                                     |              |                |              |          |
|-------------------------------------|--------------|----------------|--------------|----------|
| Deutsche Bank AG                    | 1,371,714    | (532,887)      | \$ (838,827) |          |
| Goldman Sachs Bank USA              | 220,322      | (220,322)      |              |          |
| Goldman Sachs International         | 135,872      | (135,872)      |              |          |
| Morgan Stanley Capital Services LLC | 258          | (181)          | \$ 77        |          |
| Royal Bank of Scotland PLC          | 47,112       | (47,112)       |              |          |
| UBS AG                              | 25,368       | (17,717)       |              | 7,651    |
|                                     | \$ 2,093,411 | \$ (1,246,856) | \$ (838,827) | \$ 7,728 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

| Counterparty                        | Derivative Liabilities<br>Subject to an MNA<br>by<br>Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Pledged | Cash Collateral<br>Pledged | Net<br>Amount of<br>Derivative<br>Liabilities <sup>4</sup> |
|-------------------------------------|---|---|--------------------------------|----------------------------|--|
| Barclays Bank PLC                   | \$ 34,650   | \$ (22,569)   |                                |                            | \$ 12,081  |
| Citibank N.A.                       | 25,720  | (233)   |                                |                            | 25,487   |
| Credit Suisse International         | 407,179   | (269,963)   |                                |                            | 137,216  |
| Deutsche Bank AG                    | 532,887   | (532,887)   |                                |                            |  |
| Goldman Sachs Bank USA              | 257,194   | (220,322)   |                                |                            | 36,872   |
| Goldman Sachs International         | 166,903   | (135,872)   |                                |                            | 31,031   |
| Morgan Stanley Capital Services LLC | 181   | (181)   |                                |                            |  |
| Royal Bank of Scotland PLC          | 90,076  | (47,112)  |                                |                            | 42,964   |
| UBS AG                              | 17,717  | (17,717)  |                                |                            |  |
| <b>Total</b>                        | \$ 1,532,507  | \$ (1,246,856)                                      |                                |                            | \$ 285,651   |

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

<sup>2</sup> Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.

<sup>3</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>4</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

## Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|   | Level 1       | Level 2          | Level 3       | Total            |
|---|---------------|------------------|---------------|------------------|
| <b>Assets:</b>                              |               |                  |               |                  |
| Investments:                                |               |                  |               |                  |
| Long-Term Investments:                      |               |                  |               |                  |
| Asset-Backed Securities                     |               | \$ 77,792,608    | \$ 11,525,615 | \$ 89,318,223    |
| Corporate Bonds                             |               | 1,660,174,945    | 5,079,000     | 1,665,253,945    |
| Foreign Agency Obligations                  |               | 10,793,097       |               | 10,793,097       |
| Municipal Bonds                             |               | 18,242,850       |               | 18,242,850       |
| Preferred Securities                        | \$ 53,324,734 | 356,383,323      |               | 409,708,057      |
| U.S. Government Sponsored Agency Securities |               | 3,669,639        |               | 3,669,639        |
| Short-Term Securities                       | 610,104       |                  |               | 610,104          |
| Options Purchased:                          |               |                  |               |                  |
| Interest Rate Contracts                     | 21,225        | 517,661          |               | 538,886          |
| Equity Contracts                            | 717,500       |                  |               | 717,500          |
| <b>Total</b>                                | \$ 54,673,563 | \$ 2,127,574,123 | \$ 16,604,615 | \$ 2,198,852,301 |

|   | Level 1        | Level 2         | Level 3 | Total           |
|---|----------------|-----------------|---------|-----------------|
| Derivative Financial Instruments <sup>1</sup> |                |                 |         |                 |
| <b>Assets:</b>                                |                |                 |         |                 |
| Credit contracts                              |                | \$ 1,312,144    |         | \$ 1,312,144    |
| Interest rate contracts                       | \$ 404,250     | 442,644         |         | 846,894         |
| <b>Liabilities:</b>                           |                |                 |         |                 |
| Credit contracts                              |                | (905,197)       |         | (905,197)       |
| Interest rate contracts                       | (3,242,335)    | (12,554,393)    |         | (15,796,728)    |
| <b>Total</b>                                  | \$ (2,838,085) | \$ (11,704,802) |         | \$ (14,542,887) |

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

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust (BTZ)

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount or face value, including accrued interest, for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1       | Level 2          | Level 3 | Total            |
|--|---------------|------------------|---------|------------------|
| <b>Assets:</b>   |               |                  |         |                  |
| Cash   | \$ 1,697,637  |                  |         | \$ 1,697,637     |
| Cash pledged for centrally cleared swaps                     | 9,035,930     |                  |         | 9,035,930        |
| Cash pledged as collateral for reverse repurchase agreements | 2,704,000     |                  |         | 2,704,000        |
| Cash pledged for financial futures contracts                 | 4,302,780     |                  |         | 4,302,780        |
| Foreign currency at value                                    | 8,883         |                  |         | 8,883            |
| <b>Liabilities:</b>  |               |                  |         |                  |
| Cash received as collateral for OTC derivatives              |               | \$ (1,000,000)   |         | (1,000,000)      |
| Reverse repurchase agreements                                |               | (685,715,941)    |         | (685,715,941)    |
| <b>Total</b>   | \$ 17,749,230 | \$ (686,715,941) |         | \$ (668,966,711) |

During the year ended October 31, 2015, there were no transfers between Level 1 and Level 2.

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the year in relation to net assets. 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         |
|---|-------------------------|-----------------|---------------|
| <b>Assets:</b>  |                         |                 |               |
| Opening Balance, as of October 31, 2014   | \$ 5,930,350            | \$ 21,431,574   | \$ 27,361,924 |
| Transfers into Level 3 <sup>1</sup>   | 3,359,388               |                 | 3,359,388     |
| Transfers out of Level 3 <sup>2</sup>   | (2,392,425)             | (4,477,824)     | (6,870,249)   |
| Accrued discounts/premiums  | 16,955                  |                 | 16,955        |
| Net realized gain (loss)  | (17,637)                | (230,000)       | (247,637)     |
| Net change in unrealized appreciation (depreciation) <sup>3,4</sup>   | 66,834                  | (374,750)       | (307,916)     |
| Purchases   | 7,154,650               |                 | 7,154,650     |
| Sales   | (2,592,500)             | (11,270,000)    | (13,862,500)  |
| <b>Closing Balance, as of October 31, 2015</b>  | \$ 11,525,615           | \$ 5,079,000    | \$ 16,604,615 |
| Net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 <sup>4</sup> | \$ 60,052               | \$ 56,500       | \$ 116,552    |

<sup>1</sup> As of October 31, 2015, the Trust used observable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used significant unobservable inputs in determining the value of the same investments. As a result, investments at beginning of period value of \$3,359,388 were transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of October 31, 2015, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used observable inputs in determining the value of the same investments. As a result, investments at beginning of period value of \$6,870,249 were transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation (depreciation) in the Statements of Operations.

<sup>4</sup> Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 is generally due to investments no longer held or categorized as Level 3 at period end.

See Notes to Financial Statements.

## Schedule of Investments October 31, 2015

## BlackRock Floating Rate Income Trust (BGT)

(Percentages shown are based on Net Assets)

| Common Stocks                              | Shares | Value      |
|--|--------|------------|
| <b>Construction &amp; Engineering 0.1%</b> |        |            |
| USI United Subcontractors                  | 8,067  | \$ 242,024 |
| <b>Diversified Consumer Services 0.2%</b>  |        |            |
| Houghton Mifflin Harcourt Co. (a)          | 32,847 | 643,473    |
| <b>Household Durables 0.0%</b>             |        |            |
| Berkline Benchcraft Equity LLC (a)         | 6,155  |            |
| <b>Total Common Stocks 0.3%</b>            |        | 885,497    |

|  | Par     |            |
|--|---------|------------|
| Asset-Backed Securities 4.5%   | (000)   |            |
| ALM Loan Funding (b)(c):   |         |            |
| Series 2012-5A, Class BR, 3.31%, 10/18/27  | USD 560 | 549,528    |
| Series 2013-7R2A, Class B, 2.89%, 4/24/24  | 350     | 346,356    |
| Series 2013-7RA, Class C, 3.74%, 4/24/24   | 630     | 614,896    |
| Series 2013-7RA, Class D, 5.29%, 4/24/24   | 550     | 532,375    |
| ALM XIV Ltd., Series 2014-14A, Class C, 3.74%, 7/28/26 (b)(c)                          | 713     | 658,852    |
| ALM XVI Ltd./ALM XVI LLC, Series 2015-16A, Class B, 3.16%, 7/15/27 (b)(c)              | 880     | 868,120    |
| AMMC CLO 15 Ltd., Series 2014-15A, Class D, 4.48%, 12/09/26 (b)(c)                     | 250     | 246,875    |
| Apidos CDO XI, Series 2012-11A, Class D, 4.57%, 1/17/23 (b)(c)                         | 500     | 489,331    |
| Atlas Senior Loan Fund Ltd., Series 2014-6A, Class D, 3.99%, 10/15/26 (b)(c)           | 525     | 486,356    |
| Atrium CDO Corp., Series 9A, Class D, 3.83%, 2/28/24 (b)(c)                            | 500     | 472,214    |
| Benefit Street Partners CLO VII Ltd., Series 2015-VIIA, Class B, 3.23%, 7/18/27 (b)(c) | 405     | 394,672    |
| Carlyle Global Market Strategies CLO Ltd. (b)(c):                                      |         |            |
| Series 2012-4A, Class D, 4.79%, 1/20/25  | 450     | 449,980    |
| Series 2013-1A, Class C, 4.31%, 2/14/25  | 250     | 241,733    |
| Series 2014-5A, Class C, 4.47%, 10/16/25   | 1,250   | 1,242,328  |
| Cent CLO 22 Ltd., Series 2014-22A, Class C, 4.06%, 11/07/26 (b)(c)                     | 750     | 715,575    |
| CIFC Funding 2014-II Ltd., Series 2014-2A, Class A3L, 3.18%, 5/24/26 (b)(c)            | 275     | 268,274    |
| Highbridge Loan Management Ltd., Series 2015-7A, Class C, 3.70%, 11/15/26 (b)(c)(d)    | 250     | 248,783    |
| LCM XVIII LP, Series 18A, Class INC, 3.45%, 4/20/27 (b)                                | 1,500   | 1,098,105  |
| Madison Park Funding XI Ltd., Series 2013-11A, Class D, 3.82%, 10/23/25 (b)(c)         | 250     | 235,531    |
| North End CLO Ltd., Series 2013-1A, Class D, 3.82%, 7/17/25 (b)(c)                     | 500     | 474,950    |
| Octagon Investment Partners XVII Ltd., Series 2013-1A, Class D, 3.50%, 10/25/25 (b)(c) | 750     | 669,471    |
| OZLM Funding Ltd. (b)(c):  |         |            |
| Series 2012-1A, Class BR, 3.32%, 7/22/27   | 275     | 274,093    |
| Series 2012-2A, Class C, 4.65%, 10/30/23   | 500     | 495,059    |
| OZLM VIII Ltd., Series 2014-8A, Class B, 3.29%, 10/17/26 (b)(c)                        | 280     | 271,120    |
| Sound Point CLO IV Ltd., Series 2013-3A, Class A, 1.66%, 1/21/26 (b)(c)                | 390     | 384,208    |
| Symphony CLO Ltd., Series 2012-9A, Class D, 4.57%, 4/16/22 (b)(c)                      | 775     | 764,227    |
| Treman Park CLO LLC, Series 2015-1A, Class D, 4.13%, 4/20/27 (b)(c)                    | 700     | 661,500    |
| Venture XXI CLO Ltd., Series 2015-21A, Class A, 1.77%, 7/15/27 (b)(c)                  | 400     | 397,440    |
| Voya CLO Ltd., Series 2014-4A, Class SUB, 4.28%, 10/14/26 (b)                          | 1,000   | 627,440    |
| <b>Total Asset-Backed Securities 4.5%</b>  |         | 15,179,392 |

| Corporate Bonds  | (000)   | Value      |
|--|---------|------------|
| <b>Airlines 0.6%</b>   |         |            |
| American Airlines Pass-Through Trust, Series 2013-2, Class C, 6.00%, 1/15/17 (c) | USD 592 | \$ 606,946 |
| US Airways Pass-Through Trust, Series 2012-2, Class C, 5.45%, 6/03/18            | 1,585   | 1,604,812  |

2,211,758

|  |     |         |
|--|-----|---------|
| <b>Auto Components 0.1%</b>  |     |         |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp., 3.50%, 3/15/17 | 410 | 414,797 |
| <b>Capital Markets 0.5%</b>  |     |         |

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|  |         |            |
|--|---------|------------|
| Blackstone CQP Holdco LP, 9.30%, 3/19/19                                       | 579     | 584,504    |
| E*Trade Financial Corp., 0.00%, 8/31/19 (c)(e)(f)                              | 439     | 1,204,915  |
|  |         | 1,789,419  |
| <b>Commercial Services &amp; Supplies 0.1%</b>                                 |         |            |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 3.07%, 12/01/17 (b)      | 179     | 179,986    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c)                                | 130     | 129,889    |
|  |         | 309,875    |
| <b>Communications Equipment 0.1%</b>   |         |            |
| Avaya, Inc., 7.00%, 4/01/19 (c)  | 232     | 188,500    |
| <b>Containers &amp; Packaging 0.3%</b>   |         |            |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc., 3.34%, 12/15/19 (b)(c) | 920     | 906,200    |
| <b>Diversified Telecommunication Services 0.3%</b>                             |         |            |
| Level 3 Financing, Inc.:   |         |            |
| 3.91%, 1/15/18 (b)   | 607     | 611,552    |
| 6.13%, 1/15/21   | 337     | 355,114    |
|  |         | 966,666    |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>                               |         |            |
| DJO Finance LLC/DJO Finance Corp., 8.13%, 6/15/21 (c)                          | 190     | 188,575    |
| <b>Health Care Providers &amp; Services 0.4%</b>                               |         |            |
| Care UK Health & Social Care PLC, 5.58%, 7/15/19 (b)                           | GBP 327 | 464,027    |
| Tenet Healthcare Corp., 3.84%, 6/15/20 (b)(c)                                  | USD 840 | 833,700    |
|  |         | 1,297,727  |
| <b>Household Durables 0.0%</b>   |         |            |
| Berkline/Benchcraft LLC, 4.50%, 5/03/16 (a)(g)                                 | 400     |            |
| <b>Media 0.5%</b>  |         |            |
| Altice Financing SA, 6.63%, 2/15/23 (c)  | 335     | 335,837    |
| Altice US Finance I Corp., 5.38%, 7/15/23 (c)                                  | 745     | 753,940    |
| Numericable Group SA, 6.00%, 5/15/22 (c)                                       | 512     | 513,280    |
|  |         | 1,603,057  |
| <b>Oil, Gas &amp; Consumable Fuels 0.4%</b>                                    |         |            |
| California Resources Corp., 5.50%, 9/15/21                                     | 875     | 601,563    |
| CONSOL Energy, Inc., 5.88%, 4/15/22  | 380     | 240,350    |
| MEG Energy Corp., 7.00%, 3/31/24 (c)   | 525     | 454,125    |
|  |         | 1,296,038  |
| <b>Pharmaceuticals 0.1%</b>  |         |            |
| Valeant Pharmaceuticals International, Inc., 5.38%, 3/15/20 (c)                | 560     | 487,200    |
| <b>Wireless Telecommunication Services 0.2%</b>                                |         |            |
| Sprint Communications, Inc., 7.00%, 3/01/20 (c)                                | 730     | 766,500    |
| <b>Total Corporate Bonds 3.7%</b>  |         | 12,426,312 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Floating Rate Income Trust (BGT)

|   | Par       |              |
|---|-----------|--------------|
|   | (000)     | Value        |
| <b>Floating Rate Loan Interests (b)</b>                             |           |              |
| <b>Aerospace &amp; Defense 2.4%</b>                                 |           |              |
| BE Aerospace, Inc., 2014 Term Loan B, 4.00%, 12/16/21               | USD 1,689 | \$ 1,696,461 |
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/31/20                     | 916       | 912,571      |
| TASC, Inc., 2nd Lien Term Loan, 12.00%, 5/30/21                     | 725       | 739,500      |
| Transdigm, Inc.:  |           |              |
| 2015 Term Loan E, 3.50%, 5/14/22                                    | 506       | 494,974      |
| Term Loan C, 3.75%, 2/28/20   | 340       | 335,182      |
| Term Loan D, 3.75%, 6/04/21   | 518       | 510,661      |
| TransUnion LLC, Term Loan B2, 3.50%, 4/09/21                        | 3,324     | 3,275,513    |
|   |           | 7,964,862    |
| <b>Air Freight &amp; Logistics 0.6%</b>                             |           |              |
| CEVA Group PLC, Synthetic LC, 6.50%, 3/19/21                        | 423       | 370,353      |
| CEVA Intercompany BV, Dutch Term Loan, 6.50%, 3/19/21               | 439       | 384,696      |
| CEVA Logistics Canada ULC, Canadian Term Loan, 6.50%, 3/19/21       | 69        | 60,255       |
| CEVA Logistics US Holdings, Inc., Term Loan, 6.50%, 3/19/21         | 606       | 530,615      |
| XPO Logistics, Inc., Term Loan, 5.50%, 10/15/22                     | 820       | 811,800      |
|   |           | 2,157,719    |
| <b>Airlines 0.4%</b>  |           |              |
| Northwest Airlines, Inc.:   |           |              |
| 2.39%, 3/10/17  | 237       | 234,630      |
| 1.77%, 9/10/18  | 435       | 421,465      |
| US Airways Group, Inc., Term Loan B1, 3.50%, 5/23/19                | 686       | 682,570      |
|   |           | 1,338,665    |
| <b>Auto Components 2.8%</b>   |           |              |
| Autoparts Holdings Ltd.:  |           |              |
| 1st Lien Term Loan, 7.00%, 7/29/17                                  | 1,506     | 1,229,632    |
| 2nd Lien Term Loan, 11.00%, 1/29/18                                 | 546       | 280,278      |
| Dayco Products LLC, Term Loan B, 5.25%, 12/12/19                    | 688       | 682,921      |
| FPC Holdings, Inc., 1st Lien Term Loan, 5.25%, 11/19/19             | 889       | 841,592      |
| Gates Global, Inc., Term Loan B, 4.25%, 7/05/21                     | 5,296     | 4,962,012    |
| Goodyear Tire & Rubber Co., 2nd Lien Term Loan, 3.75%, 4/30/19      | 936       | 937,696      |
| GPX International Tire Corp., Term Loan (a)(g):                     |           |              |
| 12.25%, 3/30/2012   | 274       |              |
| PIK, 13.00%, 3/30/2012  | 4         |              |
| INA Beteiligungsgesellschaft mbH, Term Loan B, 4.25%, 5/15/20       | 558       | 559,007      |
|   |           | 9,493,138    |
| <b>Automobiles 0.4%</b>   |           |              |
| Chrysler Group LLC, Term Loan B:                                    |           |              |
| 2018, 3.25%, 12/31/18   | 497       | 495,560      |
| 3.50%, 5/24/17  | 854       | 853,055      |
|   |           | 1,348,615    |
| <b>Banks 0.3%</b>   |           |              |
| Redtop Acquisitions Ltd.:   |           |              |
| 1st Lien Term Loan, 4.50%, 12/03/20                                 | 865       | 865,681      |
| 2nd Lien Term Loan, 8.25%, 6/03/21                                  | 182       | 180,323      |
|   |           | 1,046,004    |
| <b>Biotechnology 0.2%</b>   |           |              |
| AMAG Pharmaceuticals, Inc., 2015 1st Lien Term Loan, 4.75%, 8/13/21 | 520       | 509,600      |
| <b>Building Materials 0.1%</b>                                      |           |              |
| USAGM HoldCo LLC:   |           |              |
| 2015 2nd Lien Delayed Draw Term Loan, 9.50%, 7/28/23                | 24        | 23,489       |
| 2015 2nd Lien Term Loan, 9.50%, 7/28/23                             | 371       | 360,155      |

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|   |              | 383,644      |
|---|--------------|--------------|
|   | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>                               | <b>(000)</b> | <b>Value</b> |
| <b>Building Products 3.6%</b>   |              |              |
| Continental Building Products LLC, 1st Lien Term Loan, 4.00%, 8/28/20 | USD 778      | \$ 774,698   |
| CPG International, Inc., Term Loan, 4.75%, 9/30/20                    | 3,238        | 3,197,032    |
| GYP Holdings III Corp., 1st Lien Term Loan, 4.75%, 4/01/21            | 746          | 722,647      |
| Hanson Building Products Ltd., 1st Lien Term Loan, 6.50%, 2/18/22     | 266          | 261,780      |
| Jeld-Wen, Inc., Term Loan B, 5.25%, 10/15/21                          | 1,861        | 1,860,937    |
| Ply Gem Industries, Inc., Term Loan, 4.00%, 2/01/21                   | 611          | 601,161      |
| Quikrete Holdings, Inc., 1st Lien Term Loan, 4.00%, 9/28/20           | 1,046        | 1,043,583    |
| Universal Services of America LP:                                     |              |              |
| 2015 Delayed Draw Term Loan, 4.75%, 7/28/22                           | 99           | 95,599       |
| 2015 Term Loan, 4.75%, 7/28/22  | 1,403        | 1,355,770    |
| Wilsonart LLC:  |              |              |
| Incremental Term Loan B2, 4.00%, 10/31/19                             | 506          | 501,879      |
| Term Loan B, 4.00%, 10/31/19  | 1,512        | 1,499,960    |
|   |              | 11,915,046   |
| <b>Capital Markets 1.0%</b>   |              |              |
| Affinion Group, Inc., Term Loan B, 6.75%, 4/30/18                     | 795          | 762,105      |
| American Capital Holdings, Inc., 2017 Term Loan, 3.50%, 8/22/17       | 481          | 478,931      |
| RPI Finance Trust, Term Loan B4, 3.50%, 11/09/20                      | 2,027        | 2,020,204    |
|   |              | 3,261,240    |
| <b>Chemicals 3.5%</b>   |              |              |
| Allnex (Luxembourg) & Cy SCA, Term Loan B1, 4.50%, 10/03/19           | 585          | 584,715      |
| Allnex USA, Inc., Term Loan B2, 4.50%, 10/03/19                       | 304          | 303,381      |
| Axalta Coating Systems US Holdings, Inc., Term Loan, 3.75%, 2/01/20   | 1,315        | 1,312,948    |
| CeramTec Acquisition Corp., Term Loan B2, 4.25%, 8/30/20              | 70           | 70,308       |
| Charter NEX US Holdings, Inc., Term Loan B, 5.25%, 2/07/22            | 692          | 694,403      |
| Chemours Co., Term Loan B, 3.75%, 5/12/22                             | 516          | 471,650      |
| Chemtura Corp., Term Loan B, 3.50%, 8/27/16                           | 69           | 68,229       |
| Chromaflo Technologies Corp., 2nd Lien Term Loan, 8.25%, 6/02/20      | 295          | 279,133      |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                       | 736          | 620,459      |
| INEOS US Finance LLC, 6 Year Term Loan, 3.75%, 5/04/18                | 428          | 422,312      |
| Klockner-Pentaplast of America, Inc., Term Loan, 5.00%, 4/28/20       | 444          | 444,323      |
| MacDermid, Inc.:  |              |              |
| 1st Lien Term Loan, 4.50%, 6/07/20                                    | 1,030        | 996,966      |
| Term Loan B2, 4.75%, 6/07/20  | 89           | 85,574       |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17                      | 77           | 72,430       |
| OXEA Finance LLC:   |              |              |
| 2nd Lien Term Loan, 8.25%, 7/15/20                                    | 845          | 766,136      |
| Term Loan B2, 4.25%, 1/15/20  | 1,401        | 1,340,677    |
| Royal Holdings, Inc.:   |              |              |
| 2015 1st Lien Term Loan, 4.50%, 6/19/22                               | 693          | 686,115      |
| 2015 2nd Lien Term Loan, 8.50%, 6/19/23                               | 285          | 283,812      |
| Solenis International LP:   |              |              |
| 1st Lien Term Loan, 4.25%, 7/31/21                                    | 936          | 918,242      |
| 2nd Lien Term Loan, 7.75%, 7/31/22                                    | 1,055        | 983,788      |
| Tata Chemicals North America, Inc., Term Loan B, 3.75%, 8/07/20       | 315          | 306,989      |
|   |              | 11,712,590   |
| <b>Commercial Services &amp; Supplies 6.7%</b>                        |              |              |
| ADMI Corp., 2015 Term Loan B, 5.50%, 4/30/22                          | 727          | 729,269      |
| ADS Waste Holdings, Inc., Term Loan, 3.75%, 10/09/19                  | 1,791        | 1,767,724    |

See Notes to Financial Statements.





## Schedule of Investments (continued)

## BlackRock Floating Rate Income Trust (BGT)

|  | Par          |              |  |
|--|--------------|--------------|--|
|  | (000)        | Value        |  |
| <b>Floating Rate Loan Interests (b)</b>                                    |              |              |  |
| <b>Commercial Services &amp; Supplies (continued)</b>                      |              |              |  |
| ARAMARK Corp.:   |              |              |  |
| Term Loan E, 3.25%, 9/07/19  | USD 1,501    | \$ 1,498,998 |  |
| Term Loan F, 3.25%, 2/24/21  | 525          | 523,252      |  |
| Asurion LLC, Term Loan B4, 5.00%, 8/04/22                                  | 788          | 743,699      |  |
| Brand Energy & Infrastructure Services, Inc., Term Loan B, 4.75%, 11/26/20 | 2,284        | 2,108,982    |  |
| Catalent Pharma Solutions, Inc., Term Loan B, 4.25%, 5/20/21               | 2,025        | 2,020,072    |  |
| Connolly Corp.:  |              |              |  |
| 1st Lien Term Loan, 4.50%, 5/14/21   | 1,837        | 1,829,165    |  |
| 2nd Lien Term Loan, 8.00%, 5/14/22   | 900          | 892,125      |  |
| Creative Artists Agency LLC, Term Loan B, 5.50%, 12/17/21                  | 635          | 635,397      |  |
| Dealer Tire LLC, Term Loan B, 5.50%, 12/22/21                              | 546          | 549,287      |  |
| KAR Auction Services, Inc., Term Loan B2, 3.50%, 3/11/21                   | 816          | 815,815      |  |
| Koosharem LLC, Exit Term Loan, 7.50%, 5/15/20                              | 1,432        | 1,401,501    |  |
| Livingston International, Inc., 1st Lien Term Loan, 5.00%, 4/18/19         | 802          | 745,441      |  |
| PSSI Holdings LLC, Term Loan B, 5.00%, 12/02/21                            | 997          | 995,797      |  |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19                            | 2,940        | 2,902,445    |  |
| US Ecology, Inc., Term Loan, 3.75%, 6/17/21                                | 424          | 422,993      |  |
| Waste Industries USA, Inc., Term Loan B, 4.25%, 2/27/20                    | 559          | 559,607      |  |
| West Corp., Term Loan B10, 3.25%, 6/30/18                                  | 1,405        | 1,391,730    |  |
|  |              | 22,533,299   |  |
| <b>Communications Equipment 2.2%</b>                                       |              |              |  |
| Applied Systems, Inc.:   |              |              |  |
| 1st Lien Term Loan, 4.25%, 1/25/21   | 867          | 859,284      |  |
| 2nd Lien Term Loan, 7.50%, 1/24/22   | 230          | 221,087      |  |
| Avaya, Inc., Term Loan B7, 6.25%, 5/29/20                                  | 1,189        | 910,525      |  |
| CommScope, Inc., Term Loan B5, 3.75%, 12/29/22                             | 560          | 558,953      |  |
| Riverbed Technology, Inc., Term Loan B, 6.00%, 4/24/22                     | 368          | 368,150      |  |
| Telesat Canada, Term Loan A, 3.89%, 3/24/17                                | CAD 2,271    | 1,734,408    |  |
| Zayo Group LLC, Term Loan B, 3.75%, 5/06/21                                | USD 2,708    | 2,703,619    |  |
|  |              | 7,356,026    |  |
| <b>Construction &amp; Engineering 0.1%</b>                                 |              |              |  |
| AECOM Technology Corp., Term Loan B, 3.75%, 10/15/21                       | 376          | 376,778      |  |
| <b>Construction Materials 1.1%</b>   |              |              |  |
| Filtration Group Corp., 1st Lien Term Loan, 4.25%, 11/21/20                | 858          | 856,619      |  |
| HD Supply, Inc., 2015 Term Loan B, 3.75%, 8/13/21                          | 2,025        | 2,017,406    |  |
| Headwaters, Inc., Term Loan B, 4.50%, 3/24/22                              | 449          | 449,654      |  |
| McJunkin Red Man Corp., Term Loan, 4.75%, 11/08/19                         | 266          | 258,662      |  |
|  |              | 3,582,341    |  |
| <b>Containers &amp; Packaging 1.2%</b>                                     |              |              |  |
| Ardagh Holdings USA, Inc., Incremental Term Loan, 4.00%, 12/17/19          | 812          | 810,250      |  |
| Berry Plastics Holding Corp.:  |              |              |  |
| Term Loan E, 3.75%, 1/06/21  | 763          | 761,597      |  |
| Term Loan F, 4.00%, 10/01/22   | 2,021        | 2,023,846    |  |
| BWAY Holding Co., Inc., Term Loan B, 5.50%, 8/14/20                        | 504          | 505,139      |  |
|  |              | 4,100,832    |  |
| <b>Distributors 0.7%</b>   |              |              |  |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20                            | 1,252        | 1,243,407    |  |
| American Tire Distributors Holdings, Inc., 2015 Term Loan, 5.25%, 9/01/21  | 945          | 948,010      |  |
|  |              | 2,191,417    |  |
|  | <b>Par</b>   |              |  |
| <b>Floating Rate Loan Interests (b)</b>                                    | <b>(000)</b> | <b>Value</b> |  |

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|  |     |       |              |
|--|-----|-------|--------------|
| <b>Diversified Consumer Services 2.9%</b>  |     |       |              |
| Allied Security Holdings LLC:  |     |       |              |
| 1st Lien Term Loan, 4.25%, 2/12/21   | USD | 1,740 | \$ 1,696,639 |
| 2nd Lien Term Loan, 8.00%, 8/13/21   |     | 864   | 812,273      |
| Bright Horizons Family Solutions, Inc.:  |     |       |              |
| Incremental Term Loan B1, 4.25%, 1/30/20   |     | 318   | 317,997      |
| Term Loan B, 3.75%, 1/30/20  |     | 1,713 | 1,715,113    |
| CT Technologies Intermediate Holdings, Inc., 1st Lien Term Loan, 5.25%, 12/01/21 |     | 736   | 731,777      |
| Iglo Foods Midco Ltd., Term Loan C1, 3.50%, 7/05/20                              | EUR | 606   | 655,983      |
| ROC Finance LLC, Term Loan, 5.00%, 6/20/19                                       | USD | 647   | 608,600      |
| ServiceMaster Co., 2014 Term Loan B, 4.25%, 7/01/21                              |     | 3,242 | 3,239,497    |
|  |     |       | 9,777,879    |
| <b>Diversified Financial Services 3.7%</b>                                       |     |       |              |
| AlixPartners, LLP, 2015 Term Loan B, 4.50%, 7/28/22                              |     | 1,180 | 1,178,773    |
| AssuredPartners Capital, Inc., 2015 1st Lien Term Loan, 5.75%, 10/21/22          |     | 1,055 | 1,054,346    |
| Diamond US Holding LLC, Term Loan B, 4.75%, 12/17/21                             |     | 596   | 595,500      |
| Jefferies Finance LLC, Term Loan, 4.50%, 5/14/20                                 |     | 1,696 | 1,691,511    |
| Onex Wizard US Acquisition, Inc., Term Loan, 4.25%, 3/13/22                      |     | 1,264 | 1,263,195    |
| Reynolds Group Holdings, Inc., Dollar Term Loan, 4.50%, 12/01/18                 |     | 3,899 | 3,905,197    |
| SAM Finance Luxembourg Sarl, Term Loan, 4.25%, 12/17/20                          |     | 1,106 | 1,107,882    |
| SIG Euro Holdings AG & Co. KG, 2013 Term Loan, 4.50%, 12/02/18                   | EUR | 878   | 965,154      |
| TransFirst, Inc., 2014 2nd Lien Term Loan, 9.00%, 11/12/22                       | USD | 521   | 520,414      |
|  |     |       | 12,281,972   |
| <b>Diversified Telecommunication Services 3.2%</b>                               |     |       |              |
| Altice Financing SA, Term Loan:  |     |       |              |
| 5.25%, 2/04/22   |     | 24    | 23,793       |
| Delayed Draw, 5.50%, 7/02/19   |     | 1,854 | 1,853,397    |
| Hawaiian Telcom Communications, Inc., Term Loan B, 5.00%, 6/06/19                |     | 1,426 | 1,420,541    |
| Integra Telecom, Inc.:   |     |       |              |
| 2015 1st Lien Term Loan, 5.25%, 8/14/20  |     | 1,388 | 1,373,135    |
| 2nd Lien Term Loan, 9.75%, 2/21/20   |     | 459   | 452,374      |
| Level 3 Financing, Inc.:   |     |       |              |
| 2013 Term Loan B, 4.00%, 1/15/20   |     | 4,685 | 4,693,199    |
| 2019 Term Loan, 4.00%, 8/01/19   |     | 902   | 904,165      |
|  |     |       | 10,720,604   |
| <b>Electrical Equipment 1.1%</b>   |     |       |              |
| Southwire Co., Term Loan, 3.00%, 2/10/21   |     | 606   | 598,203      |
| Texas Competitive Electric Holdings Co. LLC:                                     |     |       |              |
| DIP Term Loan, 3.75%, 11/07/16   |     | 2,753 | 2,749,653    |
| Extended Term Loan, 4.68%, 10/10/17 (a)(g)                                       |     | 1,050 | 354,564      |
|  |     |       | 3,702,420    |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b>                   |     |       |              |
| CDW LLC, Term Loan, 3.25%, 4/29/20   |     | 995   | 991,154      |
| CPI Acquisition, Inc., Term Loan B, 6.75%, 8/17/22                               |     | 497   | 494,553      |
|  |     |       | 1,485,707    |
| <b>Energy Equipment &amp; Services 1.6%</b>                                      |     |       |              |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                              |     | 2,526 | 2,505,686    |
| Exgen Texas Power LLC, Term Loan B, 5.75%, 9/16/21                               |     | 208   | 166,683      |
| MEG Energy Corp., Refinancing Term Loan, 3.75%, 3/31/20                          |     | 2,931 | 2,750,914    |
|  |     |       | 5,423,283    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Floating Rate Income Trust (BGT)

|   | Par        |            |
|---|------------|------------|
|   | (000)      | Value      |
| <b>Floating Rate Loan Interests (b)</b>                                   |            |            |
| <b>Food &amp; Staples Retailing 1.3%</b>                                  |            |            |
| Hostess Brands, LLC, 2nd Lien Term Loan, 8.50%, 8/03/23                   | USD 210    | \$ 209,213 |
| New Albertson's, Inc., Term Loan, 4.75%, 6/27/21                          | 891        | 884,879    |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20                        | 540        | 540,448    |
| Supervalu, Inc., Refinancing Term Loan B, 4.50%, 3/21/19                  | 1,069      | 1,066,732  |
| US Foods, Inc., Refinancing Term Loan, 4.50%, 3/31/19                     | 1,687      | 1,685,841  |
|   |            | 4,387,113  |
| <b>Food Products 2.7%</b>   |            |            |
| CTI Foods Holding Co. LLC, 1st Lien Term Loan, 4.50%, 6/29/20             | 510        | 496,860    |
| Diamond Foods, Inc., Term Loan, 4.25%, 8/20/18                            | 1,764      | 1,760,268  |
| Dole Food Co., Inc., Term Loan B, 4.50%, 11/01/18                         | 1,522      | 1,520,746  |
| New HB Acquisition LLC, 1st Lien Term Loan, 4.50%, 8/03/22                | 1,340      | 1,341,246  |
| Pabst Brewing Co., Inc., Term Loan, 5.75%, 10/21/21                       | 1,082      | 1,083,732  |
| Performance Food Group Co., 2nd Lien Term Loan, 6.25%, 11/14/19           | 698        | 696,887    |
| Pinnacle Foods Finance LLC, Term Loan G, 3.00%, 4/29/20                   | 995        | 993,029    |
| Post Holdings Inc., Series A Incremental Term Loan, 3.75%, 6/02/21        | (h)        | 373        |
| Reddy Ice Corp.:  |            |            |
| 1st Lien Term Loan, 6.75%, 5/01/19  | 980        | 809,951    |
| 2nd Lien Term Loan, 10.75%, 11/01/19                                      | 725        | 435,000    |
|   |            | 9,138,092  |
| <b>Health Care Equipment &amp; Supplies 4.4%</b>                          |            |            |
| Alere, Inc., 2015 Term Loan B, 4.25%, 6/18/22                             | 1,408      | 1,408,050  |
| Auris Luxembourg III Sarl, Term Loan B4, 4.25%, 1/15/22                   | 643        | 642,770    |
| Capsugel Holdings US, Inc., Term Loan B, 3.50%, 8/01/18                   | 1,154      | 1,149,392  |
| DJO Finance LLC, 2015 Term Loan, 4.25%, 6/08/20                           | 2,030      | 2,011,928  |
| Iasis Healthcare LLC, Term Loan B2, 4.50%, 5/03/18                        | 1,657      | 1,658,943  |
| Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18                   | 1,690      | 1,653,641  |
| Leonardo Acquisition Corp., Term Loan, 4.25%, 1/31/21                     | 1,401      | 1,388,022  |
| Mallinckrodt International Finance SA, Term Loan B, 3.25%, 3/19/21        | 679        | 643,353    |
| Millennium Health LLC, Term Loan B, 5.25%, 4/16/21                        | 919        | 323,999    |
| National Vision, Inc., 1st Lien Term Loan, 4.00%, 3/12/21                 | 1,925      | 1,850,883  |
| Ortho-Clinical Diagnostics, Inc., Term Loan B, 4.75%, 6/30/21             | 1,679      | 1,652,484  |
| Sage Products Holdings III LLC, Refinancing Term Loan B2, 4.25%, 12/13/19 | 485        | 484,551    |
|   |            | 14,868,016 |
| <b>Health Care Providers &amp; Services 7.4%</b>                          |            |            |
| Acadia Healthcare Co., Inc., Term Loan B, 4.25%, 2/11/22                  | 292        | 291,795    |
| Air Medical Group Holdings, Inc., Term Loan B, 4.50%, 4/28/22             | 593        | 582,143    |
| Amsurg Corp., 1st Lien Term Loan B, 3.50%, 7/16/21                        | 1,780      | 1,766,180  |
| CHG Healthcare Services Inc., Term Loan, 4.25%, 11/19/19                  | 1,531      | 1,522,245  |
| Community Health Systems, Inc.:   |            |            |
| Term Loan F, 3.58%, 12/31/18  | 981        | 975,576    |
| Term Loan G, 3.75%, 12/31/19  | 1,679      | 1,670,495  |
| Term Loan H, 4.00%, 1/27/21   | 1,342      | 1,337,604  |
|   | <b>Par</b> |            |
| <b>Floating Rate Loan Interests (b)</b>                                   |            |            |
| <b>Health Care Providers &amp; Services (continued)</b>                   |            |            |
| Curo Health Services LLC, 2015 1st Lien Term Loan, 6.50%, 2/07/22         | USD 945    | \$ 942,887 |
| DaVita HealthCare Partners, Inc., Term Loan B, 3.50%, 6/24/21             | 5,861      | 5,873,648  |
| Envision Healthcare Corp., Term Loan, 4.00%, 5/25/18                      | 901        | 897,603    |
| Genesis HealthCare Corp., Term Loan B, 10.00%, 12/04/17                   | 468        | 474,221    |
| HC Group Holdings III, Inc., Term Loan B, 6.00%, 4/07/22                  | 449        | 449,417    |
| HCA, Inc., Term Loan B5, 2.94%, 3/31/17                                   | 849        | 848,311    |
| MPH Acquisition Holdings LLC, Term Loan, 3.75%, 3/31/21                   | 1,103      | 1,087,601  |
| National Mentor Holdings, Inc., Term Loan B, 4.25%, 1/31/21               | 650        | 637,815    |
| Sterigenics-Nordion Holdings, LLC, 2015 Term Loan B, 4.25%, 5/15/22       | 1,885      | 1,863,794  |

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|  |       |            |
|--|-------|------------|
| Surgery Center Holdings, Inc., 1st Lien Term Loan, 5.25%, 11/03/20           | 1,195 | 1,187,731  |
| Surgical Care Affiliates, Inc., Term Loan B, 4.25%, 3/17/22                  | 1,416 | 1,411,591  |
| U.S. Renal Care, Inc., 2013 Term Loan, 4.25%, 7/03/19                        | 1,001 | 999,265    |
|  |       | 24,819,922 |
| <b>Health Care Technology 1.0%</b>   |       |            |
| Emdeon Business Services LLC, Term Loan B3, 3.75%, 11/02/18                  | 198   | 195,773    |
| IMS Health, Inc., Term Loan, 3.50%, 3/17/21                                  | 1,980 | 1,972,782  |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19                                | 1,120 | 1,112,380  |
|  |       | 3,280,935  |
| <b>Hotels, Restaurants &amp; Leisure 9.5%</b>                                |       |            |
| <b>Amaya Holdings BV:</b>  |       |            |
| 1st Lien Term Loan, 5.00%, 8/01/21   | 795   | 775,221    |
| 2nd Lien Term Loan, 8.00%, 8/01/22   | 862   | 865,546    |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20                               | 1,288 | 1,288,515  |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/15/20                    | 1,740 | 1,626,737  |
| Burger King Newco Unlimited Liability Co., 2015 Term Loan B, 3.75%, 12/12/21 | 2,897 | 2,901,725  |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/11/20    | 3,644 | 3,442,855  |
| CCM Merger, Inc., Term Loan B, 4.50%, 8/08/21                                | 916   | 913,032    |
| Diamond Resorts Corp., Term Loan, 5.50%, 5/09/21                             | 1,088 | 1,085,306  |
| Eldorado Resorts LLC, Term Loan B, 4.25%, 7/13/22                            | 549   | 547,939    |
| ESH Hospitality, Inc., Term Loan, 5.00%, 6/24/19                             | 580   | 585,800    |
| Hilton Worldwide Finance LLC, Term Loan B2, 3.50%, 10/26/20                  | 1,579 | 1,581,792  |
| Intrawest ULC, Term Loan, 4.75%, 12/09/20                                    | 771   | 771,903    |
| La Quinta Intermediate Holdings LLC, Term Loan B, 3.75%, 4/14/21             | 3,464 | 3,429,244  |
| Las Vegas Sands LLC, Term Loan B, 3.25%, 12/19/20                            | 1,717 | 1,692,599  |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19                      | 2,138 | 2,133,304  |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20                   | 444   | 443,008    |
| RHP Hotel Properties LP, Term Loan B, 3.50%, 1/15/21                         | 780   | 780,453    |
| <b>Sabre, Inc.:</b>  |       |            |
| Incremental Term Loan, 4.00%, 2/19/19  | 304   | 303,420    |
| Term Loan B, 4.00%, 2/19/19  | 1,402 | 1,401,067  |
| Scientific Games International, Inc., 2014 Term Loan B1, 6.00%, 10/18/20     | 2,024 | 1,975,252  |
| Station Casinos LLC, Term Loan B, 4.25%, 3/02/20                             | 3,207 | 3,207,341  |
| Travelport Finance (Luxembourg) Sarl, 2014 Term Loan B, 5.75%, 9/02/21       | 283   | 279,971    |
|  |       | 32,032,030 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Floating Rate Income Trust (BGT)

|   | Par          |              |
|---|--------------|--------------|
|   | (000)        | Value        |
| <b>Floating Rate Loan Interests (b)</b>   |              |              |
| <b>Household Durables 0.3%</b>  |              |              |
| Jarden Corp., 2015 Term Loan B2, 2.94%, 7/30/22   | USD 965      | \$ 964,141   |
| <b>Household Products 0.9%</b>  |              |              |
| Bass Pro Group LLC, 2015 Term Loan, 4.00%, 6/05/20  | 1,419        | 1,400,802    |
| Spectrum Brands, Inc., Term Loan, 3.75%, 6/23/22  | 1,705        | 1,710,117    |
|   |              | 3,110,919    |
| <b>Independent Power and Renewable Electricity Producers 2.3%</b>                         |              |              |
| Aria Energy Operating LLC, Term Loan, 5.00%, 5/27/22                                      | 893          | 857,052      |
| Calpine Corp., Term Loan B5, 3.50%, 5/27/22   | 868          | 857,749      |
| Energy Future Intermediate Holding Co. LLC, DIP Term Loan, 4.25%, 6/19/16                 | 3,237        | 3,235,344    |
| Granite Acquisition, Inc.:  |              |              |
| Term Loan B, 5.00%, 12/19/21  | 1,888        | 1,840,718    |
| Term Loan C, 5.00%, 12/19/21  | 84           | 81,604       |
| Terra-Gen Finance Co. LLC, Term Loan B, 5.25%, 12/09/21                                   | 934          | 896,948      |
|   |              | 7,769,415    |
| <b>Industrial Conglomerates 0.2%</b>  |              |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17  | 768          | 626,089      |
| <b>Insurance 1.1%</b>   |              |              |
| AmWINS Group LLC, 2014 2nd Lien Term Loan, 9.50%, 9/04/20                                 | 349          | 349,996      |
| Asurion LLC, Term Loan B1, 5.00%, 5/24/19   | 227          | 216,051      |
| Cooper Gay Swett & Crawford of Delaware Holding Corp., 1st Lien Term Loan, 5.00%, 4/16/20 | 971          | 874,276      |
| Sedgwick Claims Management Services, Inc.:  |              |              |
| 1st Lien Term Loan, 3.75%, 3/01/21  | 1,157        | 1,135,674    |
| 2nd Lien Term Loan, 6.75%, 2/28/22  | 1,230        | 1,146,212    |
|   |              | 3,722,209    |
| <b>Internet Software &amp; Services 1.6%</b>  |              |              |
| Go Daddy Operating Co. LLC, Term Loan B, 4.25%, 5/13/21                                   | 1,555        | 1,558,127    |
| Interactive Data Corp., 2014 Term Loan, 4.75%, 5/02/21                                    | 3,402        | 3,400,212    |
| W3 Co., 2nd Lien Term Loan, 9.25%, 9/11/20  | 419          | 284,886      |
|   |              | 5,243,225    |
| <b>IT Services 4.6%</b>   |              |              |
| Blue Coat Holdings Inc., 2015 Term Loan, 4.50%, 5/20/22                                   | 1,295        | 1,284,744    |
| Epicor Software Corp., 1st Lien Term Loan, 4.75%, 6/01/22                                 | 1,940        | 1,927,041    |
| First Data Corp.:   |              |              |
| 2018 Extended Term Loan, 3.70%, 3/24/18   | 7,645        | 7,582,022    |
| 2018 Term Loan, 3.70%, 9/24/18  | 730          | 724,525      |
| First Data Corporation, Extended 2021 Term Loan, 4.20%, 3/24/21                           | 340          | 339,771      |
| SunGard Data Systems, Inc.:   |              |              |
| Term Loan C, 3.94%, 2/28/17   | 925          | 923,844      |
| Term Loan E, 4.00%, 3/08/20   | 170          | 169,767      |
| TransFirst, Inc., Incremental Term Loan B, 4.75%, 11/12/21                                | 1,329        | 1,328,303    |
| Vantiv LLC, 2014 Term Loan B, 3.75%, 6/13/21  | 1,043        | 1,044,167    |
|   |              | 15,324,184   |
| <b>Leisure Products 0.3%</b>  |              |              |
| Bauer Performance Sports Ltd., Term Loan B, 4.50%, 4/15/21                                | 977          | 966,919      |
| <b>Machinery 2.1%</b>   |              |              |
| Allison Transmission, Inc., Term Loan B3, 3.50%, 8/23/19                                  | 731          | 731,505      |
| Faenza Acquisition GmbH:  |              |              |
| Term Loan B1, 4.25%, 8/30/20  | 684          | 683,947      |
| Term Loan B3, 4.25%, 8/30/20  | 207          | 207,003      |
|   | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>   | <b>(000)</b> | <b>Value</b> |

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| <b>Machinery (continued)</b>   |     |       |            |
|--|-----|-------|------------|
| Infiltrator Systems, Inc., 2015 Term Loan, 5.25%, 5/27/22                  | USD | 927   | \$ 924,959 |
| Mueller Water Products, Inc., Term Loan B, 4.00%, 11/25/21                 |     | 496   | 497,282    |
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/21/20                          |     | 1,482 | 1,463,253  |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                      |     | 2,133 | 1,948,546  |
| Wabash National Corp., 2015 Term Loan B, 4.25%, 3/16/22                    |     | 694   | 696,324    |
|  |     |       | 7,152,819  |
| <b>Manufactured Goods 0.1%</b>   |     |       |            |
| KP Germany Erste GmbH, 1st Lien Term Loan, 5.00%, 4/28/20                  |     | 190   | 189,881    |
| <b>Media 12.1%</b>   |     |       |            |
| <b>Cengage Learning Acquisitions, Inc.:</b>                                |     |       |            |
| 1st Lien Term Loan, 7.00%, 3/31/20   |     | 2,574 | 2,555,272  |
| Term Loan, 0.00%, 7/03/16 (a)(g)   |     | 1,296 |            |
| <b>Charter Communications Operating LLC:</b>                               |     |       |            |
| Term Loan H, 3.25%, 8/24/21  |     | 650   | 648,375    |
| Term Loan I, 3.50%, 1/24/23  |     | 3,970 | 3,964,402  |
| Clear Channel Communications, Inc., Term Loan D, 6.94%, 1/30/19            |     | 3,597 | 3,006,781  |
| Hemisphere Media Holdings LLC, Term Loan B, 5.00%, 7/30/20                 |     | 1,019 | 981,113    |
| Houghton Mifflin Harcourt Publishing Co., 2015 Term Loan B, 4.00%, 5/31/21 |     | 1,695 | 1,669,895  |
| Intelsat Jackson Holdings SA, Term Loan B2, 3.75%, 6/30/19                 |     | 1,207 | 1,168,570  |
| Liberty Cablevision of Puerto Rico LLC, 1st Lien Term Loan, 4.50%, 1/07/22 |     | 735   | 714,053    |
| Live Nation Entertainment, Inc., 2020 Term Loan B1, 3.50%, 8/16/20         |     | 299   | 298,652    |
| <b>MCC Iowa LLC:</b>   |     |       |            |
| Term Loan I, 2.66%, 6/30/17  |     | 662   | 647,843    |
| Term Loan J, 3.75%, 6/30/21  |     | 321   | 317,192    |
| Media General, Inc., Term Loan B, 4.00%, 7/31/20                           |     | 683   | 681,643    |
| Mediacom Communications Corp., Term Loan F, 2.66%, 3/31/18                 |     | 502   | 492,931    |
| Neptune Finco Corp., 2015 Term Loan B, 5.00%, 10/09/22                     |     | 2,475 | 2,482,079  |
| <b>Numericable U.S. LLC:</b>   |     |       |            |
| Term Loan B1, 4.50%, 5/21/20   |     | 1,347 | 1,328,278  |
| Term Loan B2, 4.50%, 5/21/20   |     | 1,165 | 1,149,142  |
| Term Loan B6, 4.75%, 1/31/23   |     | 1,430 | 1,413,098  |
| <b>SBA Senior Finance II LLC:</b>  |     |       |            |
| Incremental Term Loan B, 3.25%, 6/10/22                                    |     | 903   | 892,130    |
| Term Loan B1, 3.25%, 3/24/21   |     | 1,807 | 1,792,722  |
| Sinclair Television Group, Inc., Term Loan B, 3.00%, 4/09/20               |     | 122   | 119,775    |
| Tribune Media Company, Term Loan, 3.75%, 12/27/20                          |     | 2,240 | 2,232,683  |
| TWCC Holding Corp., Extended Term Loan, 5.75%, 2/11/20                     |     | 995   | 995,090    |
| Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20               |     | 3,322 | 3,298,288  |
| <b>Virgin Media Investment Holdings Ltd.:</b>                              |     |       |            |
| Term Loan E, 4.25%, 6/30/23  | GBP | 1,105 | 1,678,988  |
| Term Loan F, 3.50%, 6/30/23  | USD | 2,405 | 2,390,845  |
| WideOpenWest Finance LLC, 2015 Term Loan B, 4.50%, 4/01/19                 |     | 843   | 827,640    |
| <b>Ziggo Financing Partnership:</b>  |     |       |            |
| Term Loan B1, 3.50%, 1/15/22   |     | 1,108 | 1,090,267  |
| Term Loan B2A, 3.50%, 1/15/22  |     | 719   | 707,284    |
| Term Loan B3, 3.50%, 1/15/22   |     | 1,182 | 1,163,228  |
|  |     |       | 40,708,259 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Floating Rate Income Trust (BGT)

|   |     | Par   |              |
|---|-----|-------|--------------|
|   |     | (000) | Value        |
| <b>Floating Rate Loan Interests (b)</b>                                       |     |       |              |
| <b>Metals &amp; Mining 0.5%</b>   |     |       |              |
| Ameriforge Group, Inc., 2nd Lien Term Loan, 8.75%, 12/19/20                   | USD | 265   | \$ 147,518   |
| Novelis, Inc., 2015 Term Loan B, 4.00%, 6/02/22                               |     | 1,626 | 1,594,096    |
|   |     |       | 1,741,614    |
| <b>Multiline Retail 2.1%</b>  |     |       |              |
| BJ's Wholesale Club, Inc.:  |     |       |              |
| 1st Lien Term Loan, 4.50%, 9/26/19  |     | 2,233 | 2,210,954    |
| 2nd Lien Term Loan, 8.50%, 3/26/20  |     | 375   | 364,286      |
| Dollar Tree, Inc., Term Loan B1, 3.50%, 7/06/22                               |     | 1,465 | 1,466,863    |
| Hudson's Bay Co., 2015 Term Loan B, 4.75%, 9/30/22                            |     | 1,405 | 1,406,321    |
| Neiman Marcus Group, Inc., 2020 Term Loan, 4.25%, 10/25/20                    |     | 1,621 | 1,582,061    |
|   |     |       | 7,030,485    |
| <b>Oil, Gas &amp; Consumable Fuels 3.3%</b>                                   |     |       |              |
| CITGO Holding Inc., 2015 Term Loan B, 9.50%, 5/12/18                          |     | 1,065 | 1,043,884    |
| Drillships Financing Holding, Inc., Term Loan B1, 6.00%, 3/31/21              |     | 752   | 431,123      |
| EP Energy LLC/Everest Acquisition Finance, Inc., Term Loan B3, 3.50%, 5/24/18 |     | 1,170 | 1,040,329    |
| Green Energy Partners/Stonewall LLC, Term Loan B1, 6.50%, 11/13/21            |     | 545   | 525,925      |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 5/02/16                         |     | 32    | 31,702       |
| Offshore Group Investment Ltd., Term Loan B, 5.75%, 3/28/19                   |     | 66    | 18,598       |
| Panda Patriot LLC, Term Loan B1, 6.75%, 12/19/20                              |     | 865   | 817,425      |
| Power Buyer LLC:  |     |       |              |
| 1st Lien Term Loan, 4.25%, 5/06/20  |     | 309   | 301,905      |
| 2nd Lien Term Loan, 8.25%, 11/06/20   |     | 285   | 270,750      |
| Samchully Midstream 3 LLC, Term Loan B, 5.75%, 10/20/21                       |     | 1,092 | 1,058,998    |
| Seventy Seven Operating LLC, Term Loan B, 3.75%, 6/25/21                      |     | 161   | 132,726      |
| Southcross Energy Partners LP, 1st Lien Term Loan, 5.25%, 8/04/21             |     | 1,210 | 1,072,638    |
| Southcross Holdings Borrower LP, Term Loan B, 6.00%, 8/04/21                  |     | 573   | 424,791      |
| Stonewall Gas Gathering LLC, Term Loan B, 8.75%, 1/28/22                      |     | 842   | 831,254      |
| TPF II Power LLC, Term Loan B, 5.50%, 10/02/21                                |     | 971   | 967,700      |
| Veresen Midstream Limited Partnership, Term Loan B1, 5.25%, 3/31/22           |     | 1,020 | 1,015,622    |
| WTG Holdings III Corp., 1st Lien Term Loan, 4.75%, 1/15/21                    |     | 1,032 | 1,026,467    |
|   |     |       | 11,011,837   |
| <b>Personal Products 0.3%</b>   |     |       |              |
| Prestige Brands, Inc., Term Loan B3, 3.50%, 9/03/21                           |     | 1,160 | 1,159,612    |
| <b>Pharmaceuticals 6.1%</b>   |     |       |              |
| Akorn, Inc., Term Loan B, 5.50%, 4/16/21                                      |     | 1,351 | 1,337,837    |
| Amneal Pharmaceuticals LLC, Term Loan, 4.50%, 11/01/19                        |     | 1,028 | 1,015,964    |
| CCC Information Services, Inc., Term Loan, 4.00%, 12/20/19                    |     | 506   | 499,222      |
| Endo Luxembourg Finance Co. I Sarl, 2015 Term Loan B, 3.75%, 9/26/22          |     | 2,565 | 2,518,112    |
| Grifols Worldwide Operations USA, Inc., Term Loan B, 3.19%, 2/27/21           |     | 2,593 | 2,586,486    |
| Horizon Pharma Holdings USA, Inc., Term Loan B, 4.50%, 5/07/21                |     | 588   | 541,039      |
| Jaguar Holding Company II, 2015 Term Loan B, 4.25%, 8/18/22                   |     | 2,909 | 2,864,179    |
|   |     |       | Par          |
| <b>Floating Rate Loan Interests (b)</b>                                       |     |       |              |
| <b>Pharmaceuticals (continued)</b>  |     |       |              |
| JLL/Delta Dutch Newco BV, 2014 Incremental Term Loan, 4.25%, 3/11/21          | USD | 2,133 | \$ 2,088,066 |
| Valeant Pharmaceuticals International, Inc.:                                  |     |       |              |
| Series C2 Term Loan B, 3.75%, 12/11/19  |     | 975   | 909,637      |
| Series D2 Term Loan B, 3.50%, 2/13/19   |     | 943   | 877,344      |
| Series E Term Loan B, 3.75%, 8/05/20  |     | 1,158 | 1,074,081    |
| Term Loan B F1, 4.00%, 4/01/22  |     | 4,553 | 4,226,432    |
|   |     |       | 20,538,399   |
| <b>Professional Services 2.7%</b>   |     |       |              |
| Acosta Holdco, Inc., 2015 Term Loan, 4.25%, 9/26/21                           |     | 1,172 | 1,142,386    |



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|  |       |           |
|--|-------|-----------|
| <b>Advantage Sales &amp; Marketing, Inc.:</b>                    |       |           |
| 2014 1st Lien Term Loan, 4.25%, 7/23/21                          | 1,302 | 1,272,147 |
| 2014 2nd Lien Term Loan, 7.50%, 7/25/22                          | 465   | 427,512   |
| Emdeon Business Services LLC, Term Loan B2, 3.75%, 11/02/18      | 1,753 | 1,733,086 |
| ON Assignment, Inc., 2015 Term Loan, 3.75%, 6/05/22              | 1,145 | 1,145,382 |
| SIRVA Worldwide, Inc., Term Loan, 7.50%, 3/27/19                 | 1,073 | 1,024,250 |
| Sterling Infosystems, Inc., 1st Lien Term Loan B, 4.50%, 6/20/22 | 1,362 | 1,353,649 |
| Truven Health Analytics, Inc., Term Loan B, 4.50%, 6/06/19       | 1,019 | 997,815   |
|  |       | 9,096,227 |
| <b>Real Estate Management &amp; Development 1.8%</b>             |       |           |
| CityCenter Holdings LLC, Term Loan B, 4.25%, 10/16/20            | 1,396 | 1,396,419 |
| DTZ US Borrower LLC, 2015 1st Lien Term Loan, 5.50%, 11/04/21    | 1,546 | 1,529,705 |
| <b>Realogy Corp.:</b>  |       |           |
| Extended Letter of Credit, 2.22%, 10/10/16                       | 109   | 107,506   |
| Term Loan B, 3.75%, 3/05/20                                      | 2,855 | 2,852,705 |
|  |       | 5,886,335 |
| <b>Road &amp; Rail 0.8%</b>                                      |       |           |
| Hertz Corp., Term Loan B2, 3.00%, 3/11/18                        | 879   | 869,578   |
| <b>Road Infrastructure Investment LLC:</b>                       |       |           |
| 1st Lien Term Loan, 4.25%, 3/31/21                               | 1,226 | 1,198,732 |
| 2nd Lien Term Loan, 7.75%, 9/30/21                               | 600   | 558,000   |
|  |       | 2,626,310 |
| <b>Semiconductors &amp; Semiconductor Equipment 1.9%</b>         |       |           |
| Avago Technologies Cayman Ltd., Term Loan B, 3.75%, 5/06/21      | 2,850 | 2,849,478 |
| <b>Freescale Semiconductor, Inc.:</b>                            |       |           |
| Term Loan B4, 4.25%, 2/28/20                                     | 2,150 | 2,147,556 |
| Term Loan B5, 5.00%, 1/15/21                                     | 426   | 426,108   |
| NXP BV, Term Loan D, 3.25%, 1/11/20                              | 853   | 840,169   |
|  |       | 6,263,311 |
| <b>Software 4.0%</b>   |       |           |
| <b>GCA Services Group, Inc.:</b>                                 |       |           |
| 2nd Lien Term Loan, 9.25%, 10/22/20                              | 400   | 396,000   |
| Term Loan B, 4.25%, 11/01/19                                     | 1,000 | 994,205   |
| Infor US, Inc., Term Loan B5, 3.75%, 6/03/20                     | 2,073 | 2,015,466 |
| Informatica Corp., Term Loan, 4.50%, 8/05/22                     | 2,135 | 2,104,559 |
| IQOR US, Inc., Term Loan B, 6.00%, 4/01/21                       | 537   | 424,968   |
| <b>Kronos, Inc.:</b>   |       |           |
| 2nd Lien Term Loan, 9.75%, 4/30/20                               | 1,088 | 1,099,284 |
| Initial Incremental Term Loan, 4.50%, 10/30/19                   | 896   | 893,518   |
| <b>Mitchell International, Inc.:</b>                             |       |           |
| 1st Lien Term Loan, 4.50%, 10/12/20                              | 1,323 | 1,321,223 |
| 2nd Lien Term Loan, 8.50%, 10/11/21                              | 1,000 | 993,540   |
| Sophia L.P., 2015 Term Loan B, 4.75%, 9/30/22                    | 530   | 528,839   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

|  | Par       |    | Value       |
|--|-----------|----|-------------|
|  | (000)     |    |             |
| <b>Floating Rate Loan Interests (b)</b>                              |           |    |             |
| <b>Software (continued)</b>  |           |    |             |
| SS&C Technologies, Inc.:   |           |    |             |
| 2015 Term Loan B1, 4.00%, 7/08/22                                    | USD 2,125 | \$ | 2,129,829   |
| 2015 Term Loan B2, 4.00%, 7/08/22                                    | 329       |    | 329,544     |
| Tibco Software, Inc., Term Loan B, 6.50%, 12/04/20                   | 84        |    | 79,509      |
|  |           |    | 13,310,484  |
| <b>Specialty Retail 3.4%</b>   |           |    |             |
| Equinox Holdings, Inc., Repriced Term Loan B, 5.00%, 1/31/20         | 796       |    | 796,620     |
| General Nutrition Centers, Inc., Term Loan, 3.25%, 3/04/19           | 305       |    | 292,739     |
| Leslie's Poolmart, Inc., Term Loan, 4.25%, 10/16/19                  | 1,212     |    | 1,191,937   |
| Michaels Stores, Inc.:   |           |    |             |
| Incremental 2014 Term Loan B2, 4.00%, 1/28/20                        | 1,763     |    | 1,765,631   |
| Term Loan B, 3.75%, 1/28/20  | 890       |    | 888,820     |
| Party City Holdings Inc., 2015 Term Loan B, 4.25%, 8/19/22           | 1,915     |    | 1,914,042   |
| Petco Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17              | 1,809     |    | 1,804,057   |
| PetSmart, Inc., Term Loan B, 4.25%, 3/11/22                          | 2,224     |    | 2,222,624   |
| Things Remembered, Inc., Term Loan B, 8.25%, 5/24/18                 | 890       |    | 645,605     |
|  |           |    | 11,522,075  |
| <b>Technology Hardware, Storage &amp; Peripherals 0.7%</b>           |           |    |             |
| Dell International LLC, Term Loan B2, 4.00%, 4/29/20                 | 863       |    | 863,016     |
| Dell, Inc., Term Loan C, 3.75%, 10/29/18                             | 872       |    | 871,124     |
| Linxens France SA, Term Loan, 5.00%, 10/14/22                        | 480       |    | 473,602     |
|  |           |    | 2,207,742   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                     |           |    |             |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18        | 1,387     |    | 1,243,851   |
| <b>Thrifts &amp; Mortgage Finance 0.3%</b>                           |           |    |             |
| IG Investment Holdings LLC, Term Loan B, 6.00%, 10/29/21             | 1,172     |    | 1,168,933   |
| <b>Trading Companies &amp; Distributors 0.1%</b>                     |           |    |             |
| Beacon Roofing Supply, Inc., Term Loan B, 4.00%, 10/01/22            | 385       |    | 384,519     |
| <b>Transportation 0.2%</b>   |           |    |             |
| Gruden Acquisition, Inc., 1st Lien Term Loan, 5.75%, 8/18/22         | 780       |    | 760,500     |
| <b>Transportation Infrastructure 0.2%</b>                            |           |    |             |
| Penn Products Terminals LLC, Term Loan B, 4.75%, 4/13/22             | 691       |    | 693,010     |
| <b>Wireless Telecommunication Services 2.3%</b>                      |           |    |             |
| Communications Sales & Leasing, Inc., Term Loan B, 5.00%, 10/24/22   | 594       |    | 559,386     |
| Crown Castle Operating Co., Term Loan B2, 3.00%, 1/31/21             | 1,199     |    | 1,198,147   |
| LTS Buyer LLC, 1st Lien Term Loan, 4.00%, 4/13/20                    | 2,531     |    | 2,489,799   |
| New Lightsquared LLC, PIK Exit Term Loan, 9.75%, 6/15/20             | 3,500     |    | 3,403,750   |
|  |           |    | 7,651,082   |
| <b>Total Floating Rate Loan Interests 123.2%</b>                     |           |    | 413,264,175 |
| <b>Non-Agency Mortgage-Backed Securities 0.2%</b>                    |           |    |             |
| <b>Collateralized Mortgage Obligations 0.2%</b>                      |           |    |             |
| Hilton USA Trust, Series 2013-HLT, Class EFX, 4.45%, 11/05/30 (b)(c) | 813       |    | 818,589     |
| <b>Investment Companies</b>  |           |    |             |
|  | Shares    |    | Value       |
| <b>Capital Market 0.0%</b>   |           |    |             |
| Eaton Vance Floating-Rate Income Trust                               | 34        | \$ | 448         |
| Eaton Vance Senior Income Trust                                      | 8,925     |    | 53,996      |
| <b>Total Investment Companies 0.0%</b>                               |           |    | 54,444      |
| <b>Other Interests (i)</b>   |           |    |             |

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|                               |             | <b>Beneficial<br/>Interest<br/>(000)</b> |         |
|-------------------------------|-------------|--|---------|
| <b>Auto Components</b>        | <b>0.0%</b> |  |         |
| Lear Corp. Escrow             |             | USD 500                                  | 4,375   |
| <b>Construction Materials</b> | <b>0.1%</b> |  |         |
| USI Senior Holdings           |             | 8  | 169,417 |
| <b>Total Other Interests</b>  | <b>0.1%</b> |  | 173,792 |

| <b>Warrants</b>  |               | <b>Shares</b> |             |
|--|---------------|---------------|-------------|
| <b>Chemicals</b>   | <b>0.0%</b>   |               |             |
| British Vita Holdings Co. (Non-Expiring)   |               | 166           |             |
| <b>Software</b>  | <b>0.0%</b>   |               |             |
| Bankruptcy Management Solutions, Inc.:   |               |               |             |
| Expires 07/01/18   |               | 181           |             |
| Expires 07/01/19   |               | 195           |             |
| Expires 07/02/20   |               | 292           |             |
| HMH Holdings/EduMedia (Issued/exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27) |               | 1,501         | 8,643       |
|  |               |               | 8,643       |
| <b>Total Warrants</b>  | <b>0.0%</b>   |               | 8,643       |
| <b>Total Long-Term Investments</b>   |               |               | 442,810,844 |
| <b>(Cost \$452,508,965)</b>  | <b>132.0%</b> |               |             |

|  |                |           |                |
|--|----------------|-----------|----------------|
| <b>Short-Term Securities</b>   | <b>0.3%</b>    |           |                |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (j)(k) |                | 1,094,113 | 1,094,113      |
| <b>Total Short-Term Securities</b>                                     |                |           | 1,094,113      |
| <b>(Cost \$1,094,113)</b>  | <b>0.3%</b>    |           |                |
| <b>Options Purchased</b>   |                |           |                |
| <b>(Cost \$25,422)</b>   | <b>0.0%</b>    |           |                |
| <b>Total Investments (Cost \$453,628,500)</b>                          | <b>132.3%</b>  |           | 443,904,957    |
| <b>Liabilities in Excess of Other Assets</b>                           | <b>(32.3)%</b> |           | (108,461,183)  |
| <b>Net Assets</b>  | <b>100.0%</b>  |           | \$ 335,443,774 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

## Notes to Schedule of Investments

- (a) Non-income producing security.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) When-issued security.
- (e) Zero-coupon bond.
- (f) Convertible security.
- (g) Issuer filed for bankruptcy and/or is in default of interest payments.
- (h) Amount is less than \$500.
- (i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (j) During the year ended October 31, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate   | Shares Held<br>at October 31,<br>2014 | Net<br>Activity | Shares Held<br>at October 31,<br>2015 | Income |
|---|---------------------------------------|-----------------|---------------------------------------|--------|
| BlackRock Liquidity Funds,TempFund, Institutional Class | 2,630,534                             | (1,536,421)     | 1,094,113                             | \$ 420 |

- (k) Represents the current yield as of report date.

For Trust compliance purposes, the Trust'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 the investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

## Derivative Financial Instruments Outstanding as of Period End

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## Forward Foreign Currency Exchange Contracts

| Currency Purchased |           | Currency Sold |           | Counterparty                           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------|---------------|-----------|--|-----------------|--|
| EUR                | 800,000   | USD           | 907,528   | Morgan Stanley & Co. International PLC | 11/04/15        | \$ (27,797)                            |
| EUR                | 188,000   | USD           | 207,318   | State Street Bank and Trust Co.        | 11/04/15        | (581)                                  |
| GBP                | 36,000    | USD           | 55,755    | Goldman Sachs International            | 11/04/15        | (258)                                  |
| USD                | 1,407,168 | CAD           | 1,838,000 | HSBC Bank PLC                          | 11/04/15        | 1,560                                  |
| USD                | 2,249,947 | EUR           | 1,980,000 | Barclays Bank PLC                      | 11/04/15        | 72,614                                 |
| USD                | 47,847    | GBP           | 31,000    | Goldman Sachs International            | 11/04/15        | 58                                     |
| USD                | 1,721,795 | GBP           | 1,131,000 | Morgan Stanley & Co. International PLC | 11/04/15        | (21,743)                               |
| USD                | 1,391,501 | CAD           | 1,834,000 | UBS AG                                 | 12/03/15        | (10,794)                               |
| USD                | 1,090,729 | EUR           | 987,000   | Barclays Bank PLC                      | 12/03/15        | 4,969                                  |
| USD                | 1,728,553 | GBP           | 1,126,000 | Morgan Stanley & Co. International PLC | 12/03/15        | (6,972)                                |
| <b>Total</b>       |           |               |           |  |                 | <b>\$ 11,056</b>                       |

## OTC Options Purchased

| Description                    | Put/Call | Counterparty        | Expiration Date | Strike Price | Contracts | Value |
|--------------------------------|----------|---------------------|-----------------|--------------|-----------|-------|
| Marsico Parent Superholdco LLC | Call     | Goldman Sachs & Co. | 12/14/19        | USD 942.86   | 26        |       |

## Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

|   | Commodity Contracts | Credit Contracts | Equity Contracts | Foreign Currency Exchange Contracts | Interest Rate Contracts | Other Contracts | Total  |
|---|---------------------|------------------|------------------|-------------------------------------|-------------------------|-----------------|--|
| <b>Assets</b>                               |                     |                  |                  |                                     |                         |                 |  |
| <b>Derivative Financial Instruments</b>     |                     |                  |                  |                                     |                         |                 |  |
| Forward foreign currency exchange contracts |                     |                  |                  |                                     |                         |                 | Unrealized appreciation on forward foreign currency exchange contracts |
|   |                     |                  |                  | \$ 79,201                           |                         |                 | \$ 79,201  |
| Options purchased                           |                     |                  |                  |                                     |                         |                 | Investments at value unaffiliated <sup>1</sup>                         |
| <b>Total</b>                                |                     |                  |                  | <b>\$ 79,201</b>                    |                         |                 | <b>\$ 79,201</b>   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts  | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total     |
|---|------------------------|---------------------|--|--|-------------------------------|--------------------|-----------|
| <b>Liabilities Derivative Financial Instruments</b> |                        |                     |  |  |                               |                    |           |
| Forward foreign currency exchange contracts         |                        |                     | Unrealized depreciation on forward foreign currency exchange contracts |  |                               |                    | \$ 68,145 |
|   |                        |                     |  |  |                               |                    | \$ 68,145 |

<sup>1</sup> Includes options purchased at value as reported in the Schedule of Investments.

For the year ended October 31, 2015, the effect of derivative financial instruments in the Consolidated Statements of Operations was as follows:

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total        |
|---|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|--------------|
| <b>Net Realized Gain (Loss) from:</b>       |                        |                     |                     |  |                               |                    |              |
| Forward foreign currency exchange contracts |                        |                     |                     | \$ 2,014,193                                 |                               |                    | \$ 2,014,193 |
| Swaps                                       |                        | \$ (43,669)         |                     |  |                               |                    | (43,669)     |
| <b>Total</b>                                |                        | \$ (43,669)         |                     | \$ 2,014,193                                 |                               |                    | \$ 1,970,524 |

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total        |
|---|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|--------------|
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                        |                     |                     |  |                               |                    |              |
| Forward foreign currency exchange contracts                     |                        |                     |                     | \$ (180,035)                                 |                               |                    | \$ (180,034) |

## Average Quarterly Balances of Outstanding Derivative Financial Instruments

|  |  |  |  |  |  |  |              |
|--|--|--|--|--|--|--|--------------|
| Forward foreign currency exchange contracts: |  |  |  |  |  |  |              |
| Average amounts purchased                    |  |  |  |  |  |  | \$ 8,848,362 |
| Average amounts sold                         |  |  |  |  |  |  | \$ 467,482   |
| Credit default swaps:                        |  |  |  |  |  |  |              |
| Average notional value                       |  |  |  |  |  |  | \$ 445,500   |

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

## Derivative Financial Instruments Offsetting as of Period End

The Trust's derivative assets and liabilities (by type) were as follows:

Assets Liabilities

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**Derivative Financial Instruments:**

|  |                  |                  |
|--|------------------|------------------|
| Forward foreign currency exchange contracts  | \$ 79,201        | \$ 68,145        |
| <b>Total derivative assets and liabilities in the Statements of Assets and Liabilities</b> | <b>\$ 79,201</b> | <b>\$ 68,145</b> |
| Derivatives not subject to a Master Netting Agreement or similar agreement ( MNA )         |                  |                  |
| <b>Total derivative assets and liabilities subject to an MNA</b>                           | <b>\$ 79,201</b> | <b>\$ 68,145</b> |

The following table presents the Trust's derivative assets and liabilities by counterparty net of amounts available for offset under an Master Netting Agreement ( MNA ) and net of the related collateral received and pledged by the Trust:

| <b>Counterparty</b>         | <b>Derivative Assets<br/>Subject to an MNA<br/>by<br/>Counterparty</b> | <b>Derivatives<br/>Available for<br/>Offset<sup>1</sup></b> | <b>Non-cash Collateral<br/>Received</b> | <b>Cash Collateral<br/>Received</b> | <b>Net<br/>Amount of<br/>Derivative<br/>Assets<sup>2</sup></b> |
|-----------------------------|--|---|---|-------------------------------------|--|
| Barclays Bank PLC           | \$ 77,583  |   |   |                                     | \$ 77,583  |
| Goldman Sachs International | 58   | \$ (58)   |   |                                     |  |
| HSBC Bank PLC               | 1,560  |   |   |                                     | 1,560  |
| <b>Total</b>                | <b>\$ 79,201</b>   | <b>\$ (58)</b>  |   |                                     | <b>\$ 79,143</b>   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

| Counterparty                           | Derivative Liabilities<br>Subject to an MNA<br>by<br>Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Pledged | Cash Collateral<br>Pledged | Net<br>Amount of<br>Derivative<br>Liabilities <sup>3</sup> |
|--|---|---|--------------------------------|----------------------------|--|
| Goldman Sachs International            | \$ 258  | \$ (58)   |                                |                            | \$ 200   |
| Morgan Stanley & Co. International PLC | 56,512  |   |                                |                            | 56,512   |
| State Street Bank and Trust Co.        | 581   |   |                                |                            | 581  |
| UBS AG                                 | 10,794  |   |                                |                            | 10,794   |
| <b>Total</b>                           | <b>\$ 68,145</b>  | <b>\$ (58)</b>                                      |                                |                            | <b>\$ 68,087</b>   |

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

<sup>2</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>3</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|                                       | Level 1             | Level 2               | Level 3              | Total                 |
|---------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>                        |                     |                       |                      |                       |
| Investments:                          |                     |                       |                      |                       |
| Long-Term Investments:                |                     |                       |                      |                       |
| Asset-Backed Securities               |                     | \$ 10,870,732         | \$ 4,308,660         | \$ 15,179,392         |
| Common Stocks                         | \$ 643,473          |                       | 242,024              | 885,497               |
| Corporate Bonds                       |                     | 11,841,808            | 584,504              | 12,426,312            |
| Floating Rate Loan Interests          |                     | 392,903,603           | 20,360,572           | 413,264,175           |
| Investment Companies                  | 54,444              |                       |                      | 54,444                |
| Non-Agency Mortgage-Backed Securities |                     | 818,589               |                      | 818,589               |
| Other Interests                       |                     |                       | 173,792              | 173,792               |
| Warrants                              |                     |                       | 8,643                | 8,643                 |
| Short-Term Securities                 | 1,094,113           |                       |                      | 1,094,113             |
| <b>Total</b>                          | <b>\$ 1,792,030</b> | <b>\$ 416,434,732</b> | <b>\$ 25,678,195</b> | <b>\$ 443,904,957</b> |

|   | Level 1 | Level 2          | Level 3 | Total            |
|---|---------|------------------|---------|------------------|
| Derivative Financial Instruments <sup>1</sup> |         |                  |         |                  |
| <b>Assets:</b>                                |         |                  |         |                  |
| Foreign currency exchange contracts           |         | \$ 79,201        |         | \$ 79,201        |
| <b>Liabilities:</b>                           |         |                  |         |                  |
| Foreign currency exchange contracts           |         | (68,145)         |         | (68,145)         |
| <b>Total</b>                                  |         | <b>\$ 11,056</b> |         | <b>\$ 11,056</b> |

<sup>1</sup> Derivative financial instruments are forward foreign currency exchange contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:



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|                           | Level 1    | Level 2          | Level 3 | Total            |
|---------------------------|------------|------------------|---------|------------------|
| <b>Assets:</b>            |            |                  |         |                  |
| Cash                      | \$ 948,823 |                  |         | \$ 948,823       |
| Foreign currency at value | 5,141      |                  |         | 5,141            |
| <b>Liabilities:</b>       |            |                  |         |                  |
| Bank borrowings payable   |            | \$ (104,000,000) |         | (104,000,000)    |
| <b>Total</b>              | \$ 953,964 | \$ (104,000,000) |         | \$ (103,046,036) |

During the year ended October 31, 2015, there were no transfers between Level 1 and Level 2.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Floating Rate Income Trust  
(BGT)

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed<br>Securities | Common<br>Stocks  | Corporate<br>Bonds | Floating<br>Rate Loan<br>Interests | Other<br>Interests | Warrants        | Total                |
|---|----------------------------|-------------------|--------------------|------------------------------------|--------------------|-----------------|----------------------|
| <b>Assets:</b>  |                            |                   |                    |                                    |                    |                 |                      |
| Opening balance, as of October 31, 2014   | \$ 715,650                 | \$ 153,282        | \$ 560,826         | \$ 37,080,633                      | \$ 4,375           | \$ 1,214        | \$ 38,515,980        |
| Transfers into Level 3 <sup>1</sup>   | 466,391                    |                   |                    | 4,310,780                          |                    | 8,274           | 4,785,445            |
| Transfers out of Level 3 <sup>2</sup>   |                            |                   |                    | (12,797,161)                       |                    |                 | (12,797,161)         |
| Accrued discounts/premiums  | 4,147                      |                   | (634)              | 55,509                             |                    |                 | 59,022               |
| Net realized gain (loss)  |                            |                   | 300                | (1,977,792)                        |                    | (4,686)         | (1,982,178)          |
| Net change in unrealized appreciation (depreciation) <sup>3,4</sup>   | (42,138)                   | 88,742            | 868                | 795,709                            | 169,417            | 7,206           | 1,019,804            |
| Purchases   | 3,164,610                  |                   | 53,444             | 9,470,989                          |                    |                 | 12,689,043           |
| Sales   |                            |                   | (30,300)           | (16,578,095)                       |                    | (3,365)         | (16,611,760)         |
| <b>Closing Balance, as of October 31, 2015</b>  | <b>\$ 4,308,660</b>        | <b>\$ 242,024</b> | <b>\$ 584,504</b>  | <b>\$ 20,360,572</b>               | <b>\$ 173,792</b>  | <b>\$ 8,643</b> | <b>\$ 25,678,195</b> |
| Net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 <sup>4</sup> | \$ (42,138)                | \$ 88,742         | \$ 868             | \$ (1,067,486)                     | \$ 169,417         | \$ 369          | \$ (850,228)         |

<sup>1</sup> As of October 31, 2015, the Trust used observable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$4,785,445 were transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of October 31, 2015, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$12,797,161 were transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation (depreciation) in the Consolidated Statement of Operations.

<sup>4</sup> Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 is generally due to investments no longer held or categorized as Level 3 at period end.

The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

## Schedule of Investments October 31, 2015

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|   |     | Par          |    | Value        |
|---|-----|--------------|----|--------------|
|   |     | (000)        |    |              |
| <b>Asset-Backed Securities</b>  |     |              |    |              |
| <b>Asset-Backed Securities 35.0%</b>  |     |              |    |              |
| ACE Securities Corp. Home Equity Loan Trust, Series 2006-HE1, Class A2D, 0.50%, 2/25/36 (a) | USD | 6,775        | \$ | 6,033,665    |
| Adirondack Park CLO Ltd., Series 2013-1A, Class E, 4.97%, 4/15/24 (a)(b)                    |     | 2,000        |    | 1,713,791    |
| ALM Loan Funding, Series 2013-7RA, Class D, 5.29%, 4/24/24 (a)(b)                           |     | 1,000        |    | 967,955      |
| ALM VI Ltd., Series 2012-6A (a)(b)(c):  |     |              |    |              |
| Class B2R, 3.09%, 7/15/26   |     | 1,300        |    | 1,274,130    |
| Class CR, 4.04%, 7/15/26  |     | 1,000        |    | 969,500      |
| ALM XIV Ltd., Series 2014-14A, Class C, 3.74%, 7/28/26 (a)(b)(c)                            |     | 3,610        |    | 3,338,183    |
| American Homes 4 Rent, Series 2014-SFR2, Class E, 6.23%, 10/17/36 (b)                       |     | 2,000        |    | 2,078,542    |
| AMMC CDO, Series 2015-16A, Class C, 3.42%, 4/14/27 (a)(b)                                   |     | 1,250        |    | 1,226,826    |
| AMMC CLO XII Ltd., Series 2013-12A, Class D1, 4.06%, 5/10/25 (a)(b)(c)                      |     | 1,000        |    | 958,138      |
| Anchorage Capital CLO 3 Ltd., Series 2014-3A, Class B, 3.32%, 4/28/26 (a)(b)                |     | 1,000        |    | 972,012      |
| Anchorage Capital CLO 6 Ltd., Series 2015-6A (a)(b):  |     |              |    |              |
| Class C, 3.17%, 4/15/27   |     | 700          |    | 669,480      |
| Class D, 3.72%, 4/15/27   |     | 1,000        |    | 885,800      |
| Apidos CDO, Series 2012-9AR, Class CR, 3.22%, 7/15/23 (a)(b)(c)                             |     | 1,250        |    | 1,238,250    |
| Apidos CLO XII, Series 2013-12A, Class D, 3.37%, 4/15/25 (a)(b)(c)                          |     | 1,000        |    | 913,143      |
| Atrium X, Series 10A (a)(b):  |     |              |    |              |
| Class D, 3.82%, 7/16/25 (c)   |     | 1,000        |    | 925,355      |
| Class E, 4.82%, 7/16/25   |     | 2,000        |    | 1,697,887    |
| Benefit Street Partners CLO II Ltd., Series 2013-IIA, Class C, 3.82%, 7/15/24 (a)(b)(c)     |     | 1,750        |    | 1,599,222    |
| Benefit Street Partners CLO VI Ltd., Series 2015-VIA (a)(b)(c):                             |     |              |    |              |
| Class B, 3.37%, 4/18/27   |     | 1,000        |    | 985,000      |
| Class C, 4.02%, 4/18/27   |     | 1,000        |    | 945,000      |
| Betony CLO Ltd., Series 2015-1A, Class D, 3.92%, 4/15/27 (a)(b)                             |     | 1,000        |    | 936,250      |
| C-BASS Trust, Series 2006-CB7, Class A4, 0.36%, 10/25/36 (a)                                |     | 9,348        |    | 6,638,894    |
| Carlyle Global Market Strategies CLO Ltd. (a)(b)(c):  |     |              |    |              |
| Series 2012-1AR, Class DR, 4.07%, 4/20/22   |     | 1,000        |    | 987,500      |
| Series 2012-4A, Class D, 4.79%, 1/20/25   |     | 2,350        |    | 2,349,893    |
| Series 2013-2A, Class D, 4.07%, 4/18/25   |     | 1,250        |    | 1,190,449    |
| Carrington Mortgage Loan Trust, Series 2006-FRE2 (a):                                       |     |              |    |              |
| Class A2, 0.32%, 10/25/36   |     | 6,640        |    | 3,838,173    |
| Class A5, 0.28%, 10/25/36   |     | 7,041        |    | 4,050,069    |
| CIFC Funding Ltd. (a)(b):   |     |              |    |              |
| Series 2012-1AR, Class B1R, 4.46%, 8/14/24 (c)  |     | 2,000        |    | 1,962,600    |
| Series 2014-3A, Class D, 3.72%, 7/22/26   |     | 480          |    | 436,666      |
| Countrywide Asset-Backed Certificates, Series 2006-BC5, Class 2A3, 0.37%, 3/25/37 (a)       |     | 4,081        |    | 4,155,647    |
| DCP Rights LLC, Series 2014-1A, Class A, 5.46%, 10/25/44 (b)                                |     | 3,699        |    | 3,739,563    |
|   |     | <b>Par</b>   |    |              |
|   |     | <b>(000)</b> |    | <b>Value</b> |
| <b>Asset-Backed Securities</b>  |     |              |    |              |
| <b>Asset-Backed Securities (continued)</b>  |     |              |    |              |
| Fieldstone Mortgage Investment Trust, Series 2006-3, Class 2A3, 0.36%, 11/25/36 (a)         | USD | 12,412       | \$ | 6,831,379    |
| Flatiron CLO Ltd., Series 2012-1A, Class C, 4.80%, 10/25/24 (a)(b)(c)                       |     | 1,375        |    | 1,371,480    |
| Fremont Home Loan Trust, Class 2A3 (a):   |     |              |    |              |
| Series 2006-A, 0.36%, 5/25/36   |     | 26,717       |    | 15,365,365   |
| Series 2006-D, 0.35%, 11/25/36  |     | 24,592       |    | 11,011,976   |
| GoldenTree Loan Opportunities VII Ltd., Series 2013-7A, Class D, 3.62%, 4/25/25 (a)(b)      |     | 1,250        |    | 1,168,471    |
| GSAMP Trust (a):  |     |              |    |              |
| Series 2006-FM2, Class A2C, 0.35%, 9/25/36  |     | 12,408       |    | 5,827,045    |
| Series 2007-FM2, Class A2B, 0.29%, 1/25/37  |     | 8,934        |    | 5,343,686    |
| Highbridge Loan Management 4-2014 Ltd., Series 4A-2014, Class B, 3.29%, 7/28/25 (a)(b)(c)   |     | 2,500        |    | 2,406,818    |

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|   |        |           |
|---|--------|-----------|
| Home Equity Mortgage Loan Asset-Backed Trust, Series 2006-E, Class 2A3, 0.37%, 4/25/37 (a)  | 14,998 | 9,939,234 |
| Jamestown CLO I Ltd., Series 2012-1A, Class C, 4.30%, 11/05/24 (a)(b)(c)                    | 2,550  | 2,448,487 |
| Lehman ABS Manufactured Housing Contract Trust, Series 2001-B, Class M2, 7.17%, 4/15/40 (a) | 6,374  | 4,340,891 |
| Long Beach Mortgage Loan Trust 2006-1, Series 2006-1, Class 1A, 0.42%, 2/25/36 (a)          | 6,891  | 5,582,803 |
| Madison Park Funding IX Ltd., Series 2012-9AR, Class C1R, 3.17%, 8/15/22 (a)(b)(c)          | 1,000  | 997,714   |
| Madison Park Funding Ltd. (a):  |        |           |
| Series 2012-10A, Class D, 4.57%, 1/20/25 (b)(c)   | 1,000  | 990,178   |
| Series 2012-8X, Class E, 5.65%, 4/22/22   | 3,000  | 2,928,804 |
| Madison Park Funding XV Ltd., Series 2014-15A, Class B1, 3.55%, 1/27/26 (a)(b)(c)           | 1,600  | 1,599,967 |
| Madison Park Funding XVI Ltd., Series 2015-16A (a)(b)(c):                                   |        |           |
| Class B, 3.30%, 4/20/26   | 1,000  | 987,800   |
| Class C, 4.00%, 4/20/26   | 1,000  | 967,500   |
| Mastr Asset-Backed Securities Trust (a):  |        |           |
| Series 2006-HE2, Class A3, 0.35%, 6/25/36   | 12,443 | 6,616,692 |
| Series 2006-WMC2, Class A5, 0.45%, 4/25/36  | 9,325  | 3,981,727 |
| Morgan Stanley IXIS Real Estate Capital Trust, Series 2006-2, Class A3, 0.35%, 11/25/36 (a) | 15,534 | 7,356,932 |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.32%, 1/15/24 (a)(b)(c)     | 1,000  | 970,749   |
| Octagon Investment Partners XVI Ltd., Series 2013-1A, Class D, 3.67%, 7/17/25 (a)(b)(c)     | 2,250  | 2,031,414 |
| Octagon Investment Partners XXI Ltd., Series 2014-1A, Class C, 3.93%, 11/14/26 (a)(b)       | 1,000  | 911,075   |
| OHA Credit Partners VII Ltd., Series 2012-7A, Class D, 4.33%, 11/20/23 (a)(b)(c)            | 3,000  | 2,938,523 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|   | Par       |     |                    |
|---|-----------|-----|--------------------|
|   | (000)     |     | Value              |
| <b>Asset-Backed Securities</b>  |           |     |                    |
| <b>Asset-Backed Securities (continued)</b>  |           |     |                    |
| OneMain Financial Issuance Trust (b):   |           |     |                    |
| Series 2015-1A, Class D, 6.63%, 3/18/26   | USD 5,075 | \$  | 5,209,640          |
| Series 2015-2A, Class C, 4.32%, 7/18/25   | 5,000     |     | 4,994,900          |
| Series 2015-2A, Class D, 5.64%, 7/18/25   | 2,500     |     | 2,481,775          |
| OZLM Funding IV Ltd., Series 2013-4A, Class C, 3.52%, 7/22/25 (a)(b)(c)                 | 1,250     |     | 1,144,490          |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.65%, 10/30/23 (a)(b)(c)                   | 2,000     |     | 1,980,236          |
| Race Point CLO Ltd., Series 2011-5AR, Class ER, 6.34%, 12/15/22 (a)(b)                  | 1,500     |     | 1,513,020          |
| Renaissance Home Equity Loan Trust, Series 2007-3, Class AF2,<br>7.00%, 9/25/37 (d)     | 4,717     |     | 2,828,034          |
| Santander Drive Auto Receivables Trust (b)(j)   |           |     |                    |
| Series 2014-S1, 0.00%, 8/16/18  | 3         |     | 8,140,800          |
| Series 2014-S2, 0.00%, 11/16/18   | 3         |     | 6,296,400          |
| Series 2014-S3, 0.00%, 2/19/19  | 3         |     | 8,522,400          |
| Series 2014-S4, 0.00%, 4/16/19  | 3         |     | 11,829,600         |
| Saxon Asset Securities Trust, Series 2007-3, Class 2A3, 0.60%, 9/25/47 (a)              | 5,000     |     | 3,515,729          |
| Scholar Funding Trust, Series 2013-A, Class R, 0.00% (b)(e)                             |           | (f) | 4,056,591          |
| SMB Private Education Loan Trust, Series 2015-C, Class C, 4.50%, 9/17/46 (b)            | 4,100     |     | 3,706,982          |
| Symphony CLO Ltd., Series 2012-10AR, Class CR, 3.17%, 7/23/23 (a)(b)(c)                 | 1,500     |     | 1,507,008          |
| Symphony CLO XV Ltd., Series 2014-15A, Class D, 4.07%, 10/17/26 (a)(b)                  | 3,500     |     | 3,377,500          |
| TICP CLO I Ltd., Series 2015-1A, Class C, 3.28%, 7/20/27 (a)(b)                         | 1,000     |     | 977,479            |
| Treman Park CLO LLC, Series 2015-1A, Class D, 4.13%, 4/20/27 (a)(b)                     | 1,500     |     | 1,417,500          |
| Tyron Park CLO Ltd., Series 2013-1A (a)(b):   |           |     |                    |
| Class C, 3.82%, 7/15/25 (c)   | 1,250     |     | 1,172,013          |
| Class D, 4.72%, 7/15/25   | 1,000     |     | 842,756            |
| Venture XX CLO Ltd., Series 2015-20A (a)(b):  |           |     |                    |
| Class C, 3.43%, 4/15/27 (c)   | 1,000     |     | 980,900            |
| Class D, 4.13%, 4/15/27   | 520       |     | 487,344            |
| Venture XXI CLO Ltd., Series 2015-21A, Class D, 3.88%, 7/15/27 (a)(b)                   | 480       |     | 442,368            |
| Voya CLO Ltd., Series 2012-2AR, Class CR, 3.27%, 10/15/22 (a)(b)(c)                     | 1,350     |     | 1,335,285          |
| WaMu Asset-Backed Certificates Trust, Series 2007-HE3, Class 2A3, 0.44%, 5/25/47<br>(a) | 11,451    |     | 7,236,996          |
| Westvue Mortgage Loan Trust, Series 2015-1A, Class A, 4.50%, 9/25/20 (b)                | 4,000     |     | 3,957,160          |
| <b>Total Asset-Backed Securities 35.0%</b>  |           |     | <b>254,549,199</b> |

**Corporate Bonds****Aerospace & Defense 0.4%**

|   |       |  |           |
|---|-------|--|-----------|
| Accudyne Industries Borrower/Accudyne Industries LLC, 7.75%, 12/15/20 (b) | 690   |  | 598,576   |
| TransDigm, Inc., 6.00%, 7/15/22   | 2,150 |  | 2,171,500 |
|   |       |  | 2,770,076 |

**Corporate Bonds****Airlines 5.2%**

|  | Par       |    |           |
|--|-----------|----|-----------|
|  | (000)     |    | Value     |
| <b>Airlines 5.2%</b>                                 |           |    |           |
| Air Canada Pass-Through Trust, Series 2013-1 (b)(c): |           |    |           |
| Class B, 5.38%, 11/15/22                             | USD 3,008 | \$ | 3,083,395 |
| Class C, 6.63%, 5/15/18                              | 761       |    | 777,970   |
| American Airlines Pass-Through Trust (c):            |           |    |           |
| Series 2013-1, Class C,<br>6.13%, 7/15/18 (b)        | 1,500     |    | 1,550,625 |
| Series 2013-2, Class A, 4.95%, 7/15/24               | 2,170     |    | 2,324,048 |
| Series 2013-2, Class B, 5.60%, 1/15/22 (b)           | 2,585     |    | 2,655,790 |
| Series 2013-2, Class C,<br>6.00%, 1/15/17 (b)        | 2,763     |    | 2,832,412 |
| Continental Airlines Pass-Through Trust (c):         |           |    |           |
| Series 2003-ERJ1, 7.88%, 1/02/20                     | 5,515     |    | 5,740,606 |
| Series 2007-1, Class B, 6.90%, 10/19/23              | 2,794     |    | 2,891,854 |

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|  |       |            |
|--|-------|------------|
| Series 2012-1, Class B, 6.25%, 10/11/21  | 429   | 450,771    |
| Series 2012-3, Class C, 6.13%, 4/29/18   | 678   | 698,611    |
| Delta Air Lines Pass-Through Trust, Class B (c):                                     |       |            |
| Series 2007-1, 8.02%, 2/10/24  | 2,102 | 2,364,674  |
| Series 2012-1, 6.88%, 5/07/19 (b)  | 3,674 | 3,949,515  |
| United Airlines Pass-Through Trust,<br>Series 2014-2, Class B,<br>4.63%, 3/03/24 (c) | 2,750 | 2,743,125  |
| US Airways Pass-Through Trust, Class B:  |       |            |
| Series 2011-1, 9.75%, 4/22/20  | 2,224 | 2,485,483  |
| Series 2013-1, 5.38%, 5/15/23 (c)  | 2,997 | 3,064,850  |
|  |       | 37,613,729 |
| <b>Auto Components 1.0%</b>  |       |            |
| Dana Holding Corp., 6.75%, 2/15/21 (c)   | 1,257 | 1,307,280  |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. (c):                            |       |            |
| 3.50%, 3/15/17   | 170   | 171,989    |
| 4.88%, 3/15/19   | 2,898 | 2,964,074  |
| 6.00%, 8/01/20   | 434   | 452,988    |
| 5.88%, 2/01/22   | 1,334 | 1,374,020  |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b)(c)   | 1,045 | 1,063,287  |
|  |       | 7,333,638  |
| <b>Automobiles 0.3%</b>  |       |            |
| General Motors Co., 6.25%, 10/02/43 (c)  | 2,194 | 2,422,608  |
| <b>Banks 2.6%</b>  |       |            |
| CIT Group, Inc., 5.25%, 3/15/18 (c)  | 9,558 | 10,023,953 |
| Fifth Third Bancorp, 5.10% (a)(c)(g)   | 5,000 | 4,593,750  |
| Rizal Commercial Banking Corp., 4.25%, 1/22/20                                       | 100   | 103,986    |
| Sberbank of Russia Via SB Capital SA, 5.25%, 5/23/23 (b)                             | 5,000 | 4,406,250  |
|  |       | 19,127,939 |
| <b>Beverages 0.1%</b>  |       |            |
| Ball Corp., 5.25%, 7/01/25 (c)   | 670   | 680,888    |
| <b>Building Products 0.3%</b>  |       |            |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b)(c)              | 375   | 385,313    |
| Building Materials Corp. of America, 6.00%, 10/15/25 (b)(c)                          | 922   | 979,625    |
| Cemex SAB de CV, 5.88%, 3/25/19 (b)(c)   | 200   | 202,200    |
| USG Corp., 9.75%, 1/15/18 (c)  | 572   | 642,070    |
|  |       | 2,209,208  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|  | Par       | Value        |
|--|-----------|--------------|
|  | (000)     |              |
| <b>Corporate Bonds</b>   |           |              |
| <b>Capital Markets 0.4%</b>  |           |              |
| AE-Rotor Holding BV, 4.97%, 3/28/18                                  | USD 1,600 | \$ 1,646,066 |
| American Capital Ltd., 6.50%, 9/15/18 (b)(c)                         | 700       | 722,750      |
| E*Trade Financial Corp., 5.38%, 11/15/22 (c)                         | 430       | 459,755      |
|  |           | 2,828,571    |
| <b>Chemicals 0.0%</b>  |           |              |
| Huntsman International LLC, 4.88%, 11/15/20                          | 100       | 94,065       |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (c)   | 246       | 257,685      |
|  |           | 351,750      |
| <b>Commercial Services &amp; Supplies 1.6%</b>                       |           |              |
| ARAMARK Corp., 5.75%, 3/15/20 (c)                                    | 672       | 701,400      |
| Aviation Capital Group Corp.,<br>6.75%, 4/06/21 (b)(c)               | 5,000     | 5,662,500    |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b)(c) | 207       | 187,335      |
| Iron Mountain, Inc., 6.00%, 10/01/20 (b)(c)                          | 490       | 519,400      |
| United Rentals North America, Inc. (c):<br>8.25%, 2/01/21            | 1,942     | 2,043,955    |
| 7.63%, 4/15/22   | 2,440     | 2,647,668    |
|  |           | 11,762,258   |
| <b>Communications Equipment 0.8%</b>                                 |           |              |
| Alcatel-Lucent USA, Inc., 8.88%, 1/01/20 (b)(c)                      | 942       | 1,018,537    |
| Avaya, Inc., 7.00%, 4/01/19 (b)                                      | 385       | 312,813      |
| CommScope Technologies Finance LLC, 6.00%, 6/15/25 (b)               | 610       | 619,150      |
| Nokia OYJ, 6.63%, 5/15/39  | 245       | 256,351      |
| Zayo Group LLC/Zayo Capital, Inc., 10.13%, 7/01/20 (c)               | 3,257     | 3,550,130    |
|  |           | 5,756,981    |
| <b>Construction &amp; Engineering 0.1%</b>                           |           |              |
| BlueLine Rental Finance Corp.,<br>7.00%, 2/01/19 (b)(c)              | 183       | 184,601      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)(c) | 290       | 297,975      |
|  |           | 482,576      |
| <b>Construction Materials 1.1%</b>                                   |           |              |
| American Tire Distributors, Inc., 10.25%, 3/01/22 (b)                | 760       | 767,600      |
| Beacon Roofing Supply, Inc.,<br>6.38%, 10/01/23 (b)                  | 93        | 97,883       |
| HD Supply, Inc., 7.50%, 7/15/20 (c)                                  | 6,388     | 6,803,220    |
|  |           | 7,668,703    |
| <b>Consumer Finance 1.6%</b>   |           |              |
| Ally Financial, Inc., 8.00%, 11/01/31 (c)                            | 9,315     | 11,294,437   |
| Navient Corp.:<br>5.50%, 1/25/23                                     | 30        | 27,038       |
| 6.13%, 3/25/24   | 30        | 27,075       |
| 5.88%, 10/25/24  | 45        | 40,162       |
|  |           | 11,388,712   |
| <b>Diversified Consumer Services 0.2%</b>                            |           |              |
| APX Group, Inc., 6.38%, 12/01/19 (c)                                 | 289       | 281,053      |
| Laureate Education, Inc., 10.00%, 9/01/19 (b)(c)                     | 395       | 314,025      |
| Service Corp. International, 5.38%, 5/15/24 (c)                      | 860       | 916,975      |
|  |           | 1,512,053    |

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|  | Par     |            |
|--|---------|------------|
|  | (000)   | Value      |
| <b>Corporate Bonds</b>   |         |            |
| <b>Diversified Financial Services 1.8%</b>                                     |         |            |
| AerCap Ireland Capital, Ltd. / AerCap Global Aviation Trust, 4.63%, 10/30/20   | USD 472 | \$ 489,110 |
| Aircastle Ltd., 6.25%, 12/01/19 (c)  | 2,624   | 2,866,720  |
| DPL, Inc., 6.50%, 10/15/16 (c)   | 112     | 114,520    |
| General Motors Financial Co., Inc., 4.25%, 5/15/23 (c)                         | 326     | 331,350    |
| Intesa Sanpaolo SpA, 5.02%, 6/26/24 (b)(c)                                     | 2,290   | 2,293,691  |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)(c)              | 845     | 828,100    |
| Reynolds Group Issuer, Inc. (c):   |         |            |
| 9.88%, 8/15/19   | 979     | 1,030,398  |
| 5.75%, 10/15/20  | 4,941   | 5,138,640  |
|  |         | 13,092,529 |
| <b>Diversified Telecommunication Services 2.1%</b>                             |         |            |
| AT&T, Inc., 4.75%, 5/15/46 (c)   | 2,545   | 2,336,709  |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20 (c)                                | 834     | 834,951    |
| Frontier Communications Corp.:   |         |            |
| 6.88%, 1/15/25   | 120     | 103,692    |
| 11.00%, 9/15/25 (b)(c)   | 898     | 941,212    |
| Level 3 Financing, Inc. (b):   |         |            |
| 5.38%, 1/15/24 (h)   | 294     | 297,675    |
| 5.38%, 5/01/25   | 1,980   | 1,984,950  |
| Verizon Communications, Inc., 6.55%, 9/15/43                                   | 6,500   | 7,780,682  |
| Windstream Corp. (c):  |         |            |
| 7.75%, 10/15/20  | 450     | 405,000    |
| 6.38%, 8/01/23   | 555     | 439,837    |
|  |         | 15,124,708 |
| <b>Electric Utilities 0.2%</b>   |         |            |
| Star Energy Geothermal Wayang Windu Ltd., 6.13%, 3/27/20                       | 1,700   | 1,653,250  |
| <b>Electronic Equipment, Instruments &amp; Components 0.1%</b>                 |         |            |
| CDW LLC/CDW Finance Corp.,   |         |            |
| 5.00%, 9/01/23 (c)   | 920     | 954,500    |
| <b>Energy Equipment &amp; Services 0.4%</b>                                    |         |            |
| MEG Energy Corp., 6.50%, 3/15/21 (b)(c)  | 3,586   | 3,146,715  |
| Peabody Energy Corp., 6.00%, 11/15/18 (c)                                      | 506     | 88,550     |
|  |         | 3,235,265  |
| <b>Food &amp; Staples Retailing 0.4%</b>                                       |         |            |
| Family Tree Escrow LLC, 5.75%, 3/01/23 (b)(c)                                  | 2,350   | 2,476,312  |
| Rite Aid Corp. (c):  |         |            |
| 6.75%, 6/15/21   | 329     | 353,264    |
| 6.13%, 4/01/23 (b)   | 177     | 190,718    |
|  |         | 3,020,294  |
| <b>Food Products 0.1%</b>  |         |            |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (b)                                | 363     | 385,535    |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (b)(c)                                  | 307     | 322,350    |
| WhiteWave Foods Co., 5.38%, 10/01/22   | 161     | 172,673    |
|  |         | 880,558    |
| <b>Health Care Equipment &amp; Supplies 0.2%</b>                               |         |            |
| DJO Finance LLC/DJO Finance Corp., 8.13%, 6/15/21 (b)                          | 1,280   | 1,270,400  |
| Mallinckrodt International Finance SA/Mallinckrodt CB LLC, 5.63%, 10/15/23 (b) | 351     | 331,256    |
|  |         | 1,601,656  |
| <b>Health Care Providers &amp; Services 3.3%</b>                               |         |            |
| Acadia Healthcare Co., Inc., 5.63%, 2/15/23 (b)                                | 218     | 218,273    |

See Notes to Financial Statements.





## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|  | Par       | Value      |
|--|-----------|------------|
|  | (000)     |            |
| <b>Corporate Bonds</b>   |           |            |
| <b>Health Care Providers &amp; Services (continued)</b>  |           |            |
| Alere, Inc., 7.25%, 7/01/18  | USD 730   | \$ 761,025 |
| Amsurg Corp., 5.63%, 7/15/22 (c)   | 1,350     | 1,326,375  |
| CHS/Community Health Systems, Inc., 6.88%, 2/01/22 (c)   | 1,018     | 1,025,635  |
| DaVita HealthCare Partners, Inc., 5.13%, 7/15/24 (c)   | 2,500     | 2,537,500  |
| HCA, Inc. (c):   |           |            |
| 6.50%, 2/15/20   | 7,143     | 7,991,231  |
| 5.88%, 3/15/22   | 124       | 136,400    |
| 4.75%, 5/01/23   | 161       | 165,025    |
| HealthSouth Corp.:   |           |            |
| 5.75%, 11/01/24 (c)  | 600       | 600,000    |
| 5.75%, 9/15/25 (b)   | 316       | 314,618    |
| Hologic, Inc., 5.25%, 7/15/22 (b)(c)   | 450       | 469,687    |
| Tenet Healthcare Corp. (c):  |           |            |
| 6.25%, 11/01/18  | 6,087     | 6,482,655  |
| 6.00%, 10/01/20  | 1,150     | 1,242,000  |
| 8.13%, 4/01/22   | 1,007     | 1,064,902  |
|  |           | 24,335,326 |
| <b>Hotels, Restaurants &amp; Leisure 3.6%</b>  |           |            |
| Boyd Gaming Corp., 6.88%, 5/15/23  | 1,150     | 1,219,000  |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property, 8.00%, 10/01/20 | 2,773     | 2,752,202  |
| Enterprise Inns PLC, 6.00%, 10/06/23   | GBP 3,320 | 5,105,314  |
| Jarden Corp., 5.00%, 11/15/23 (b)  | USD 162   | 166,455    |
| MGM Resorts International, 6.00%, 3/15/23 (c)  | 520       | 527,800    |
| New Red Finance, Inc., 6.00%, 4/01/22 (b)(c)   | 750       | 784,688    |
| Pinnacle Entertainment, Inc., 6.38%, 8/01/21 (c)   | 720       | 766,800    |
| Station Casinos LLC, 7.50%, 3/01/21  | 1,305     | 1,393,088  |
| Unique Pub Finance Co. PLC:  |           |            |
| Series A3, 6.54%, 3/30/21  | GBP 2,335 | 3,752,940  |
| Series M, 7.40%, 3/28/24   | 6,400     | 10,063,560 |
|  |           | 26,531,847 |
| <b>Household Durables 0.6%</b>   |           |            |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b)(c)     | USD 750   | 736,875    |
| Lennar Corp.:  |           |            |
| 4.50%, 11/15/19 (c)  | 450       | 465,750    |
| 4.88%, 12/15/23  | 256       | 255,040    |
| Standard Pacific Corp., 8.38%, 1/15/21 (c)   | 2,000     | 2,372,600  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)(c)                 | 177       | 178,327    |
| Toll Brothers Finance Corp., 4.88%, 11/15/25   | 38        | 37,953     |
| TRI Pointe Holdings, Inc. (c):   |           |            |
| 4.38%, 6/15/19   | 415       | 412,406    |
| 5.88%, 6/15/24   | 280       | 280,000    |
|  |           | 4,738,951  |
| <b>Independent Power and Renewable Electricity Producers 1.2%</b>                                  |           |            |
| Calpine Corp. (c):   |           |            |
| 6.00%, 1/15/22 (b)   | 254       | 266,954    |
| 5.38%, 1/15/23   | 4,000     | 3,825,000  |
| 5.88%, 1/15/24 (b)   | 240       | 250,800    |
| Dynegy, Inc., 6.75%, 11/01/19 (c)  | 1,030     | 1,027,425  |
| NRG Energy, Inc., 7.63%, 1/15/18 (c)   | 2,735     | 2,864,912  |
| NRG Yield Operating LLC, 5.38%, 8/15/24  | 265       | 242,475    |
|  |           | 8,477,566  |

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|  | Par       |              |
|--|-----------|--------------|
|  | (000)     | Value        |
| <b>Corporate Bonds</b>   |           |              |
| <b>Insurance 0.2%</b>  |           |              |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)(c)                                       | USD 1,400 | \$ 1,470,000 |
| <b>Internet Software &amp; Services 0.2%</b>   |           |              |
| Blue Coat Holdings, Inc., 8.38%, 6/01/23 (b)   | 355       | 367,425      |
| Equinix, Inc., 4.88%, 4/01/20 (c)  | 144       | 150,480      |
| Netflix, Inc., 5.75%, 3/01/24 (c)  | 590       | 624,804      |
|  |           | 1,142,709    |
| <b>IT Services 1.1%</b>  |           |              |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b)(c)   | 287       | 252,560      |
| First Data Corp. (b):  |           |              |
| 6.75%, 11/01/20 (c)  | 3,111     | 3,278,216    |
| 5.38%, 8/15/23 (c)   | 465       | 473,138      |
| 7.00%, 12/01/23 (h)  | 2,764     | 2,812,370    |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (c)  | 1,126     | 1,165,410    |
|  |           | 7,981,694    |
| <b>Media 7.5%</b>  |           |              |
| Altice US Finance I Corp., 5.38%, 7/15/23 (b)(c)   | 1,380     | 1,396,560    |
| AMC Networks, Inc., 4.75%, 12/15/22  | 344       | 345,290      |
| Bharti Airtel International Netherlands BV, 5.13%, 3/11/23                                 | 3,000     | 3,182,424    |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.13%, 2/15/23 (c)                            | 7,029     | 7,046,572    |
| CCO Safari II LLC, 6.48%, 10/23/45 (b)(c)  | 3,000     | 3,110,976    |
| Clear Channel Worldwide Holdings, Inc. (c):  |           |              |
| 7.63%, 3/15/20   | 5,274     | 5,471,775    |
| 6.50%, 11/15/22  | 2,573     | 2,682,352    |
| Columbus International, Inc., 7.38%, 3/30/21 (b)(c)  | 1,195     | 1,242,800    |
| DISH DBS Corp., 5.13%, 5/01/20 (c)   | 5,500     | 5,479,375    |
| Gannett Co., Inc., 6.38%, 10/15/23 (c)   | 1,400     | 1,512,000    |
| Gray Television, Inc., 7.50%, 10/01/20 (c)   | 891       | 929,937      |
| iHeartCommunications, Inc., 9.00%, 12/15/19 (c)  | 320       | 270,800      |
| Inmarsat Finance PLC, 4.88%, 5/15/22 (b)(c)  | 1,000     | 992,500      |
| Intelsat Jackson Holdings SA (c):  |           |              |
| 7.25%, 10/15/20  | 1,250     | 1,140,625    |
| 5.50%, 8/01/23   | 2,241     | 1,847,424    |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b)(c)                                     | 199       | 210,940      |
| Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (b)(c)            | 250       | 258,750      |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b)(c) | 629       | 649,443      |
| Neptune Finco Corp. (b):   |           |              |
| 10.13%, 1/15/23  | 528       | 558,360      |
| 6.63%, 10/15/25  | 550       | 578,875      |
| 10.88%, 10/15/25   | 481       | 513,468      |
| Numericable Group SA, 6.00%, 5/15/22 (b)(c)  | 2,795     | 2,801,987    |
| Outfront Media Capital LLC/Outfront Media Capital Corp. (c):                               |           |              |
| 5.25%, 2/15/22   | 3,117     | 3,202,717    |
| 5.63%, 2/15/24   | 94        | 97,819       |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (b)(c)                          | 350       | 367,938      |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (b)(c)   | 994       | 1,006,425    |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)(c)                 | 5,287     | 5,433,979    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|  | Par     | Value      |
|--|---------|------------|
|  | (000)   | Value      |
| <b>Corporate Bonds</b>   |         |            |
| <b>Media (continued)</b>   |         |            |
| Univision Communications, Inc., 5.13%, 5/15/23 (b)                               | USD 250 | \$ 247,500 |
| Virgin Media Finance PLC, 6.38%, 4/15/23 (b)(c)                                  | 805     | 829,150    |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)(c)         | 980     | 953,050    |
|  |         | 54,361,811 |
| <b>Metals &amp; Mining 1.6%</b>  |         |            |
| Commercial Metals Co., 4.88%, 5/15/23 (c)  | 984     | 870,840    |
| Constellium NV, 8.00%, 1/15/23 (b)   | 1,500   | 1,271,250  |
| Novelis, Inc., 8.75%, 12/15/20 (c)   | 7,164   | 7,181,910  |
| Steel Dynamics, Inc., 5.13%, 10/01/21 (c)  | 970     | 962,725    |
| Teck Resources Ltd.:   |         |            |
| 3.00%, 3/01/19   | 146     | 111,674    |
| 5.20%, 3/01/42   | 70      | 37,450     |
| 5.40%, 2/01/43   | 62      | 33,170     |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (b)(c)          | 1,140   | 1,077,300  |
|  |         | 11,546,319 |
| <b>Multiline Retail 0.3%</b>   |         |            |
| Neiman Marcus Group Ltd. (b)(c):   |         |            |
| 8.00%, 10/15/21  | 927     | 962,921    |
| 8.75% (8.75% Cash or 9.50% PIK), 10/15/21 (i)                                    | 963     | 1,000,268  |
|  |         | 1,963,189  |
| <b>Oil, Gas &amp; Consumable Fuels 2.3%</b>                                      |         |            |
| Antero Resources Finance Corp., 5.38%, 11/01/21                                  | 165     | 151,800    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 (c)                                   | 99      | 71,280     |
| Chesapeake Energy Corp., 5.75%, 3/15/23 (c)                                      | 1,145   | 721,350    |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (b)(c)                      | 1,121   | 1,136,414  |
| Diamondback Energy, Inc., 7.63%, 10/01/21 (c)                                    | 730     | 777,450    |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp., 4.88%, 6/01/25 (c)    | 790     | 738,650    |
| Memorial Resource Development Corp., 5.88%, 7/01/22 (c)                          | 970     | 914,225    |
| MIE Holdings Corp., 6.88%, 2/06/18   | 2,000   | 1,211,264  |
| Newfield Exploration Co., 5.63%, 7/01/24   | 61      | 60,390     |
| Noble Energy, Inc., 5.63%, 5/01/21 (c)   | 3,286   | 3,331,971  |
| ONEOK, Inc., 7.50%, 9/01/23  | 150     | 148,125    |
| Pertamina Persero PT, 5.63%, 5/20/43 (b)(c)                                      | 2,000   | 1,663,000  |
| Pratama Agung Pte. Ltd., 6.25%, 2/24/20  | 1,600   | 1,567,486  |
| Range Resources Corp. (c):   |         |            |
| 5.00%, 8/15/22   | 91      | 80,985     |
| 5.00%, 3/15/23   | 211     | 187,263    |
| Sabine Pass Liquefaction LLC, 6.25%, 3/15/22 (c)                                 | 752     | 746,360    |
| Seven Generations Energy Ltd., 8.25%, 5/15/20 (b)                                | 1,550   | 1,503,500  |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (c) | 703     | 681,910    |
| Whiting Petroleum Corp., 5.00%, 3/15/19 (c)                                      | 878     | 834,100    |
|  |         | 16,527,523 |
| <b>Paper &amp; Forest Products 0.1%</b>  |         |            |
| Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (b)                            | 390     | 376,350    |
|  | Par     |            |
| <b>Corporate Bonds</b>   |         |            |
| <b>Pharmaceuticals 1.1%</b>  |         |            |
| Endo Finance LLC/Endo Finco, Inc., 5.38%, 1/15/23 (b)                            | USD 620 | \$ 608,034 |
| Forest Laboratories, Inc., 5.00%, 12/15/21 (b)(c)                                | 718     | 775,984    |
| Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (c)                            | 1,094   | 1,132,290  |
| Valeant Pharmaceuticals International, Inc. (b):                                 |         |            |

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|  |           |            |
|--|-----------|------------|
| 6.75%, 8/15/18 (c)   | 1,807     | 1,743,936  |
| 6.75%, 8/15/21 (c)   | 1,276     | 1,135,640  |
| 5.63%, 12/01/21 (c)  | 1,182     | 1,025,385  |
| 5.88%, 5/15/23   | 1,715     | 1,443,816  |
|  |           | 7,865,085  |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                            |           |            |
| Hilton Worldwide Finance LLC/Hilton Worldwide Finance Corp., 5.63%, 10/15/21 | 160       | 167,467    |
| Pakuwon Prima Pte. Ltd., 7.13%, 7/02/19                                      | 3,350     | 3,350,218  |
|  |           | 3,517,685  |
| <b>Real Estate Management &amp; Development 3.8%</b>                         |           |            |
| Caifu Holdings Ltd., 8.75%, 1/24/20  | 3,000     | 3,070,668  |
| Lai Sun International Finance 2012 Ltd., 5.70%, 1/18/18                      | 2,000     | 2,029,800  |
| Lodha Developers International Ltd., 12.00%, 3/13/20                         | 350       | 307,565    |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (b)                     | 4,360     | 3,827,400  |
| Punch Taverns Finance B Ltd.:  |           |            |
| 7.37%, 9/30/21   | GBP 2,743 | 4,271,512  |
| Series A6, 5.94%, 9/30/22  | 6,346     | 9,538,414  |
| Realogy Corp., 7.63%, 1/15/20 (b)  | USD 2,454 | 2,579,866  |
| Sparkle Assets Ltd., 6.88%, 1/30/20  | 2,000     | 2,116,550  |
| Vingroup JSC, 11.63%, 5/07/18  | 250       | 264,489    |
|  |           | 28,006,264 |
| <b>Road &amp; Rail 1.1%</b>  |           |            |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 5.25%, 3/15/25 (b)(c)  | 640       | 637,600    |
| Hertz Corp. (c):   |           |            |
| 4.25%, 4/01/18   | 400       | 405,000    |
| 7.38%, 1/15/21   | 3,075     | 3,199,906  |
| Lima Metro Line 2 Finance Ltd.,  |           |            |
| 5.88%, 7/05/34 (b)(c)  | 4,000     | 4,030,000  |
|  |           | 8,272,506  |
| <b>Software 0.1%</b>   |           |            |
| Nuance Communications, Inc.,   |           |            |
| 5.38%, 8/15/20 (b)(c)  | 335       | 341,700    |
| Rolta Americas LLC, 8.88%, 7/24/19   | 200       | 101,800    |
|  |           | 443,500    |
| <b>Specialty Retail 0.2%</b>   |           |            |
| L Brands, Inc., 6.88%, 11/01/35 (b)(c)                                       | 589       | 611,824    |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22 (c)                   | 647       | 682,585    |
|  |           | 1,294,409  |
| <b>Technology Hardware, Storage &amp; Peripherals 0.1%</b>                   |           |            |
| Pacific Emerald Property Ltd., 9.75%, 7/25/18                                | 1,000     | 992,500    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>                             |           |            |
| Springs Industries, Inc., 6.25%, 6/01/21 (c)                                 | 1,434     | 1,426,830  |
| William Carter Co., 5.25%, 8/15/21 (c)                                       | 604       | 627,405    |
|  |           | 2,054,235  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|   | Par          | Value         |
|---|--------------|---------------|
|   | (000)        |               |
| <b>Corporate Bonds</b>  |              |               |
| <b>Thriffs &amp; Mortgage Finance 0.0%</b>                              |              |               |
| Radian Group, Inc., 5.25%, 6/15/20                                      | USD 300      | \$ 299,625    |
| <b>Tobacco 0.1%</b>   |              |               |
| Reynolds American, Inc., 5.85%, 8/15/45 (c)                             | 465          | 515,839       |
| <b>Trading Companies &amp; Distributors 0.5%</b>                        |              |               |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust (b)(c):          |              |               |
| Series 2012-1, Class B, 6.50%, 5/30/21                                  | 805          | 833,785       |
| Series 2013-1, Class A, 5.25%, 5/30/25                                  | 2,604        | 2,708,508     |
|   |              | 3,542,293     |
| <b>Transportation Infrastructure 0.1%</b>                               |              |               |
| Transurban Finance Co., 4.13%, 2/02/26 (b)(c)                           | 520          | 515,294       |
| <b>Wireless Telecommunication Services 4.2%</b>                         |              |               |
| Crown Castle International Corp., 5.25%, 1/15/23 (c)                    | 6,565        | 7,065,581     |
| Digicel Ltd., 6.00%, 4/15/21 (b)(c)                                     | 5,000        | 4,500,000     |
| SBA Communications Corp., 4.88%, 7/15/22                                | 910          | 930,430       |
| Softbank Corp., 4.50%, 4/15/20 (b)(c)                                   | 1,500        | 1,486,500     |
| Sprint Communications, Inc., 9.00%, 11/15/18 (b)(c)                     | 8,131        | 8,938,977     |
| Sprint Corp., 7.88%, 9/15/23 (c)  | 1,922        | 1,777,850     |
| T-Mobile USA, Inc. (c):   |              |               |
| 6.63%, 4/28/21  | 3,820        | 3,953,700     |
| 6.73%, 4/28/22  | 945          | 975,713       |
| 6.84%, 4/28/23  | 610          | 629,825       |
|   |              | 30,258,576    |
| <b>Total Corporate Bonds 55.1%</b>                                      |              | 400,503,546   |
| <b>Floating Rate Loan Interests (a)</b>                                 |              |               |
| <b>Aerospace &amp; Defense 0.1%</b>                                     |              |               |
| TransUnion LLC, Term Loan B2, 3.50%, 4/09/21                            | 916          | 902,339       |
| <b>Airlines 0.4%</b>  |              |               |
| Delta Air Lines, Inc., 2016 Term Loan B2, 2.45%, 4/18/16                | 2,918        | 2,910,819     |
| <b>Auto Components 0.2%</b>   |              |               |
| Gates Global, Inc., Term Loan B, 4.25%, 7/05/21                         | 1,344        | 1,259,125     |
| <b>Chemicals 0.0%</b>   |              |               |
| Allnex (Luxembourg) & Cy SCA, Term Loan B1, 4.50%, 10/03/19             | 87           | 86,743        |
| Allnex USA, Inc., Term Loan B2, 4.50%, 10/03/19                         | 45           | 45,007        |
|   |              | 131,750       |
| <b>Commercial Services &amp; Supplies 0.0%</b>                          |              |               |
| ADS Waste Holdings, Inc., Term Loan, 3.75%, 10/09/19                    | 359          | 353,947       |
| <b>Containers &amp; Packaging 0.0%</b>                                  |              |               |
| Berry Plastics Holding Corp., Term Loan F, 4.00%, 10/01/22              | 234          | 234,325       |
| <b>Diversified Consumer Services 0.1%</b>                               |              |               |
| Bright Horizons Family Solutions, Inc., Term Loan B, 3.75%, 1/30/20     | 486          | 486,858       |
| <b>Diversified Financial Services 1.7%</b>                              |              |               |
| AssuredPartners Capital, Inc., 2015 1st Lien Term Loan, 5.75%, 10/21/22 | 195          | 194,879       |
|   | <b>Par</b>   |               |
|   | <b>(000)</b> | <b>Value</b>  |
| <b>Floating Rate Loan Interests (a)</b>                                 |              |               |
| <b>Diversified Financial Services (continued)</b>                       |              |               |
| Aviron Capital LLC, Term Loan, 15.32%, 10/20/16                         | USD 12,000   | \$ 12,000,000 |
|   |              | 12,194,879    |
| <b>Diversified Telecommunication Services 0.1%</b>                      |              |               |
| Level 3 Financing, Inc., 2013 Term Loan B, 4.00%, 1/15/20               | 925          | 926,619       |

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|   |       |            |
|---|-------|------------|
| <b>Electronic Equipment, Instruments &amp; Components 0.0%</b>                |       |            |
| CDW LLC, Term Loan, 3.25%, 4/29/20  | 293   | 291,478    |
| <b>Energy Equipment &amp; Services 0.1%</b>                                   |       |            |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                           | 606   | 600,733    |
| <b>Health Care Equipment &amp; Supplies 0.2%</b>                              |       |            |
| DJO Finance LLC, 2015 Term Loan, 4.25%, 6/08/20                               | 450   | 445,950    |
| Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18                       | 729   | 713,569    |
|   |       | 1,159,519  |
| <b>Health Care Providers &amp; Services 0.0%</b>                              |       |            |
| Envision Healthcare Corp., 5.13%, 7/01/22 (b)                                 | 155   | 150,350    |
| <b>Hotels, Restaurants &amp; Leisure 3.3%</b>                                 |       |            |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/11/20     | 1,803 | 1,703,440  |
| Hilton Ft. Lauderdale, Mezzanine Term Loan 5, 6.21%, 8/04/19                  | 6,500 | 6,500,000  |
| Hilton Los Cabos, B-Note, 8.20%, 9/18/18                                      | 5,375 | 5,375,000  |
| Hilton Orlando, Mezzanine A3, 5.82%, 8/01/16                                  | 7,250 | 7,250,000  |
| MGM Resorts International, Term Loan A, 2.94%, 12/20/17                       | 717   | 714,398    |
| Starwood Schulte, Mezzanine Term Loan, 8.04%, 6/30/17                         | 2,000 | 1,990,000  |
| Station Casinos LLC, Term Loan B, 4.25%, 3/02/20                              | 406   | 406,262    |
|   |       | 23,939,100 |
| <b>Insurance 0.6%</b>   |       |            |
| Dallas Design District, Mezzanine Term Loan, 6.90%, 11/09/16                  | 4,000 | 4,000,000  |
| Sedgwick Claims Management Services, Inc., 1st Lien Term Loan, 3.75%, 3/01/21 | 477   | 468,020    |
|   |       | 4,468,020  |
| <b>IT Services 0.3%</b>   |       |            |
| First Data Corp.:   |       |            |
| 2018 Extended Term Loan, 3.70%, 3/24/18                                       | 1,700 | 1,686,043  |
| New Term Loan B, 3.70%, 3/24/17   | 310   | 309,176    |
| SunGard Data Systems, Inc., Term Loan E, 4.00%, 3/08/20                       | 227   | 226,356    |
|   |       | 2,221,575  |
| <b>Machinery 0.1%</b>   |       |            |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                         | 544   | 497,049    |
| <b>Media 0.3%</b>   |       |            |
| Cengage Learning Acquisitions, Inc., 1st Lien Term Loan, 7.00%, 3/31/20       | 450   | 446,738    |
| Clear Channel Communications, Inc., Term Loan D, 6.94%, 1/30/19               | 1,054 | 881,199    |
| Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20                  | 487   | 483,968    |
|   |       | 1,811,905  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

|  |     | Par          |                   |
|--|-----|--------------|-------------------|
|  |     | (000)        | Value             |
| <b>Floating Rate Loan Interests (a)</b>  |     |              |                   |
| <b>Oil, Gas &amp; Consumable Fuels 0.1%</b>  |     |              |                   |
| Offshore Group Investment Ltd., Term Loan B, 5.75%, 3/28/19                          | USD | 1,170        | \$ 330,525        |
| Power Buyer LLC, 1st Lien Term Loan, 4.25%, 5/06/20                                  |     | 714          | 697,323           |
|  |     |              | 1,027,848         |
| <b>Pharmaceuticals 0.1%</b>  |     |              |                   |
| Jaguar Holding Company II, 2015 Term Loan B, 4.25%, 8/18/22                          |     | 500          | 492,230           |
| Valeant Pharmaceuticals International, Inc.:<br>Series E Term Loan B, 3.75%, 8/05/20 |     | 201          | 186,456           |
| Term Loan B F1, 4.00%, 4/01/22   |     | 134          | 124,385           |
|  |     |              | 803,071           |
| <b>Real Estate Management &amp; Development 0.7%</b>                                 |     |              |                   |
| 680 Madison Avenue, Mezzanine Term Loan, 5.41%, 8/09/17                              |     | 4,000        | 4,000,000         |
| Realogy Corp., Term Loan B, 3.75%, 3/05/20   |     | 873          | 872,088           |
|  |     |              | 4,872,088         |
| <b>Road &amp; Rail 0.1%</b>  |     |              |                   |
| Hertz Corp., Term Loan B2, 3.00%, 3/11/18  |     | 500          | 494,790           |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>                             |     |              |                   |
| Freescale Semiconductor, Inc., Term Loan B4, 4.25%, 2/28/20                          |     | 488          | 487,000           |
| <b>Total Floating Rate Loan Interests 8.6%</b>                                       |     |              | <b>62,225,187</b> |
| <b>Foreign Agency Obligations</b>  |     |              |                   |
| Cyprus Government International Bond (b):  |     |              |                   |
| 3.75%, 11/01/15  | EUR | 2,025        | 2,226,792         |
| 4.63%, 2/03/20   |     | 2,950        | 3,488,077         |
| Iceland Government International Bond, 5.88%, 5/11/22                                | USD | 3,415        | 3,902,232         |
| Mexican Bonos, 4.75%, 6/14/18  | MXN | 4,400        | 268,442           |
| Perusahaan Penerbit SBSN Indonesia III, 4.33%, 5/28/25 (b)                           | USD | 312          | 302,640           |
| Poland Government Bond:  |     |              |                   |
| 1.50%, 4/25/20   | PLN | 1,021        | 258,278           |
| 3.25%, 7/25/25   |     | 856          | 232,647           |
| 2.50%, 7/25/26   | PLN | 2,040        | 512,435           |
| Portugal Government International Bond, 5.13%, 10/15/24 (b)                          | USD | 5,430        | 5,734,080         |
| Russian Federal Bond, 7.00%, 8/16/23   | RUB | 1,640        | 21,792            |
| Slovenia Government International Bond:  |     |              |                   |
| 2.25%, 3/25/22   | EUR | 922          | 1,091,387         |
| 5.85%, 5/10/23 (b)(c)  | USD | 766          | 885,687           |
| Sri Lanka Government International Bond:   |     |              |                   |
| 5.88%, 7/25/22   |     | 3,000        | 2,887,500         |
| 6.85%, 11/03/25 (b)  |     | 200          | 198,750           |
| <b>Total Foreign Agency Obligations 3.0%</b>   |     |              | <b>22,010,739</b> |
| <b>Non-Agency Mortgage-Backed Securities</b>   |     |              |                   |
| <b>Collateralized Mortgage Obligations 28.5%</b>                                     |     |              |                   |
| Alternative Loan Trust:  |     |              |                   |
| Series 2005-61, Class 2A1, 0.48%, 12/25/35 (a)(c)                                    |     | 4,295        | 3,744,712         |
| Series 2005-9CB, Class 1A3, 0.65%, 5/25/35 (a)(c)                                    |     | 5,711        | 4,699,831         |
| Series 2006-40T1, Class 2A5, 0.60%, 12/25/36 (a)                                     |     | 3,340        | 1,450,023         |
|  |     | <b>Par</b>   |                   |
| <b>Non-Agency Mortgage-Backed Securities</b>   |     | <b>(000)</b> | <b>Value</b>      |
| <b>Collateralized Mortgage Obligations (continued)</b>                               |     |              |                   |



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Alternative Loan Trust (continued):

|  |     |        |              |
|--|-----|--------|--------------|
| Series 2006-7CB, Class 2A1, 6.50%, 5/25/36   | USD | 4,223  | \$ 3,117,084 |
| Series 2006-J7, Class 2A1, 2.14%, 11/20/36 (a)   |     | 9,213  | 6,717,563    |
| Series 2006-J8, Class A5, 6.00%, 2/25/37   |     | 2,570  | 2,008,906    |
| Series 2006-OA10, Class 2A1, 0.39%, 8/25/46 (a)  |     | 9,187  | 6,989,908    |
| Series 2006-OA14, Class 3A1, 1.07%, 11/25/46 (a)   |     | 14,107 | 11,338,123   |
| Series 2006-OA16, Class A2, 0.39%, 10/25/46 (a)  |     | 10,653 | 9,327,146    |
| Series 2006-OA18, Class A1, 0.32%, 12/25/46 (a)  |     | 6,449  | 5,582,112    |
| Series 2006-OA22, Class A1, 0.36%, 2/25/47 (a)   |     | 5,621  | 4,672,904    |
| Series 2006-OA6, Class 1A1A, 0.41%, 7/25/46 (a)  |     | 10,953 | 8,521,636    |
| Series 2006-OA8, Class 1A1, 0.39%, 7/25/46 (a)   |     | 3,893  | 3,199,402    |
| Series 2007-12T1, Class A22, 5.75%, 6/25/37 (c)  |     | 7,236  | 5,901,417    |
| Series 2007-12T1, Class A5, 6.00%, 6/25/37   |     | 3,511  | 2,915,627    |
| Series 2007-22, Class 2A16, 6.50%, 9/25/37   |     | 11,980 | 9,384,423    |
| Series 2007-23CB, Class A1, 6.00%, 9/25/37   |     | 10,530 | 9,239,854    |
| Series 2007-4CB, Class 1A3, 0.55%, 4/25/37 (a)   |     | 6,632  | 4,911,194    |
| Series 2007-OA2, Class 1A1, 1.06%, 3/25/47 (a)   |     | 6,748  | 5,089,093    |
| Series 2007-OA6, Class A1A, 0.34%, 6/25/37 (a)   |     | 11,053 | 9,383,752    |
| American Home Mortgage Assets Trust, Series 2006-5, Class A1, 1.14%, 11/25/46 (a)                    |     | 6,751  | 3,450,017    |
| <b>CHL Mortgage Pass-Through Trust:</b>  |     |        |              |
| Series 2006-3, Class 1A1, 0.44%, 3/25/36 (a)   |     | 14,493 | 12,429,706   |
| Series 2007-J2, Class 2A1, 0.85%, 7/25/37 (a)  |     | 6,196  | 3,888,948    |
| Series 2007-J2, Class 2A8, 6.00%, 7/25/37  |     | 3,421  | 2,823,648    |
| Citigroup Mortgage Loan Trust, Series 2006-AR7, Class 2A3A, 2.70%, 11/25/36 (a)                      |     | 8,647  | 7,180,580    |
| Countrywide Home Loan Mortgage Pass-Through Trust, Series 2006-OA5, Class 3A1, 0.40%, 4/25/46 (a)    |     | 11,269 | 9,902,170    |
| <b>Fannie Mae Connecticut Avenue Securities, Class 1M2 (a):</b>                                      |     |        |              |
| Series 2014-C02, 2.80%, 5/25/24  |     | 10,000 | 8,716,738    |
| Series 2014-C03, 3.19%, 7/25/24  |     | 6,000  | 5,409,338    |
| GreenPoint Mortgage Funding Trust, Series 2007-AR3, Class A1, 0.42%, 6/25/37 (a)                     |     | 7,057  | 5,900,481    |
| Hilton USA Trust, Series 2013-HLT, Class EFX, 4.45%, 11/05/30 (a)(b)(c)                              |     | 5,000  | 5,034,372    |
| Morgan Stanley Re-REMIC Trust, Series 2010-R5, Class 7B, 0.49%, 5/26/37 (a)(b)                       |     | 17,706 | 11,154,878   |
| Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 2006-AF1, Class 1A2, 6.16%, 5/25/36 (a) |     | 9,738  | 5,121,260    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|  |     | Par   |    | Value              |
|--|-----|-------|----|--------------------|
|  |     | (000) |    |                    |
| <b>Non-Agency Mortgage-Backed Securities</b>   |     |       |    |                    |
| <b>Collateralized Mortgage Obligations (continued)</b>   |     |       |    |                    |
| Residential Asset Securitization Trust, Series 2006-A8, Class 2A5, 0.80%, 8/25/36 (a)                                | USD | 8,276 | \$ | 3,054,651          |
| WaMu Mortgage Pass-Through Certificates, Series 2007-OA4, Class 1A, 0.99%, 5/25/47 (a)                               |     | 6,147 |    | 5,174,615          |
|  |     |       |    | 207,436,112        |
| <b>Commercial Mortgage-Backed Securities 13.8%</b>   |     |       |    |                    |
| Bank of America Merrill Lynch Commercial Mortgage Securities Trust, Series 2013-DSMZ, Class M, 5.89%, 9/15/18 (a)(b) |     | 7,500 |    | 7,499,925          |
| BHMS Mortgage Trust, Series 2014-MZ, Class M, 7.37%, 7/05/33 (a)(b)  |     | 2,000 |    | 2,010,540          |
| BXHTL Mortgage Trust, Series 2015-JWRZ (a)(b):   |     |       |    |                    |
| Class DR3, 4.09%, 5/15/29  |     | 2,000 |    | 1,880,000          |
| Class GL3, 3.77%, 5/15/29  |     | 2,510 |    | 2,346,199          |
| CD Commercial Mortgage Trust, Series 2007-CD5, Class C, 6.12%, 11/15/44 (a)(c)                                       |     | 3,372 |    | 3,469,494          |
| CDGJ Commercial Mortgage Trust, Series 2014-BXCH, Class EPA, 4.45%, 12/15/27 (a)(b)                                  |     | 5,000 |    | 4,949,639          |
| CG-CCRE Commercial Mortgage Trust, Series 2014-FL1 (a)(b):   |     |       |    |                    |
| Class D, 2.95%, 6/15/31 (c)  |     | 3,000 |    | 2,939,359          |
| Class E, 4.85%, 6/15/31  |     | 1,931 |    | 1,920,283          |
| Commercial Mortgage Pass-Through Certificates (a):   |     |       |    |                    |
| Series 2007-C9, Class E, 5.80%, 12/10/49 (c)   |     | 5,000 |    | 5,040,377          |
| Series 2013-LC13, Class D, 5.05%, 8/10/46 (b)(c)   |     | 2,650 |    | 2,521,526          |
| Series 2014-CR16, Class D, 4.91%, 4/10/47 (b)(c)   |     | 2,000 |    | 1,813,834          |
| Series 2014-FL5, Class HFL1, 3.45%, 7/15/31 (b)  |     | 6,057 |    | 5,811,868          |
| Series 2014-KYO, Class F, 3.70%, 6/11/27 (b)(c)  |     | 8,500 |    | 8,377,072          |
| Series 2014-LC15, Class D, 4.94%, 4/10/47 (b)(c)   |     | 3,000 |    | 2,691,966          |
| Series 2014-PAT, Class E, 3.35%, 8/13/27 (b)   |     | 1,000 |    | 987,952            |
| Series 2014-PAT, Class F, 2.64%, 8/13/27 (b)   |     | 3,000 |    | 2,869,159          |
| Series 2014-PAT, Class G, 1.79%, 8/13/27 (b)   |     | 2,000 |    | 1,778,400          |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class B, 4.88%, 7/15/37                        |     | 2,000 |    | 1,996,275          |
| Del Coronado Trust, Series 2013-HDMZ, Class M, 5.20%, 3/15/18 (a)(b)   |     | 6,000 |    | 6,000,000          |
| GAHR Commercial Mortgage Trust, Series 2015-NRF, Class GFX, 3.38%, 12/15/19 (a)(b)                                   |     | 2,500 |    | 2,286,245          |
| Goldman Sachs Mortgage Securities Trust, Series 2014-GSFL (a)(b):  |     |       |    |                    |
| Class D, 4.10%, 7/15/31 (c)  |     | 1,325 |    | 1,315,455          |
| Class E, 6.15%, 7/15/31  |     | 1,000 |    | 989,612            |
| Great Wolf Trust, Series 2015-WFMZ, Class M, 7.19%, 5/15/32 (a)(b)   |     | 3,300 |    | 3,284,424          |
|  |     | Par   |    |                    |
| <b>Non-Agency Mortgage-Backed Securities</b>   |     |       |    |                    |
| <b>Commercial Mortgage-Backed Securities (continued)</b>   |     |       |    |                    |
| JPMorgan Chase Commercial Mortgage Securities Trust (a)(b):  |     |       |    |                    |
| Series 2014-CBMZ, Class M, 6.42%, 10/15/19   | USD | 2,000 | \$ | 2,002,300          |
| Series 2014-DSTY, Class E, 3.80%, 6/10/27  |     | 5,000 |    | 4,726,248          |
| London & Regional Debt Securitisation No. 2 PLC, Series 2, Class A, 3.58%, 10/15/18 (a)                              | GBP | 1,512 |    | 2,326,376          |
| Madison Avenue Trust, Series 2013-650M, Class E, 4.03%, 10/12/32 (a)(b)  | USD | 5,000 |    | 4,966,201          |
| New York Mortgage Securitization Trust, Series 2013-1, Class A, 5.44%, 8/27/24 (a)(b)                                |     | 5,000 |    | 5,025,000          |
| Talisman Finance PLC, Series 6, Class A, 0.13%, 10/22/16 (a)   | EUR | 136   |    | 148,013            |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class AJ, 5.95%, 2/15/51 (a)(c)                            | USD | 6,000 |    | 6,146,303          |
|  |     |       |    | 100,120,045        |
| <b>Total Non-Agency Mortgage-Backed Securities 42.3%</b>   |     |       |    | <b>307,556,157</b> |
| <b>Preferred Securities</b>  |     |       |    |                    |

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**Capital Trusts**

|  |       |           |
|--|-------|-----------|
| <b>Banks 4.5%</b>                                      |       |           |
| BNP Paribas SA, 7.20% (a)(b)(g)                        | 7,500 | 8,587,500 |
| Capital One Financial Corp., Series E, 5.55% (a)(c)(g) | 3,500 | 3,506,562 |
| Fifth Third Bancorp, Series J, 4.90% (a)(c)(g)         | 3,000 | 2,835,000 |
| HSBC Holdings PLC, 6.38% (a)(c)(g)                     | 3,700 | 3,653,750 |
| Lloyds Bank PLC, 12.00% (a)(b)(c)(g)                   | 3,500 | 5,005,000 |
| Wells Fargo & Co., Series S, 5.90% (a)(c)(g)           | 8,800 | 9,020,000 |

32,607,812

**Capital Markets 2.1%**

|  |       |           |
|--|-------|-----------|
| Bank of New York Mellon Corp., Series D, 4.50% (a)(c)(g) | 6,067 | 5,642,310 |
| Credit Suisse Group AG (a)(b)(c)(g)<br>6.25%             | 1,035 | 1,027,977 |
| 7.50%  | 2,851 | 3,009,772 |
| Morgan Stanley, Series H, 5.45% (a)(c)(g)                | 3,644 | 3,584,785 |
| State Street Corp., Series F, 5.25% (a)(c)(g)            | 1,875 | 1,881,750 |

15,146,594

**Diversified Financial Services 6.1%**

|  |        |            |
|--|--------|------------|
| Bank of America Corp., (a)(c)(g)<br>Series AA, 6.10%   | 2,865  | 2,897,231  |
| Series U, 5.20%  | 1,750  | 1,655,390  |
| Series X, 6.25%  | 4,425  | 4,487,171  |
| Citigroup, Inc., (a)(c)(g)<br>5.90%                    | 2,250  | 2,238,750  |
| Series D, 5.95%  | 3,700  | 3,570,500  |
| General Electric Capital Corp., Series B, 6.25% (a)(g) | 5,000  | 5,573,000  |
| JPMorgan Chase & Co., (a)(c)(g)<br>Series Q, 5.15%     | 5,500  | 5,293,750  |
| Series V, 5.00%  | 2,500  | 2,465,000  |
| Macquarie Bank Ltd., 10.25%, 6/20/57 (a)               | 10,000 | 10,662,410 |
| Societe Generale SA, 6.00% (a)(b)(c)(g)                | 5,540  | 5,263,000  |

44,106,202

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

|  | Par       |               | Value         |
|--|-----------|---------------|---------------|
|  | (000)     |               |               |
| <b>Capital Trusts</b>  |           |               |               |
| <b>Electric Utilities 1.0%</b>   |           |               |               |
| Electricite de France SA, 5.25% (a)(b)(c)(g)                                       | USD 7,500 |               | \$ 7,462,500  |
| <b>Insurance 3.8%</b>  |           |               |               |
| Allstate Corp, 5.75%, 8/15/53 (a)(c)   | 2,000     |               | 2,082,500     |
| Liberty Mutual Group, Inc., 7.80%, 3/07/87 (b)(c)                                  | 14,000    |               | 16,415,000    |
| Metlife, Inc., 5.25% (a)(c)(g)   | 1,900     |               | 1,917,813     |
| Prudential Financial, Inc.,<br>5.63%, 6/15/43 (a)(c)                               | 6,000     |               | 6,279,000     |
| Voya Financial, Inc.,<br>5.65%, 5/15/53 (a)(c)                                     | 1,090     |               | 1,103,625     |
|  |           |               | 27,797,938    |
| <b>Oil, Gas &amp; Consumable Fuels 0.5%</b>  |           |               |               |
| Enterprise Products Operating LLC, Series A, 8.38%, 8/01/66 (a)(c)                 | 3,248     |               | 3,191,160     |
| <b>Real Estate Investment Trusts (REITs) 1.7%</b>                                  |           |               |               |
| Firststar Realty LLC, 8.88% (b)(g)   | 10,000    |               | 12,443,750    |
| <b>Total Capital Trusts 19.7%</b>  |           |               | 142,755,956   |
|  |           |               |               |
| <b>Preferred Stocks</b>  |           | <b>Shares</b> |               |
| <b>Aerospace &amp; Defense 0.3%</b>  |           |               |               |
| United Technologies Corp., 7.50%   | 25,650    |               | 2,524,217     |
| <b>Capital Markets 1.8%</b>  |           |               |               |
| Goldman Sachs Group, Inc., Series J, 5.50% (a)(g)                                  | 395,017   |               | 9,831,973     |
| Morgan Stanley, 6.88% (a)(g)   | 100,000   |               | 2,705,000     |
| SCE Trust III, 5.75% (a)(g)  | 23,730    |               | 660,881       |
|  |           |               | 13,197,854    |
| <b>Diversified Financial Services 0.3%</b>   |           |               |               |
| Citigroup, Inc., Series K, 6.88% (a)(g)  | 75,000    |               | 2,065,500     |
|  |           |               |               |
| <b>Preferred Stocks</b>  |           | <b>Shares</b> | <b>Value</b>  |
| <b>Real Estate Investment Trusts (REITs) 0.3%</b>                                  |           |               |               |
| SunTrust Real Estate Investment Corp.,<br>9.00% (b)(g)                             | 15        | \$            | 1,833,459     |
| <b>Total Preferred Stocks 2.7%</b>   |           |               | 19,621,030    |
| <b>Total Preferred Securities 22.4%</b>  |           |               | 162,376,986   |
| <b>Total Long-Term Investments<br/>(Cost \$1,212,611,579) 166.4%</b>               |           |               | 1,209,221,814 |
|  |           |               |               |
| <b>Short-Term Securities 0.9%</b>  |           |               |               |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.10% (k)(l)             | 6,140,532 |               | 6,140,532     |
| <b>Total Short-Term Securities<br/>(Cost \$6,140,532) 0.9%</b>                     |           |               | 6,140,532     |
| <b>Options Purchased<br/>(Cost \$138,816) 0.0%</b>                                 |           |               | 133,129       |
| <b>Total Investments Before Options Written<br/>(Cost \$1,218,890,927) 167.3%</b>  |           |               | 1,215,495,475 |
| <b>Options Written<br/>(Premiums Received \$112,509) (0.0)%</b>                    |           |               | (105,670)     |
| <b>Total Investments, Net of Options Written<br/>(Cost \$1,218,778,418) 167.3%</b> |           |               | 1,215,389,805 |
| <b>Liabilities in Excess of Other Assets (67.3)%</b>                               |           |               | (488,958,131) |
|  |           |               |               |
| <b>Net Assets 100.0%</b>   |           | \$            | 726,431,674   |

Notes to Schedule of Investments

- (a) Variable rate security. Rate shown is as of report date.
- (b) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (c) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (d) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (e) Zero-coupon bond.
- (f) Amount is less than \$500.
- (g) Security is perpetual in nature and has no stated maturity date.
- (h) When-issued security.
- (i) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (j) Security is eligible to receive residual cash flows.
- (k) During the year ended October 31, 2015, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2014 | Net<br>Activity | Shares Held<br>at October 31,<br>2015 | Income    |
|--|---------------------------------------|-----------------|---------------------------------------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 18,823,385                            | (12,682,853)    | 6,140,532                             | \$ 23,186 |

- (l) Represents the current yield as of report date.

For Trust compliance purposes, the Trust'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 the investment advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

As of period end, reverse repurchase agreements outstanding were as follows:

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| Barclays Bank PLC              | 0.45%         | 5/07/14    | Open                       | \$ 2,528,000 | \$ 2,545,159                          |
| Barclays Bank PLC              | 0.55%         | 5/07/14    | Open                       | 3,248,000    | 3,274,945                             |
| UBS Securities LLC             | 0.40%         | 5/13/14    | Open                       | 5,061,000    | 5,091,141                             |
| UBS Securities LLC             | 0.45%         | 5/13/14    | Open                       | 7,397,000    | 7,446,560                             |
| UBS Securities LLC             | 0.50%         | 5/13/14    | Open                       | 7,707,000    | 7,764,374                             |
| Barclays Bank PLC              | 0.40%         | 5/14/14    | Open                       | 5,942,000    | 5,994,983                             |
| Barclays Bank PLC              | 0.45%         | 5/14/14    | Open                       | 5,189,000    | 5,227,557                             |
| Barclays Bank PLC              | 0.60%         | 6/16/14    | Open                       | 2,038,000    | 2,055,051                             |
| Barclays Bank PLC              | 0.60%         | 10/29/14   | Open                       | 1,001,000    | 1,010,930                             |
| Barclays Bank PLC              | 0.60%         | 10/29/14   | Open                       | 781,000      | 797,905                               |
| Barclays Bank PLC              | 0.75%         | 10/29/14   | Open                       | 4,813,000    | 4,823,705                             |
| UBS Securities LLC             | 0.55%         | 12/09/14   | Open                       | 4,770,000    | 4,793,757                             |
| UBS Securities LLC             | 0.55%         | 12/09/14   | Open                       | 4,700,000    | 4,723,409                             |
| UBS Securities LLC             | 0.55%         | 12/09/14   | Open                       | 4,290,000    | 4,311,367                             |
| Barclays Bank PLC              | 0.95%         | 12/17/14   | Open                       | 2,291,000    | 2,310,165                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 12/17/14   | Open                       | 1,829,000    | 1,838,694                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 12/17/14   | Open                       | 1,602,000    | 1,610,491                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 12/17/14   | Open                       | 1,504,000    | 1,511,971                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 12/17/14   | Open                       | 475,000      | 477,517                               |
| UBS Securities LLC             | 0.38%         | 12/17/14   | Open                       | 287,219      | 288,186                               |
| UBS Securities LLC             | 0.38%         | 12/17/14   | Open                       | 8,558,000    | 8,586,817                             |
| UBS Securities LLC             | 0.55%         | 12/17/14   | Open                       | 10,075,000   | 10,123,794                            |
| UBS Securities LLC             | 0.65%         | 12/17/14   | Open                       | 2,628,750    | 2,643,796                             |
| Deutsche Bank Securities, Inc. | 0.50%         | 12/18/14   | Open                       | 786,000      | 789,461                               |
| UBS Securities LLC             | 0.60%         | 3/02/15    | Open                       | 1,456,000    | 1,461,897                             |
| UBS Securities LLC             | 0.55%         | 4/08/15    | Open                       | 3,454,875    | 3,465,748                             |
| UBS Ltd.                       | 0.70%         | 4/16/15    | Open                       | 1,792,500    | 1,799,401                             |
| UBS Ltd.                       | 0.75%         | 4/16/15    | Open                       | 1,230,000    | 1,235,074                             |
| UBS Securities LLC             | 0.55%         | 4/16/15    | Open                       | 4,165,031    | 4,177,694                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/06/15    | Open                       | 1,181,556    | 1,185,081                             |
| Deutsche Bank Securities, Inc. | 0.70%         | 5/21/15    | Open                       | 2,568,000    | 2,576,189                             |
| Deutsche Bank Securities, Inc. | 0.50%         | 6/02/15    | Open                       | 1,976,000    | 1,980,144                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,461,000    | 2,467,194                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,571,000    | 2,577,470                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 300,000      | 300,755                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 943,000      | 945,373                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,253,000    | 2,258,670                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,649,000    | 2,655,667                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 1,578,000    | 1,581,971                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 4,728,000    | 4,739,899                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,192,000    | 2,197,517                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,683,000    | 2,689,752                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 1,512,000    | 1,515,805                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 3,221,000    | 3,229,106                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,826,000    | 2,833,112                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 189,000      | 189,476                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 560,000      | 561,409                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 722,000      | 723,817                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 6/02/15    | Open                       | 2,288,000    | 2,293,758                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 6/03/15    | Open                       | 1,710,000    | 1,715,379                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 6/03/15    | Open                       | 1,706,000    | 1,711,367                             |
| UBS Ltd.                       | 0.80%         | 6/03/15    | Open                       | 158,000      | 158,527                               |
| UBS Ltd.                       | 0.85%         | 6/03/15    | Open                       | 920,000      | 923,258                               |
| UBS Ltd.                       | 0.85%         | 6/03/15    | Open                       | 232,500      | 233,323                               |
| BNP Paribas Securities Corp.   | 0.42%         | 6/10/15    | Open                       | 688,000      | 689,101                               |

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|                                    |       |         |      |           |           |
|------------------------------------|-------|---------|------|-----------|-----------|
| BNP Paribas Securities Corp.       | 0.42% | 6/10/15 | Open | 7,322,000 | 7,333,721 |
| BNP Paribas Securities Corp.       | 0.42% | 6/10/15 | Open | 302,000   | 302,483   |
| HSBC Securities (USA), Inc.        | 0.40% | 6/10/15 | Open | 2,906,000 | 2,910,617 |
| RBC Capital Markets LLC            | 0.39% | 6/10/15 | Open | 482,000   | 482,747   |
| Deutsche Bank Securities, Inc.     | 0.85% | 6/24/15 | Open | 2,364,949 | 2,372,152 |
| UBS Securities LLC                 | 0.85% | 6/26/15 | Open | 2,151,500 | 2,157,850 |
| Barclays Bank PLC                  | 0.65% | 6/30/15 | Open | 1,404,625 | 1,407,744 |
| Credit Suisse Securities (USA) LLC | 0.40% | 7/01/15 | Open | 815,198   | 816,312   |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

As of period end, reverse repurchase agreements outstanding were as follows (continued):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.40%         | 7/01/15    | Open                       | \$ 1,511,400 | \$ 1,513,466                          |
| UBS Ltd.                           | 0.70%         | 7/01/15    | Open                       | 5,097,413    | 5,109,505                             |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 451,000      | 451,601                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 954,000      | 955,272                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 658,000      | 658,877                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 927,000      | 928,236                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 1,117,000    | 1,118,489                             |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 769,000      | 770,025                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 163,000      | 163,217                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 511,000      | 511,681                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 947,000      | 948,263                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 864,000      | 865,152                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 900,000      | 901,200                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 771,000      | 772,028                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 229,000      | 229,305                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 1,042,000    | 1,043,389                             |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 651,000      | 651,868                               |
| Barclays Bank PLC                  | 0.60%         | 8/12/15    | Open                       | 762,000      | 763,016                               |
| Barclays Bank PLC                  | 0.65%         | 8/12/15    | Open                       | 1,708,000    | 1,710,467                             |
| Barclays Bank PLC                  | 0.65%         | 8/12/15    | Open                       | 911,000      | 912,316                               |
| Barclays Bank PLC                  | 0.65%         | 8/12/15    | Open                       | 742,000      | 743,072                               |
| BNP Paribas Securities Corp.       | 0.71%         | 8/12/15    | Open                       | 6,806,000    | 6,814,621                             |
| BNP Paribas Securities Corp.       | 0.71%         | 8/12/15    | Open                       | 692,000      | 693,000                               |
| BNP Paribas Securities Corp.       | 0.71%         | 8/12/15    | Open                       | 6,366,000    | 6,374,064                             |
| BNP Paribas Securities Corp.       | 0.71%         | 8/12/15    | Open                       | 317,000      | 317,444                               |
| BNP Paribas Securities Corp.       | 0.71%         | 8/12/15    | Open                       | 3,532,000    | 3,536,945                             |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/12/15    | Open                       | 581,025      | 581,864                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/12/15    | Open                       | 769,775      | 770,887                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/12/15    | Open                       | 793,244      | 794,390                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 1,825,000    | 1,828,042                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 2,869,000    | 2,873,782                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 769,000      | 770,282                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 180,000      | 180,300                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 270,000      | 270,450                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 77,000       | 77,128                                |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 639,000      | 640,065                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 1,235,000    | 1,237,058                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 2,845,000    | 2,849,742                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 910,000      | 911,517                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 252,000      | 252,420                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 1,379,000    | 1,381,298                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 50,000       | 50,083                                |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 597,000      | 597,995                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 228,000      | 228,380                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 891,000      | 892,485                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 349,000      | 349,582                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 87,000       | 87,145                                |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 5,100,000    | 5,108,500                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 2,920,000    | 2,924,867                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 95,000       | 95,158                                |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 1,244,000    | 1,246,073                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 2,429,000    | 2,433,048                             |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 830,000      | 831,383                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 646,000      | 647,077                               |
| Deutsche Bank Securities, Inc.     | 0.75%         | 8/12/15    | Open                       | 625,000      | 626,042                               |

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|                                |       |         |      |           |           |
|--------------------------------|-------|---------|------|-----------|-----------|
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 666,000   | 667,110   |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 700,000   | 701,167   |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 353,000   | 353,588   |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 1,102,000 | 1,103,837 |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 2,349,000 | 2,352,915 |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 911,000   | 912,518   |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 1,313,000 | 1,315,188 |
| Deutsche Bank Securities, Inc. | 0.75% | 8/12/15 | Open | 2,954,000 | 2,958,923 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

As of period end, reverse repurchase agreements outstanding were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | \$ 1,763,000 | \$ 1,765,938                          |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 3,279,000    | 3,284,465                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 196,000      | 196,327                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 1,012,000    | 1,013,687                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 162,000      | 162,270                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 2,608,000    | 2,612,347                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 125,000      | 125,208                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 70,000       | 70,117                                |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 243,000      | 243,405                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 1,402,000    | 1,404,337                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 3,709,000    | 3,715,182                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 1,145,000    | 1,146,908                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 588,000      | 588,980                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 2,000,000    | 2,003,333                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 158,000      | 158,263                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 374,000      | 374,623                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 963,000      | 964,605                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 304,000      | 304,507                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 650,000      | 651,083                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 156,000      | 156,260                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 864,000      | 865,440                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 650,000      | 651,083                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 1,856,000    | 1,859,093                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 104,000      | 104,173                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 611,000      | 612,018                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 150,000      | 150,250                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 2,043,000    | 2,046,405                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 258,000      | 258,430                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 2,003,000    | 2,006,338                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 135,000      | 135,225                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 745,000      | 746,242                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 1,356,000    | 1,358,260                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 369,000      | 369,615                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 726,000      | 727,210                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 581,000      | 581,968                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 294,000      | 294,490                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/12/15    | Open                       | 317,000      | 317,528                               |
| RBC Capital Markets LLC        | 0.65%         | 8/12/15    | Open                       | 2,075,000    | 2,077,997                             |
| RBC Capital Markets LLC        | 0.75%         | 8/12/15    | Open                       | 149,919      | 150,169                               |
| UBS Securities LLC             | 0.50%         | 8/12/15    | Open                       | 6,125,000    | 6,131,806                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 2,577,000    | 2,580,150                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 8,131,000    | 8,140,938                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 4,699,000    | 4,704,743                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 4,219,000    | 4,224,157                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 8,936,000    | 8,946,922                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 10,165,000   | 10,177,424                            |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 5,821,000    | 5,828,115                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 5,320,000    | 5,326,502                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 4,620,000    | 4,625,647                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 6,982,000    | 6,990,534                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 4,531,000    | 4,536,538                             |
| UBS Securities LLC             | 0.55%         | 8/12/15    | Open                       | 1,862,000    | 1,864,276                             |
| UBS Securities LLC             | 0.65%         | 8/12/15    | Open                       | 500,000      | 500,722                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/24/15    | Open                       | 282,425      | 282,831                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 8/24/15    | Open                       | 931,950      | 933,290                               |

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|                                |       |          |      |            |            |
|--------------------------------|-------|----------|------|------------|------------|
| UBS Ltd.                       | 0.80% | 9/08/15  | Open | 343,943    | 344,348    |
| UBS Securities LLC             | 0.65% | 9/21/15  | Open | 1,208,291  | 1,209,164  |
| UBS Securities LLC             | 0.65% | 9/21/15  | Open | 2,125,000  | 2,126,535  |
| UBS Securities LLC             | 0.65% | 9/21/15  | Open | 2,400,350  | 2,402,084  |
| UBS Securities LLC             | 0.65% | 9/21/15  | Open | 14,805,000 | 14,815,692 |
| UBS Securities LLC             | 0.65% | 9/21/15  | Open | 5,842,850  | 5,847,070  |
| Deutsche Bank Securities, Inc. | 0.75% | 9/22/15  | Open | 248,000    | 248,207    |
| Deutsche Bank Securities, Inc. | 0.75% | 10/01/15 | Open | 321,000    | 321,201    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

As of period end, reverse repurchase agreements outstanding were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value     | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|----------------|---------------------------------------|
| Deutsche Bank Securities, Inc. | 0.75%         | 10/05/15   | Open                       | \$ 1,052,000   | \$ 1,052,592                          |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/05/15   | Open                       | 1,327,000      | 1,327,746                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/06/15   | Open                       | 299,000        | 299,162                               |
| JPMorgan Securities LLC        | 1.45%         | 10/07/15   | 11/06/15                   | 2,556,000      | 2,558,464                             |
| JPMorgan Securities LLC        | 1.45%         | 10/07/15   | 11/06/15                   | 5,051,000      | 5,055,869                             |
| BNP Paribas Securities Corp.   | 1.10%         | 10/07/15   | 11/09/15                   | 6,854,000      | 6,859,008                             |
| BNP Paribas Securities Corp.   | 1.20%         | 10/07/15   | 11/09/15                   | 2,352,000      | 2,353,875                             |
| RBC Capital Markets LLC        | 1.54%         | 10/07/15   | 11/09/15                   | 2,076,000      | 2,078,131                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/07/15   | Open                       | 204,000        | 204,106                               |
| Barclays Bank PLC              | 1.70%         | 10/08/15   | 11/09/15                   | 18,002,908     | 18,023,257                            |
| BNP Paribas Securities Corp.   | 1.20%         | 10/08/15   | 11/09/15                   | 21,112,000     | 21,128,133                            |
| UBS Securities LLC             | 0.50%         | 10/09/15   | Open                       | 5,060,000      | 5,061,335                             |
| UBS Securities LLC             | 0.60%         | 10/09/15   | Open                       | 3,605,000      | 3,606,142                             |
| UBS Securities LLC             | 0.60%         | 10/09/15   | Open                       | 3,068,303      | 3,069,274                             |
| UBS Securities LLC             | 0.75%         | 10/09/15   | Open                       | 3,136,875      | 3,138,117                             |
| UBS Securities LLC             | 0.75%         | 10/09/15   | Open                       | 3,191,250      | 3,192,513                             |
| UBS Securities LLC             | 0.75%         | 10/09/15   | Open                       | 2,862,120      | 2,863,253                             |
| UBS Securities LLC             | 0.75%         | 10/09/15   | Open                       | 2,750,753      | 2,751,841                             |
| Barclays Bank PLC              | 1.70%         | 10/13/15   | 11/13/15                   | 8,348,534      | 8,356,006                             |
| Morgan Stanley Co., Inc.       | 1.25%         | 10/13/15   | 11/13/15                   | 5,383,900      | 5,387,452                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/14/15   | Open                       | 2,556,493      | 2,557,452                             |
| RBC Capital Markets LLC        | 1.55%         | 10/20/15   | 11/23/15                   | 4,577,000      | 4,579,168                             |
| RBC Capital Markets LLC        | 0.39%         | 10/23/15   | Open                       | 244,000        | 244,013                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/29/15   | Open                       | 313,919        | 313,932                               |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/29/15   | Open                       | 1,039,043      | 1,039,086                             |
| Deutsche Bank Securities, Inc. | 0.75%         | 10/29/15   | Open                       | 408,645        | 408,665                               |
| RBC Capital Markets LLC        | 0.39%         | 10/30/15   | Open                       | 445,000        | 445,000                               |
| RBC Capital Markets LLC        | 0.39%         | 10/30/15   | Open                       | 486,000        | 486,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 750,000        | 750,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 387,000        | 387,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 380,000        | 380,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 383,000        | 383,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 489,000        | 489,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 769,000        | 769,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 761,000        | 761,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 791,000        | 791,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 558,000        | 558,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 608,000        | 608,000                               |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 1,139,000      | 1,139,000                             |
| RBC Capital Markets LLC        | 0.70%         | 10/30/15   | Open                       | 621,000        | 621,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 502,000        | 502,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 827,000        | 827,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 624,000        | 624,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 752,000        | 752,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 417,000        | 417,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 1,073,000      | 1,073,000                             |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 630,000        | 630,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 381,000        | 381,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 2,003,000      | 2,003,000                             |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 453,000        | 453,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 480,000        | 480,000                               |
| RBC Capital Markets LLC        | 0.75%         | 10/30/15   | Open                       | 515,000        | 515,000                               |
| <b>Total</b>                   |               |            |                            | \$ 509,242,031 | \$ 510,352,370                        |

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<sup>1</sup> Certain agreements have no started maturity and can be terminated by either party at any time.

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## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

## Derivative Financial Instruments Outstanding as of Period End

## Financial Futures Contracts

| Contracts    | Issue                      | Expiration    | Notional Value | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------|----------------------------|---------------|----------------|--|
| Short        |                            |               |                |  |
| (197)        | 2-Year U.S. Treasury Note  | December 2015 | USD 43,075,281 | \$ 1,903                                     |
| (207)        | 5-Year U.S. Treasury Note  | December 2015 | USD 24,793,102 | 7,818  |
| (323)        | 10-Year U.S. Treasury Note | December 2015 | USD 41,243,063 | 76,853                                       |
| (7)          | 90-Day Euro-Dollar         | December 2015 | USD 1,742,912  | (1,322)                                      |
| (10)         | Euro BOBL Futures          | December 2015 | USD 1,423,167  | (8,917)                                      |
| (5)          | 90-Day Euro-Dollar         | December 2016 | USD 1,237,375  | (1,944)                                      |
| (2)          | 90-Day Euro-Dollar         | March 2017    | USD 494,250    | 622  |
| <b>Total</b> |                            |               |                | \$ 75,013                                    |

## Forward Foreign Currency Exchange Contracts

| Currency<br>Purchased | Currency<br>Sold | Counterparty                           | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|--|--------------------|--|
| USD 1,178,800         | EUR 1,032,000    | Deutsche Bank AG                       | 11/02/15           | \$ 43,961                                    |
| USD 1,150,922         | EUR 1,006,000    | JPMorgan Chase Bank N.A.               | 11/02/15           | 44,674                                       |
| BRL 256,791           | USD 65,600       | Deutsche Bank AG                       | 11/04/15           | 986  |
| BRL 321,358           | USD 83,277       | Goldman Sachs International            | 11/04/15           | 51   |
| BRL 1,906,345         | USD 494,013      | Goldman Sachs International            | 11/04/15           | 301  |
| BRL 260,766           | USD 67,575       | Goldman Sachs International            | 11/04/15           | 41   |
| BRL 260,806           | USD 67,585       | Goldman Sachs International            | 11/04/15           | 41   |
| BRL 1,075,526         | USD 278,713      | Goldman Sachs International            | 11/04/15           | 170  |
| BRL 181,992           | USD 46,933       | Goldman Sachs International            | 11/04/15           | 257  |
| BRL 3,497,590         | USD 894,067      | Goldman Sachs International            | 11/04/15           | 12,855                                       |
| BRL 261,756           | USD 66,000       | Goldman Sachs International            | 11/04/15           | 1,873  |
| BRL 297,950           | USD 77,211       | Royal Bank of Scotland PLC             | 11/04/15           | 47   |
| BRL 133,467           | USD 34,587       | Royal Bank of Scotland PLC             | 11/04/15           | 21   |
| GBP 1,684,000         | USD 2,604,920    | Goldman Sachs International            | 11/04/15           | (8,884)                                      |
| MXN 8,120,280         | USD 490,000      | Goldman Sachs International            | 11/04/15           | 1,608  |
| MXN 4,574,712         | USD 278,000      | Goldman Sachs International            | 11/04/15           | (1,043)                                      |
| MXN 1,341,475         | USD 82,000       | UBS AG                                 | 11/04/15           | (786)  |
| USD 66,545            | BRL 256,791      | Deutsche Bank AG                       | 11/04/15           | (41)   |
| USD 82,000            | BRL 321,358      | Goldman Sachs International            | 11/04/15           | (1,328)                                      |
| USD 66,000            | BRL 260,766      | Goldman Sachs International            | 11/04/15           | (1,616)                                      |
| USD 66,000            | BRL 260,806      | Goldman Sachs International            | 11/04/15           | (1,627)                                      |
| USD 67,832            | BRL 261,756      | Goldman Sachs International            | 11/04/15           | (41)   |
| USD 47,162            | BRL 181,992      | Goldman Sachs International            | 11/04/15           | (29)   |
| USD 906,370           | BRL 3,497,590    | Goldman Sachs International            | 11/04/15           | (552)  |
| USD 490,000           | BRL 1,906,345    | Goldman Sachs International            | 11/04/15           | (4,314)                                      |
| USD 278,000           | BRL 1,075,526    | Goldman Sachs International            | 11/04/15           | (883)  |
| USD 73,000            | BRL 297,950      | Royal Bank of Scotland PLC             | 11/04/15           | (4,258)                                      |
| USD 34,000            | BRL 133,467      | Royal Bank of Scotland PLC             | 11/04/15           | (608)  |
| USD 3,887,409         | EUR 3,421,000    | Barclays Bank PLC                      | 11/04/15           | 125,461                                      |
| USD 4,434,376         | GBP 2,881,000    | Citibank N.A.                          | 11/04/15           | (6,943)                                      |
| USD 33,260,631        | GBP 21,848,000   | Morgan Stanley & Co. International PLC | 11/04/15           | (420,012)                                    |
| USD 82,000            | MXN 1,352,738    | Goldman Sachs International            | 11/04/15           | 104  |
| TRY 1,362,102         | USD 470,000      | Royal Bank of Scotland PLC             | 11/06/15           | (3,349)                                      |
| USD 311,947           | EUR 281,771      | Citibank N.A.                          | 11/06/15           | 2,086  |

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|     |           |     |           |  |          |       |
|-----|-----------|-----|-----------|--|----------|-------|
| USD | 248,800   | ZAR | 3,374,873 | Morgan Stanley & Co. International PLC | 11/10/15 | 5,222 |
| USD | 35,000    | ZAR | 484,063   | UBS AG                                 | 11/10/15 | 63    |
| ZAR | 490,552   | USD | 35,500    | Citibank N.A.                          | 11/10/15 | (95)  |
| ZAR | 1,109,671 | USD | 81,000    | Citibank N.A.                          | 11/10/15 | (910) |
| ZAR | 982,599   | USD | 71,000    | Goldman Sachs International            | 11/10/15 | (82)  |
| ZAR | 490,481   | USD | 35,500    | UBS AG                                 | 11/10/15 | (100) |
| MXN | 2,945,664 | USD | 178,000   | Bank of America N.A.                   | 11/12/15 | 231   |
| MXN | 280,222   | USD | 17,000    | BNP Paribas S.A.                       | 11/12/15 | (45)  |
| TRY | 191,534   | USD | 66,000    | Goldman Sachs International            | 11/12/15 | (498) |
| USD | 68,000    | MXN | 1,129,970 | Deutsche Bank AG                       | 11/12/15 | (370) |
| USD | 66,000    | TRY | 194,103   | BNP Paribas S.A.                       | 11/12/15 | (381) |

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

## Forward Foreign Currency Exchange Contracts (continued)

| Currency Purchased |               | Currency Sold |               | Counterparty                           | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|---------------|---------------|--|-----------------|--|
| CLP                | 43,848,350    | USD           | 65,000        | Credit Suisse International            | 11/16/15        | \$ (1,674)                             |
| CLP                | 44,013,450    | USD           | 65,000        | Credit Suisse International            | 11/16/15        | (1,436)                                |
| IDR                | 2,263,255,000 | USD           | 163,000       | Morgan Stanley & Co. International PLC | 11/16/15        | 1,631                                  |
| TRY                | 485,529       | USD           | 166,763       | BNP Paribas S.A.                       | 11/16/15        | (912)                                  |
| TWD                | 2,648,600     | USD           | 82,000        | BNP Paribas S.A.                       | 11/16/15        | (436)                                  |
| USD                | 65,000        | CLP           | 44,335,850    | Credit Suisse International            | 11/16/15        | 970                                    |
| USD                | 65,000        | CLP           | 44,686,850    | Credit Suisse International            | 11/16/15        | 463                                    |
| USD                | 1,075,026     | EUR           | 953,876       | Goldman Sachs International            | 11/16/15        | 25,930                                 |
| USD                | 163,000       | IDR           | 2,234,730,000 | Deutsche Bank AG                       | 11/16/15        | 444                                    |
| USD                | 67,000        | TRY           | 195,988       | BNP Paribas S.A.                       | 11/16/15        | 53                                     |
| USD                | 67,000        | TRY           | 196,464       | BNP Paribas S.A.                       | 11/16/15        | (110)                                  |
| USD                | 65,525        | TRY           | 191,642       | BNP Paribas S.A.                       | 11/16/15        | 63                                     |
| USD                | 82,000        | TWD           | 2,622,196     | Standard Chartered Bank                | 11/16/15        | 1,249                                  |
| AUD                | 2,530,000     | NZD           | 2,693,484     | Goldman Sachs International            | 11/18/15        | (19,133)                               |
| GBP                | 1,217,822     | EUR           | 1,640,000     | State Street Bank and Trust Co.        | 11/18/15        | 73,462                                 |
| GBP                | 2,390,000     | SEK           | 29,931,408    | Goldman Sachs International            | 11/18/15        | 179,594                                |
| SEK                | 29,483,243    | GBP           | 2,390,000     | Citibank N.A.                          | 11/18/15        | (232,066)                              |
| KRW                | 74,642,700    | USD           | 66,000        | HSBC Bank PLC                          | 11/19/15        | (657)                                  |
| KRW                | 56,627,686    | USD           | 50,042        | JPMorgan Chase Bank N.A.               | 11/19/15        | (470)                                  |
| USD                | 66,400        | KRW           | 74,965,600    | Bank of America N.A.                   | 11/19/15        | 775                                    |
| USD                | 16,600        | KRW           | 18,916,530    | BNP Paribas S.A.                       | 11/19/15        | 40                                     |
| USD                | 33,042        | KRW           | 37,355,791    | JPMorgan Chase Bank N.A.               | 11/19/15        | 341                                    |
| USD                | 71,500        | ZAR           | 949,502       | Goldman Sachs International            | 11/19/15        | 3,078                                  |
| USD                | 71,500        | ZAR           | 945,194       | JPMorgan Chase Bank N.A.               | 11/19/15        | 3,388                                  |
| ZAR                | 1,885,119     | USD           | 143,000       | Standard Chartered Bank                | 11/19/15        | (7,156)                                |
| USD                | 441,790       | MXN           | 7,277,823     | State Street Bank and Trust Co.        | 11/20/15        | 1,708                                  |
| USD                | 142,000       | KRW           | 162,519,000   | HSBC Bank PLC                          | 11/30/15        | (229)                                  |
| USD                | 894,067       | BRL           | 3,533,621     | Goldman Sachs International            | 12/02/15        | (13,419)                               |
| USD                | 60,000        | BRL           | 237,426       | Royal Bank of Scotland PLC             | 12/02/15        | (974)                                  |
| USD                | 3,739,641     | EUR           | 3,384,000     | Barclays Bank PLC                      | 12/03/15        | 17,037                                 |
| USD                | 35,377,002    | GBP           | 23,045,000    | Morgan Stanley & Co. International PLC | 12/03/15        | (142,701)                              |
| USD                | 264,475       | PLN           | 995,006       | Citibank N.A.                          | 12/04/15        | 7,252                                  |
| USD                | 956           | PLN           | 3,557         | Citibank N.A.                          | 12/04/15        | 36                                     |
| USD                | 240,605       | PLN           | 912,814       | Goldman Sachs International            | 12/04/15        | 4,629                                  |
| USD                | 134,951       | PLN           | 497,711       | Standard Chartered Bank                | 12/04/15        | 6,285                                  |
| USD                | 403,824       | PLN           | 1,500,990     | UBS AG                                 | 12/04/15        | 15,797                                 |
| RUB                | 2,209,000     | USD           | 32,726        | Citibank N.A.                          | 12/09/15        | 1,499                                  |
| RUB                | 5,981,072     | USD           | 87,443        | HSBC Bank PLC                          | 12/09/15        | 5,226                                  |
| RUB                | 5,906,000     | USD           | 84,263        | Morgan Stanley & Co. International PLC | 12/09/15        | 7,242                                  |
| USD                | 23,595        | RUB           | 1,625,837     | Deutsche Bank AG                       | 12/09/15        | (1,595)                                |
| USD                | 183,226       | RUB           | 12,852,559    | JPMorgan Chase Bank N.A.               | 12/09/15        | (15,907)                               |
| USD                | 22,176        | RUB           | 1,382,000     | Morgan Stanley & Co. International PLC | 12/09/15        | 765                                    |
| <b>Total</b>       |               |               |               |  |                 | <b>\$ (298,660)</b>                    |

## OTC Interest Rate Swaptions Purchased

| Description               | Counterparty     | Exercise Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Value    |
|---------------------------|------------------|-------------------|---------------|---------------------------|---------------------|-----------------|-----------------------|----------|
|                           |                  |                   |               |                           |                     |                 |                       |          |
| 2-Year Interest Rate Swap | Deutsche Bank AG | Call              | 1.92%         | Receive                   | KRW 3-month CD      | 11/09/16        | KRW 911,735           | \$ 5,448 |

## OTC Interest Rate Swaptions Written

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| Description               | Counterparty     | Exercise |       | Floating Rate             |                | Expiration Date | Notional Amount (000) | Value      |
|---------------------------|------------------|----------|-------|---------------------------|----------------|-----------------|-----------------------|------------|
|                           |                  | Put/Call | Rate  | Pay/Receive Exercise Rate | Index          |                 |                       |            |
| 2-Year Interest Rate Swap | Deutsche Bank AG | Call     | 1.63% | Pay                       | KRW 3-month CD | 11/09/16        | KRW 911,735           | \$ (1,004) |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

## OTC Options Purchased

| Description  | Put/<br>Call | Counterparty                | Expiration<br>Date | Strike<br>Price | Notional        |        | Value      |
|--------------|--------------|-----------------------------|--------------------|-----------------|-----------------|--------|------------|
|              |              |                             |                    |                 | Amount<br>(000) |        |            |
| USD Currency | Call         | HSBC Bank PLC               | 11/02/15           | KRW 1,195.00    | USD             | 213    |            |
| USD Currency | Call         | Deutsche Bank AG            | 11/25/15           | KRW 1,140.00    | USD             | 142    | \$ 1,761   |
| USD Currency | Call         | Goldman Sachs International | 11/27/15           | ZAR 14.40       | USD             | 70     | 489        |
| USD Currency | Put          | HSBC Bank PLC               | 11/06/15           | ZAR 13.25       | USD             | 54     | 32         |
| USD Currency | Put          | Goldman Sachs International | 11/12/15           | MXN 16.40       | USD             | 121    | 509        |
| USD Currency | Put          | HSBC Bank PLC               | 11/13/15           | TRY 2.88        | USD             | 209    | 554        |
| USD Currency | Put          | Deutsche Bank AG            | 11/27/15           | ZAR 13.50       | USD             | 157    | 941        |
| NZD Currency | Put          | Citibank N.A.               | 1/28/16            | JPY 78.25       | NZD             | 11,170 | 123,395    |
| <b>Total</b> |              |                             |                    |                 |                 |        | \$ 127,681 |

## OTC Options Written

| Description  | Put/<br>Call | Counterparty                | Strike<br>Price | Expiration<br>Date | Notional        |        | Value        |
|--------------|--------------|-----------------------------|-----------------|--------------------|-----------------|--------|--------------|
|              |              |                             |                 |                    | Amount<br>(000) |        |              |
| USD Currency | Call         | HSBC Bank PLC               | KRW 1,235.00    | 11/02/15           | USD             | 213    |              |
| USD Currency | Call         | HSBC Bank PLC               | ZAR 14.77       | 11/06/15           | USD             | 108    | \$ (34)      |
| USD Currency | Call         | HSBC Bank PLC               | BRL 3.60        | 11/09/15           | USD             | 73     | (5,735)      |
| USD Currency | Call         | Goldman Sachs International | MXN 17.00       | 11/12/15           | USD             | 121    | (215)        |
| USD Currency | Call         | HSBC Bank PLC               | TRY 3.00        | 11/13/15           | USD             | 209    | (1,246)      |
| USD Currency | Call         | Deutsche Bank AG            | ZAR 14.75       | 11/27/15           | USD             | 125    | (455)        |
| USD Currency | Put          | HSBC Bank PLC               | KRW 1,145.00    | 11/02/15           | USD             | 213    | (1,262)      |
| USD Currency | Put          | HSBC Bank PLC               | TRY 2.80        | 11/13/15           | USD             | 209    | (64)         |
| USD Currency | Put          | Deutsche Bank AG            | KRW 1,110.00    | 11/25/15           | USD             | 142    | (359)        |
| NZD Currency | Put          | Citibank N.A.               | JPY 72.51       | 1/28/16            | NZD             | 11,170 | (39,203)     |
| NZD Currency | Put          | Citibank N.A.               | JPY 74.28       | 1/28/16            | NZD             | 11,170 | (56,093)     |
| <b>Total</b> |              |                             |                 |                    |                 |        | \$ (104,666) |

## Centrally Cleared Interest Rate Swaps

| Fixed Rate         | Floating<br>Rate | Effective<br>Date | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------|------------------|-------------------|--------------------|-----------------------------|--|
| 2.13% <sup>1</sup> | 3-month LIBOR    | N/A               | 8/25/25            | USD 110                     | \$ 764                                       |
| 2.27% <sup>2</sup> | 3-month LIBOR    | N/A               | 9/11/25            | USD 68                      | (1,326)                                      |
| <b>Total</b>       |                  |                   |                    |                             | \$ (562)                                     |

<sup>1</sup> Trust receives the fixed rate and pays the floating rate.<sup>2</sup> Trust pays the fixed rate and receives the floating rate.

## OTC Credit Default Swaps Buy Protection

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Premiums

| Issuer/Index           | Pay<br>Fixed<br>Rate | Counterparty         | Expiration<br>Date | Notional<br>Amount |       | Paid     |            | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------|----------------------|----------------------|--------------------|--------------------|-------|----------|------------|--|
|                        |                      |                      |                    | USD                | (000) | Value    | (Received) |  |
| Federation of Malaysia | 1.00%                | Citibank N.A.        | 12/20/20           | USD                | 80    | \$ 3,813 | \$ 4,319   | \$ (506)                                     |
| Federation of Malaysia | 1.00%                | Citibank N.A.        | 12/20/20           | USD                | 90    | 4,289    | 4,977      | (688)  |
| Federation of Malaysia | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 104   | 4,967    | 5,483      | (516)  |
| Federation of Malaysia | 1.00%                | Bank of America N.A. | 12/20/20           | USD                | 113   | 5,374    | 6,278      | (904)  |
| Republic of Brazil     | 1.00%                | Deutsche Bank AG     | 12/20/20           | USD                | 80    | 11,962   | 12,312     | (350)  |
| Republic of Brazil     | 1.00%                | Deutsche Bank AG     | 12/20/20           | USD                | 134   | 20,036   | 19,740     | 296  |
| Republic of Brazil     | 1.00%                | Deutsche Bank AG     | 12/20/20           | USD                | 82    | 12,261   | 13,241     | (980)  |
| Republic of Brazil     | 1.00%                | Deutsche Bank AG     | 12/20/20           | USD                | 71    | 10,616   | 11,545     | (929)  |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 27    | 4,037    | 4,431      | (394)  |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 16    | 2,392    | 2,660      | (268)  |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 63    | 9,420    | 10,546     | (1,126)                                      |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 78    | 11,663   | 13,028     | (1,365)                                      |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 58    | 8,672    | 9,600      | (928)  |
| Republic of Brazil     | 1.00%                | Barclays Bank PLC    | 12/20/20           | USD                | 47    | 7,027    | 7,779      | (752)  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

## OTC Credit Default Swaps Buy Protection (continued)

| Issuer/Index             | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Premiums   |                 |  |
|--------------------------|----------------|-----------------------------|-----------------|-----------------------|------------|-----------------|--|
|                          |                |                             |                 |                       | Value      | Paid (Received) | Unrealized Appreciation (Depreciation) |
| Republic of Brazil       | 1.00%          | Citibank N.A.               | 12/20/20        | USD 245               | \$ 36,633  | \$ 37,241       | \$ (608)                               |
| Republic of Brazil       | 1.00%          | Bank of America N.A.        | 12/20/20        | USD 98                | 14,654     | 14,795          | (141)                                  |
| Republic of Brazil       | 1.00%          | Barclays Bank PLC           | 12/20/20        | USD 80                | 11,962     | 12,072          | (110)                                  |
| Republic of Brazil       | 1.00%          | Barclays Bank PLC           | 12/20/20        | USD 80                | 11,962     | 12,226          | (264)                                  |
| Republic of Brazil       | 1.00%          | Deutsche Bank AG            | 12/20/20        | USD 90                | 13,457     | 14,091          | (634)                                  |
| Republic of South Africa | 1.00%          | Citibank N.A.               | 12/20/20        | USD 80                | 5,810      | 5,489           | 321                                    |
| Republic of South Africa | 1.00%          | Citibank N.A.               | 12/20/20        | USD 80                | 5,810      | 5,595           | 215                                    |
| Republic of South Africa | 1.00%          | Barclays Bank PLC           | 12/20/20        | USD 80                | 5,810      | 5,542           | 268                                    |
| Republic of South Africa | 1.00%          | Barclays Bank PLC           | 12/20/20        | USD 240               | 17,465     | 16,081          | 1,384                                  |
| Republic of South Africa | 1.00%          | Bank of America N.A.        | 12/20/20        | USD 80                | 5,822      | 5,449           | 373                                    |
| Republic of South Africa | 1.00%          | Goldman Sachs International | 12/20/20        | USD 132               | 9,589      | 9,901           | (312)                                  |
| United Mexican States    | 1.00%          | Citibank N.A.               | 6/20/20         | USD 604               | 10,594     | 5,409           | 5,185                                  |
| United Mexican States    | 1.00%          | Bank of America N.A.        | 9/20/20         | USD 604               | 12,676     | 7,380           | 5,296                                  |
| <b>Total</b>             |                |                             |                 |                       | \$ 278,773 | \$ 277,210      | \$ 1,563                               |

## OTC Credit Default Swaps Sell Protection

| Issuer/Index   | Receive Fixed Rate | Counterparty                | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Premiums       |                 |  |
|--|--------------------|-----------------------------|-----------------|----------------------------|------------------------------------|----------------|-----------------|--|
|  |                    |                             |                 |                            |                                    | Value          | Paid (Received) | Unrealized Appreciation (Depreciation) |
| Dow Jones CDX North America Investment Grade, Series 9 | 5.00%              | Bank of America N.A.        | 12/20/17        | BBB-                       | USD 10,000                         | \$ 626,786     | \$ (369,856)    | \$ 996,642                             |
| Federation of Russia                                   | 1.00%              | Bank of America N.A.        | 12/20/20        | BB+                        | USD 240                            | (20,826)       | (21,011)        | 185                                    |
| Federation of Russia                                   | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 240                            | (20,826)       | (21,011)        | 185                                    |
| Federation of Russia                                   | 1.00%              | Bank of America N.A.        | 12/20/20        | BB+                        | USD 80                             | (6,942)        | (7,021)         | 79                                     |
| Federation of Russia                                   | 1.00%              | Goldman Sachs International | 12/20/20        | BB+                        | USD 132                            | (11,434)       | (12,123)        | 689                                    |
| Federation of Russia                                   | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 198                            | (17,158)       | (16,898)        | (260)                                  |
| Markit CMBX North America, Series 7                    | 3.00%              | Barclays Bank PLC           | 1/17/47         | BBB-                       | USD 10,000                         | (353,452)      | (554,548)       | 201,096                                |
| Markit CMBX North America, Series 7                    | 3.00%              | Barclays Bank PLC           | 1/17/47         | BBB-                       | USD 5,000                          | (176,726)      | (276,951)       | 100,225                                |
| Markit CMBX North America, Series 8                    | 3.00%              | Goldman Sachs International | 10/17/57        | BBB-                       | USD 10,000                         | (995,298)      | (1,123,048)     | 127,750                                |
| Republic of Indonesia                                  | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 48                             | (2,732)        | (2,301)         | (431)                                  |
| Republic of Indonesia                                  | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 48                             | (2,732)        | (2,343)         | (389)                                  |
| Republic of Indonesia                                  | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 48                             | (2,732)        | (2,383)         | (349)                                  |
| Republic of Indonesia                                  | 1.00%              | Barclays Bank PLC           | 12/20/20        | BB+                        | USD 44                             | (2,482)        | (2,262)         | (220)                                  |
| United Mexican States                                  | 1.00%              | Bank of America N.A.        | 6/20/20         | BBB+                       | USD 604                            | (10,594)       | (5,692)         | (4,902)                                |
| United Mexican States                                  | 1.00%              | Citibank N.A.               | 9/20/20         | BBB+                       | USD 604                            | (12,676)       | (6,998)         | (5,678)                                |
| <b>Total</b>   |                    |                             |                 |                            |                                    | \$ (1,009,824) | \$ (2,424,446)  | \$ 1,414,622                           |

<sup>1</sup> Using Standard & Poor's rating of the issuer or the underlying securities of the index, as applicable.<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

## OTC Interest Rate Swaps

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Premiums

| Fixed Rate         | Floating Rate    | Counterparty                           | Effective Date        | Expiration |      | Notional Amount<br>(000) | Value    | Paid       |                | Unrealized Appreciation<br>(Depreciation) |
|--------------------|------------------|--|-----------------------|------------|------|--------------------------|----------|------------|----------------|---|
|                    |                  |  |                       | Date       | Date |                          |          | (Received) | (Depreciation) |   |
| 1.67% <sup>1</sup> | 3-month KRWCD    | Bank of America N.A.                   | N/A                   | 6/08/17    | KRW  | 1,146,756                | \$ 1,684 | \$ 3       | \$ 1,681       |   |
| 2.34% <sup>1</sup> | 7-day CNRR       | Bank of America N.A.                   | N/A                   | 7/10/17    | CNY  | 17,030                   | 1,302    |            | 1,302          |   |
| 7.54% <sup>1</sup> | 3-month JIBAR    | Citibank N.A.                          | 8/25/16 <sup>2</sup>  | 8/25/17    | ZAR  | 14,135                   | 2,834    |            | 2,834          |   |
| 7.57% <sup>1</sup> | 3-month JIBAR    | Citibank N.A.                          | 8/26/16 <sup>2</sup>  | 8/26/17    | ZAR  | 7,940                    | 1,737    |            | 1,737          |   |
| 7.45% <sup>1</sup> | 3-month JIBAR    | Bank of America N.A.                   | 8/29/16 <sup>2</sup>  | 8/29/17    | ZAR  | 14,135                   | 1,933    |            | 1,933          |   |
| 7.48% <sup>1</sup> | 3-month JIBAR    | Bank of America N.A.                   | 8/29/16 <sup>2</sup>  | 8/29/17    | ZAR  | 9,690                    | 1,516    |            | 1,516          |   |
| 7.59% <sup>1</sup> | 3-month JIBAR    | Citibank N.A.                          | 9/05/16 <sup>2</sup>  | 9/05/17    | ZAR  | 6,190                    | 1,342    |            | 1,342          |   |
| 4.64% <sup>1</sup> | 1-month MXIBTIII | Goldman Sachs International            | 10/05/16 <sup>2</sup> | 10/04/17   | MXN  | 8,966                    | (251)    |            | (251)          |   |
| 4.65% <sup>1</sup> | 1-month MXIBTIII | Bank of America N.A.                   | 10/05/16 <sup>2</sup> | 10/04/17   | MXN  | 2,898                    | (73)     |            | (73)           |   |
| 4.55% <sup>3</sup> | 3-month KLIBOR   | Citibank N.A.                          | N/A                   | 9/11/20    | MYR  | 1,275                    | (3,905)  |            | (3,905)        |   |
| 4.34% <sup>3</sup> | 3-month KLIBOR   | Bank of America N.A.                   | N/A                   | 9/18/20    | MYR  | 1,277                    | (912)    | 9          | (921)          |   |
| 6.32% <sup>1</sup> | 1-month MXIBTIII | Morgan Stanley<br>Capital Services LLC | N/A                   | 7/17/25    | MXN  | 5,813                    | 1,670    | (30)       | 1,700          |   |
| 6.33% <sup>1</sup> | 1-month MXIBTIII | Citibank N.A.                          | N/A                   | 7/17/25    | MXN  | 2,897                    | 897      | (15)       | 912            |   |
| 6.32% <sup>1</sup> | 1-month MXIBTIII | Goldman Sachs International            | N/A                   | 8/06/25    | MXN  | 8,688                    | 2,316    | (43)       | 2,359          |   |
| 6.31% <sup>3</sup> | 1-month MXIBTIII | Deutsche Bank AG                       | N/A                   | 8/11/25    | MXN  | 6,393                    | (1,260)  |            | (1,260)        |   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

## OTC Interest Rate Swaps (continued)

| Fixed Rate         | Floating Rate   | Counterparty         | Effective Date | Expiration Date | Notional Amount (000) | Value     | Premiums        |  |
|--------------------|-----------------|----------------------|----------------|-----------------|-----------------------|-----------|-----------------|--|
|                    |                 |                      |                |                 |                       |           | Paid (Received) | Unrealized Appreciation (Depreciation) |
| 6.31% <sup>3</sup> | 1-month MXIBTIE | Bank of America N.A. | N/A            | 8/11/25         | MXN 1,723             | \$ (361)  | \$              | \$ (361)                               |
| 6.31% <sup>3</sup> | 1-month MXIBTIE | Bank of America N.A. | N/A            | 8/11/25         | MXN 1,723             | (361)     |                 | (361)                                  |
| <b>Total</b>       |                 |                      |                |                 |                       | \$ 10,108 | \$ (76)         | \$ 10,184                              |

<sup>1</sup> Trust pays the floating rate and receives the fixed rate.<sup>2</sup> Forward swap.<sup>3</sup> Trust pays the fixed rate and receives the floating rate.

## Transactions in Options Written for the Year Ended October 31, 2015

|  | Contracts | Calls                       |                   | Contracts | Puts                        |                   |
|--|-----------|-----------------------------|-------------------|-----------|-----------------------------|-------------------|
|  |           | Notional (000) <sup>1</sup> | Premiums Received |           | Notional (000) <sup>1</sup> | Premiums Received |
| Outstanding options, beginning of year |           |                             |                   | 40        |                             | \$ 5,938          |
| Options written                        | 49        | 923,068                     | \$ 51,419         | 30        | 24,535                      | 117,553           |
| Options exercised                      | (5)       | (408)                       | (2,000)           |           |                             |                   |
| Options expired                        |           | (408)                       | (4,080)           | (52)      | (978)                       | (14,439)          |
| Options closed                         | (44)      | (9,668)                     | (34,486)          | (18)      | (653)                       | (7,396)           |
| Outstanding options, end of year       |           | 912,584                     | \$ 10,853         |           | 22,904                      | \$ 101,656        |

<sup>1</sup> Amount shown is in the currency in which the transaction was denominated.

## Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

| Assets       | Derivative Financial Instruments            | Commodity Contracts | Credit Contracts | Equity Contracts | Foreign Currency Exchange Contracts | Interest Rate Contracts | Other Contracts | Total        |
|--------------|---|---------------------|------------------|------------------|-------------------------------------|-------------------------|-----------------|--------------|
|              | Financial futures contracts                 |                     |                  |                  |                                     | \$ 87,196               |                 | \$ 87,196    |
|              | Forward foreign currency exchange contracts |                     |                  |                  | \$ 599,010                          |                         |                 | 599,010      |
|              | Options purchased                           |                     |                  |                  | 127,681                             | 5,448                   |                 | 133,129      |
|              | Swaps OTC                                   |                     |                  |                  |                                     |                         |                 |              |
|              |   |                     |                  |                  |                                     |                         |                 |              |
|              | Swaps centrally cleared                     |                     | \$ 1,717,399     |                  |                                     | 17,328                  |                 | 1,734,727    |
|              |   |                     |                  |                  |                                     | 764                     |                 | 764          |
| <b>Total</b> |   |                     | \$ 1,717,399     |                  | \$ 726,691                          | \$ 110,736              |                 | \$ 2,554,826 |

## Liabilities Derivative Financial Instruments

|                             |  |  |  |  |  |           |  |           |
|-----------------------------|--|--|--|--|--|-----------|--|-----------|
| Financial futures contracts | Net unrealized depreciation <sup>1</sup> |  |  |  |  | \$ 12,183 |  | \$ 12,183 |
|-----------------------------|--|--|--|--|--|-----------|--|-----------|

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|   |  |              |              |           |              |
|---|--|--------------|--------------|-----------|--------------|
| Forward foreign currency exchange contracts | Unrealized depreciation on forward foreign currency exchange contracts |              | \$ 897,670   |           | 897,670      |
| Options written                             | Options written at value;  |              | 104,666      | 1,004     | 105,670      |
| Swaps OTC                                   | Unrealized depreciation on OTC swaps;                                  |              |              |           |              |
|   | Swap premiums received   | \$ 2,448,450 |              | 7,220     | 2,455,670    |
| Swaps centrally cleared                     | Net unrealized depreciation <sup>1</sup>                               |              |              | 1,326     | 1,326        |
| <b>Total</b>                                |  | \$ 2,448,450 | \$ 1,002,336 | \$ 21,733 | \$ 3,472,519 |

<sup>1</sup> Includes cumulative appreciation (depreciation) on financial futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Schedule of Investments.

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

For the year ended October 31, 2015, the effect of derivative financial instruments in the Statements of Operations was as follows:

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total          |
|---|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|----------------|
| <b>Net Realized Gain (Loss) From:</b>       |                        |                     |                     |  |                               |                    |                |
| Financial futures contracts                 |                        |                     |                     |  | \$ (3,381,925)                |                    | \$ (3,381,925) |
| Forward foreign currency exchange contracts |                        |                     |                     | \$ 2,391,008                                 |                               |                    | 2,391,008      |
| Options purchased <sup>1</sup>              |                        |                     |                     | (49,482)                                     | (51,397)                      |                    | (100,879)      |
| Options written                             |                        |                     |                     | 8,969  | 12,602                        |                    | 21,571         |
| Swaps                                       |                        | \$ 331,027          |                     |  | (250,362)                     |                    | 80,665         |
| <b>Total</b>                                |                        | \$ 331,027          |                     | \$ 2,350,495                                 | \$ (3,671,082)                |                    | \$ (989,560)   |

<sup>1</sup> Options purchased are included in net realized gain (loss) from investments.

|   | Commodity<br>Contracts | Credit<br>Contracts | Equity<br>Contracts | Foreign<br>Currency<br>Exchange<br>Contracts | Interest<br>Rate<br>Contracts | Other<br>Contracts | Total      |
|---|------------------------|---------------------|---------------------|--|-------------------------------|--------------------|------------|
| <b>Net Change in Unrealized Appreciation (Depreciation) on:</b> |                        |                     |                     |  |                               |                    |            |
| Financial futures contracts                                     |                        |                     |                     |  | \$ 769,706                    |                    | \$ 769,706 |
| Forward foreign currency exchange contracts                     |                        |                     |                     | \$ (329,633)                                 |                               |                    | (329,634)  |
| Options purchased <sup>1</sup>                                  |                        |                     |                     | (8,712)                                      | 18,025                        |                    | 9,313      |
| Options written   |                        |                     |                     | 7,341  | (6,190)                       |                    | 1,151      |
| Swaps   |                        | \$ 395,317          |                     |  | 92,850                        |                    | 488,167    |
| <b>Total</b>  |                        | \$ 395,317          |                     | \$ (331,005)                                 | \$ 874,391                    |                    | \$ 938,703 |

<sup>1</sup> Options purchased are included in net change in unrealized appreciation (depreciation) on investments.

## Average Quarterly Balances of Outstanding Derivative Financial Instruments

|  |                     |                |
|--|---------------------|----------------|
| Financial futures contracts:                           |                     |                |
| Average notional value of contracts                    | long                | \$ 4,016,517   |
| Average notional value of contracts                    | short               | \$ 144,348,055 |
| Forward foreign currency exchange contracts:           |                     |                |
| Average amounts purchased                              | in USD              | \$ 73,732,174  |
| Average amounts sold                                   | in USD              | \$ 25,546,509  |
| Options:   |                     |                |
| Average value of option contracts purchased            |                     | \$ 37,833      |
| Average value of option contracts written              |                     | \$ 32,393      |
| Average notional value of swaption contracts purchased |                     | \$ 394,723     |
| Average notional value of swaption contracts written   |                     | \$ 394,723     |
| Credit default swaps:                                  |                     |                |
| Average notional value                                 | buy protection      | \$ 3,956,757   |
| Average notional value                                 | sell protection     | \$ 18,487,885  |
| Interest rate swaps:                                   |                     |                |
| Average notional value                                 | pays fixed rate     | \$ 1,885,268   |
| Average notional value                                 | receives fixed rate | \$ 10,434,220  |

For more information about the Trust's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

## Derivative Financial Instruments Offsetting as of Period End

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The Trust's derivative assets and liabilities (by type) were as follows:

|  | Assets               | Liabilities         |
|--|----------------------|---------------------|
| <b>Derivative Financial Instruments:</b>   |                      |                     |
| Financial futures contracts  | \$ 14,042            | \$ 26,620           |
| Forward foreign currency exchange contracts  | 599,010              | 897,670             |
| Options  | 133,129 <sup>1</sup> | 105,670             |
| Swaps - Centrally cleared  | 299                  | 187                 |
| Swaps - OTC  | 1,734,727            | 2,455,670           |
| <b>Total derivative assets and liabilities in the Statements of Assets and Liabilities</b> | <b>\$ 2,481,207</b>  | <b>\$ 3,485,817</b> |
| Derivatives not subject to a Master Netting Agreement or similar agreement ( MNA )         | (14,341)             | (26,807)            |
| <b>Total derivative assets and liabilities subject to an MNA</b>                           | <b>\$ 2,466,866</b>  | <b>\$ 3,459,010</b> |

<sup>1</sup> Includes options purchased at value which is included in Investments at value unaffiliated in the Statements of Assets and Liabilities and reported in the Schedules of Investments.

<sup>2</sup> Includes unrealized appreciation (depreciation) on OTC swaps and swap premiums paid/received in the Statements of Assets and Liabilities.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

The following table presents the Trust's derivative assets and liabilities by counterparty net of amounts available for offset under an Master Netting Agreement (MNA) and net of the related collateral received and pledged by the Trust:

| Counterparty                           | Derivative Assets<br>Subject to an MNA<br>by Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Received | Cash Collateral<br>Received <sup>2</sup> | Net<br>Amount of<br>Derivative<br>Assets <sup>3</sup> |
|--|---|---|---------------------------------|--|---|
| Bank of America N.A.                   | \$ 1,043,927  | \$ (411,243)  |                                 | \$ (632,684)                             |   |
| Barclays Bank PLC                      | 545,104   | (545,104)   |                                 |  |   |
| BNP Paribas S.A.                       | 156   | (156)   |                                 |  |   |
| Citibank N.A.                          | 209,844   | (209,844)   |                                 |  |   |
| Credit Suisse International            | 1,433   | (1,433)   |                                 |  |   |
| Deutsche Bank AG                       | 124,766   | (7,977)   |                                 |  | \$ 116,789  |
| Goldman Sachs International            | 372,229   | (372,229)   |                                 |  |   |
| HSBC Bank PLC                          | 5,812   | (5,812)   |                                 |  |   |
| JPMorgan Chase Bank N.A.               | 48,403  | (16,377)  |                                 |  | 32,026  |
| Morgan Stanley & Co. International PLC | 14,860  | (14,860)  |                                 |  |   |
| Morgan Stanley Capital Services LLC    | 1,700   | (30)  |                                 |  | 1,670   |
| Royal Bank of Scotland PLC             | 68  | (68)  |                                 |  |   |
| Standard Chartered Bank                | 7,534   | (7,156)   |                                 |  | 378   |
| State Street Bank and Trust Co.        | 75,170  |   |                                 |  | 75,170  |
| UBS AG                                 | 15,860  | (886)   |                                 |  | 14,974  |
| <b>Total</b>                           | <b>\$ 2,466,866</b>                                       | <b>\$ (1,593,175)</b>                               |                                 | <b>\$(632,684)</b>                       | <b>\$ 241,007</b>                                     |

| Counterparty                           | Derivative Liabilities<br>Subject to an MNA<br>by Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Pledged | Cash Collateral<br>Pledged | Net<br>Amount of<br>Derivative<br>Liabilities <sup>4</sup> |
|--|--|---|--------------------------------|----------------------------|--|
| Bank of America N.A.                   | \$ 411,243   | \$ (411,243)  |                                |                            |  |
| Barclays Bank PLC                      | 886,069  | (545,104)   |                                |                            | \$ 340,965   |
| BNP Paribas S.A.                       | 1,884  | (156)   |                                |                            | 1,728  |
| Citibank N.A.                          | 353,708  | (209,844)   |                                |                            | 143,864  |
| Credit Suisse International            | 3,110  | (1,433)   |                                |                            | 1,677  |
| Deutsche Bank AG                       | 7,977  | (7,977)   |                                |                            |  |
| Goldman Sachs International            | 1,189,441  | (372,229)   |                                |                            | 817,212  |
| HSBC Bank PLC                          | 9,227  | (5,812)   |                                |                            | 3,415  |
| JPMorgan Chase Bank N.A.               | 16,377   | (16,377)  |                                |                            |  |
| Morgan Stanley & Co. International PLC | 562,713  | (14,860)  |                                |                            | 547,853  |
| Morgan Stanley Capital Services LLC    | 30   | (30)  |                                |                            |  |
| Royal Bank of Scotland PLC             | 9,189  | (68)  |                                |                            | 9,121  |
| Standard Chartered Bank                | 7,156  | (7,156)   |                                |                            |  |
| UBS AG                                 | 886  | (886)   |                                |                            |  |
| <b>Total</b>                           | <b>\$ 3,459,010</b>  | <b>\$ (1,593,175)</b>                               |                                |                            | <b>\$ 1,865,835</b>  |

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of derivative assets and/or liabilities that are subject to an MNA.

<sup>2</sup> Excess of collateral received from the individual counterparty is not shown for financial reporting purposes.

<sup>3</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>4</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

See Notes to Financial Statements.



## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Trust's policy regarding valuation of investments and derivative financial instruments refer to the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

|                                       | Level 1       | Level 2          | Level 3        | Total            |
|---------------------------------------|---------------|------------------|----------------|------------------|
| <b>Assets:</b>                        |               |                  |                |                  |
| Investments:                          |               |                  |                |                  |
| Long-Term Investments:                |               |                  |                |                  |
| Asset-Backed Securities               |               | \$ 189,369,756   | \$ 65,179,443  | \$ 254,549,199   |
| Corporate Bonds                       |               | 399,988,252      | 515,294        | 400,503,546      |
| Floating Rate Loan Interests          |               | 20,978,437       | 41,246,750     | 62,225,187       |
| Foreign Agency Obligations            |               | 22,010,739       |                | 22,010,739       |
| Non-Agency Mortgage-Backed Securities |               | 281,338,212      | 26,217,945     | 307,556,157      |
| Preferred Securities                  | \$ 17,787,571 | 142,755,956      | 1,833,459      | 162,376,986      |
| Short-Term Securities                 | 6,140,532     |                  |                | 6,140,532        |
| Options Purchased:                    |               |                  |                |                  |
| Interest Rate Contracts               |               | 5,448            |                | 5,448            |
| Currency Contracts                    |               | 127,681          |                | 127,681          |
| <b>Total</b>                          | \$ 23,928,103 | \$ 1,056,574,481 | \$ 134,992,891 | \$ 1,215,495,475 |

|   | Level 1   | Level 2      | Level 3 | Total        |
|---|-----------|--------------|---------|--------------|
| <b>Derivative Financial Instruments<sup>1</sup></b> |           |              |         |              |
| <b>Assets:</b>                                      |           |              |         |              |
| Credit contracts                                    |           | \$ 1,440,189 |         | \$ 1,440,189 |
| Foreign currency exchange contracts                 |           | 599,010      |         | 599,010      |
| Interest rate contracts                             | \$ 87,196 | 18,080       |         | 105,276      |
| <b>Liabilities:</b>                                 |           |              |         |              |
| Credit contracts                                    |           | (24,004)     |         | (24,004)     |
| Foreign currency exchange contracts                 |           | (1,002,336)  |         | (1,002,336)  |
| Interest rate contracts                             | (12,183)  | (9,462)      |         | (21,645)     |
| <b>Total</b>  | \$ 75,013 | \$ 1,021,477 |         | \$ 1,096,490 |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, forward foreign currency exchange contracts and options written. Swaps, financial futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation (depreciation) on the instrument and options written are shown at value.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount or face value, including accrued interest, for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1      | Level 2          | Level 3 | Total         |
|--|--------------|------------------|---------|---------------|
| <b>Assets:</b>   |              |                  |         |               |
| Cash   | \$ 1,711,034 |                  |         | \$ 1,711,034  |
| Cash pledged for centrally cleared swaps                     | 1,600        |                  |         | 1,600         |
| Cash pledged for financial futures contracts                 | 781,400      |                  |         | 781,400       |
| Foreign currency at value                                    | 1,438,640    |                  |         | 1,438,640     |
| Cash pledged as collateral for reverse repurchase agreements | 1,881,755    |                  |         | 1,881,755     |
| <b>Liabilities:</b>  |              |                  |         |               |
| Reverse repurchase agreements                                |              | \$ (510,352,370) |         | (510,352,370) |

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|   |              |                  |                  |
|---|--------------|------------------|------------------|
| Cash received as collateral for OTC derivatives |              | (660,000)        | (660,000)        |
| <b>Total</b>                                    | \$ 5,814,429 | \$ (511,012,370) | \$ (505,197,941) |

During the year ended October 31, 2015, there were no transfers between Level 1 and Level 2.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

BlackRock Multi-Sector Income Trust (BIT)

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Non-Agency              |                   |                              |                            |                      | Total                 |
|---|-------------------------|-------------------|------------------------------|----------------------------|----------------------|-----------------------|
|   | Asset-Backed Securities | Corporate Bonds   | Floating Rate Loan Interests | Mortgage-Backed Securities | Preferred Securities |                       |
| <b>Assets:</b>  |                         |                   |                              |                            |                      |                       |
| Opening balance, as of October 31, 2014   | \$ 12,930,162           | \$ 4,353,024      | \$ 26,369,600                | \$ 24,087,773              |                      | \$ 67,740,559         |
| Transfers into Level 3 <sup>1</sup>   |                         |                   | 132,297                      |                            | \$ 1,824,664         | 1,956,961             |
| Transfers out of Level 3 <sup>2</sup>   | (951,300)               | (4,353,024)       |                              | (4,595,625)                |                      | (9,899,949)           |
| Accrued discounts/premiums  | 279,548                 |                   | (4,001)                      | 289,085                    |                      | 564,632               |
| Net realized gain (loss)  | 70,117                  |                   | 16,846                       | 955,111                    |                      | 1,042,074             |
| Net change in unrealized appreciation (depreciation) <sup>3,4</sup>   | (3,230,594)             | (146)             | (79,769)                     | (421,837)                  | 8,795                | (3,723,551)           |
| Purchases   | 61,421,265              | 515,440           | 22,040,000                   | 10,563,459                 |                      | 94,540,164            |
| Sales   | (5,339,755)             |                   | (7,228,223)                  | (4,660,021)                |                      | (17,227,999)          |
| <b>Closing Balance, as of October 31, 2015</b>  | <b>\$ 65,179,443</b>    | <b>\$ 515,294</b> | <b>\$ 41,246,750</b>         | <b>\$ 26,217,945</b>       | <b>\$ 1,833,459</b>  | <b>\$ 134,992,891</b> |
| Net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 <sup>4</sup> | \$ (3,139,132)          | \$ (146)          | \$ (45,169)                  | \$ (421,837)               | \$ 8,795             | \$ (3,597,489)        |

<sup>1</sup> As of October 31, 2015, the Trust used observable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$1,956,961 were transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As October 31, 2015, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2015, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$ 9,899,949 were transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation (depreciation) in the Statements of Operations.

<sup>4</sup> Any difference between net change in unrealized appreciation (depreciation) and net change in unrealized appreciation (depreciation) on investments still held at October 31, 2015 is generally due to investments no longer held or categorized as Level 3 at period end. The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

## Statements of Assets and Liabilities

| October 31, 2015   | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating<br>Rate<br>Income<br>Trust<br>(BGT) | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
|--|---|---|--|
| <b>Assets</b>  |   |   |  |
| Investments at value unaffiliated                          | \$ 2,198,242,197  | \$ 442,810,844  | \$ 1,209,354,943                                   |
| Investments at value affiliated                            | 610,104   | 1,094,113   | 6,140,532  |
| Cash   | 1,697,637   | 948,823   | 1,711,034  |
| Cash pledged:  |   |   |  |
| Financial futures contracts                                | 4,302,780   |   | 781,400  |
| Centrally cleared swaps                                    | 9,035,930   |   | 1,600  |
| Collateral reverse repurchase agreements                   | 2,704,000   |   | 1,881,755  |
| Foreign currency at value <sup>3</sup>                     | 8,883   | 5,141   | 1,438,640  |
| Receivables:   |   |   |  |
| Interest   | 29,339,749  | 1,699,729   | 10,710,297   |
| Investments sold   | 794,525   | 6,399,408   | 19,929,530   |
| Dividends  | 61,272  |   | 135,787  |
| Swaps  | 51,769  |   | 102,675  |
| Reverse repurchase agreements                              |   |   | 17,224,000   |
| Swap premiums paid   | 263,606   |   | 277,222  |
| Unrealized appreciation on:                                |   |   |  |
| OTC swaps  | 1,312,144   |   | 1,457,505  |
| Forward foreign currency exchange contracts                |   | 79,201  | 599,010  |
| Variation margin receivable on financial futures contracts | 715,208   |   | 14,042   |
| Variation margin receivable on centrally cleared swaps     |   |   | 299  |
| Prepaid expenses   | 6,531   | 1,442   | 2,320  |
| <b>Total assets</b>  | <b>2,249,146,335</b>                                    | <b>453,038,701</b>  | <b>1,271,762,591</b>                               |
| <b>Liabilities</b>   |   |   |  |
| Cash received as collateral for OTC derivatives            | 1,000,000   |   | 660,000  |
| Options written at value <sup>4</sup>                      | 21,225  |   | 105,670  |
| Reverse repurchase agreements                              | 685,715,941   |   | 510,352,370  |
| Payables:  |   |   |  |
| Investments purchased                                      | 8,560,108   | 12,754,803  | 29,368,700   |
| Investment advisory fees                                   | 1,172,646   | 282,167   | 838,509  |
| Officers and Trustees fees                                 | 609,747   | 188,481   | 37,970   |
| Income dividends   | 359,474   | 28,079  | 281,342  |
| Other accrued expenses                                     | 266,647   | 186,966   | 237,796  |
| Swaps  | 126,776   |   | 68,413   |
| Bank borrowings  |   | 104,000,000   |  |
| Interest expense   |   | 86,286  |  |
| Swap premiums received                                     | 627,310   |   | 2,424,534  |
| Unrealized depreciation on:                                |   |   |  |
| Forward foreign currency exchange contracts                |   | 68,145  | 897,670  |
| OTC swaps  | 905,197   |   | 31,136   |
| Variation margin payable on centrally cleared swaps        | 498,178   |   | 187  |
| Variation margin payable on financial futures contracts    | 160,317   |   | 26,620   |
| Commitments and contingencies                              | <sup>5</sup>  |   | <sup>5</sup>                                       |
| <b>Total liabilities</b>                                   | <b>700,023,566</b>                                      | <b>117,594,927</b>  | <b>545,330,917</b>                                 |
| <b>Net Assets</b>  | <b>\$ 1,549,122,769</b>                                 | <b>\$ 335,443,774</b>                                     | <b>\$ 726,431,674</b>                              |

See Notes to Financial Statements.





## Statements of Assets and Liabilities (concluded)

| October 31, 2015   | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating<br>Rate<br>Income<br>Trust<br>(BGT) | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
|--|---|---|--|
| <b>Net Assets Consist of</b>   |   |   |  |
| Paid-in capital <sup>6,7,8</sup>   | \$ 1,828,243,993  | \$ 427,370,162  | \$ 727,781,455                                     |
| Undistributed (distributions in excess of) net investment income                         | 1,190,408   | 82,859  | (695,116)  |
| Accumulated net realized gain (loss)   | (333,358,869)   | (82,309,514)  | 1,412,718  |
| Net unrealized appreciation (depreciation)   | 53,047,237  | (9,699,733)   | (2,067,383)  |
| <b>Net Assets</b>  | <b>\$ 1,549,122,769</b>                                 | <b>\$ 335,443,774</b>                                     | <b>\$ 726,431,674</b>                              |
| Net asset value  | \$ 14.33  | \$ 14.18  | \$ 18.91   |
| <sup>1</sup> Investments at cost unaffiliated  | \$ 2,131,712,752  | \$ 452,534,387  | \$ 1,212,750,395                                   |
| <sup>2</sup> Investments at cost affiliated  | \$ 610,104  | \$ 1,094,113  | \$ 6,140,532                                       |
| <sup>3</sup> Foreign currency at cost  | \$ 9,216  | \$ 5,200  | \$ 1,443,404                                       |
| <sup>4</sup> Premiums received   | \$ 1,061,185  |   | \$ 112,509   |
| <sup>5</sup> See Note 4 of the Notes to Financial Statements for details of commitments. |   |   |  |
| <sup>6</sup> Par value per share   | \$ 0.001  | \$ 0.001  | \$ 0.001   |
| <sup>7</sup> Shares outstanding  | 108,088,170   | 23,663,232  | 38,421,624   |
| <sup>8</sup> Shares authorized   | unlimited   | unlimited   | unlimited  |

See Notes to Financial Statements.

## Statements of Operations

| Year Ended October 31, 2015                                 | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating Rate<br>Income Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
|---|---|--|--|
| <b>Investment Income</b>                                    |   |  |  |
| Interest  | \$ 117,361,043  | \$ 23,593,384  | \$ 71,789,994                                      |
| Dividends unaffiliated                                      | 4,586,641   | 80,495   | 3,244,037  |
| Dividends affiliated  | 7,660   | 420  | 23,186   |
| <b>Total income</b>   | <b>121,955,344</b>                                      | <b>23,674,299</b>  | <b>75,057,217</b>                                  |
| <b>Expenses</b>   |   |  |  |
| Investment advisory   | 14,578,884  | 3,539,981  | 10,663,400   |
| Professional  | 311,849   | 181,373  | 254,123  |
| Accounting services   | 174,298   | 56,119   | 101,246  |
| Transfer agent  | 153,275   | 43,037   | 49,541   |
| Custodian   | 134,103   | 155,701  | 151,559  |
| Officer and Trustees  | 104,014   | 17,492   | 66,355   |
| Registration  | 38,154  | 9,042  | 13,604   |
| Printing  | 35,901  | 17,579   | 23,865   |
| Miscellaneous   | 149,742   | 44,965   | 93,702   |
| <b>Total expenses excluding interest expense</b>            | <b>15,680,220</b>                                       | <b>4,065,289</b>   | <b>11,417,395</b>                                  |
| Interest expense  | 2,966,675   | 1,223,715  | 4,167,700  |
| <b>Total expenses</b>                                       | <b>18,646,895</b>                                       | <b>5,289,004</b>   | <b>15,585,095</b>                                  |
| Less:   |   |  |  |
| Fees waived by the Manager                                  | (6,242)   | (556)  | (17,306)   |
| Fees paid indirectly  | (223)   |  | (178)  |
| <b>Total expenses after fees waived and paid indirectly</b> | <b>18,640,430</b>                                       | <b>5,288,448</b>   | <b>15,567,611</b>                                  |
| <b>Net investment income</b>                                | <b>103,314,914</b>                                      | <b>18,385,851</b>  | <b>59,489,606</b>                                  |
| <b>Realized and Unrealized Gain (Loss)</b>                  |   |  |  |
| Net realized gain (loss) from:                              |   |  |  |
| Investments   | (15,281,889)  | (7,912,142)  | (13,211,471)                                       |
| Financial futures contracts                                 | (901,072)   |  | (3,381,925)  |
| Foreign currency transactions                               | (3,550)   | 1,644,738  | 2,817,102  |
| Options written   | 4,676,733   |  | 21,571   |
| Swaps   | (4,158,379)   | (43,669)   | 80,665   |
|   | (15,668,157)  | (6,311,073)  | (13,674,058)                                       |
| Net change in unrealized appreciation (depreciation) on:    |   |  |  |
| Investments   | (80,419,460)  | (2,044,475)  | (26,788,430)                                       |
| Financial futures contracts                                 | (3,241,507)   |  | 769,706  |
| Foreign currency translations                               | 324   | (98,096)   | (181,124)  |
| Options written   | (3,970,751)   |  | 1,151  |
| Swaps   | (6,921,387)   |  | 488,167  |
| Unfunded floating rate loan interests                       |   | 25,380   |  |
|   | (94,552,781)  | (2,117,191)  | (25,710,530)                                       |
| <b>Net realized and unrealized loss</b>                     | <b>(110,220,938)</b>                                    | <b>(8,428,264)</b>   | <b>(39,384,588)</b>                                |

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|  |    |             |    |           |    |            |
|--|----|-------------|----|-----------|----|------------|
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations</b> | \$ | (6,906,024) | \$ | 9,957,587 | \$ | 20,105,018 |
|--|----|-------------|----|-----------|----|------------|

<sup>1</sup> Consolidated Statement of Operations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets:   | BlackRock Credit Allocation<br>Income Trust (BTZ)<br>Year Ended October 31, |                  |
|--|---|------------------|
|  | 2015  | 2014             |
| <b>Operations</b>  |   |                  |
| Net investment income  | \$ 103,314,914  | \$ 107,032,500   |
| Net realized gain (loss)   | (15,668,157)  | 3,086,038        |
| Net change in unrealized appreciation (depreciation)   | (94,552,781)  | 35,033,900       |
| Net increase (decrease) in net assets resulting from operations                              | (6,906,024)   | 145,152,438      |
| <b>Distributions to Shareholders<sup>1</sup></b>   |   |                  |
| From net investment income   | (97,419,415)  | (104,413,172)    |
| From return of capital   | (6,993,757)   |                  |
| Decrease in net assets resulting from distributions to shareholders                          | (104,413,172)   | (104,413,172)    |
| <b>Net Assets</b>  |   |                  |
| Total increase (decrease) in net assets  | (111,319,196)   | 40,739,266       |
| Beginning of year  | 1,660,441,965   | 1,619,702,699    |
| End of year  | \$ 1,549,122,769  | \$ 1,660,441,965 |
| Undistributed net investment income, end of year   | \$ 1,190,408  | \$ 290,393       |
| <br>   |   |                  |
| <b>BlackRock Floating Rate<br/>Income Trust (BGT)<sup>2</sup><br/>Year Ended October 31,</b> |   |                  |
| <b>2015 2014</b>   |   |                  |
| <b>Operations</b>  |   |                  |
| Net investment income  | \$ 18,385,851   | \$ 19,977,444    |
| Net realized gain (loss)   | (6,311,073)   | 7,113,737        |
| Net change in unrealized appreciation (depreciation)   | (2,117,191)   | (12,444,550)     |
| Net increase in net assets resulting from operations   | 9,957,587   | 14,646,631       |
| <b>Distributions to Shareholders<sup>1</sup></b>   |   |                  |
| From net investment income   | (19,181,416)  | (19,919,709)     |
| <b>Net Assets</b>  |   |                  |
| Total decrease in net assets   | (9,223,829)   | (5,273,078)      |
| Beginning of year  | 344,667,603   | 349,940,681      |
| End of year  | \$ 335,443,774  | \$ 344,667,603   |
| Undistributed net investment income, end of year   | \$ 82,859   | \$ 984,527       |

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

<sup>2</sup> Consolidated Statements of Changes.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|   | <b>BlackRock Multi-Sector<br/>Income Trust (BIT)<br/>Year Ended October 31,</b> |                |
|---|---|----------------|
| <b>Increase (Decrease) in Net Assets:</b>                                     | <b>2015</b>   | <b>2014</b>    |
| <b>Operations</b>   |   |                |
| Net investment income   | \$ 59,489,606   | \$ 62,745,166  |
| Net realized gain (loss)  | (13,674,058)  | 2,105,011      |
| Net change in unrealized appreciation (depreciation)                          | (25,710,530)  | 24,407,361     |
| Net increase in net assets resulting from operations                          | 20,105,018  | 89,257,538     |
| <b>Distributions to Shareholders<sup>1</sup></b>                              |   |                |
| From net investment income  | (54,109,102)  | (53,805,642)   |
| From net realized gain  | (2,923,957)   |                |
| Decrease in net assets resulting from distributions to shareholders           | (57,033,059)  | (53,805,642)   |
| <b>Net Assets</b>   |   |                |
| Total increase (decrease) in net assets                                       | (36,928,041)  | 35,451,896     |
| Beginning of year   | 763,359,715   | 727,907,819    |
| End of year   | \$ 726,431,674  | \$ 763,359,715 |
| Undistributed (distributions in excess of) net investment income, end of year | \$ (695,116)  | \$ 856,831     |

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

## Statements of Cash Flows

| Year Ended October 31, 2015  | BlackRock<br>Credit<br>Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating Rate<br>Income Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
|--|--|--|--|
| <b>Cash Provided by Operating Activities</b>   |  |  |  |
| Net increase (decrease) in net assets resulting from operations  | \$ (6,906,024)   | \$ 9,957,587   | \$ 20,105,018                                      |
| Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by operating activities: |  |  |  |
| Proceeds from sales of long-term investments   | 584,772,810  | 242,818,020  | 425,246,507  |
| Purchases of long-term investments   | (491,608,965)  | (203,819,085)  | (253,370,370)                                      |
| Net proceeds from sales of short-term securities   | 3,673,187  | 1,536,421  | 12,682,853   |
| Amortization of premium and accretion of discount on investments   | 4,440,039  | (460,334)  | (12,613,351)                                       |
| Net realized loss on investments and options written   | 13,892,865   | 8,147,839  | 18,616,002   |
| Net unrealized loss on investments, options written, swaps, foreign currency translations and unfunded floating rate loan interests    | 83,590,333   | 2,117,191  | 26,724,017   |
| Premiums paid on closing options written   | (5,024,060)  |  | (40,833)   |
| Premiums received from options written   | 3,307,008  |  | 168,972  |
| <b>(Increase) decrease in assets:</b>  |  |  |  |
| Cash Pledged:  |  |  |  |
| Collateral OTC derivatives   | 500,000  |  |  |
| Collateral reverse repurchase agreements   | (2,704,000)  |  | (340,226)  |
| Centrally cleared swaps  | (3,885,930)  |  | 1,023,400  |
| Financial futures contracts  | (3,949,780)  |  | 217,600  |
| Receivables:   |  |  |  |
| Dividends  | 7,591  |  | 46,875   |
| Interest   | 2,245,686  | 213,428  | 2,508,931  |
| Swaps  | 49,264   |  | 289,809  |
| Swap premiums paid   | 250,282  |  | (274,325)  |
| Variation margin receivable on financial futures contracts   | (441,646)  |  | 194,753  |
| Variation margin receivable on centrally cleared swaps   | 376,026  |  | 5,144  |
| Prepaid expenses   | (354)  | 135  | (84)   |
| <b>Increase (decrease) in liabilities:</b>   |  |  |  |
| Cash received:   |  |  |  |
| Collateral reverse repurchase agreements   |  |  | (873,000)  |
| Collateral OTC derivatives   | 260,000  |  |  |
| Payables:  |  |  |  |
| Investment advisory fees   | (97,170)   | (20,305)   | (139,704)  |
| Interest expense   | 213,250  | (118,676)  | (211,183)  |
| Other accrued expenses   | (18,960)   | 6,023  | (15,500)   |
| Officers and Trustees fees   | 24,441   | 562  | 28,857   |
| Swaps  | (1,195)  |  | (289,048)  |
| Other liabilities  |  |  | (832,628)  |
| Variation margin payable on financial futures contracts  | (240,186)  |  | 26,620   |
| Variation margin payable on centrally cleared swaps  | 498,178  |  | (78,387)   |
| Swap premiums received   | (235,154)  |  | 1,881,795  |
| Net cash provided by operating activities  | 182,987,536  | 60,378,806   | 240,688,514  |
| <b>Cash Used for Financing Activities</b>  |  |  |  |
| Cash dividends paid to shareholders  | (104,462,536)  | (19,185,051)   | (56,943,992)                                       |
| Payments for bank borrowings   |  | (185,000,000)  |  |
| Proceeds from bank borrowings  |  | 144,000,000  |  |
| Increase in bank overdraft   | (26,363)   |  |  |
| Net borrowing of reverse repurchase agreements   | (76,791,885)   |  | (182,450,532)                                      |
| Net cash used for financing activities   | (181,280,784)  | (60,185,051)   | (239,394,524)                                      |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>  |  |  |  |



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|  |    |       |    |      |    |        |
|--|----|-------|----|------|----|--------|
| Cash impact from foreign exchange fluctuations | \$ | (331) | \$ | (37) | \$ | 15,053 |
|--|----|-------|----|------|----|--------|

### Cash and Foreign Currency

|  |    |           |    |         |    |           |
|--|----|-----------|----|---------|----|-----------|
| Net increase in cash                           |    | 1,706,421 |    | 193,718 |    | 1,309,043 |
| Cash and foreign currency at beginning of year |    | 99        |    | 760,246 |    | 1,840,631 |
| Cash and foreign currency at end of year       | \$ | 1,706,520 | \$ | 953,964 | \$ | 3,149,674 |

### Supplemental Disclosure of Cash Flow Information

|  |    |           |    |           |    |           |
|--|----|-----------|----|-----------|----|-----------|
| Cash paid during the year for interest expense | \$ | 2,753,425 | \$ | 1,342,391 | \$ | 4,378,883 |
|--|----|-----------|----|-----------|----|-----------|

<sup>1</sup> Consolidated Statement of Cash Flows.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Credit Allocation Income Trust (BTZ)

|   | Year Ended October 31, |              |                    |                    |                    |
|---|------------------------|--------------|--------------------|--------------------|--------------------|
|   | 2015                   | 2014         | 2013               | 2012               | 2011               |
| <b>Per Share Operating Performance</b>  |                        |              |                    |                    |                    |
| Net asset value, beginning of year  | \$ 15.36               | \$ 14.99     | \$ 15.37           | \$ 13.94           | \$ 14.46           |
| Net investment income <sup>1</sup>  | 0.96                   | 0.99         | 0.97               | 0.94               | 0.88               |
| Net realized and unrealized gain (loss)   | (1.02)                 | 0.35         | (0.37)             | 1.43               | (0.54)             |
| Distributions to Preferred Shareholders from net investment income                  |                        |              |                    |                    | (0.01)             |
| Net increase (decrease) from investment operations                                  | (0.06)                 | 1.34         | 0.60               | 2.37               | 0.33               |
| Distributions to Common Shareholders: <sup>2</sup>                                  |                        |              |                    |                    |                    |
| From net investment income  | (0.91)                 | (0.97)       | (0.98)             | (0.94)             | (0.85)             |
| From return of capital  | (0.06)                 |              |                    |                    |                    |
| Total distributions   | (0.97)                 | (0.97)       | (0.98)             | (0.94)             | (0.85)             |
| Net asset value, end of year  | \$ 14.33               | \$ 15.36     | \$ 14.99           | \$ 15.37           | \$ 13.94           |
| Market price, end of year   | \$ 12.53               | \$ 13.54     | \$ 12.97           | \$ 14.23           | \$ 12.08           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>                   |                        |              |                    |                    |                    |
| Based on net asset value  | 0.48%                  | 10.11%       | 4.86%              | 18.35%             | 3.28%              |
| Based on market price   | (0.33)%                | 12.18%       | (2.01)%            | 26.44%             | (0.60)%            |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>               |                        |              |                    |                    |                    |
| Total expenses  | 1.16%                  | 1.11%        | 1.15% <sup>4</sup> | 1.20% <sup>5</sup> | 1.09% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly                                | 1.15%                  | 1.11%        | 1.15% <sup>4</sup> | 1.20% <sup>5</sup> | 1.09% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.97%                  | 0.96%        | 1.00% <sup>4</sup> | 1.07% <sup>5</sup> | 0.99% <sup>6</sup> |
| Net investment income   | 6.40%                  | 6.48%        | 6.43%              | 6.53%              | 6.25% <sup>6</sup> |
| Distributions to Preferred Shareholders   |                        |              |                    |                    | 0.09%              |
| Net investment income to Common Shareholders  | 6.40%                  | 6.48%        | 6.43%              | 6.53%              | 6.16%              |
| <b>Supplemental Data</b>  |                        |              |                    |                    |                    |
| Net assets applicable to Common Shareholders, end of year (000)                     | \$ 1,549,123           | \$ 1,660,442 | \$ 1,619,703       | \$ 796,836         | \$ 722,337         |
| Borrowings outstanding, end of year (000)   | \$ 685,716             | \$ 759,752   | \$ 812,028         | \$ 373,716         | \$ 339,303         |
| Portfolio turnover rate   | 19%                    | 29%          | 43%                | 37%                | 54%                |

<sup>1</sup> Based on average shares outstanding.

<sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

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- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Includes reorganization costs associated with the Trust's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.15%, 1.15% and 1.00%, respectively.
- <sup>5</sup> Includes reorganization costs associated with the Trust's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.16%, 1.16% and 1.02%, respectively.
- <sup>6</sup> Does not reflect the effect of dividends to Preferred Shareholders.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock Floating Rate Income Trust  
(BGT)

|   | Year Ended October 31, |                   |                   |                    |                     |
|---|------------------------|-------------------|-------------------|--------------------|---------------------|
|   | 2015 <sup>1</sup>      | 2014 <sup>1</sup> | 2013 <sup>1</sup> | 2012 <sup>1</sup>  | 2011                |
| <b>Per Share Operating Performance</b>  |                        |                   |                   |                    |                     |
| Net asset value, beginning of year  | \$ 14.57               | \$ 14.79          | \$ 14.52          | \$ 13.97           | \$ 14.48            |
| Net investment income <sup>2</sup>  | 0.78                   | 0.84              | 0.94              | 0.97               | 1.00                |
| Net realized and unrealized gain (loss)   | (0.36)                 | (0.22)            | 0.38              | 0.68               | (0.42)              |
| Distributions to Preferred Shareholders from net investment income                  |                        |                   |                   |                    | (0.00) <sup>3</sup> |
| Net increase from investment operations   | 0.42                   | 0.62              | 1.32              | 1.65               | 0.58                |
| Distributions to Common Shareholder from net investment income <sup>4</sup>         | (0.81)                 | (0.84)            | (1.05)            | (1.10)             | (1.09)              |
| Net asset value, end of year  | \$ 14.18               | \$ 14.57          | \$ 14.79          | \$ 14.52           | \$ 13.97            |
| Market price, end of year   | \$ 12.77               | \$ 13.18          | \$ 14.12          | \$ 15.07           | \$ 13.00            |
| <b>Total Return Applicable to Common Shareholders<sup>5</sup></b>                   |                        |                   |                   |                    |                     |
| Based on net asset value  | 3.54%                  | 4.60%             | 9.37%             | 12.37%             | 4.03%               |
| Based on market price   | 3.08%                  | (0.89)%           | 0.60%             | 25.33%             | (3.46)%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>               |                        |                   |                   |                    |                     |
| Total expenses  | 1.55%                  | 1.52%             | 1.57%             | 1.66%              | 1.73% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly                                | 1.54%                  | 1.52%             | 1.57%             | 1.61%              | 1.60% <sup>6</sup>  |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.19%                  | 1.18%             | 1.19%             | 1.25% <sup>7</sup> | 1.24% <sup>6</sup>  |
| Net investment income   | 5.37%                  | 5.71%             | 6.39%             | 6.87%              | 6.95% <sup>6</sup>  |
| Distributions to Preferred Shareholders   |                        |                   |                   |                    | 0.03%               |
| Net investment income to Common Shareholders  | 5.37%                  | 5.71%             | 6.39%             | 6.87%              | 6.92%               |
| <b>Supplemental Data</b>  |                        |                   |                   |                    |                     |
| Net assets applicable to Common Shareholders, end of year (000)                     | \$ 335,444             | \$ 344,668        | \$ 349,941        | \$ 343,282         | \$ 329,831          |
| Borrowings outstanding, end of year (000)   | \$ 104,000             | \$ 145,000        | \$ 152,000        | \$ 145,000         | \$ 122,000          |
| Asset coverage, end of year per \$1,000 of bank borrowings                          | \$ 4,225               | \$ 3,377          | \$ 3,302          | \$ 3,367           | 3,704               |
| Portfolio turnover rate   | 42%                    | 64%               | 72%               | 65%                | 89%                 |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

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- <sup>3</sup> Amount is greater than \$(0.005) per share.
- <sup>4</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>5</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>6</sup> Does not reflect the effect of dividends to Preferred Shareholders.
- <sup>7</sup> For the year ended October 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.14%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Multi-Sector Income Trust (BIT)

|   | Year Ended October 31, |            | Period   |
|---|------------------------|------------|--|
|   | 2015                   | 2014       | February 27, 2013 <sup>1</sup><br>to October 31,<br>2013 |
| <b>Per Share Operating Performance</b>  |                        |            |  |
| Net asset value, beginning of period  | \$ 19.87               | \$ 18.95   | \$ 19.10 <sup>2</sup>                                    |
| Net investment income <sup>3</sup>  | 1.55                   | 1.62       | 1.02   |
| Net realized and unrealized gain (loss)   | (1.03)                 | 0.70       | (0.35)   |
| Net increase (decrease) from investment operations                                  | 0.52                   | 2.32       | 0.67   |
| Distributions <sup>4</sup> :  |                        |            |  |
| From net investment income  | (1.40)                 | (1.40)     | (0.70)   |
| From net realized gain  | (0.08)                 |            |  |
| From return of capital  |                        |            | (0.12)   |
| Total distributions   | (1.48)                 | (1.40)     | (0.82)   |
| Net asset value, end of period  | \$ 18.91 <sup>5</sup>  | \$ 19.87   | \$ 18.95   |
| Market price, end of period   | \$ 16.31               | \$ 17.79   | \$ 17.04   |
| <b>Total Return<sup>6</sup></b>   |                        |            |  |
| Based on net asset value  | 3.87% <sup>5</sup>     | 13.40%     | 4.04% <sup>7</sup>                                       |
| Based on market price   | 0.06%                  | 12.91%     | (10.66)% <sup>7</sup>                                    |
| <b>Ratios to Average Net Assets</b>   |                        |            |  |
| Total expenses  | 2.09% <sup>8</sup>     | 2.04%      | 1.67% <sup>9</sup>                                       |
| Total expenses after fees waived and paid indirectly                                | 2.09% <sup>8</sup>     | 2.04%      | 1.67% <sup>9</sup>                                       |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.53% <sup>8</sup>     | 1.52%      | 1.33% <sup>9</sup>                                       |
| Net investment income   | 7.97% <sup>8</sup>     | 8.27%      | 8.05% <sup>9</sup>                                       |
| <b>Supplemental Data</b>  |                        |            |  |
| Net assets, end of period (000)   | \$ 726,432             | \$ 763,360 | \$ 727,908   |
| Borrowings outstanding, end of period (000)   | \$ 510,352             | \$ 707,294 | \$ 552,040   |
| Portfolio turnover rate   | 21%                    | 29%        | 77% <sup>10</sup>  |

<sup>1</sup> Commencement of operations.

<sup>2</sup> Net asset value, beginning of period, reflects a deduction of \$0.90 per share sales charge from the initial offering price of \$20.00 per share.

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- <sup>3</sup> Based on average shares outstanding.
- <sup>4</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>5</sup> For financial reporting purposes, the market value of certain investments were adjusted as of report date. Accordingly, the net asset value ( NAV ) per share and total return performance based on net asset value presented herein are different than the information previously published on October 31, 2015.
- <sup>6</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>7</sup> Aggregate total return.
- <sup>8</sup> Ratios do not include expenses incurred indirectly as a result of investments in underlying funds of approximately 0.01% for the year ended October 31, 2015.
- <sup>9</sup> Annualized.
- <sup>10</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 54%.

See Notes to Financial Statements.

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## Notes to Financial Statements

### 1. Organization:

The following are registered under the Investment Company Act of 1940, as amended (the 1940 Act), as closed-end management investment companies and are referred to herein collectively as the Trusts or individually, a Trust:

| Trust Name                               | Herein Referred To As | Organized | Diversification Classification |
|--|-----------------------|-----------|--------------------------------|
| BlackRock Credit Allocation Income Trust | BTZ                   | Delaware  | Non-diversified                |
| BlackRock Floating Rate Income Trust     | BGT                   | Delaware  | Non-diversified                |
| BlackRock Multi-Sector Income Trust      | BIT                   | Delaware  | Non-diversified                |

The Boards of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the trustees thereof are collectively referred to throughout this report as Trustees. The Trusts determine and make available for publication the net asset values ( NAVs ) of their Common Shares on a daily basis.

The Trusts, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the Manager) or its affiliates, are included in a complex of closed-end funds referred to as the Closed-End Complex.

**Basis of Consolidation:** The accompanying consolidated financial statements of BGT include the accounts of BGT Subsidiary, LLC (the Taxable Subsidiary). As of December 19, 2014, the Taxable Subsidiary, which was wholly owned by the Trust, was dissolved. The Taxable Subsidiary enabled BGT to hold an investment in an operating company and satisfy Regulated Investment Company ( RIC ) tax requirements. Income earned and gains realized on the investment held by the Taxable Subsidiary were taxable to such subsidiary. There was no tax provision required for income or realized gains during the period.

Effective October 14, 2015, BIT formed the BIT Subsidiary, LLC ( BIT Subsidiary ). The BIT Subsidiary enables BIT to hold an investment in an operating company and satisfy RIC tax requirements. Income earned and gains realized on the investment held by the BIT Subsidiary are taxable to the subsidiary. BIT may invest up to 25% of its total assets in the BIT Subsidiary. The BIT Subsidiary held no investments from inception to October 31, 2015. The BIT Subsidiary is subject to the same investment policies and restrictions that apply to BIT.

### 2. Significant Accounting Policies:

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( U.S. GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Trust is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Foreign Currency:** Each Trust's books and records are maintained in U.S. dollars. Purchases and sales of investments are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the investments denominated in that currency will lose value; the opposite effect occurs if the U.S. dollar falls in relative value.

Each Trust does not isolate changes in the exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in exchange rates on investments are not segregated in 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. Each Trust reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for federal income tax purposes.

**Segregation and Collateralization:** In cases where a Trust enters into certain investments (e.g. financial futures contracts, forward foreign currency exchange contracts, options written and swaps), or certain borrowings (e.g., reverse repurchase transactions) that would be treated as senior securities for 1940 Act purposes, a Trust may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of the Trust's future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, the Trust may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or



obligations.

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 date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trusts 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.

Distributions: Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. Portions of return of capital distributions under U.S. GAAP may be taxed at ordinary income rates. The character of distributions is determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. The portion of distributions that exceeds a Trust's current and accumulated

## Notes to Financial Statements (continued)

earnings and profits, as measured on a tax basis, constitute a non-taxable return of capital. Realized net capital gains can be offset by capital losses carried forward from prior years. However, certain Trusts have capital loss carryforwards from pre-2012 tax years that offset realized net capital gains but do not offset current and accumulated earnings and profits. Consequently, if distributions in any tax year are less than the Trust's current earnings and profits but greater than net investment income and net realized capital gains (taxable income), distributions in excess of taxable income are not treated as non-taxable return of capital, but rather may be taxable to shareholders at ordinary income rates. Under certain circumstances, taxable excess distributions could be significant. See Note 8, Income Tax Information, for the tax character of each Trust's distributions paid during the year.

**Deferred Compensation Plan:** Under the Deferred Compensation Plan (the Plan) approved by each Trust's Board, the independent Trustees (Independent Trustees) 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 Trustees. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust, if applicable. Deferred compensation liabilities are included in officer's and trustee's fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

**Recent Accounting Standard:** In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings. It is effective for financial statements with fiscal years beginning on or after December 15, 2014 and for interim periods beginning after March 15, 2015. Management is evaluating the impact, if any, of this guidance on the Trusts' financial statement disclosures.

**Indemnifications:** In the normal course of business, each Trust enters into contracts that contain a variety of representations that provide general indemnification. A Trust's maximum exposure under these arrangements is unknown because it involves future potential claims against a Trust, which cannot be predicted with any certainty.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds, including other funds managed by the Manager, are prorated among those funds on the basis of relative net assets or other appropriate methods.

The Trusts have an arrangement with their 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. Effective September 2015, the arrangement with their custodian for earning credits on uninvested cash balances has ceased and the custodian will be imposing fees on certain uninvested cash balances.

### 3. Investment Valuation and Fair Value Measurements:

**Investment Valuation Policies:** The Trusts' investments are valued at fair value (also referred to as market value within the financial statements) as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m., Eastern time) (or if the reporting date falls on a day the NYSE is closed, investments are valued at fair value as of the report date). U.S. GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair values of their financial instruments using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Trusts for all financial instruments.

**Fair Value Inputs and Methodologies:** The following methods (or techniques) and inputs are used to establish the fair value of each Trust's assets and liabilities:

Equity investments traded on a recognized securities exchange are valued at the official close price each day, if available. For equity investments traded on more than one exchange, the official close price on the exchange where the stock is primarily traded is used. Equity

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investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.

Bond investments are valued 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. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of

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## Notes to Financial Statements (continued)

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 the Trusts' net assets.

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.

Investments in open-end registered investment companies are valued at NAV each business day.

Financial futures contracts traded on exchanges are valued at their last sale price.

Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of business on the NYSE. Forward 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 options on swaps (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.

Swap agreements are valued utilizing quotes received daily by the Trusts' 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.

Certain centrally cleared swaps are valued at the price determined by the relevant exchange or clearinghouse.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such instruments, or in the event that the application of these methods of valuation results in a price for an investment that 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 by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (Fair Valued Investments). When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arms-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement, which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of each Trust's pricing vendors, regular reviews of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Valued Investments is

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subsequently reported to the Board or a committee thereof on a quarterly basis.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Trust has the ability to access

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 each Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

## Notes to Financial Statements (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments are typically categorized as Level 3. The fair value hierarchy for each Trust's investments and derivative instruments has been included in the Schedules of Investments.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

### 4. Securities and Other Investments:

**Asset-Backed and Mortgage-Backed Securities:** Asset-backed securities are generally issued as pass-through certificates or as debt instruments. Asset-backed securities issued as pass-through certificates represent undivided fractional ownership interests in an underlying pool of assets. Asset-backed securities issued as debt instruments, which are also known as collateralized obligations, are typically 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 will have the effect of shortening the maturity of the security. In addition, a Trust may subsequently have to reinvest the proceeds at lower interest rates. If a Trust has 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.

For mortgage pass through securities, there are a number of important differences among the agencies and instrumentalities of the U.S. 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 U.S. Treasury.

Non-agency mortgage-backed securities are securities issued by non-governmental issuers and have no direct or indirect government guarantees of payment and are subject to various risks. Non-agency mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The ability of a borrower to repay a loan is dependent upon the income or assets of the borrower. A number of factors, including a general economic downturn, acts of God, terrorism, social unrest and civil disturbances, may impair a borrower's ability to repay its loans.

**Collateralized Debt Obligations:** Collateralized debt obligations (CDOs) include collateralized bond obligations (CBOs) and collateralized loan obligations (CLOs), which are types of asset-backed securities. A CDO is an entity that 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.

**Multiple Class Pass-Through Securities:** Multiple class pass-through securities, including collateralized mortgage obligations (CMOs) and commercial mortgage-backed securities, may be issued by Ginnie Mae, U.S. Government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets). The payments on these are used to make payments on the CMOs or multiple pass-through securities. Multiple class pass-through securities represent direct ownership interests in the

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Mortgage Assets. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages

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## Notes to Financial Statements (continued)

rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, the Trusts' initial investment in the IOs may not be fully recouped.

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

**Capital Trusts and Trust Preferred Securities:** Capital trusts and/or trust preferred securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation pays interest to the trust, which is then distributed to holders of the trust preferred securities as a dividend. 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 and are freely callable at the issuer's option.

**Preferred Stock:** 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.

**Warrants:** Warrants entitle a Trust to purchase a specified 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 of the warrants, if any. If the price of the underlying stock does not rise above the exercise price before the warrant expires, the warrant generally expires without any value and a Trust will lose any amount it paid for the warrant. Thus, investments in warrants may involve more risk than investments in common stock. Warrants may trade in the same markets as their underlying stock; however, the price of the warrant does not necessarily move with the price of the underlying stock.

**Floating Rate Loan Interests:** Floating rate loan interests are typically issued to companies (the borrower) by banks, other financial institutions, or 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 Trusts 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 the London Interbank Offered Rate (LIBOR), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. These investments are treated as investments in debt securities for purposes of the Trusts' investment policies.

When a Trust 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 Trusts 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 a Trust upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. A Trust 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. A Trust 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 Trust having a contractual relationship only with the lender, not with the borrower. A Trust has 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 Trust generally will have no right to enforce compliance by the borrower with the



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terms of the loan agreement, nor any rights of offset against the borrower. A Trust may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, a Trust assumes the credit risk of both the borrower and the lender that is selling the Participation. The Trust's 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, a Trust may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Trust having a direct contractual relationship with the borrower, and the Trust may enforce compliance by the borrower with the terms of the loan agreement.

## Notes to Financial Statements (continued)

In connection with floating rate loan interests, the Trusts may also enter into unfunded floating rate loan interests ( commitments ). In connection with these commitments, a Trust earns 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. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation (depreciation) is included in the Statements of Assets and Liabilities and Statements of Operations. As of period end, the Trusts had no unfunded floating rate loan interests.

**Forward Commitments and When-Issued Delayed Delivery Securities:** Certain Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. A Trust may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trust may be required to pay more at settlement than the security is worth. In addition, the Trust is not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trust assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, a Trust's maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions.

**Commitments:** Certain Trusts may enter into commitments, or agreements, to acquire an investment at a future date (subject to certain conditions) in connection with a potential public or non-public offering. Such agreements may obligate the Trust to make future cash payments. As of October 31, 2015, BTZ and BIT had an outstanding commitment of \$16,315,000 and \$3,100,000, respectively, in connection with the Chapter 11 case of Energy Future Holdings Corp., et al. These commitments are not included in the net assets of the Trusts as of October 31, 2015.

**Reverse Repurchase Agreements:** Reverse repurchase agreements are agreements with qualified third party broker dealers in which a Trust sells securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. The Trust receives cash from the sale to use for other investment purposes. During the term of the reverse repurchase agreement, a Trust continues to receive the principal and interest payments on the securities sold. 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. A Trust 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. If a Trust suffers a loss on its investment of the transaction proceeds from a reverse repurchase agreement, a Trust would still be required to pay the full repurchase price. Further, a Trust remains subject to the risk that the market value of the securities repurchased declines below the repurchase price. In such cases, the Trust would be required to return a portion of the cash received from the transaction or provide additional securities to the counterparty.

Cash received in exchange for securities delivered plus accrued interest due to the counterparty is recorded as a liability in the Statements of Assets and Liabilities at face value including accrued interest. Due to the short-term nature of the reverse repurchase agreements, face value approximates fair value. Interest payments made by a Trust to the counterparties are recorded as a component of interest expense in the Statements of Operations. In periods of increased demand for the security, a Trust may receive a fee for use of the security by the counterparty, which may result in interest income to a Trust.

For the year ended October 31, 2015, the average amount of reverse repurchase agreements outstanding and the daily weighted average interest rates for the Trusts were as follows:

|     | Average<br>Amount | Daily<br>Weighted<br>Average<br>Interest Rate |
|-----|-------------------|---|
| BTZ | \$ 736,929,193    | 0.40%   |
| BIT | \$ 586,411,240    | 0.71%   |

Reverse repurchase transactions are entered into by a Trust under Master Repurchase Agreements (each, an MRA ), which permit a Trust, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Trust. With reverse repurchase transactions, typically a Trust and the counterparty under an MRA are permitted to sell, re-pledge, or use the collateral associated with the transaction. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in

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the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, a Trust receives or posts securities as collateral with a market value in excess of the repurchase price to be paid or received by a Trust upon the maturity of the transaction. Upon a bankruptcy or insolvency of the MRA counterparty, a Trust is considered an unsecured creditor with respect to excess collateral and, as such, the return of excess collateral may be delayed.

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## Notes to Financial Statements (continued)

As of period end, the following table is a summary of the Trusts' open reverse repurchase agreements by counterparty which are subject to offset under an MRA on a net basis:

| Counterparty                       | Fair Value of Non-cash        |  |                         |            |
|------------------------------------|-------------------------------|--|-------------------------|------------|
|                                    | Reverse Repurchase Agreements | Collateral Pledged Including Accrued Interest <sup>1</sup> | Cash Collateral Pledged | Net Amount |
| Barclays Capital Inc.              | \$ 86,252,458                 | \$ (86,252,458)  |                         |            |
| BNP Paribas Securities Corp.       | 168,358,348                   | (168,358,348)  |                         |            |
| Credit Suisse Securities (USA) LLC | 43,524,342                    | (43,524,342)   |                         |            |
| Deutsche Bank AG London            | 4,468,973                     | (4,468,973)  |                         |            |
| HSBC Securities (USA) Inc.         | 20,130,965                    | (20,130,965)   |                         |            |
| RBC Capital Markets, LLC           | 226,309,044                   | (226,309,044)  |                         |            |
| UBS Securities LLC                 | 136,671,811                   | (136,671,811)  |                         |            |
| <b>Total</b>                       | <b>\$ 685,715,941</b>         | <b>\$ (685,715,941)</b>                                    |                         |            |

| Counterparty                       | Fair Value of Non-cash        |  |                         |                         |
|------------------------------------|-------------------------------|--|-------------------------|-------------------------|
|                                    | Reverse Repurchase Agreements | Collateral Pledged Including Accrued Interest <sup>1</sup> | Cash Collateral Pledged | Net Amount <sup>2</sup> |
| Barclays Bank PLC                  | \$ 7,973,535                  | \$ (7,973,535)   |                         |                         |
| Barclays Capital, Inc.             | 62,951,346                    | (62,951,346)   |                         |                         |
| BNP Paribas Securities Corp.       | 56,402,395                    | (56,402,395)   |                         |                         |
| Credit Suisse Securities (USA) LLC | 4,476,918                     | (4,476,918)  |                         |                         |
| Deutsche Bank Securities, Inc.     | 134,298,229                   | (134,298,229)  |                         |                         |
| HSBC Securities (USA), Inc.        | 2,910,617                     | (2,902,916)  |                         | \$ 7,701                |
| JPMorgan Securities LLC            | 7,614,333                     | (7,614,333)  |                         |                         |
| Morgan Stanley & Co. LLC           | 5,387,452                     | (5,387,452)  |                         |                         |
| RBC Capital Markets, LLC           | 26,836,225                    | (26,836,225)   |                         |                         |
| UBS Limited                        | 9,803,435                     | (9,803,435)  |                         |                         |
| UBS Securities LLC                 | 191,697,885                   | (191,697,885)  |                         |                         |
| <b>Total</b>                       | <b>\$ 510,352,370</b>         | <b>\$ (510,344,669)</b>                                    |                         | <b>\$ 7,701</b>         |

<sup>1</sup> Net collateral with a value of \$724,630,737 for BTZ and \$579,987,526 for BIT has been pledged in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting purposes.

<sup>2</sup> Net amount reflects the net amount payable due to the counterparty in the event of default. In the event the counterparty of securities under an MRA files for bankruptcy or becomes insolvent, a Trust's use of the proceeds from the agreement may be restricted while the counterparty, or its trustee or receiver, determines whether or not to enforce a Trust's obligation to repurchase the securities.

### 5. Derivative Financial Instruments:

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and/or to manage economically 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.

**Financial Futures Contracts:** Certain Trusts invest in long and/or short positions in 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 Trusts and a 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.

Upon entering into a financial futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Trusts 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. Variation margin is recorded by the Trusts as unrealized appreciation (depreciation) and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

When the contract is closed, the Trusts 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 or foreign currency exchange rates and the underlying assets.

## Notes to Financial Statements (continued)

**Forward Foreign Currency Exchange Contracts:** Certain Trusts enter into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). A forward 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. Forward foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currencies in which some of the investments held by the Trusts are denominated. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in cash without the delivery of foreign currency. The contract is marked-to-market daily and the change in market value is recorded by the Trusts as an unrealized gain or loss. When the contract is closed, the Trusts 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 forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

**Options:** Certain Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments including 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 Trusts purchase (write) an option, an amount equal to the premium paid (received) by the Trusts 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 Trusts enter into a closing transaction), the Trusts 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 Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps ( swaptions ) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swaptions is granting or buying the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

Certain Trusts also purchase or sell listed or OTC foreign currency options, foreign currency futures and related options on foreign currency futures as a short or long hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies (foreign currency exchange rate risk). When foreign currency is purchased or sold through an exercise of a foreign currency option, the related premium paid (or received) is added to (or deducted from) the basis of the foreign currency acquired or deducted from (or added to) the proceeds of the foreign currency sold (receipts from the foreign currency purchased). Such transactions may be effected with respect to hedges on non-U.S. dollar denominated instruments owned by the Trusts but not yet delivered, or committed or anticipated to be purchased by the Trusts.

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

**Swaps:** Certain Trusts enter into swap agreements in which the Trusts and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract ( OTC swaps ) or centrally cleared ( centrally cleared swaps ). Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

For OTC swaps, any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Statements of Assets and Liabilities and amortized over the term of the OTC swap. Payments received or made by the Trusts for OTC swaps are recorded in the Statements of Operations as realized gains or losses, respectively. When an OTC swap is terminated, the Trusts will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trusts' basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP ) and the Trusts' counterparty on the swap agreement becomes the CCP. The Trusts are required to interface with the CCP through a broker. Upon entering into a centrally cleared swap, the Trusts are required to deposit initial margin with the broker in the form of cash or

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securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited is recorded on the Statements of Assets and Liabilities as cash pledged for centrally cleared swaps. The daily change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gain (loss) in the Statements of Operations.

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## Notes to Financial Statements (continued)

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** Certain Trusts enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their 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 Trusts 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 protection buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection 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 occur. As a buyer, if an underlying credit event occurs, the Trusts will either (i) 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 (ii) 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 Trusts 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.

**Forward interest rate swaps** Certain Trusts enter into forward interest rate swaps. In a forward swap, each Trust and the counterparty agree to make either periodic net payments beginning on a specified future effective date or a net payment at termination, unless terminated earlier.

**Interest rate swaps** Certain Trusts 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, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. In more complex swaps, the notional principal amount may decline (or amortize) over time.

**Master Netting Arrangements:** In order to better define the Trusts' contractual rights and to secure rights that will help them mitigate their counterparty risk, the Trusts may enter into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) or similar agreement with their counterparties. An ISDA Master Agreement is a bilateral agreement between each Trust and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, each Trust may, under certain circumstances, offset with the counterparty certain derivative financial instruments—payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to terminate derivative contracts prior to maturity in the event the Trusts' net assets decline by a stated percentage or the Trusts fail to meet the terms of their ISDA Master Agreements. The result would cause the Trusts to accelerate payment of any net liability owed to the counterparty.

**Collateral Requirements:** For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Trust and the counterparty.

Cash collateral that has been pledged to cover obligations of the Trusts and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Trusts, if any, is noted in the Schedules of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (typically either \$250,000 or \$500,000) before a transfer is required, which is determined at the close of business of the Trusts. Any additional required collateral is delivered to/pledged by the Trusts on the next business day. Typically, a Trust's counterparty is not permitted to sell, re-pledge or use cash and non-cash collateral it receives. The Trusts generally agree not to use



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non-cash collateral that they receive but may, absent default or certain other circumstances defined in the underlying ISDA Master Agreement, be permitted to use cash collateral received. In such cases, the Trusts may pay interest pursuant to the collateral arrangement with the counterparty. To the extent amounts due to the Trusts from their counterparties are not fully collateralized, the Trusts bear the risk of loss from counterparty non-performance. Likewise, to the extent the Trusts have delivered collateral to a counterparty and stand ready to perform under the terms of their agreement with such counterparty, the Trusts bear the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral. Based on the terms of agreements, collateral may not be required to all derivative contracts.

## Notes to Financial Statements (continued)

For financial reporting purposes, the Trusts do not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statements of Assets and Liabilities.

### 6. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate of BlackRock, Inc. ( BlackRock ), for 1940 Act purposes.

Each Trust entered into an Investment Advisory Agreement with the Manager, the Trusts' 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 Trust's portfolio and provides the necessary personnel, facilities, equipment and certain other services to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee based on a percentage of BTZ's and BGT's average weekly (average daily for BIT's) Managed Assets at the following annual rates:

|     |       |
|-----|-------|
| BTZ | 0.62% |
| BGT | 0.75% |
| BIT | 0.80% |

Managed Assets means the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage).

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust 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 Trust's investments in other affiliated investment companies, if any. These amounts are shown as fees waived by the Manager in the Statements of Operations.

The Manager provided investment management and other services to the Taxable Subsidiary. The Manager did not receive separate compensation from the Taxable Subsidiary for providing investment management or administrative services. However, BGT paid the Manager based on BGT's net assets, which included the assets of the Taxable Subsidiary.

The Manager entered into a sub-advisory agreement with BlackRock (Singapore) Limited ( BRS ), an affiliate of the Manager, to serve as sub-advisor for BIT. The Manager pays BRS, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by BIT to the Manager.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for a portion of the compensation paid to the Trusts' Chief Compliance Officer, which is included in officer and trustees in the Statements of Operations.

The Trusts may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment advisor, common officers, or common trustees. For the year ended October 31, 2015, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act for BIT were \$58,980 and \$266,279, respectively.

### 7. Purchases and Sales:

For the year ended October 31, 2015, purchases and sales of investments, including paydowns and excluding short-term securities, were as follows:

| Purchases                      | BTZ                   | BGT                   | BIT                   |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Non-U.S. Government Securities | \$ 374,521,179        | \$ 199,814,591        | \$ 279,167,334        |
| U.S. Government Securities     | 75,193,957            |                       |                       |
| <b>Total Purchases</b>         | <b>\$ 449,715,136</b> | <b>\$ 199,814,591</b> | <b>\$ 279,167,334</b> |

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| Sales                          | BTZ                   | BGT                   | BIT                   |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| Non-U.S. Government Securities | \$ 457,390,174        | \$ 241,069,741        | \$ 439,364,452        |
| U.S. Government Securities     | 95,393,614            |                       |                       |
| <b>Total Sales</b>             | <b>\$ 552,783,788</b> | <b>\$ 241,069,741</b> | <b>\$ 439,364,452</b> |

**8. Income Tax Information:**

It is the Trusts' 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 their taxable income to their shareholders. Therefore, no federal income tax provision is required, except with respect to any taxes related to the Taxable Subsidiaries.

Each Trust files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on BTZ's and BGT's U.S. federal tax returns remains open for each of the four years ended October 31, 2015. The statute of limitations on BIT's U.S. federal tax returns remains open for the period ended October 31, 2013 and the two years ended October 31, 2015. The statutes of limitations on the Trusts' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

## Notes to Financial Statements (continued)

Management has analyzed tax laws and regulations and their application to the Trusts as of October 31, 2015, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Trusts' financial statements.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of period end, the following permanent differences attributable to foreign currency transactions, amortization and accretion methods on fixed income securities, the characterization of expenses and income from a wholly owned subsidiary, the classification of investments, the accounting for swap agreements, income recognized from pass-through entities, and the expiration of capital loss carryforward were reclassified to the following accounts:

|  | BTZ             | BGT            | BIT            |
|--|-----------------|----------------|----------------|
| Paid-in capital  | \$ (56,798,160) | \$ (1,694,797) |                |
| Undistributed (distributions in excess of) net investment income | \$ (4,995,484)  | \$ (106,103)   | \$ (6,932,451) |
| Accumulated net realized gain (loss)                             | \$ 61,793,644   | \$ 1,800,900   | \$ 6,932,451   |

The tax character of distributions paid was as follows:

|                        |            | BTZ            | BGT           | BIT           |
|------------------------|------------|----------------|---------------|---------------|
| Ordinary income        | 10/31/2015 | \$ 97,419,415  | \$ 19,181,416 | \$ 55,119,342 |
|                        | 10/31/2014 | 104,413,172    | 19,919,709    | 53,805,642    |
| Long-term capital gain | 10/31/2015 |                |               | 1,913,717     |
| Return of capital      | 10/31/2015 | 6,993,757      |               |               |
| <b>Total</b>           | 10/31/2015 | \$ 104,413,172 | \$ 19,181,416 | \$ 57,033,059 |
|                        | 10/31/2014 | \$ 104,413,172 | \$ 19,919,709 | \$ 53,805,642 |

As of period end, the tax components of accumulated net earnings (losses) were as follows:

|  | BTZ              | BGT             | BIT            |
|--|------------------|-----------------|----------------|
| Undistributed ordinary income              |                  | \$ 1,664,487    | \$ 7,956,451   |
| Capital loss carryforwards                 | \$ (335,989,171) | (82,278,116)    | (13,616,248)   |
| Net unrealized gains (losses) <sup>1</sup> | 56,867,947       | (11,312,759)    | 4,310,016      |
| <b>Total</b>                               | \$ (279,121,224) | \$ (91,926,388) | \$ (1,349,781) |

<sup>1</sup> The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales and straddles, amortization and accretion methods of premiums and discounts on fixed income securities, the accrual of income on securities in default, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies, the realization for tax purposes of unrealized gains/losses on certain futures, options, and foreign currency contracts, the timing and recognition of partnership income, the accounting for swap agreements, the classification of investments and the deferral of compensation to trustees.

As of period end, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

|                                 | BTZ           | BGT          | BIT           |
|---------------------------------|---------------|--------------|---------------|
| Expires October 31,             |               |              |               |
| No expiration date <sup>2</sup> | \$ 14,123,812 | \$ 5,826,539 | \$ 13,616,248 |

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|              |                |               |               |
|--------------|----------------|---------------|---------------|
| 2016         | 121,634,930    | 14,130,109    |               |
| 2017         | 158,120,431    | 45,385,443    |               |
| 2018         | 31,756,723     | 16,526,601    |               |
| 2019         | 10,353,275     | 409,424       |               |
| <b>Total</b> | \$ 335,989,171 | \$ 82,278,116 | \$ 13,616,248 |

<sup>2</sup> Must be utilized prior to losses subject to expiration.

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

|  | <b>BTZ</b>       | <b>BGT</b>      | <b>BIT</b>       |
|--|------------------|-----------------|------------------|
| Tax cost                                   | \$ 2,131,938,665 | \$ 455,044,256  | \$ 1,211,101,013 |
| Gross unrealized appreciation              | \$ 116,958,242   | \$ 2,291,123    | \$ 23,978,864    |
| Gross unrealized depreciation              | (50,044,606)     | (13,430,422)    | (19,584,402)     |
| Net unrealized appreciation (depreciation) | \$ 66,913,636    | \$ (11,139,299) | \$ 4,394,462     |

**9. Bank Borrowings:**

BGT is party to a senior committed secured, 360-day rolling line of credit facility and a separate security agreement (the *SSB Agreement*) with State Street Bank and Trust Company (*SSB*). *SSB* may elect to terminate its commitment upon 360-days written notice to BGT. As of period end, BGT has not received any notice to terminate. BGT has granted a security interest in substantially all of its assets to *SSB*.

The *SSB Agreement* allows for a maximum commitment amount of \$172,000,000.

## Notes to Financial Statements (continued)

Advances will be made by SSB to BGT, at BGT's option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, BGT pays a facility fee and utilization fee (based on the daily unused portion of the commitment). The commitment fees are waived if BGT meets certain conditions. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs, if any. Advances to BGT as of period end are shown in the Statements of Assets and Liabilities as bank borrowings 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.

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 year ended October 31, 2015, the average amount of bank borrowings and daily weighted average interest rates for BGT with loans under the revolving credit agreements, were \$129,575,342 and 0.94%, respectively.

### 10. Principal Risks:

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer to meet all its obligations, including the ability to pay principal and interest when due (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers of securities owned by the Trusts. Changes arising from the general economy, the overall market and local, regional or global political or/and social instability, as well as currency, interest rate and price fluctuations, may also affect the securities' value.

The Trusts may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force the Trusts to reinvest in lower yielding securities. The Trusts may also be exposed to reinvestment risk, which is the risk that income from the Trusts' portfolios will decline if the Trusts invest the proceeds from matured, traded or called fixed income securities at market interest rates that are below the Trusts' portfolios' current earnings rate.

**Counterparty Credit Risk:** Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trusts.

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Trust's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain less the value of any collateral held by such Trust.

For OTC options purchased, each Trust bears the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral held by the Trusts should the counterparty fail to perform under the contracts. Options written by the Trusts do not typically give rise to counterparty credit risk, as options written generally obligate the Trusts, and not the counterparty, to perform. The Trusts may be exposed to counterparty credit risk with respect to options written to the extent the Trusts deposit collateral with their counterparty to a written option.

With exchange-traded options purchased and futures and centrally cleared swaps, there is less counterparty credit risk to the Trusts since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Trust does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange-traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and

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at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Trusts.

### **Concentration Risk:**

As of period end, BIT invested a significant portion of its assets in securities in the financials sector. Changes in economic conditions affecting such sector would have a greater impact on the Trust and could affect the value, income and/or liquidity of positions in such securities.

## Notes to Financial Statements (concluded)

Certain Trusts may invest in securities that are rated below investment grade quality (sometimes called "junk bonds"), which are predominantly speculative, have greater credit risk and generally are less liquid and have more volatile prices than higher quality securities.

The Trusts invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Trusts may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

Certain Trusts invest a significant portion of their assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Investment percentages in these securities are presented in the Schedules of Investments. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

### 11. Capital Share Transactions:

The Trusts are each authorized to issue an unlimited number of \$0.001 par value shares, which may be issued as either Common Shares or Preferred Shares.

#### Common Shares

Shares issued and outstanding remained constant during the years ended October 31, 2015 and October 31, 2014, respectively, for each Trust.

### 12. Subsequent Events:

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

The Trusts paid a net investment income dividend in the following amounts per share on November 30, 2015 to shareholders of record on November 16, 2015:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BTZ | \$ 0.0805                                |
| BGT | \$ 0.0583                                |
| BIT | \$ 0.1167                                |

Additionally, the Trusts declared a net investment income dividend on December 1, 2015 payable to Common Shareholders of record on December 18, 2015 for the same amounts noted above.

Additionally, the Trusts declared a distribution in the following amounts per share on December 18, 2015 payable to Common Shareholders of record on December 31, 2015 as follows:

|                  | <b>Common<br/>Dividend<br/>Per Share</b> |
|------------------|--|
| BTZ              | \$ 0.080500                              |
| BGT              | \$ 0.058300                              |
| BIT <sup>1</sup> | \$ 0.202589                              |



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<sup>1</sup> Includes special distribution of \$0.085889.

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ANNUAL REPORT

OCTOBER 31, 2015

## Report of Independent Registered Public Accounting Firm

### To the Board of Trustees and Shareholders of BlackRock Credit Allocation Income Trust, BlackRock Floating Rate Income Trust and BlackRock Multi-Sector Income Trust:

We have audited the accompanying statement of assets and liabilities of BlackRock Credit Allocation Income Trust, including the schedule of investments, as of October 31, 2015, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. We have also audited the accompanying statement of assets and liabilities of BlackRock Floating Rate Income Trust, including the schedule of investments, as of October 31, 2015, and the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended (consolidated financial highlights for each of the four years ended October 31, 2015). We have also audited the accompanying statement of assets and liabilities of BlackRock Multi-Sector Income Trust (collectively with the aforementioned funds above, the Trusts), including the schedule of investments, as of October 31, 2015, and the related statements of operations and cash flows for the year then ended, and the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the two years ended October 31, 2015, and the financial highlights for the period February 27, 2013 (commencement of operations) to October 31, 2013. These financial statements and financial highlights are the responsibility of the Trusts' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trusts are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2015, by correspondence with the custodians, brokers and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Credit Allocation Income Trust as of October 31, 2015, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, the financial position of BlackRock Floating Rate Income Trust as of October 31, 2015, the results of its consolidated operations and its consolidated cash flows for the year then ended, the changes in its consolidated net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended (consolidated financial highlights for each of the four years ended October 31, 2015), and the financial position of BlackRock Multi-Sector Income Trust as of October 31, 2015, the results of its operations and its cash flows for the year then ended, and the changes in net assets for each of the two years in the period then ended, and financial highlights for each of the two years ended October 31, 2015, and the financial highlights for the period February 27, 2013 (commencement of operations) to October 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Boston, Massachusetts

December 23, 2015

### Important Tax Information (Unaudited)

During the fiscal year ended October 31, 2015, the following information is provided with respect to the ordinary income distributions paid by the Trusts:

| Payable Dates | BTZ | BGT | BIT |
|---------------|-----|-----|-----|
|---------------|-----|-----|-----|

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|   |                              |        |        |        |
|---|------------------------------|--------|--------|--------|
| Qualified Dividend Income for Individuals <sup>1</sup>  | November 2014 - January 2015 | 6.66%  | 15.56% |        |
|   | February 2015 - October 2015 | 10.48% | 9.23%  |        |
| Dividends Qualifying for the Dividend Received Deduction for Corporations <sup>1</sup>        | November 2014 - January 2015 | 5.44%  | 12.80% |        |
|   | February 2015 - October 2015 | 8.28%  | 5.79%  |        |
| Interest-Related Dividends and Qualified Short-Term Gains for Non-U.S. Residents <sup>2</sup> | November 2014 - January 2015 | 75.27% | 65.94% | 54.49% |
|   | February 2015 - October 2015 | 72.45% | 82.72% | 52.27% |

<sup>1</sup> The Trusts hereby designate the percentage indicated or the maximum amount allowable by law.

<sup>2</sup> Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

Additionally, BIT distributed long-term capital gains of \$0.049808 per share to shareholders of record on December 31, 2014.

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement

The Board of Trustees (each, a Board, collectively, the Boards, and the members of which are referred to as Board Members) of BlackRock Credit Allocation Income Trust (BTZ), BlackRock Floating Rate Income Trust (BGT) and BlackRock Multi-Sector Income Trust (BIT, and together with BGT and BTZ, each a Trust, and, collectively, the Trusts) met in person on April 30, 2015 (the April Meeting) and June 11-12, 2015 (the June Meeting) to consider the approval of each Trust's investment advisory agreement (each, an Advisory Agreement, and, collectively, the Advisory Agreements) with BlackRock Advisors, LLC (the Manager), each Trust's investment advisor. The Board of BIT also considered the approval of the sub-advisory agreement (the BSL Sub-Advisory Agreement) among the Manager, BlackRock (Singapore) Limited (the BSL Sub-Advisor), and BIT. The Manager and the BSL Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the BSL Sub-Advisory Agreement are referred to herein as the Agreements.

### Activities and Composition of the Board

On the date of the April and June Meetings, the Board of each Trust consisted of eleven individuals, nine of whom were not interested persons of such Trust as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). The Board Members are responsible for the oversight of the operations of the Trust and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of each Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

### The Agreements

Pursuant to the 1940 Act, each Board is required to consider the continuation of its Advisory Agreement, and with respect to BIT, its BSL Sub-Advisory Agreement, on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements and additional in-person and telephonic meetings as needed. In connection with this year-long deliberative process, the Boards assessed, among other things, the nature, extent and quality of the services provided to the Trusts by BlackRock, BlackRock's personnel and affiliates, including, as applicable; investment management services, administrative, and shareholder services; the oversight of fund service providers; marketing services; risk oversight; compliance; and ability to meet applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, consider at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Trusts and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-year, three-year, five-year and/or since inception periods, as applicable, against peer funds, applicable benchmarks, and performance metrics, as applicable, as well as senior management's and portfolio managers' analysis of the reasons for any over-performance or underperformance relative to its peers, benchmarks, and other performance metrics, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Trusts for services such as call center; (c) Trust operating expenses and how BlackRock allocates expenses to the Trusts; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Trusts' investment objective(s), policies and restrictions, and meeting new regulatory requirements; (e) the Trusts' compliance with its compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock's implementation of the Trusts' valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment mandates across the open-end fund, closed-end fund and institutional account product channels, as applicable, and the similarities and differences between these products and the services provided as compared to the Trusts; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates, along with investment professionals' investments in the fund(s) they manage; and (m) periodic updates on BlackRock's business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock's commitment to investment performance. BlackRock also furnished information to the Boards in response to specific questions. These questions covered issues such as: BlackRock's profitability; investment performance; funds trading at a discount; subadvisory and advisory relationships with other clients (including mutual funds sponsored by third parties); fund size; portfolio manager's investments in the funds they manage; and management fee levels and breakpoints. The Boards further discussed with BlackRock: BlackRock's management structure; portfolio turnover; BlackRock's portfolio manager compensation and performance accountability; marketing support for the funds; services provided to the funds by BlackRock affiliates; and BlackRock's oversight of relationships with third party service providers.

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The Board of each of BTZ and BGT considered BlackRock's efforts during the past year with regard to the redemption of outstanding auction rate preferred securities (AMPS). As of the date of this report, each of BTZ and BGT has redeemed 100% of its outstanding AMPS.

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

### Board Considerations in Approving the Agreements

The Approval Process: Prior to the April Meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist its deliberations. The materials provided in connection with the April Meeting included (a) information independently compiled and prepared by Lipper, Inc. (Lipper) on Trust fees and expenses as compared with a peer group of funds as determined by Lipper (Expense Peers) and the investment performance of each Trust as compared with a peer group of funds as determined by Lipper and, with respect to BTZ and BGT, a customized peer group selected by BlackRock; (b) information on the profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning investment management fees charged to other clients, such as institutional clients, sub-advised mutual funds, and open-end funds, under similar investment mandates, as applicable; (d) review of non-management fees; (e) the existence, impact and sharing of potential economies of scale; (f) a summary of aggregate amounts paid by each Trust to BlackRock and (g) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At the April Meeting, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the April Meeting, and as a culmination of the Boards' year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the June Meeting.

At the June Meeting, each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Trust for a one-year term ending June 30, 2016. The Board of BIT, including the Independent Board Members, also unanimously approved the continuation of the BSL Sub-Advisory Agreement among the Manager, the BSL Sub-Adviser and BIT for a one-year term ending June 30, 2016. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Trusts and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Trusts; (d) the Trusts' costs to investors compared to the costs of Expense Peers and performance compared to the relevant performance comparison as previously discussed; (e) the sharing of potential economies of scale; (f) fall-out benefits to BlackRock and its affiliates as a result of its relationship with the Trusts; and (g) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending and cash management, services related to the valuation and pricing of Trust portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Trusts and advice from independent legal counsel with respect to the review process and materials submitted for the Boards' review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

**A. Nature, Extent and Quality of the Services Provided by BlackRock:** The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Trusts. Throughout the year, the Boards compared the Trusts' performance to the performance of a comparable group of closed-end funds, relevant benchmark, and performance metrics, as applicable. The Boards met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. Each Board also reviewed the materials provided by its Trust's portfolio management team discussing the Trust's performance and the Trust's investment objective(s), strategies and outlook.

The Boards considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and their Trusts' portfolio management teams; BlackRock's research capabilities; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. The Boards engaged in a review of BlackRock's compensation structure with respect to the Trusts' portfolio management teams and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and other non-investment advisory services provided to the Trusts. BlackRock and its affiliates provide the Trusts with certain services (in addition to any such services provided to the Trusts by third parties) and officers and other personnel as are necessary for the operations of the Trusts. In particular, BlackRock and its affiliates provide the Trusts with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications

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with analysts to support secondary market trading of the Trusts; (iii) oversight of daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; (viii) furnishing analytical and other support to assist the Boards in their consideration of strategic issues such as the merger, consolidation or repurposing of certain closed-end funds; and (ix) performing other administrative functions necessary for the operation of the

<sup>1</sup> Funds are ranked by Lipper in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable.

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

Trusts, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, shareholder services, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Trusts and BlackRock: Each Board, including the Independent Board Members, also reviewed and considered the performance history of its Trust. In preparation for the April Meeting, the Boards worked with their independent legal counsel, BlackRock and Lipper to develop a template for, and were provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Trust's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock. In connection with its review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Trust as compared to other funds in its applicable Lipper category and, with respect to BTZ and BGT, the customized peer group selected by BlackRock. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review its methodology. Each Board and its Performance Oversight Committee regularly review, and meet with Trust management to discuss, the performance of its Trust throughout the year.

In evaluating performance, the Boards recognized that the performance data reflects a snapshot of a period or as of a particular date and that selecting a different performance period could produce significantly different results. Further, the Boards recognized that it is possible that long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme has the ability to affect long-term performance disproportionately.

The Board of BTZ noted that for the one-, three- and five-year periods reported, BTZ ranked in the second, first and first quartiles, respectively, against its Customized Lipper Peer Group. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BTZ.

The Board of BGT noted that for the one-, three- and five-year periods reported, BGT ranked in the first, second and third quartiles, respectively, against its Customized Lipper Peer Group. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BGT.

The Board of BIT noted that for the one-year and since-inception periods reported, BIT ranked in the second and first quartiles, respectively, against its Lipper Performance Universe.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Trusts: Each Board, including the Independent Board Members, reviewed its Trust's contractual management fee rate compared with the other funds in its Lipper category. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. Each Board also compared its Trust's total expense ratio, as well as its actual management fee rate as a percentage of total assets, to those of other funds in its Lipper category. The total expense ratio represents a fund's total net operating expenses, excluding any investment related expenses. The total expense ratio gives effect to any expense reimbursements or fee waivers that benefit a fund, and the actual management fee rate gives effect to any management fee reimbursements or waivers that benefit a fund. The Boards considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts and sub-advised mutual funds.

The Boards received and reviewed statements relating to BlackRock's financial condition. The Boards reviewed BlackRock's profitability methodology and were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Trusts. The Boards reviewed BlackRock's profitability with respect to the Trusts and other funds the Boards currently oversee for the year ended December 31, 2014 compared to available aggregate profitability data provided for the prior two years. The Boards reviewed BlackRock's profitability with respect to certain other U.S. fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. As a result, calculating and comparing profitability at individual fund levels is difficult.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.



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In addition, the Boards considered the cost of the services provided to the Trusts by BlackRock, and BlackRock's and its affiliates' profits relating to the management of the Trusts and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Boards reviewed BlackRock's methodology in allocating its costs to the management of the Trusts. The Boards may periodically receive and review information from independent third parties as part of their annual evaluation. BlackRock retained an independent third party to evaluate its cost allocation methodologies in the context of BlackRock's 1940 Act Fund business. The Boards considered the results of that evaluation in connection with BlackRock's profitability reporting. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards. The Boards further considered

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (concluded)

factors including but not limited to BlackRock's commitment of time, assumption of risk and liability profile in servicing the Trusts in contrast to what is required of BlackRock with respect to other products with similar investment mandates across the open-end fund, ETF, closed-end fund, sub-advised mutual fund and institutional account product channels, as applicable.

The Board of BTZ noted that BTZ's contractual management fee rate ranked in the fourth quartile, and that the actual management fee rate and total expense ratio ranked in the fourth and second quartiles, respectively, relative to the Trust's Expense Peers. The Board of BTZ also noted, however, that given the comparability limitations of the Trust's Expense Peers, BlackRock provided the Board a supplemental customized peer group consisting of funds that are generally similar to BTZ.

The Board of BGT noted that BGT's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to the Trust's Expense Peers.

The Board of BIT noted that BIT's contractual management fee rate ranked in the third quartile, and that the actual management fee rate and total expense ratio ranked in the second and fourth quartiles, respectively, relative to the Trust's Expense Peers.

D. Economies of Scale: Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Trust increase. Each Board also considered the extent to which its Trust benefits from such economies and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable the Trust to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Trust.

Based on the Boards' review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund's inception.

E. Other Factors Deemed Relevant by the Board Members: The Boards, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from their respective relationships with the Trusts, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Trusts, including securities lending and cash management services. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that it had considered the investment by BlackRock's funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Boards noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Trust shares in the secondary market if they believe that the Trust's fees and expenses are too high or if they are dissatisfied with the performance of the Trust.

The Boards also considered the various notable initiatives and projects BlackRock performed in connection with its closed-end fund product line. These initiatives included the redemption of AMPS for the BlackRock closed-end funds with AMPS outstanding; developing equity shelf programs; efforts to eliminate product overlap with fund mergers; ongoing services to manage leverage that has become increasingly complex; share repurchases and other support initiatives for certain BlackRock funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted BlackRock's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. BlackRock's support services included, among other things: continuing communications concerning the redemption efforts related to AMPS; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the BlackRock funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing its closed-end fund website.

### Conclusion

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Each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Trust for a one-year term ending June 30, 2016. The Board of BIT, including the Independent Board Members, also unanimously approved the continuation of the BSL Sub-Advisory Agreement among the Manager, the BSL Sub-Adviser and BIT for a one-year term ending June 30, 2016. Based upon its evaluation of all of the aforementioned factors in their totality, each Board, including the Independent Board Members, was satisfied that the terms of the Agreement were fair and reasonable and in the best interest of its Trust and its shareholders. In arriving at its decision to approve the Agreement for its Trust, the Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination. The contractual fee arrangements for the Trusts reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

## Automatic Dividend Reinvestment Plan

Pursuant to each Trust's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Reinvestment Plan Agent") in the respective Trust's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Trusts declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants' accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Trusts ("newly issued shares") or (ii) by purchase of outstanding shares on the open market or on the Trust's primary exchange ("open-market purchases"). If, on the dividend payment date, the net asset value per share ("NAV") is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in

newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

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

Each Trust reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan; however, each Trust reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants that request a sale of shares are subject to a \$2.50 sales fee and a \$0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. All correspondence concerning the Reinvestment Plan should be directed to Computershare Trust Company, N.A. through the internet at <http://www.computershare.com/blackrock>, or in writing to Computershare, P.O. Box 30170, College Station TX 77842-3170, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at Computershare, 211 Quality Circle, Suite 210, College Station, TX 77845.

## Officers and Trustees

| Name, Address <sup>1</sup><br>and Year of Birth | Position(s)<br>Held with<br>Trusts  | Length<br>of Time<br>Served as a<br>Trustee <sup>3</sup> | Principal Occupation(s) During Past Five Years  | Number of<br>BlackRock-<br>Advised Registered<br>Investment<br>Companies<br>( RICs ) Consisting of<br>Investment<br>Portfolios<br>( Portfolios )<br>Overseen <sup>4</sup> | Public<br>Directorships   |
|---|---|--|---|---|---|
| <b>Independent Trustees<sup>2</sup></b>         |   |  |   |   |   |
| <b>Richard E. Cavanagh</b>                      | Chair of the Board and Trustee  | Since 2007   | Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Director, Arch Chemical (chemical and allied products) from 1999 to 2011; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Faculty Member/Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 75 RICs consisting of<br>75 Portfolios  | None  |
| 1946  |   |  |   |   |   |
| <b>Karen P. Robards</b>                         | Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee | Since 2007   | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Investment Banker at Morgan Stanley from 1976 to 1987.   | 75 RICs consisting of<br>75 Portfolios  | AtriCure, Inc. (medical devices); Greenhill & Co., Inc.           |
| 1950  |   |  |   |   |   |
| <b>Michael J. Castellano</b>                    | Trustee and Member of the Audit Committee                                     | Since 2011   | Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2011; Director, Support Our Aging Religious (non-profit) from 2009 to June 2015; Director, National Advisory Board of Church Management at Villanova University since 2010; Trustee, Domestic Church Media Foundation since 2012; Director, CircleBlack Inc. (financial technology company) since 2015.   | 75 RICs consisting of<br>75 Portfolios  | None  |
| 1946  |   |  |   |   |   |
| <b>Frank J. Fabozzi<sup>4</sup></b>             | Trustee and Member of the Audit Committee                                     | Since 2007   | Editor of and Consultant for The Journal of Portfolio Management since 2006; Professor of Finance, EDHEC Business School since 2011; Visiting Professor, Princeton University from 2013 to 2014; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011.  | 108 RICs consisting of<br>235 Portfolios  | None  |
| 1948  |   |  |   |   |   |
| <b>Kathleen F. Feldstein</b>                    | Trustee   | Since 2007   | President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Trustee Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009.   | 75 RICs consisting of<br>75 Portfolios  | The McClatchy Company (publishing)                                |
| 1941  |   |  |   |   |   |
| <b>James T. Flynn</b>                           | Trustee and Member of the Audit Committee                                     | Since 2007   | Chief Financial Officer of JPMorgan & Co., Inc. from 1990 to 1995.  | 75 RICs consisting of<br>75 Portfolios  | None  |
| 1939  |   |  |   |   |   |
| <b>Jerrold B. Harris</b>                        | Trustee   | Since 2007   | Trustee, Ursinus College from 2000 to 2012; Director, Waterfowl Chesapeake (conservation) since 2014; Director, Ducks Unlimited, Inc. (conservation) since 2013; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation from 2010 to 2012; President and Chief Executive Officer, VWR Scientific Products   | 75 RICs consisting of<br>75 Portfolios  | BlackRock Capital Investment Corp. (business development company) |

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|      |                         |         |            |   |  |   |
|------|-------------------------|---------|------------|---|--|---|
| 1942 | <b>R. Glenn Hubbard</b> | Trustee | Since 2007 | Corporation from 1990 to 1999.<br>Dean, Columbia Business School since 2004; Faculty member, Columbia Business School since 1988. | 75 RICs consisting of<br><br>75 Portfolios | ADP (data and information services);<br>Metropolitan Life Insurance Company (insurance) |
| 1958 |                         |         |            |   |  |   |

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## Officers and Trustees (continued)

| Name, Address <sup>1</sup><br>and Year of Birth  | Position(s)<br>Held with<br>Trust                           | Length<br>of Time<br>Served as a<br>Trustee <sup>3</sup> | Principal Occupation(s) During Past Five Years  | Number of<br>BlackRock-<br>Advised Registered<br>Investment<br>Companies<br>( RICs ) Consisting of<br>Investment<br>Portfolios<br>( Portfolios )<br>Overseen <sup>4</sup> | Public<br>Directorships |
|--|---|--|---|---|-------------------------|
| <b>Independent Trustees<sup>2</sup> (concluded)</b>  |   |  |   |   |                         |
| <b>W. Carl Kester</b><br><br>1951  | Trustee and<br>Member of<br>the Audit<br>Committee          | Since<br><br>2007  | George Fisher Baker Jr. Professor of Business<br>Administration, Harvard Business School since 2008, Deputy<br>Dean for Academic Affairs from 2006 to 2010, Chairman of<br>the Finance Unit, from 2005 to 2006, Senior Associate Dean<br>and Chairman of the MBA Program from 1999 to 2005;<br>Member of the faculty of Harvard Business School since<br>1981.  | 75 RICs consisting of<br><br>75 Portfolios  | None                    |
| <p><sup>1</sup> The address of each Trustee is c/o BlackRock, Inc., 55 East 52nd Street, New York, NY 10055.</p> <p><sup>2</sup> Independent Trustees serve until their resignation, retirement, removal or death, or until December 31 of the year in which they turn 74. The maximum age limitation may be waived as to any Trustee by action of a majority of the Trustees upon finding of good cause thereof. The Board of Trustees has unanimously approved further extending the mandatory retirement age for Mr. James T. Flynn until December 31, 2015, which the Board of Trustees believes is in the best interest of shareholders.</p> <p><sup>3</sup> Date shown is the earliest date a person has served for the Funds in the Closed-End Complex. Following the combination of Merrill Lynch Investment Managers, L.P. ( MLIM ) and BlackRock ( BlackRock ) in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. As a result, although the chart shows certain Trustees as joining the Trusts board in 2007, those Trustees first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995 and Karen P. Robards, 1998.</p> <p><sup>4</sup> For purposes of this chart, RICs refers to investment companies registered under the 1940 Act and Portfolios refers to the investment programs of the BlackRock-advised funds. The Closed-End Complex is comprised of 75 RICs. Mr. Perlowski, Dr. Fabozzi and Ms. Novick are also board members of a complex of BlackRock registered open-end funds. Mr. Perlowski is also a board member of the BlackRock Equity-Bond Complex, and Ms. Novick and Dr. Fabozzi are also board members of the BlackRock Equity-Liquidity Complex.</p> |   |  |   |   |                         |
| <b>Interested Trustees<sup>5</sup></b>   |   |  |   |   |                         |
| <b>Barbara G. Novick</b><br><br>1960   | Trustee   | Since<br><br>2014  | Vice Chairman of BlackRock since 2006; Chair of<br>BlackRock's Government Relations Steering Committee since<br>2009; Head of the Global Client Group of BlackRock, Inc.<br>from 1988 to 2008.  | 108 RICs consisting<br>of 235 Portfolios  | None                    |
| <b>John M. Perlowski</b><br><br>1964   | Director,<br>President<br>and Chief<br>Executive<br>Officer | Since<br><br>2014  | Managing Director of BlackRock since 2009; Head of<br>BlackRock Global Fund Services since 2009; Managing<br>Director and Chief Operating Officer of the Global Product<br>Group at Goldman Sachs Asset Management, L.P. from 2003<br>to 2009; Treasurer of Goldman Sachs Mutual Funds from<br>2003 to 2009 and Senior Vice President thereof from 2007 to<br>2009; Director of Goldman Sachs Offshore Funds from 2002<br>to 2009; Director of Family Resource Network (charitable<br>foundation) since 2009. | 136 RICs consisting<br>of 333 Portfolios  | None                    |

<sup>5</sup> Mr. Perlowski and Ms. Novick are both interested persons, as defined in the 1940 Act, of the Trusts based on their positions with BlackRock and its affiliate. Mr. Perlowski and Ms. Novick are also board members of a complex of BlackRock registered open-end funds. Mr. Perlowski is also a board member of the BlackRock Equity-Bond Complex and the BlackRock Equity-Liquidity Complex, and Ms. Novick is a board member of the BlackRock Equity-Liquidity Complex. Interested Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Trustee by action of a majority of the Trustees upon a finding of good cause thereof.

## Officers and Trustees (concluded)

| Name, Address <sup>1</sup> and Year of Birth | Position(s) Held with the Trusts                | Length of Time Served as a Trustee | Principal Occupation(s) During Past Five Years   |
|--|---|------------------------------------|--|
| <b>Officers<sup>2</sup></b>                  |   |                                    |  |
| <b>John M. Perlowski</b><br>1964             | Director, President and Chief Executive Officer | Since 2011                         | Managing Director of BlackRock since 2009; Head of BlackRock Global Fund Services since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009.  |
| <b>Jonathan Diorio</b><br>1980               | Vice President                                  | Since 2015                         | Managing Director of BlackRock, Inc. since 2015; Director of BlackRock, Inc. from 2011 to 2015; Director of Deutsche Asset & Wealth Management from 2009 to 2011.  |
| <b>Neal Andrews</b><br>1966                  | Chief Financial Officer                         | Since 2007                         | Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006.   |
| <b>Jay Fife</b><br>1970                      | Treasurer                                       | Since 2007                         | Managing Director of BlackRock since 2007; Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006.   |
| <b>Charles Park</b><br>1967                  | Chief Compliance Officer                        | Since 2014                         | Anti-Money Laundering Compliance Officer for the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex since 2014; Principal of and Chief Compliance Officer for iShares <sup>®</sup> Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ( BFA ) since 2006; Chief Compliance Officer for the BFA-advised iShares exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012. |
| <b>Janey Ahn</b><br>1975                     | Secretary                                       | Since 2012                         | Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012.   |

<sup>1</sup> The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, NY 10055.

<sup>2</sup> Officers of the Trusts serve at the pleasure of the Board.

Effective September 18, 2015, Robert W. Crothers resigned as a Vice President of the Trust and Jonathan Diorio became a Vice President of the Trust.

| Investment Advisor                              | Accounting Agent and Custodian                          | Independent Registered Public Accounting Firm | Address of the Trusts                        |
|---|---|---|--|
| BlackRock Advisors, LLC<br>Wilmington, DE 19809 | State Street Bank and Trust Company<br>Boston, MA 02110 | Deloitte & Touche LLP<br>Boston, MA 02116     | 100 Bellevue Parkway<br>Wilmington, DE 19809 |



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**Sub-Advisor**

**Transfer Agent**

**Legal Counsel**

BlackRock (Singapore) Limited<sup>1</sup> Common Shares

Skadden, Arps, Slate, Meagher & Flom LLP

079912 Singapore

Computershare Trust Company, N.A. Boston, MA 02116

Canton, MA 02021

<sup>1</sup> For BIT.

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## Additional Information

### Proxy Results

The Annual Meeting of Shareholders was held on July 29, 2015 for shareholders of record on June 1, 2015, to elect trustee nominees for each Trust. There were no broker non-votes with regard to any of the Trusts.

Approved the Trustees as follows:

|     | Frank J. Fabozzi <sup>1</sup>  |           |         | James T. Flynn <sup>1</sup>   |           |         | Barbara G. Novick <sup>2</sup> |           |         |
|-----|--------------------------------|-----------|---------|-------------------------------|-----------|---------|--------------------------------|-----------|---------|
|     | Votes For                      | Withheld  | Abstain | Votes For                     | Withheld  | Abstain | Votes For                      | Withheld  | Abstain |
| BTZ | 97,729,005                     | 3,011,305 | 0       | 97,771,431                    | 2,968,879 | 0       | 97,883,516                     | 2,856,794 | 0       |
| BGT | 21,212,760                     | 617,044   | 0       | 21,245,597                    | 584,207   | 0       | 21,186,055                     | 643,749   | 0       |
| BIT | 33,657,340                     | 484,844   | 0       | 33,641,342                    | 500,842   | 0       | 33,660,293                     | 481,891   | 0       |
|     | John M. Perlowski <sup>3</sup> |           |         | Karen P. Robards <sup>1</sup> |           |         |                                |           |         |
|     | Votes For                      | Withheld  | Abstain | Votes For                     | Withheld  | Abstain | Votes For                      | Withheld  | Abstain |
| BTZ | 97,846,652                     | 2,893,658 | 0       | 97,846,326                    | 2,893,984 | 0       |                                |           |         |
| BGT | 21,216,604                     | 613,200   | 0       | 21,185,429                    | 644,375   | 0       |                                |           |         |
| BIT | 33,664,094                     | 478,090   | 0       | 33,681,228                    | 460,956   | 0       |                                |           |         |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Michael J. Castellano, Richard E. Cavanagh, Kathleen F. Feldstein, Jerrold B. Harris, R. Glenn Hubbard and W. Carl Kester.

<sup>1</sup> Class II

<sup>2</sup> Class III

<sup>3</sup> Class I

### Trust Certification

Each Trust is listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Trusts filed with the SEC the certification of their chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

### Dividend Policy

Each Trust's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the distributions paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The portion of distributions that exceeds a Trust's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Distributions in excess of a Trust's taxable income and net capital gains, but not in excess of a Trust's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The Trusts' 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.



## Additional Information (continued)

### General Information

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

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

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Trusts 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 Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

### Electronic Delivery

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder reports by enrolling in the electronic delivery program. Electronic copies of shareholder reports are available on BlackRock's website.

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

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

### Householding

The Trusts 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 Trusts at (800) 882-0052.

### Availability of Quarterly Schedule of Investments

The Trusts 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 Trusts' 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, D.C. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available upon request and without charge (1) by calling (800) 882-0052; (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 Trusts voted proxies relating to securities held in the Trusts' 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) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

### Availability of Trust Updates

## Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST - Form N-CSR

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

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## Additional Information (concluded)

**Section 19(a) Notice**

These amounts and sources of distributions reported are estimates and are being provided to you pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Trust's investment experience during the remainder of the fiscal year and may be subject to changes based on tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will tell you how to report these distributions for federal income tax purposes.

**October 31, 2015**

|     | Total Cumulative Distributions<br>for the Fiscal Year-to-Date |                               |                      |                           | % Breakdown of the Total Cumulative<br>Distributions for the Fiscal Year-to-Date |                               |                      |                           |
|-----|---|-------------------------------|----------------------|---------------------------|--|-------------------------------|----------------------|---------------------------|
|     | Net Investment<br>Income                                      | Net Realized<br>Capital Gains | Return of<br>Capital | Total Per<br>Common Share | Net Investment<br>Income   | Net Realized<br>Capital Gains | Return of<br>Capital | Total Per<br>Common Share |
| BTZ | \$ 0.0805   |                               |                      | \$ 0.0805                 | 100%   | 0%                            | 0%                   | 100%                      |
| BIT | \$ 0.1167   |                               |                      | \$ 0.1167                 | 100%   | 0%                            | 0%                   | 100%                      |

The Trusts estimate that they have distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in the Trusts are returned to the shareholder. A return of capital does not necessarily reflect the Trusts' investment performance and should not be confused with yield or income. When distributions exceed total return performance, the difference will incrementally reduce the Trusts' net asset value per share.

Section 19(a) notices for the Trusts, as applicable, are available on the BlackRock website at <http://www.blackrock.com>.

**BlackRock Privacy Principles**

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

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

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

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

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



This report is intended for current holders. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the 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-3-10/15-AR



- Item 2 Code of Ethics The registrant (or the Fund ) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, the code of ethics was amended to update certain information and to make other non-material changes. During the period covered by this report, there have been no waivers granted under the code of ethics. The registrant undertakes to provide a copy of the code of ethics to any person upon request, without charge, by calling 1-800-882-0052, option 4.
- Item 3 Audit Committee Financial Expert The registrant's board of directors (the board of directors ), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Michael Castellano  
Frank J. Fabozzi  
James T. Flynn  
W. Carl Kester  
Karen P. Robards

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

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

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

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

## Item 4 Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP ( D&T ) in each of the last two fiscal years for the services rendered to the Fund:

| <u>Entity Name</u>                                | <u>(a) Audit Fees</u> |                    | <u>(b) Audit-Related Fees<sup>1</sup></u> |                    | <u>(c) Tax Fees<sup>2</sup></u> |                    | <u>(d) All Other Fees<sup>3</sup></u> |                    |
|---|-----------------------|--------------------|---|--------------------|---------------------------------|--------------------|---------------------------------------|--------------------|
|   | <u>Current</u>        | <u>Previous</u>    | <u>Current</u>                            | <u>Previous</u>    | <u>Current</u>                  | <u>Previous</u>    | <u>Current</u>                        | <u>Previous</u>    |
|   | <u>Fiscal Year</u>    | <u>Fiscal Year</u> | <u>Fiscal Year</u>                        | <u>Fiscal Year</u> | <u>Fiscal Year</u>              | <u>Fiscal Year</u> | <u>Fiscal Year</u>                    | <u>Fiscal Year</u> |
| BlackRock<br>Credit<br>Allocation<br>Income Trust | <u>End</u>            | <u>End</u>         | <u>End</u>                                | <u>End</u>         | <u>End</u>                      | <u>End</u>         | <u>End</u>                            | <u>End</u>         |
|   | \$48,188              | \$46,019           | \$0                                       | \$0                | \$22,032                        | \$21,600           | \$0                                   | \$0                |

The following table presents fees billed by D&T that were required to be approved by the registrant's audit committee (the Committee) for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC ( Investment Adviser or BlackRock ) and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund ( Fund Service Providers ):

|   | <u>Current Fiscal Year End</u> | <u>Previous Fiscal Year End</u> |
|---|--------------------------------|---------------------------------|
| <b>(b) Audit-Related Fees<sup>1</sup></b> | \$0                            | \$0                             |
| <b>(c) Tax Fees<sup>2</sup></b>           | \$0                            | \$0                             |
| <b>(d) All Other Fees<sup>3</sup></b>     | \$2,391,000                    | \$2,555,000                     |

<sup>1</sup> The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

<sup>2</sup> The nature of the services includes tax compliance, tax advice and tax planning.

<sup>3</sup> Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

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

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

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g.,

unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

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

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| <u>Entity Name</u>                          | <u>Current Fiscal Year End</u> | <u>Previous Fiscal Year End</u> |
|---|--------------------------------|---------------------------------|
| BlackRock Credit Allocation<br>Income Trust | \$22,032                       | \$21,600                        |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,391,000 and \$2,555,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser, and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5 Audit Committee of Listed Registrants

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

Michael Castellano

Frank J. Fabozzi

James T. Flynn

W. Carl Kester

Karen P. Robards

(b) Not Applicable

Item 6 Investments

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

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

**Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies**  
 The board of directors has delegated the voting of proxies for the Fund's portfolio securities to the Investment Adviser pursuant to the Investment Adviser's proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund's stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser's Equity Investment Policy Oversight Committee, or a sub-committee thereof (the Oversight Committee) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser's Portfolio Management Group and/or the Investment Adviser's Legal and Compliance Department and concluding that the vote cast is in its client's best interest notwithstanding the conflict. A copy of the Fund's Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at [www.blackrock.com](http://www.blackrock.com) and (ii) on the SEC's website at <http://www.sec.gov>.

**Item 8 Portfolio Managers of Closed-End Management Investment Companies** as of October 31, 2015.

(a)(1) The Fund is managed by a team of investment professionals comprised of Jeff Cucunato, Managing Director at BlackRock, Mitchell S. Garfin, Managing Director at BlackRock and Stephan Bassas, Director at BlackRock. Messrs. Cucunato, Bassas and Garfin are the Fund's portfolio managers and are responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Messrs. Cucunato, Bassas and Garfin have been members of the Fund's portfolio management team since 2011.

| <b>Portfolio Manager</b> | <b>Biography</b>  |
|--------------------------|---|
| Jeffrey Cucunato         | Managing Director of BlackRock since 2005.  |
| Mitchell S. Garfin       | Managing Director of BlackRock since 2009; Director of BlackRock from 2005 to 2008. |
| Stephan Bassas           | Director of BlackRock since 2006.   |

(a)(2) As of October 31, 2015:

| (i) Name of<br>Portfolio Manager<br>Companies | (ii) Number of Other Accounts Managed<br>and Assets by Account Type |                 |                | (iii) Number of Other Accounts and<br>Assets for Which Advisory Fee is<br>Performance-Based |              |          |
|---|---|-----------------|----------------|---|--------------|----------|
|   | Other   | Other Pooled    | Other          | Other   | Other Pooled | Other    |
|   | Registered  | Investment      |                | Registered  | Investment   |          |
|   | Investment  | Vehicles        | Accounts       | Investment  | Vehicles     | Accounts |
| Jeffrey Cucunato                              | 4   | 20              | 74             | 0   | 0            | 1        |
|   |   |                 | \$37.27        |   |              | \$480.8  |
|   | \$1.45 Billion  | \$12.85 Billion | Billion        | \$0   | \$0          | Million  |
| Mitchell Garfin                               | 11  | 13              | 23             | 0   | 0            | 4        |
|   |   |                 |                |   |              | \$788.2  |
|   | \$23.32 Billion   | \$9.99 Billion  | \$9.24 Billion | \$0   | \$0          | Million  |
| Stephan Bassas                                | 2   | 18              | 75             | 0   | 0            | 1        |
|   | \$425.5   |                 | \$42.17        |   |              | \$480.8  |
|   | Million   | \$12.40 Billion | Billion        | \$0   | \$0          | Million  |

## (iv) Portfolio Manager Potential Material Conflicts of Interest

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

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



(a)(3) As of October 31, 2015:

### Portfolio Manager Compensation Overview

The discussion below describes the portfolio managers' compensation as of October 31, 2015.

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

**Base compensation.** Generally, portfolio managers receive base compensation based on their position with the firm.

### Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts are:

| Portfolio Manager | Benchmark   |
|-------------------|---|
| Jeffrey Cucunato  | Barclays US Credit Index  |
| Stephen Bassas    | A combination of market-based indices (e.g., The Barclays U.S. Corporate High Yield 2% Issuer Cap Index), certain customized indices and certain fund industry peer groups. |
| Mitchell Garfin   |   |

**Distribution of Discretionary Incentive Compensation.** Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a

portion of discretionary incentive compensation in BlackRock, Inc. stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock's ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

*Long-Term Incentive Plan Awards* From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. The portfolio managers of this Fund have unvested long-term incentive awards.

*Deferred Compensation Program* A portion of the compensation paid to eligible United States-based BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm's investment products. Any portfolio manager who is either a managing director or director at BlackRock with compensation above a specified threshold is eligible to participate in the deferred compensation program.

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

*Incentive Savings Plans* BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at \$5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the Internal Revenue Service limit (\$265,000 for 2015). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock, Inc. common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of \$25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* As of October 31, 2015.

| <b>Portfolio Manager</b> | <b>Dollar Range of Equity Securities<br/>of the Fund Beneficially Owned</b> |
|--------------------------|---|
| Jeffrey Cucunato         | \$100,001 - \$500,000   |
| Mitchell Garfin          | None  |
| Stephan Bassas           | \$10,001 - \$50,000   |

(b) Not Applicable

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

Item 10 Submission of Matters to a Vote of Security Holders 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 See Item 2

(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

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Credit Allocation Income Trust

Date: January 4, 2016

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

Date: January 4, 2016

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Credit Allocation Income Trust

Date: January 4, 2016