

BlackRock Multi-Sector Income Trust
Form N-CSR
January 02, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-22774

Name of Fund: BlackRock Multi-Sector Income Trust (BIT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 10/31/2013

Date of reporting period: 10/31/2013

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Item 1 Report to Stockholders

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OCTOBER 31, 2013

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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Dear Shareholder

Financial markets were volatile as 2012 drew to a close, with investors growing increasingly concerned over the possible implementation of pre-mandated tax increases and spending cuts known as the fiscal cliff. However, a last-minute tax deal averted the potential crisis and allowed markets to get off to a strong start in 2013. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world's major economies, coupled with the absence of negative headlines from Europe, fostered an aura of comfort for investors. Global equities surged, while rising US Treasury yields pressured high quality fixed income assets. (Bond prices fall when yields rise.)

Global economic momentum slowed in February, however, and the pace of the rally moderated. In the months that followed, US stocks outperformed international stocks, as America showed greater stability compared to most other regions. Slow, but positive, growth was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced expectations that the Federal Reserve would keep its asset purchase program intact and interest rates low. International markets experienced higher levels of volatility given a resurgence of political instability in Italy, a severe banking crisis in Cyprus and a generally poor outlook for European economies, many of which were mired in recession. Emerging markets significantly lagged the rest of the world as growth in these economies, particularly in China and Brazil, fell short of expectations.

In May, the Fed Chairman commented on the possibility of beginning to gradually reduce or taper the central bank's asset purchase program before the end of 2013. Investors around the world retreated from higher risk assets in response. Markets rebounded in late June when the tone of the US central bank turned more dovish, and improving economic indicators and better corporate earnings helped extend gains through July.

Markets slumped again in August as investors became wary of looming macro risks. Mixed economic data stirred worries about global growth and uncertainty about when and how much the Fed would scale back on stimulus. Also weighing on investors' minds was the escalation of the revolution in Egypt and the civil war in Syria, both of which fueled higher oil prices, an additional headwind for global economic growth.

September was surprisingly positive for investors, thanks to the easing of several key risks. Most important, the Fed defied market expectations with its decision to delay tapering. Additionally, the more hawkish candidate to become the next Fed Chairman, Larry Summers, withdrew from the race. On the geopolitical front, turmoil in Egypt and Syria subsided. In Europe, the re-election of Angela Merkel as Chancellor of Germany was welcomed as a continuation of the status quo. High levels of volatility returned in late September when the Treasury Department warned that the US national debt would breach its statutory maximum soon after Oct. 17. Political brinkmanship led to a partial government shutdown, roiling global financial markets through the first half of October, but the rally quickly resumed with a last-minute compromise to reopen the government and extend the debt ceiling until early 2014.

Though periods of heightened uncertainty drove high levels of market volatility over the past year, riskier asset classes generally outperformed lower-risk investments. Developed market equities generated the highest returns for the 6- and 12-month periods ended Oct. 31, with particular strength coming from US small-cap stocks. Emerging markets posted smaller, albeit positive returns after struggling with slowing growth and weakening currencies in the first half of 2013. Rising interest rates resulted in poor performance for US Treasury bonds and other higher-quality sectors such as tax-exempt municipals and investment grade corporate bonds. High yield bonds, on the other hand, moved higher as income-oriented investors sought meaningful returns in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities near historical lows.

At BlackRock, we believe investors need to think globally and extend their scope across a broader 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 www.blackrock.com for further insight about investing in today's world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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Though periods of heightened uncertainty drove high levels of market volatility over the past year, riskier asset classes generally outperformed lower-risk investments.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2013

| | 6-month | 12-month |
|--|---------|----------|
| US large cap equities (S&P 500® Index) | 11.14% | 27.18% |
| US small cap equities (Russell 2000® Index) | 16.90 | 36.28 |
| International equities (MSCI Europe, Australasia, Far East Index) | 8.53 | 26.88 |
| Emerging market equities (MSCI Emerging Markets Index) | 1.18 | 6.53 |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index) | 0.03 | 0.09 |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index) | (6.07) | (4.64) |
| US investment grade bonds (Barclays US Aggregate Bond Index) | (1.97) | (1.08) |
| Tax-exempt municipal bonds (S&P Municipal Bond Index) | (3.63) | (1.69) |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 1.50 | 8.86 |

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, 2013

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.

Portfolio Management Commentary

On December 10, 2012, the Trust acquired substantially all of the assets and assumed substantially all of the liabilities of BlackRock Credit Allocation Income Trust I, Inc., BlackRock Credit Allocation Income Trust II, Inc. and BlackRock Credit Allocation Income Trust III in exchange for newly issued shares of the Trust in a reorganization transaction. On February 11, 2013, the Trust changed its name from BlackRock Credit Allocation Income Trust IV to BlackRock Credit Allocation Income Trust.

How did the Trust perform?

For the 12-month period ended October 31, 2013, the Trust returned (2.01)% based on market price and 4.86% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of (4.42)% based on market price and 3.27% based on NAV. All returns reflect reinvestment of dividends. 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 performance based on NAV.

What factors influenced performance?

The Trust's heavy exposure to credit sectors had a positive impact on performance as risk assets broadly rallied during the period. In this positive market environment, the Trust's high level of leverage enhanced results. A preference for companies generating cash flows sourced from the US domestic market proved beneficial, as did holding large allocations to the higher-yielding credit sectors such as high yield bonds, subordinated financials and lower-quality investment grade bonds. The Trust's use of leverage to achieve greater exposure to high yield bonds boosted returns. Additionally, in the investment grade space, security selection within industrials and a preference for bank capital securities aided performance.

While the slow-growth, low-rate environment has been conducive for positive performance in credit sectors, the rapid rise in interest rates during the second quarter of 2013 drove negative returns across fixed income markets broadly. (Bond prices fall as interest rates rise.) Given the Trust's sensitivity to interest rate movements, this interest rate-driven market sell-off hindered performance for the period. Additionally, a small allocation to emerging market securities detracted from results given the recent underperformance of emerging versus developed markets.

Describe recent portfolio activity.

During the 12-month period, the Trust was tactical in rotating in and out of sectors and individual credit names, but overall, did not make major changes to its overall positioning. While it became clear that the US Federal Reserve is moving to closer to reducing the scale of its asset purchase program, the slow-growth paradigm in the United States has yet to prove sufficient to warrant a major change in central bank monetary policy and, as a result, credit sectors have been well supported. In this scenario where corporate funding is cheap and re-levering is

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a reality, the Trust remained focused on bottom-up security selection within industrials given the event-driven headline risk for a number of credits in that space.

Describe portfolio positioning at period end.

As of period end, the Trust continued to maintain its allocations to high yield, financials and capital securities. The Trust continued to favor financials over industrials given the rising event risk in the industrial space. Additionally, the Trust retained a bias toward companies with US-sourced cash flows while minimizing exposure to emerging markets.

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.

Table of Contents**BlackRock Credit Allocation Income Trust****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, 2013 (\$12.97) ¹ | 7.45% |
| Current Monthly Distribution per Common Share ² | \$0.0805 |
| Current Annualized Distribution per Common Share ² | \$0.9660 |
| Economic Leverage as of October 31, 2013 ³ | 33% |

¹ 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 tax return of capital. See the Additional Information Section 19(a) Notices section for the estimated sources and character of distributions. Past performance does not guarantee future results.

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

³ 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.

Market Price and Net Asset Value Per Share Summary

| | 10/31/13 | 10/31/12 | Change | High | Low |
|-----------------|----------|----------|---------|---------|---------|
| Market Price | \$12.97 | \$14.23 | (8.85)% | \$14.44 | \$12.13 |
| Net Asset Value | \$14.99 | \$15.37 | (2.47)% | \$15.77 | \$14.45 |

Market Price and Net Asset Value History For the Past Five Years**Overview of the Trust's Long-Term Investments**

| Portfolio Composition | 10/31/13 | 10/31/12 |
|--|-----------------|-----------------|
| Corporate Bonds | 84% | 80% |
| Preferred Securities | 14 | 16 |
| Municipal Bonds | 1 | 1 |
| Asset-Backed Securities | 1 | 1 |
| US Treasury Obligations | | 2 |
| Credit Quality Allocation⁴ | 10/31/13 | 10/31/12 |
| AAA/Aaa ⁵ | | 3% |
| AA/Aa | 1% | 2 |
| A | 16 | 25 |

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| | | |
|-----------|----|----|
| BBB/Baa | 43 | 39 |
| BB/Ba | 24 | 18 |
| B | 13 | 10 |
| CCC/Caa | | 1 |
| Not Rated | 3 | 2 |

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

⁵ Includes US Government Sponsored Agency Securities and/or US Treasury Obligations, which were deemed AAA by the investment advisor.

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Trust Summary as of October 31, 2013

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 US and non-US issuers, including a substantial portion of its assets in global floating and variable rate securities including senior secured floating rate loans made to corporate and other business entities. Under normal market conditions, the 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.

Portfolio Management Commentary

How did the Trust perform?

For the 12-month period ended October 31, 2013, the Trust returned 0.60% based on market price and 9.37% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 2.92% based on market price and 9.12% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection in the technology and gaming sectors contributed positively to results, as did the Trust's tactical allocation to fixed-rate high yield corporate bonds, which outperformed floating rate loan interests (i.e., bank loans) over the period. The Trust's preference for non-US loan credits versus emerging market sovereign bonds proved beneficial as emerging market debt declined over the period.

Conversely, security selection in the electric and media non-cable sectors detracted from performance. Notably, the Trust's larger media non-cable issuer positions underperformed lower-rated and/or distressed issuers within the sector.

Describe recent portfolio activity.

During the 12-month period, the Trust added to positions in the gaming and technology sectors. The Trust maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust sought issuers with attractive risk-reward characteristics and superior fundamentals, while limiting exposure to lower-rated portions of the market where the investment advisor believes there is a general risk-reward imbalance. As the average loan traded at or just above par during the period (leaving little or no potential for price appreciation), the Trust placed an emphasis on investing in strong companies that are better positioned to pay their debts despite the slow growth environment.

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The bank loan market was strong in 2012 and continued to rally in 2013 with much of the upswing attributable to record inflows from investors seeking to reduce interest rate risk in their fixed income portfolios. Despite the positive market environment, the Trust did not deviate from its core investment style, which is centered on improving the yield characteristics of an investor's portfolio while seeking to minimize exposure to macro risks.

Describe portfolio positioning at period end.

At period end, the Trust held 83% of its total portfolio in floating rate loan interests and 13% in corporate bonds, with the remainder invested in a mix of asset-backed securities and common stocks. The Trust's highest-conviction holdings included Caesars Entertainment Operating Co., Inc. (gaming), Hilton Worldwide Finance LLC (lodging) and Alliance Boots Holdings Ltd. (retailers). The Trust ended the period with leverage at 30% of its total managed assets.

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

Table of Contents**BlackRock Floating Rate Income Trust****Trust Information**

| | |
|---|-----------------|
| Symbol on NYSE | BGT |
| Initial Offering Date | August 30, 2004 |
| Current Distribution Rate on Closing Market Price as of October 31, 2013 (\$14.12) ¹ | 6.16% |
| Current Monthly Distribution per Common Share ² | \$0.0725 |
| Current Annualized Distribution per Common Share ² | \$0.8700 |
| Economic Leverage as of October 31, 2013 ³ | 30% |

¹ 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 tax return of capital. Past performance does not guarantee future results.

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

³ Represents the loan 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.

Market Price and Net Asset Value Per Share Summary

| | 10/31/13 | 10/31/12 | Change | High | Low |
|-----------------|----------|----------|---------|---------|---------|
| Market Price | \$14.12 | \$15.07 | (6.30)% | \$16.37 | \$13.90 |
| Net Asset Value | \$14.79 | \$14.52 | 1.86% | \$14.93 | \$14.45 |

Market Price and Net Asset Value History For the Past Five Years**Overview of the Trust's Long-Term Investments**

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

| Portfolio Composition | 10/31/13 | 10/31/12 |
|--|----------|----------|
| Floating Rate Loan Interests | 83% | 80% |
| Corporate Bonds | 13 | 16 |
| Asset-Backed Securities | 3 | 2 |
| Common Stocks | 1 | 1 |
| Foreign Agency Obligations | | 1 |
| Credit Quality Allocation ⁴ | 10/31/13 | 10/31/12 |
| BBB/Baa | 10% | 19% |
| BB/Ba | 21 | 36 |
| B | 67 | 42 |

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| | | |
|-----------|--|---|
| CCC/Caa | | 2 |
| Not Rated | | 1 |

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

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Trust Summary as of October 31, 2013

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.

Portfolio Management Commentary

How did the Trust perform?

For the period beginning with the Trust's commencement date of February 27, 2013 through October 31, 2013, the Trust returned (10.66)% based on market price and 4.04% based on NAV. For the period February 28, 2013 through October 31, 2013, the closed-end Lipper General Bond Funds category posted an average return of (5.19)% based on market price and 1.31% based on NAV. All returns reflect reinvestment of dividends. The Trust ended the period trading at a discount to NAV, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The largest contributor to the Trust's positive performance was its exposure to non-agency residential mortgage-backed securities (MBS), with notable strength from positions in subprime mortgages. The Trust also benefited from income generated by its holdings in the high yield and investment grade sectors. Additional positive performance came from the Trust's positions in securitized debt sectors, including asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS).

After interest rates initially spiked in June in response to comments from the US Federal Reserve (Fed) regarding the possibility of gradually reducing the central bank's asset purchase program (a process known as tapering) before the end of 2013, the lack of price recovery in corporate bonds was the main detractor from performance, as the Trust only benefited from the income component (coupons) of these bonds.

Describe recent portfolio activity.

The Trust began the period investing the proceeds of its offering in high yield corporate bonds, non-agency MBS and securitized debt, including ABS and CMBS, as well as investment grade credit.

Given its focus on spread sectors, the Trust increased its allocations in ABS and CMBS, and to a lesser extent, in investment grade credit, to take advantage of attractive prices resulting from the initial drop in bond prices in June. In addition, favorable supply/demand dynamics helped support these sectors during the second half of the period. This sector positioning was particularly helpful in the aftermath of the Fed's September decision to delay tapering its stimulus program and the Trust further increased exposure to high yield and securitized assets, particularly ABS, in the ensuing risk-asset rally.

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Throughout the eight-month period, the Trust maintained a high level of leverage in order to maximize its income generation potential. Given the low yield environment earlier in 2013, the Trust's distribution yield declined over the period as maturing higher-yielding securities were replaced with lower-yielding issuance.

Describe portfolio positioning at period end.

In light of the Fed refraining from tapering stimulus at its September 2013 meeting and economic data that is only slowly improving, as of period end, the Trust was positioned to benefit from the continuation of a positive market environment for risk assets in which spread sectors perform well. Accordingly, the Trust ended the period with high exposure to spread sectors such as high yield credit, as well as ABS and investment grade credit.

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.

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BlackRock Multi-Sector Income Trust

| Trust Information | |
|---|-------------------|
| Symbol on NYSE | BIT |
| Initial Offering Date | February 27, 2013 |
| Current Distribution Rate on Closing Market Price as of October 31, 2013 (\$17.04) ¹ | 8.22% |
| Current Monthly Distribution per Common Share ² | \$0.1167 |
| Current Annualized Distribution per Common Share ² | \$1.4004 |
| Economic Leverage as of October 31, 2013 ³ | 43% |

¹ 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 tax return of capital. See the financial highlights for the actual sources and character of distributions. Past performance does not guarantee future results.

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

³ 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.

Market Price and Net Asset Value Per Share Summary

| | 10/31/13 | 2/27/13⁴ | Change | High | Low |
|-----------------|-----------------|----------------------------|---------------|-------------|------------|
| Market Price | \$17.04 | \$20.00 | (14.80)% | \$20.50 | \$15.51 |
| Net Asset Value | \$18.95 | \$19.10 | (0.79)% | \$19.81 | \$18.00 |

Market Price and Net Asset Value History Since Inception

⁴ Commencement of operations.

Overview of the Trust's Long-Term Investments

| Portfolio Composition | 10/31/13 |
|---------------------------------------|-----------------|
| Corporate Bonds | 42% |
| Non-Agency Mortgage-Backed Securities | 25 |
| Asset-Backed Securities | 18 |
| Preferred Securities | 9 |
| Floating Rate Loan Interests | 5 |
| Foreign Agency Obligations | 1 |

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| Credit Quality Allocation ⁵ | 10/31/13 |
|--|----------|
| AA/Aa | 1% |
| A | 3 |
| BBB/Baa | 23 |
| BB/Ba | 33 |
| B | 31 |
| CCC/Caa | 6 |
| Not Rated | 3 |

⁵ Using the higher of S&P's or Moody's ratings.

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The Benefits and Risks of Leveraging

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

The Trusts may utilize leverage by borrowing through a credit facility and/or entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Trust on its longer-term portfolio investments. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Trust's shareholders will benefit from the incremental net income.

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

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

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

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 redemption value of the Trusts' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAV positively or negatively in addition to the impact on Trust performance from borrowings discussed above.

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Trusts are permitted to issue senior securities representing indebtedness up to 33 1/3% of their total managed assets (each Trust's net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of October 31, 2013, the Trusts had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

| | Percent of Economic Leverage |
|-----|---|
| BTZ | 33% |
| BGT | 30% |
| BIT | 43% |

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such 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 hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The 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 require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments October 31, 2013

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|----------------------|--------------|
| Asset-Backed Securities | | | |
| 321 Henderson Receivables I LLC, Series 2012-1A, Class A, 4.21%, 2/16/65 (b) | USD | 2,805 | \$ 2,919,637 |
| Atrium CDO Corp., Series 5A, Class A4, 0.65%, 7/20/20 (a)(b) | | 9,000 | 8,505,000 |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.45%, 6/15/21 (a) | | 4,153 | 4,086,906 |
| Total Asset-Backed Securities 1.0% | | | 15,511,543 |
| Corporate Bonds | | | |
| Aerospace & Defense 0.5% | | | |
| Bombardier, Inc., 4.25%, 1/15/16 (b) | | 1,390 | 1,449,075 |
| Huntington Ingalls Industries, Inc.: | | | |
| 6.88%, 3/15/18 | | 1,430 | 1,539,038 |
| 7.13%, 3/15/21 | | 2,000 | 2,167,500 |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | | 3,418 | 3,725,620 |
| | | | 8,881,233 |
| Airlines 0.7% | | | |
| Continental Airlines Pass-Through Trust: | | | |
| Series 2009-2, Class B, 9.25%, 11/10/18 | | 3,339 | 3,681,354 |
| Series 2012-3, Class C, 6.13%, 4/29/18 | | 2,040 | 2,096,100 |
| Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 1/02/23 | | 3,582 | 3,940,307 |
| Virgin Australia 2013-1B Trust, 6.00%, 10/23/20 (b) | | 1,950 | 1,970,121 |
| | | | 11,687,882 |
| Auto Components 1.4% | | | |
| Delphi Corp.: | | | |
| 6.13%, 5/15/21 | | 870 | 957,000 |
| 5.00%, 2/15/23 | | 4,600 | 4,830,000 |
| Ford Motor Co., 7.45%, 7/16/31 | | 3,660 | 4,567,526 |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp., 8.00%, 1/15/18 | | 9,200 | 9,648,500 |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b) | | 2,470 | 2,463,825 |
| | | | 22,466,851 |
| Automobiles 0.2% | | | |
| General Motors Co. (b): | | | |
| 4.88%, 10/02/23 | | 1,875 | 1,898,438 |
| 6.25%, 10/02/43 | | 940 | 977,600 |
| | | | 2,876,038 |
| Beverages 0.2% | | | |
| Silgan Holdings, Inc., 5.50%, 2/01/22 (b) | | 3,004 | 2,988,980 |
| Building Products 0.5% | | | |
| Building Materials Corp. of America (b): | | | |
| 7.00%, 2/15/20 | | 1,430 | 1,537,250 |
| 6.75%, 5/01/21 | | 3,600 | 3,915,000 |
| Cemex SAB de CV, 5.88%, 3/25/19 (b) | | 440 | 430,650 |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20 | | 1,030 | 1,089,225 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Building Products (concluded) | | | |
| Texas Industries, Inc., 9.25%, 8/15/20 | USD | 1,342 | \$ 1,482,910 |

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| | | |
|--|-----------|------------|
| | | 8,455,035 |
| Capital Markets 4.5% | | |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c) | 10,000 | 11,457,570 |
| Blackstone Holdings Finance Co. LLC, 4.75%, 2/15/23 (b)(c) | 2,800 | 2,962,767 |
| The Goldman Sachs Group, Inc. (c): | | |
| 6.25%, 9/01/17 | 625 | 722,980 |
| 6.15%, 4/01/18 | 1,650 | 1,912,340 |
| 7.50%, 2/15/19 | 5,165 | 6,342,067 |
| 5.25%, 7/27/21 | 1,175 | 1,296,929 |
| 5.75%, 1/24/22 | 5,500 | 6,236,890 |
| 6.25%, 2/01/41 | 15,000 | 17,360,910 |
| KCG Holdings, Inc., 8.25%, 6/15/18 (b) | 773 | 786,527 |
| Morgan Stanley (c): | | |
| 5.63%, 9/23/19 | 6,770 | 7,725,247 |
| 5.75%, 1/25/21 | 5,495 | 6,291,517 |
| 5.50%, 7/28/21 | 2,695 | 3,033,190 |
| UBS AG (c): | | |
| 5.88%, 7/15/16 | 3,450 | 3,845,463 |
| Series 001, 2.25%, 1/28/14 | 3,170 | 3,184,208 |
| | | 73,158,605 |
| Chemicals 3.0% | | |
| Ashland, Inc., 3.88%, 4/15/18 | 1,745 | 1,753,725 |
| Axiall Corp., 4.88%, 5/15/23 (b) | 367 | 351,861 |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b) | 6,000 | 7,835,574 |
| Celanese US Holdings LLC, 5.88%, 6/15/21 | 2,615 | 2,798,050 |
| Chemtura Corp., 5.75%, 7/15/21 | 632 | 639,900 |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (b) | 2,370 | 2,292,975 |
| Huntsman International LLC: | | |
| 4.88%, 11/15/20 | 1,385 | 1,378,075 |
| 8.63%, 3/15/21 (c) | 2,000 | 2,245,000 |
| Ineos Finance PLC (b): | | |
| 8.38%, 2/15/19 | 255 | 284,325 |
| 7.50%, 5/01/20 | 2,080 | 2,272,400 |
| Linde Finance BV, 7.38%, 7/14/66 (a) | EUR 2,086 | 3,200,459 |
| LSB Industries, Inc., 7.75%, 8/01/19 (b) | USD 569 | 601,718 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (c) | 6,370 | 7,294,421 |
| NOVA Chemicals Corp., 5.25%, 8/01/23 (b) | 2,277 | 2,322,540 |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (b) | 990 | 1,019,700 |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (b) | 885 | 885,000 |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 | 9,256 | 9,510,540 |
| Tronox Finance LLC, 6.38%, 8/15/20 (c) | 737 | 751,740 |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV, 7.38%, 5/01/21 (b) | 617 | 655,562 |
| | | 48,093,565 |
| Commercial Banks 5.6% | | |
| Associated Banc-Corp, 5.13%, 3/28/16 (c) | 7,430 | 8,014,451 |
| BPCE SA, 5.70%, 10/22/23 (b) | 7,000 | 7,178,990 |

Portfolio Abbreviations

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

| | | | |
|------------|--------------------------------|--------------|---------------------------------------|
| ARB | Airport Revenue Bonds | FKA | Formerly Known As |
| CAD | Canadian Dollar | GBP | British Pound |
| CHF | Swiss Franc | LIBOR | London Interbank Offered Rate |
| CLO | Collateralized Loan Obligation | PIK | Payment-In-Kind |
| DIP | Debtor-In-Possession | RB | Revenue Bonds |
| ETF | Exchange-Traded Fund | SPDR | Standard & Poor's Depository Receipts |
| EUR | Euro | USD | US Dollar |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|--------------|--------------|
| Corporate Bonds | | |
| Commercial Banks (concluded) | | |
| CIT Group, Inc.: | | |
| 4.25%, 8/15/17 | USD 4,600 | \$ 4,824,250 |
| 5.25%, 3/15/18 | 4,030 | 4,357,438 |
| 6.63%, 4/01/18 (b) | 335 | 379,806 |
| 5.50%, 2/15/19 (b) | 5,147 | 5,571,628 |
| City National Corp., 5.25%, 9/15/20 (c) | 2,900 | 3,138,392 |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, 3.95%, 11/09/22 (c) | 3,775 | 3,690,017 |
| Credit Suisse AG, 6.50%, 8/08/23 (b) | 12,000 | 12,808,800 |
| Discover Bank: | | |
| 8.70%, 11/18/19 | 748 | 954,651 |
| 4.20%, 8/08/23 | 4,460 | 4,522,855 |
| Fifth Third Bancorp, 5.10% (a)(d) | 5,000 | 4,500,000 |
| HSBC Finance Corp., 6.68%, 1/15/21 (c) | 5,150 | 5,985,206 |
| Regions Financial Corp., 5.75%, 6/15/15 | 6,110 | 6,531,731 |
| RESPARCS Funding LP I, 8.00% (d) | 4,000 | 1,120,000 |
| Santander Holdings USA, Inc., 3.00%, 9/24/15 | 3,750 | 3,861,469 |
| SVB Financial Group, 5.38%, 9/15/20 (c) | 2,850 | 3,151,239 |
| Wachovia Bank NA, 6.60%, 1/15/38 (c) | 3,620 | 4,518,397 |
| Wells Fargo & Co. (c): | | |
| 3.45%, 2/13/23 | 2,325 | 2,212,186 |
| 4.13%, 8/15/23 | 4,000 | 4,000,336 |
| | | 91,321,842 |
| Commercial Services & Supplies 3.2% | | |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (b) | 1,003 | 1,053,150 |
| The ADT Corp., 6.25%, 10/15/21 (b) | 1,667 | 1,769,104 |
| Aviation Capital Group Corp. (b): | | |
| 7.13%, 10/15/20 (c) | 31,000 | 34,410,000 |
| 6.75%, 4/06/21 | 7,850 | 8,458,375 |
| Covanta Holding Corp., 6.38%, 10/01/22 | 2,245 | 2,319,963 |
| Mobile Mini, Inc., 7.88%, 12/01/20 | 930 | 1,020,675 |
| West Corp., 8.63%, 10/01/18 | 2,287 | 2,492,830 |
| | | 51,524,097 |
| Communications Equipment 0.9% | | |
| Avaya, Inc., 10.50%, 3/01/21 (b) | 1,826 | 1,588,620 |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 8,695 | 9,368,862 |
| CommScope, Inc., 8.25%, 1/15/19 (b) | 650 | 713,375 |
| Zayo Group LLC/Zayo Capital, Inc., | | |
| 8.13%, 1/01/20 | 2,400 | 2,628,000 |
| | | 14,298,857 |
| Construction & Engineering 0.1% | | |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b) | 673 | 696,555 |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23 (b) | 825 | 798,188 |
| | | 1,494,743 |
| Construction Materials 1.0% | | |
| HD Supply, Inc.: | | |
| 8.13%, 4/15/19 | 7,300 | 8,159,210 |
| 11.00%, 4/15/20 | 2,740 | 3,288,548 |
| 7.50%, 7/15/20 (b) | 2,905 | 3,064,775 |
| Vulcan Materials Co., 7.00%, 6/15/18 | 1,380 | 1,559,400 |
| | | 16,071,933 |

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| | | |
|---|----------------------|--------------|
| Consumer Finance 4.0% | | |
| Capital One Bank USA NA, 3.38%, 2/15/23 | 11,610 | 11,066,188 |
| Countrywide Financial Corp., 6.25%, 5/15/16 (c) | 8,069 | 8,938,362 |
| Discover Financial Services, 3.85%, 11/21/22 | 3,252 | 3,154,326 |
| Experian Finance PLC, 2.38%, 6/15/17 (b)(c) | 2,550 | 2,539,815 |
| Ford Motor Credit Co. LLC: | | |
| 8.00%, 12/15/16 | 4,000 | 4,751,484 |
| 5.88%, 8/02/21 | 9,420 | 10,792,240 |
| | Par (000) | Value |
| Corporate Bonds | | |
| Consumer Finance (concluded) | | |
| Inmarsat Finance PLC, 7.38%, 12/01/17 (b) | USD | 5,620 |
| SLM Corp.: | | |
| 3.88%, 9/10/15 | 5,000 | 5,175,000 |
| 6.25%, 1/25/16 | 11,620 | 12,651,275 |
| | | 64,913,490 |
| Containers & Packaging 1.3% | | |
| Ardagh Packaging Finance PLC (b): | | |
| 7.38%, 10/15/17 | 410 | 440,750 |
| 9.13%, 10/15/20 | 1,130 | 1,217,575 |
| Ball Corp., 6.75%, 9/15/20 | 7,360 | 8,004,000 |
| Bemis Co., Inc., 6.80%, 8/01/19 | 200 | 238,840 |
| Cascades, Inc., 7.75%, 12/15/17 | 447 | 465,998 |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21 | 3,128 | 3,315,680 |
| Graphic Packaging International, Inc., 4.75%, 4/15/21 | 1,925 | 1,900,937 |
| Sealed Air Corp. (b): | | |
| 6.50%, 12/01/20 | 2,330 | 2,530,962 |
| 8.38%, 9/15/21 | 700 | 801,500 |
| Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (b) | 1,740 | 1,783,500 |
| | | 20,699,742 |
| Diversified Consumer Services 0.5% | | |
| APX Group, Inc., 6.38%, 12/01/19 | 2,600 | 2,590,250 |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (b) | 1,769 | 1,658,438 |
| Service Corp. International, 4.50%, 11/15/20 | 4,382 | 4,283,405 |
| | | 8,532,093 |
| Diversified Financial Services 10.5% | | |
| Aircastle Ltd., 6.25%, 12/01/19 | 3,937 | 4,192,905 |
| Ally Financial, Inc.: | | |
| 4.50%, 2/11/14 | 3,900 | 3,929,250 |
| 8.30%, 2/12/15 | 5,290 | 5,733,037 |
| 8.00%, 11/01/31 | 5,240 | 6,248,700 |
| Bank of America Corp.: | | |
| 3.75%, 7/12/16 (c) | 5,525 | 5,878,661 |
| 5.00%, 5/13/21 (c) | 17,100 | 18,815,062 |
| 5.70%, 1/24/22 (c) | 2,590 | 2,973,203 |
| Series U, 5.20% (a)(d) | 3,775 | 3,425,812 |
| Bank of America NA, 5.30%, 3/15/17 (c) | 13,440 | 14,924,932 |
| Citigroup, Inc. (c): | | |
| 4.45%, 1/10/17 | 4,800 | 5,219,203 |
| 8.50%, 5/22/19 | 464 | 600,360 |
| 6.68%, 9/13/43 | 4,125 | 4,610,999 |
| DPL, Inc.: | | |
| 6.50%, 10/15/16 | 955 | 1,029,013 |
| 7.25%, 10/15/21 | 2,685 | 2,792,400 |
| General Motors Financial Co., Inc.: | | |
| 6.75%, 6/01/18 | 1,700 | 1,925,250 |
| 4.25%, 5/15/23 (b) | 1,681 | 1,613,760 |
| ING Bank NV, 5.00%, 6/09/21 (b)(c) | 8,000 | 8,770,160 |
| Intesa Sanpaolo SpA, 3.13%, 1/15/16 | 5,450 | 5,557,757 |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b) | 2,105 | 2,162,888 |
| Jefferies Group LLC, 5.13%, 1/20/23 | 1,850 | 1,875,438 |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (b) | 2,149 | 2,127,510 |
| JPMorgan Chase & Co. (a)(d): | | |
| Series Q, 5.15% | 4,000 | 3,620,000 |
| Series R, 6.00% (c) | 17,780 | 17,202,150 |

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| | | |
|--|--------|------------|
| LeasePlan Corp. NV, 3.00%, 10/23/17 (b)(c) | 6,775 | 6,865,785 |
| Leucadia National Corp., 5.50%, 10/18/23 | 4,000 | 4,038,552 |
| Macquarie Bank Ltd., 5.00%, 2/22/17 (b)(c) | 2,325 | 2,549,595 |
| Moody s Corp., 6.06%, 9/07/17 | 20,000 | 21,195,420 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Corporate Bonds | | | |
| Diversified Financial Services (concluded) | | | |
| Reynolds Group Issuer, Inc.: | | | |
| 7.13%, 4/15/19 | USD | 1,588 | \$ 1,695,190 |
| 9.00%, 4/15/19 | | 110 | 117,700 |
| 7.88%, 8/15/19 | | 2,480 | 2,740,400 |
| 9.88%, 8/15/19 | | 585 | 647,156 |
| 5.75%, 10/15/20 | | 4,620 | 4,770,150 |
| 6.88%, 2/15/21 | | 365 | 396,025 |
| | | | 170,244,423 |
| Diversified Telecommunication Services 6.3% | | | |
| AT&T, Inc., 6.30%, 1/15/38 (c) | | | |
| | | 12,000 | 13,010,280 |
| CenturyLink, Inc., 5.63%, 4/01/20 | | | |
| | | 1,660 | 1,686,975 |
| Level 3 Financing, Inc.: | | | |
| 8.13%, 7/01/19 | | 11,171 | 12,316,027 |
| 8.63%, 7/15/20 | | 2,240 | 2,536,800 |
| Telecom Italia Capital SA: | | | |
| 6.18%, 6/18/14 | | 2,177 | 2,236,519 |
| 6.00%, 9/30/34 | | 7,500 | 6,595,710 |
| Telefonica Emisiones SAU: | | | |
| 3.19%, 4/27/18 | | 6,550 | 6,646,010 |
| 4.57%, 4/27/23 | | 3,450 | 3,438,598 |
| Verizon Communications, Inc. (c): | | | |
| 2.00%, 9/14/18 (a) | | 5,000 | 5,278,950 |
| 5.15%, 9/15/23 | | 8,775 | 9,520,770 |
| 6.40%, 9/15/33 | | 9,475 | 10,724,554 |
| 7.35%, 4/01/39 | | 7,825 | 9,735,317 |
| 6.55%, 9/15/43 | | 13,225 | 15,343,790 |
| Windstream Corp., 7.88%, 11/01/17 | | | |
| | | 2,280 | 2,607,750 |
| | | | 101,678,050 |
| Electric Utilities 4.1% | | | |
| CMS Energy Corp., 5.05%, 3/15/22 | | | |
| | | 9,900 | 10,769,042 |
| Dominion Resources, Inc., 8.88%, 1/15/19 (c) | | | |
| | | 8,000 | 10,360,288 |
| Duke Energy Corp., 3.55%, 9/15/21 (c) | | | |
| | | 3,650 | 3,727,026 |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (e) | | | |
| | | 5,550 | 6,057,930 |
| Midland Cogeneration Venture LP, 5.25%, 3/15/25 (b) | | | |
| | | 5,000 | 5,062,220 |
| Mirant Mid Atlantic Pass Through Trust B, Series B, 9.13%, 6/30/17 | | | |
| | | 1,387 | 1,469,845 |
| Nisource Finance Corp., 6.80%, 1/15/19 | | | |
| | | 3,075 | 3,631,218 |
| Oncor Electric Delivery Co. LLC (c): | | | |
| 4.10%, 6/01/22 | | 4,150 | 4,288,382 |
| 5.30%, 6/01/42 | | 2,750 | 2,842,163 |
| Progress Energy, Inc., 7.00%, 10/30/31 (c) | | | |
| | | 12,000 | 14,653,308 |
| Puget Energy, Inc.: | | | |
| 6.00%, 9/01/21 | | 275 | 301,122 |
| 5.63%, 7/15/22 | | 2,700 | 2,912,709 |
| | | | 66,075,253 |
| Electrical Equipment 0.1% | | | |
| GrafTech International Ltd., 6.38%, 11/15/20 | | | |
| | | 2,385 | 2,414,813 |
| Electronic Equipment, Instruments & Components 0.2% | | | |
| Jabil Circuit, Inc., 8.25%, 3/15/18 | | | |
| | | 2,600 | 3,074,500 |
| Energy Equipment & Services 3.3% | | | |
| Atwood Oceanics, Inc., 6.50%, 2/01/20 | | | |
| | | 375 | 401,250 |
| CGG, 6.50%, 6/01/21 | | | |
| | | 2,390 | 2,485,600 |
| Energy Transfer Partners LP: | | | |

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| | | | |
|---|-----|--------------|--------------|
| 5.20%, 2/01/22 | | 10,200 | 10,976,842 |
| 6.50%, 2/01/42 | | 2,340 | 2,562,174 |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 | | 293 | 297,395 |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 | | 2,591 | 2,662,253 |
| Oil States International, Inc.: 6.50%, 6/01/19 | | 2,155 | 2,295,075 |
| 5.13%, 1/15/23 (b) | | 2,385 | 2,653,313 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Energy Equipment & Services (concluded) | | | |
| Parker Drilling Co., 7.50%, 8/01/20 (b) | USD | 1,255 | \$ 1,305,200 |
| Petrofac Ltd., 3.40%, 10/10/18 (b)(c) | | 5,360 | 5,444,961 |
| Precision Drilling Corp., 6.50%, 12/15/21 | | 865 | 921,225 |
| Seadrill Ltd., 5.63%, 9/15/17 (b) | | 6,254 | 6,457,255 |
| Transocean, Inc.: | | | |
| 2.50%, 10/15/17 | | 1,300 | 1,312,146 |
| 6.50%, 11/15/20 | | 3,795 | 4,305,742 |
| 6.38%, 12/15/21 | | 4,655 | 5,244,644 |
| 6.80%, 3/15/38 | | 3,300 | 3,592,406 |
| | | | 52,917,481 |
| Food & Staples Retailing 0.7% | | | |
| HJ Heinz Finance Co., 7.13%, 8/01/39 (b) | | 4,415 | 4,602,637 |
| Rite Aid Corp., 6.75%, 6/15/21 | | 1,170 | 1,237,275 |
| Wal-Mart Stores, Inc., 5.25%, 9/01/35 (c) | | 5,150 | 5,617,914 |
| | | | 11,457,826 |
| Food Products 1.7% | | | |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (b) | | 2,600 | 2,634,710 |
| Kellogg Co., Series B, 7.45%, 4/01/31 (c) | | 5,000 | 6,401,380 |
| Kraft Foods Group, Inc., 5.00%, 6/04/42 (c) | | 5,000 | 5,025,415 |
| Mondelez International, Inc.: | | | |
| 6.50%, 8/11/17 | | 4,450 | 5,192,131 |
| 6.13%, 8/23/18 | | 4,840 | 5,664,349 |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 4.88%, 5/01/21 (b) | | 917 | 875,735 |
| Sun Merger Sub, Inc. (b): | | | |
| 5.25%, 8/01/18 | | 1,389 | 1,451,505 |
| 5.88%, 8/01/21 | | 715 | 747,175 |
| | | | 27,992,400 |
| Gas Utilities 0.5% | | | |
| El Paso Natural Gas Co. LLC, 8.63%, 1/15/22 | | 2,345 | 3,012,127 |
| Suburban Propane Partners LP/Suburban Energy Finance Corp., 7.50%, 10/01/18 | | 1,575 | 1,691,156 |
| Targa Resources Partners LP: | | | |
| 7.88%, 10/15/18 | | 2,355 | 2,555,175 |
| 6.88%, 2/01/21 | | 1,265 | 1,363,037 |
| | | | 8,621,495 |
| Health Care Equipment & Supplies 0.1% | | | |
| Teleflex, Inc., 6.88%, 6/01/19 | | 1,660 | 1,734,700 |
| Health Care Providers & Services 3.7% | | | |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp.: | | | |
| 7.75%, 2/15/19 | | 1,550 | 1,672,062 |
| 6.00%, 10/15/21 (b) | | 869 | 890,725 |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18 | | 1,620 | 1,684,800 |
| HCA, Inc.: | | | |
| 8.50%, 4/15/19 | | 665 | 714,044 |
| 6.50%, 2/15/20 | | 7,876 | 8,762,050 |
| 7.88%, 2/15/20 | | 135 | 146,475 |
| 7.25%, 9/15/20 | | 11,347 | 12,439,149 |
| Tenet Healthcare Corp.: | | | |
| 6.25%, 11/01/18 | | 3,162 | 3,462,390 |
| 6.00%, 10/01/20 (b) | | 2,669 | 2,822,467 |
| 4.50%, 4/01/21 | | 304 | 294,880 |
| 4.38%, 10/01/21 (b) | | 7,335 | 7,041,600 |

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| | | |
|--|--------|------------|
| 8.13%, 4/01/22 (b) | 5,937 | 6,501,015 |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c) | 10,000 | 12,791,530 |
| | | 59,223,187 |
| Health Care Technology 0.4% | | |
| Amgen, Inc., 5.15%, 11/15/41 (c) | 6,500 | 6,551,298 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure 1.6% | | | |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Prope (b): | | | |
| 8.00%, 10/01/20 | USD | 4,618 | \$ 4,629,545 |
| 11.00%, 10/01/21 (c) | | 6,123 | 5,985,232 |
| Carnival Corp., 3.95%, 10/15/20 (c) | | 3,735 | 3,788,616 |
| Diamond Resorts Corp., 12.00%, 8/15/18 | | 2,131 | 2,365,410 |
| MCE Finance Ltd., 5.00%, 2/15/21 (b) | | 3,895 | 3,856,050 |
| Playa Resorts Holding BV, 8.00%, 8/15/20 (b) | | 749 | 793,004 |
| PNK Finance Corp., 6.38%, 8/01/21 (b) | | 949 | 996,450 |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (b) | | 1,718 | 1,687,935 |
| Wynn Macau Ltd., 5.25%, 10/15/21 (b) | | 1,758 | 1,797,555 |
| | | | 25,899,797 |
| Household Durables 1.4% | | | |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | | 2,330 | 2,481,450 |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b) | | 1,647 | 1,634,648 |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b) | | 3,675 | 3,913,875 |
| KB Home: | | | |
| 7.25%, 6/15/18 | | 1,990 | 2,169,100 |
| 7.00%, 12/15/21 | | 1,504 | 1,549,120 |
| United Rentals North America, Inc.: | | | |
| 5.75%, 7/15/18 | | 793 | 850,492 |
| 7.38%, 5/15/20 | | 2,025 | 2,257,875 |
| 7.63%, 4/15/22 | | 1,853 | 2,075,360 |
| Standard Pacific Corp., 8.38%, 1/15/21 | | 3,015 | 3,459,712 |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b) | | 1,537 | 1,498,575 |
| | | | 21,890,207 |
| Household Products 0.1% | | | |
| Spectrum Brands Escrow Corp. (b): | | | |
| 6.38%, 11/15/20 | | 810 | 860,625 |
| 6.63%, 11/15/22 | | 1,110 | 1,184,925 |
| | | | 2,045,550 |
| Independent Power Producers & Energy Traders 1.1% | | | |
| Calpine Corp. (b): | | | |
| 7.50%, 2/15/21 | | 219 | 236,520 |
| 6.00%, 1/15/22 | | 878 | 910,925 |
| 5.88%, 1/15/24 | | 823 | 825,058 |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc., 10.00%, 12/01/20 | | 9,380 | 9,849,000 |
| GenOn REMA LLC, 9.68%, 7/02/26 | | 1,690 | 1,757,600 |
| Laredo Petroleum, Inc.: | | | |
| 9.50%, 2/15/19 | | 965 | 1,078,387 |
| 7.38%, 5/01/22 | | 900 | 974,250 |
| QEP Resources, Inc., 5.38%, 10/01/22 | | 1,927 | 1,883,642 |
| | | | 17,515,382 |
| Insurance 5.9% | | | |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b) | | | |
| | | 1,204 | 1,246,140 |
| AIG Life Holdings, Inc., 8.50%, 7/01/30 | | 500 | 645,000 |
| American International Group, Inc.: | | | |
| 3.80%, 3/22/17 (c) | | 5,070 | 5,416,377 |
| 8.25%, 8/15/18 (c) | | 2,125 | 2,688,257 |
| 6.40%, 12/15/20 (c) | | 8,710 | 10,449,370 |

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| | | | |
|--|-----|--------------|--------------|
| 8.18%, 5/15/68 (a) | | 3,755 | 4,628,037 |
| Aon Corp., 5.00%, 9/30/20 (c) | | 7,700 | 8,555,485 |
| Aon PLC, 4.25%, 12/12/42 (c) | | 6,500 | 5,696,645 |
| Farmers Exchange Capital II, 6.15%, 11/01/53 (a)(b) | | 4,140 | 4,218,950 |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (b) | | 3,400 | 3,790,480 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Insurance (concluded) | | | |
| Genworth Financial, Inc., 7.63%, 9/24/21 | USD | 2,880 | \$ 3,531,128 |
| ING US, Inc., 5.65%, 5/15/53 (a) | | 4,750 | 4,520,262 |
| Manulife Financial Corp., 4.90%, 9/17/20 (c) | | 10,425 | 11,346,226 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b) | | 1,455 | 1,498,650 |
| Principal Financial Group, Inc., 8.88%, 5/15/19 (c) | | 2,825 | 3,698,052 |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c) | | 10,000 | 12,314,140 |
| XLIT Ltd., 5.75%, 10/01/21 (c) | | 10,085 | 11,667,589 |
| | | | 95,910,788 |
| Internet Software & Services 0.3% | | | |
| Equinix, Inc., 4.88%, 4/01/20 | | 357 | 358,339 |
| IAC/InterActiveCorp, 4.75%, 12/15/22 | | 2,461 | 2,331,797 |
| VeriSign, Inc., 4.63%, 5/01/23 | | 1,425 | 1,387,594 |
| | | | 4,077,730 |
| IT Services 1.6% | | | |
| Ceridian Corp., 8.88%, 7/15/19 (b) | | 12,085 | 13,988,387 |
| Epicor Software Corp., 8.63%, 5/01/19 | | 2,400 | 2,604,000 |
| First Data Corp. (b): 7.38%, 6/15/19 (c) | | 3,155 | 3,395,569 |
| 6.75%, 11/01/20 | | 2,720 | 2,879,800 |
| SunGard Data Systems, Inc., 7.38%, 11/15/18 | | 2,460 | 2,607,600 |
| | | | 25,475,356 |
| Life Sciences Tools & Services 0.8% | | | |
| Life Technologies Corp., 6.00%, 3/01/20 (c) | | 12,000 | 13,743,744 |
| Machinery 0.1% | | | |
| Allegion US Holding Co., Inc., 5.75%, 10/01/21 (b) | | 1,907 | 1,978,513 |
| Media 6.8% | | | |
| A&E Television Networks LLC, 3.25%, 8/22/19 | | 5,000 | 4,987,500 |
| AMC Networks, Inc.: 7.75%, 7/15/21 | | 1,330 | 1,496,250 |
| 4.75%, 12/15/22 | | 685 | 662,738 |
| Cinemark USA, Inc., 5.13%, 12/15/22 | | 349 | 341,148 |
| Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22 | | 10,205 | 10,687,670 |
| COX Communications, Inc., 8.38%, 3/01/39 (b)(c) | | 10,000 | 12,288,570 |
| CSC Holdings LLC, 8.63%, 2/15/19 | | 4,005 | 4,735,912 |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 (c) | | 8,575 | 8,990,236 |
| Gray Television, Inc., 7.50%, 10/01/20 (b) | | 713 | 746,867 |
| Intelsat Jackson Holdings SA: 7.25%, 4/01/19 | | 710 | 765,025 |
| 5.50%, 8/01/23 (b) | | 2,909 | 2,807,185 |
| The Interpublic Group of Cos., Inc., 3.75%, 2/15/23 | | 6,025 | 5,723,129 |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b) | | 463 | 491,938 |
| Lynx I Corp., 5.38%, 4/15/21 (b) | | 1,394 | 1,400,970 |
| NAI Entertainment Holdings LLC, 5.00%, 8/01/18 (b) | | 1,471 | 1,507,775 |
| The New York Times Co., 6.63%, 12/15/16 | | 1,725 | 1,906,125 |
| News America, Inc., 6.15%, 3/01/37 (c) | | 9,575 | 10,675,302 |
| Sirius XM Radio, Inc. (b): 4.25%, 5/15/20 | | 2,300 | 2,193,625 |

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| | | |
|--|--------|------------|
| 4.63%, 5/15/23 | 1,129 | 1,035,857 |
| Time Warner Cable, Inc., 6.75%, 6/15/39 (c) | 5,000 | 4,762,530 |
| Time Warner, Inc., 7.70%, 5/01/32 (c) | 12,000 | 15,340,992 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH (b): | | |
| 7.50%, 3/15/19 | 3,530 | 3,830,050 |
| 5.50%, 1/15/23 | 1,000 | 987,500 |

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Corporate Bonds | | | |
| Media (concluded) | | | |
| Univision Communications, Inc., 5.13%, 5/15/23 (b) | USD | 4,793 | \$ 4,745,070 |
| Virgin Media Secured Finance PLC, 6.50%, 1/15/18 | | 7,750 | 8,060,000 |
| | | | 111,169,964 |
| Metals & Mining 4.2% | | | |
| AngloGold Ashanti Holdings PLC, 5.13%, 8/01/22 | | 5,000 | 4,444,335 |
| ArcelorMittal: | | | |
| 9.50%, 2/15/15 | | 1,623 | 1,779,133 |
| 4.25%, 2/25/15 | | 711 | 732,330 |
| 4.25%, 8/05/15 | | 1,325 | 1,368,063 |
| 5.00%, 2/25/17 | | 885 | 934,781 |
| 6.13%, 6/01/18 | | 2,575 | 2,793,875 |
| Barrick Gold Corp.: | | | |
| 2.90%, 5/30/16 (c) | | 3,625 | 3,715,803 |
| 4.10%, 5/01/23 | | 5,000 | 4,534,990 |
| Commercial Metals Co., 4.88%, 5/15/23 | | 2,194 | 2,084,300 |
| FMG Resources August 2006 Property Ltd. (b)(c): | | | |
| 6.38%, 2/01/16 | | 5,485 | 5,718,112 |
| 6.00%, 4/01/17 | | 8,552 | 8,936,840 |
| Freeport-McMoRan Copper & Gold, Inc.: | | | |
| 3.55%, 3/01/22 | | 4,700 | 4,429,134 |
| 3.88%, 3/15/23 | | 8,900 | 8,424,117 |
| Freeport-McMoRan Corp., 7.13%, 11/01/27 | | 8,500 | 9,514,016 |
| New Gold, Inc., 6.25%, 11/15/22 (b) | | 1,795 | 1,768,075 |
| Novelis, Inc.: | | | |
| 8.38%, 12/15/17 | | 1,130 | 1,209,100 |
| 8.75%, 12/15/20 | | 3,285 | 3,654,562 |
| Steel Dynamics, Inc.: | | | |
| 6.38%, 8/15/22 | | 1,430 | 1,544,400 |
| 5.25%, 4/15/23 (b) | | 163 | 161,370 |
| | | | 67,747,336 |
| Multi-Utilities 1.3% | | | |
| CenterPoint Energy, Inc. (c): | | | |
| 5.95%, 2/01/17 | | 9,000 | 10,205,955 |
| 6.50%, 5/01/18 | | 9,675 | 11,425,362 |
| | | | 21,631,317 |
| Multiline Retail 0.4% | | | |
| Dollar General Corp., 4.13%, 7/15/17 | | 3,230 | 3,452,825 |
| Dufry Finance SCA, 5.50%, 10/15/20 (b) | | 3,460 | 3,508,582 |
| | | | 6,961,407 |
| Oil, Gas & Consumable Fuels 17.0% | | | |
| Access Midstream Partners LP/ACMP Finance Corp.: | | | |
| 5.88%, 4/15/21 | | 3,267 | 3,503,857 |
| 6.13%, 7/15/22 | | 1,600 | 1,716,000 |
| 4.88%, 5/15/23 | | 411 | 408,945 |
| Anadarko Petroleum Corp., 6.38%, 9/15/17 | | 75 | 87,677 |
| Antero Resources Finance Corp., | | | |
| 5.38%, 11/01/21 (b)(f) | | 649 | 659,546 |
| Athlon Holdings LP/Athlon Finance Corp., | | | |
| 7.38%, 4/15/21 (b) | | 656 | 685,520 |

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| | | | |
|---|-----|--------------|--------------|
| Berry Petroleum Co., 6.38%, 9/15/22 | | 3,207 | 3,303,210 |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 | | 245 | 259,700 |
| BP Capital Markets PLC, 5.25%, 11/07/13 (c) | | 2,100 | 2,100,609 |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20 | | 1,076 | 1,172,840 |
| Chesapeake Energy Corp.: | | | |
| 7.25%, 12/15/18 | | 2,178 | 2,504,700 |
| 6.63%, 8/15/20 | | 2,085 | 2,350,837 |
| 6.13%, 2/15/21 (c) | | 1,857 | 2,028,772 |
| 5.75%, 3/15/23 | | 2,615 | 2,771,900 |
| | | Par | |
| | | (000) | Value |
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| Concho Resources, Inc.: | | | |
| 6.50%, 1/15/22 | USD | 562 | 613,985 |
| 5.50%, 10/01/22 | | 226 | 235,605 |
| 5.50%, 4/01/23 | | 1,365 | 1,416,188 |
| CONSOL Energy, Inc.: | | | |
| 8.00%, 4/01/17 | | 4,036 | 4,278,160 |
| 8.25%, 4/01/20 | | 355 | 388,281 |
| Continental Resources, Inc.: | | | |
| 5.00%, 9/15/22 | | 6,557 | 6,827,476 |
| 4.50%, 4/15/23 | | 469 | 473,104 |
| Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp., | | | |
| 6.13%, 3/01/22 (b)(f) | | 710 | 725,975 |
| DCP Midstream LLC, 4.75%, 9/30/21 (b) | | 1,074 | 1,095,708 |
| DCP Midstream Operating LP, 3.88%, 3/15/23 | | 2,690 | 2,509,159 |
| Denbury Resources, Inc., 4.63%, 7/15/23 | | 2,572 | 2,372,670 |
| Drill Rigs Holdings, Inc., 6.50%, 10/01/17 (b) | | 3,487 | 3,670,067 |
| El Paso LLC, 7.75%, 1/15/32 | | 4,537 | 4,709,225 |
| El Paso Pipeline Partners Operating Co. LLC: | | | |
| 6.50%, 4/01/20 | | 5,075 | 5,896,409 |
| 5.00%, 10/01/21 | | 1,850 | 1,971,823 |
| Enbridge Energy Partners LP, 9.88%, 3/01/19 | | 6,000 | 7,872,558 |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19 | | 3,465 | 3,707,550 |
| Enterprise Products Operating LLC, Series N, | | | |
| 6.50%, 1/31/19 (c) | | 12,000 | 14,295,408 |
| EP Energy LLC/Everest Acquisition Finance, Inc., Series WI, 6.88%, 5/01/19 | | 3,833 | 4,120,475 |
| Expro Finance Luxembourg SCA, | | | |
| 8.50%, 12/15/16 (b) | | 2,525 | 2,644,937 |
| Kinder Morgan Energy Partners LP, | | | |
| 6.85%, 2/15/20 (c) | | 12,000 | 14,401,956 |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (b) | | 1,105 | 1,105,000 |
| Kodiak Oil & Gas Corp.: | | | |
| 8.13%, 12/01/19 | | 3,145 | 3,490,950 |
| 5.50%, 2/01/22 (b) | | 540 | 550,800 |
| Linn Energy LLC/Linn Energy Finance Corp.: | | | |
| 8.63%, 4/15/20 (b) | | 1,224 | 1,220,940 |
| 8.63%, 4/15/20 | | 480 | 511,200 |
| 7.75%, 2/01/21 | | 475 | 490,438 |
| Marathon Petroleum Corp., 3.50%, 3/01/16 | | 4,600 | 4,845,194 |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp., 6.25%, 6/15/22 | | 1,369 | 1,485,365 |
| MEG Energy Corp. (b): | | | |
| 6.50%, 3/15/21 | | 3,839 | 4,006,956 |
| 7.00%, 3/31/24 | | 3,598 | 3,678,955 |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 | | 885 | 898,275 |
| Newfield Exploration Co., 6.88%, 2/01/20 | | 1,965 | 2,102,550 |
| Nexen, Inc., 6.40%, 5/15/37 (c) | | 4,615 | 5,302,340 |
| Oasis Petroleum, Inc.: | | | |
| 7.25%, 2/01/19 | | 915 | 983,625 |
| 6.50%, 11/01/21 | | 1,025 | 1,109,563 |
| 6.88%, 3/15/22 (b) | | 1,185 | 1,279,800 |
| Odebrecht Offshore Drilling Finance Ltd., | | | |
| 6.75%, 10/01/22 (b) | | 3,623 | 3,776,977 |
| Offshore Group Investment Ltd., 7.13%, 4/01/23 | | 963 | 979,853 |
| ONEOK Partners LP, 8.63%, 3/01/19 (c) | | 10,000 | 12,752,400 |
| Pacific Drilling SA, 5.38%, 6/01/20 (b) | | 1,537 | 1,548,528 |
| PBF Holding Co. LLC/PBF Finance Corp., | | | |
| 8.25%, 2/15/20 | | 191 | 199,595 |
| PDC Energy, Inc., 7.75%, 10/15/22 | | 1,225 | 1,329,125 |
| Peabody Energy Corp.: | | | |

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| | | |
|--|-------|-----------|
| 6.00%, 11/15/18 | 2,527 | 2,665,985 |
| 6.25%, 11/15/21 | 2,503 | 2,584,348 |
| Penn Virginia Resource Partners LP/Penn Virginia Resource Finance Corp. II, 8.38%, 6/01/20 | 3,416 | 3,791,760 |

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|---------------|
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (concluded) | | | |
| Petrobras International Finance Co. (c): | | | |
| 3.88%, 1/27/16 | USD | 12,550 | \$ 12,974,805 |
| 5.38%, 1/27/21 | | 3,385 | 3,441,777 |
| Petrohawk Energy Corp., 10.50%, 8/01/14 (c) | | 2,080 | 2,132,000 |
| Petroleos Mexicanos, 4.88%, 1/18/24 | | 2,000 | 2,040,000 |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (b) | | 3,980 | 4,258,600 |
| Pioneer Natural Resources Co., 6.88%, 5/01/18 | | 1,665 | 1,984,898 |
| Premier Oil PLC, 5.00%, 6/09/18 | | 11,500 | 11,758,750 |
| Range Resources Corp.: | | | |
| 6.75%, 8/01/20 | | 1,760 | 1,914,000 |
| 5.00%, 8/15/22 | | 107 | 106,866 |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23 (b) | | 4,351 | 4,024,675 |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b) | | 1,035 | 1,076,400 |
| Rosetta Resources, Inc., 5.63%, 5/01/21 | | 3,448 | 3,482,480 |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (b) | | 10,000 | 10,850,640 |
| Sabine Pass Liquefaction LLC (b): | | | |
| 5.63%, 2/01/21 | | 7,393 | 7,466,930 |
| 5.63%, 4/15/23 | | 1,947 | 1,908,060 |
| Sabine Pass Liquefied Natural Gas LP: | | | |
| 7.50%, 11/30/16 | | 5,965 | 6,658,431 |
| 6.50%, 11/01/20 | | 1,920 | 2,006,400 |
| SandRidge Energy, Inc.: | | | |
| 8.75%, 1/15/20 | | 139 | 150,120 |
| 7.50%, 2/15/23 | | 1,541 | 1,598,788 |
| SM Energy Co.: | | | |
| 6.63%, 2/15/19 | | 903 | 961,695 |
| 6.50%, 11/15/21 | | 1,160 | 1,258,600 |
| 6.50%, 1/01/23 | | 577 | 617,390 |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., | | | |
| 7.50%, 7/01/21 (b) | | 1,614 | 1,698,735 |
| Tesoro Corp., 5.38%, 10/01/22 | | 800 | 792,000 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 6.13%, 10/15/21 | | 1,120 | 1,159,200 |
| Western Gas Partners LP, 5.38%, 6/01/21 | | 5,125 | 5,523,848 |
| Whiting Petroleum Corp.: | | | |
| 5.00%, 3/15/19 | | 3,550 | 3,692,000 |
| 5.75%, 3/15/21 (b) | | 2,341 | 2,463,902 |
| The Williams Cos., Inc.: | | | |
| 3.70%, 1/15/23 | | 5,000 | 4,597,080 |
| 8.75%, 3/15/32 | | 2,478 | 3,080,798 |
| | | | 276,151,222 |
| Paper & Forest Products 2.3% | | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b) | | 1,473 | 1,592,681 |
| Clearwater Paper Corp., 4.50%, 2/01/23 | | 532 | 486,780 |
| International Paper Co. (c): | | | |
| 7.50%, 8/15/21 | | 9,675 | 12,018,527 |
| 8.70%, 6/15/38 | | 4,000 | 5,633,972 |
| 7.30%, 11/15/39 | | 10,000 | 12,481,310 |
| Louisiana-Pacific Corp., 7.50%, 6/01/20 | | 2,130 | 2,348,325 |
| Mercer International, Inc., 9.50%, 12/01/17 | | 1,750 | 1,898,750 |
| | | | 36,460,345 |
| Pharmaceuticals 2.0% | | | |
| AbbVie, Inc., 2.90%, 11/06/22 (c) | | 5,675 | 5,416,827 |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (b) | EUR | 400 | 607,593 |

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| | | | |
|--|-----|--------------|--------------|
| Merck & Co., Inc., 6.50%, 12/01/33 (c) | USD | 6,420 | 8,188,428 |
| Mylan, Inc., 6.00%, 11/15/18 (b) | | 3,250 | 3,496,678 |
| Roche Holdings, Inc., 7.00%, 3/01/39 (b)(c) | | 2,805 | 3,781,642 |
| Valeant Pharmaceuticals International (b): | | | |
| 6.50%, 7/15/16 | | 417 | 431,595 |
| 6.38%, 10/15/20 | | 2,355 | 2,513,962 |
| | | Par | Value |
| | | (000) | |
| Corporate Bonds | | | |
| Pharmaceuticals (concluded) | | | |
| VPII Escrow Corp., 6.75%, 8/15/18 (b) | USD | 6,955 | 7,615,725 |
| | | | 32,052,450 |
| Professional Services 0.5% | | | |
| Ceridian HCM Holding, Inc., | | | |
| 11.00%, 3/15/21 (b) | | 2,158 | 2,524,860 |
| The Dun & Bradstreet Corp., 3.25%, 12/01/17 | | 5,750 | 5,811,031 |
| | | | 8,335,891 |
| Real Estate Investment Trusts (REITs) 2.9% | | | |
| AvalonBay Communities, Inc., | | | |
| 6.10%, 3/15/20 (c) | | 10,000 | 11,673,400 |
| DDR Corp.: | | | |
| 4.75%, 4/15/18 | | 2,140 | 2,328,068 |
| 7.88%, 9/01/20 | | 2,650 | 3,291,003 |
| ERP Operating LP, 5.75%, 6/15/17 (c) | | 10,000 | 11,340,770 |
| Felcor Lodging LP, 5.63%, 3/01/23 | | 999 | 984,015 |
| HCP, Inc., 5.38%, 2/01/21 (c) | | 3,450 | 3,813,420 |
| Host Hotels & Resorts LP, Series D, 3.75%, 10/15/23 | | 3,600 | 3,414,956 |
| UDR, Inc., 4.25%, 6/01/18 | | 5,225 | 5,596,414 |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21 | | 3,835 | 4,092,980 |
| | | | 46,535,026 |
| Real Estate Management & Development 0.5% | | | |
| Lennar Corp., 4.75%, 11/15/22 | | 1,805 | 1,710,238 |
| Realogy Corp., 7.63%, 1/15/20 (b)(c) | | 2,085 | 2,324,775 |
| The Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (b) | | 1,958 | 1,958,000 |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19 | | 1,625 | 1,799,687 |
| | | | 7,792,700 |
| Road & Rail 1.5% | | | |
| The Hertz Corp.: | | | |
| 4.25%, 4/01/18 (b) | | 983 | 985,458 |
| 6.75%, 4/15/19 | | 1,167 | 1,258,901 |
| 5.88%, 10/15/20 | | 925 | 973,563 |
| 7.38%, 1/15/21 | | 310 | 344,100 |
| 6.25%, 10/15/22 | | 1,560 | 1,634,100 |
| Norfolk Southern Corp., 6.00%, 3/15/05 (c) | | 17,200 | 18,797,828 |
| | | | 23,993,950 |
| Semiconductors & Semiconductor Equipment 0.5% | | | |
| KLA-Tencor Corp., 6.90%, 5/01/18 | | 5,515 | 6,541,645 |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b) | | 1,655 | 1,725,337 |
| | | | 8,266,982 |
| Software 0.6% | | | |
| Activision Blizzard, Inc. (b): | | | |
| 5.63%, 9/15/21 | | 2,310 | 2,390,850 |
| 6.13%, 9/15/23 | | 804 | 840,180 |
| Infor US, Inc., 9.38%, 4/01/19 | | 2,190 | 2,474,700 |
| Nuance Communications, Inc., | | | |
| 5.38%, 8/15/20 (b) | | 4,435 | 4,401,738 |
| | | | 10,107,468 |
| Specialty Retail 1.2% | | | |
| AutoNation, Inc., 6.75%, 4/15/18 | | 6,125 | 7,043,750 |
| L Brands, Inc., 7.00%, 5/01/20 | | 3,050 | 3,454,125 |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (b)(g) | | 485 | 495,912 |

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| | | |
|--|-------|------------|
| QVC, Inc., 7.38%, 10/15/20 (b) | 355 | 386,916 |
| Sally Holdings LLC/Sally Capital, Inc., 6.88%, 11/15/19 | 2,015 | 2,226,575 |
| VF Corp., 5.95%, 11/01/17 (c) | 5,000 | 5,755,445 |
| | | 19,362,723 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|---------------|
| Corporate Bonds | | |
| Textiles, Apparel & Luxury Goods 0.2% | | |
| SIWF Merger Sub, Inc., 6.25%, 6/01/21 (b) | USD 1,674 | \$ 1,682,370 |
| The William Carter Co., 5.25%, 8/15/21 (b) | 1,406 | 1,427,090 |
| | | 3,109,460 |
| Tobacco 1.9% | | |
| Altria Group, Inc., 10.20%, 2/06/39 (c) | 13,392 | 21,337,822 |
| Lorillard Tobacco Co., 3.50%, 8/04/16 | 8,375 | 8,836,504 |
| | | 30,174,326 |
| Trading Companies & Distributors 0.7% | | |
| Doric Nimrod Air Alpha 2013-1 Pass-Through Trust (b): | | |
| 6.13%, 11/30/19 | 4,000 | 4,050,000 |
| 5.25%, 5/30/23 | 3,000 | 3,000,000 |
| Doric Nimrod Air Finance Alpha Ltd. 2012-1 Class A Pass-Through Trust, | | |
| 5.13%, 11/30/24 (b) | 3,549 | 3,557,892 |
| | | 10,607,892 |
| Transportation Infrastructure 1.0% | | |
| Penske Truck Leasing Co. LP/PTL Finance Corp. (b): | | |
| 3.75%, 5/11/17 | 10,500 | 11,022,018 |
| 4.88%, 7/11/22 | 5,550 | 5,700,577 |
| | | 16,722,595 |
| Wireless Telecommunication Services 5.8% | | |
| America Movil SAB de C.V. (c): | | |
| 2.38%, 9/08/16 | 12,495 | 12,806,288 |
| 3.13%, 7/16/22 | 1,275 | 1,200,563 |
| American Tower Corp.: | | |
| 4.50%, 1/15/18 (c) | 6,500 | 6,992,655 |
| 3.40%, 2/15/19 | 2,000 | 2,024,958 |
| 5.05%, 9/01/20 | 500 | 528,195 |
| 5.90%, 11/01/21 (c) | 3,770 | 4,109,458 |
| Crown Castle International Corp., 5.25%, 1/15/23 | 1,880 | 1,861,200 |
| Crown Castle Towers LLC (b): | | |
| 5.50%, 1/15/37 | 4,000 | 4,420,396 |
| 4.17%, 8/15/37 | 3,000 | 3,215,505 |
| 6.11%, 1/15/40 | 4,555 | 5,183,380 |
| Digicel Group Ltd., 8.25%, 9/30/20 (b) | 3,440 | 3,629,200 |
| Digicel Ltd., 6.00%, 4/15/21 (b) | 1,285 | 1,246,450 |
| SBA Tower Trust, 5.10%, 4/15/42 (b) | 13,975 | 15,113,599 |
| Softbank Corp., 4.50%, 4/15/20 (b) | 2,265 | 2,242,350 |
| Sprint Communications, Inc. (FKA Sprint Nextel Corp.) (b): | | |
| 9.00%, 11/15/18 | 5,290 | 6,414,125 |
| 7.00%, 3/01/20 | 9,302 | 10,325,220 |
| Sprint Corp., 7.88%, 9/15/23 (b) | 4,045 | 4,388,825 |
| T-Mobile USA, Inc.: | | |
| 6.46%, 4/28/19 | 950 | 1,007,000 |
| 6.63%, 4/28/21 | 2,680 | 2,834,100 |
| 6.73%, 4/28/22 | 2,495 | 2,635,344 |
| 6.84%, 4/28/23 | 1,405 | 1,485,788 |
| | | 93,664,599 |
| Total Corporate Bonds 123.4% | | 1,998,835,132 |

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Municipal Bonds

| | | |
|---|-------|-----------|
| City of Chicago Illinois, Refunding ARB, O Hare International Airport, General Third Lien, Build America Bonds, Series B, 6.85%, 1/01/38 | 5,000 | 5,320,350 |
|---|-------|-----------|

Municipal Bonds

| | Par (000) | Value |
|---|----------------------|--------------|
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31 | USD 10,000 | 11,858,200 |
| Total Municipal Bonds 1.1% | | 17,178,550 |

US Government Sponsored Agency Securities 0.2%

| | | |
|------------------------------------|-------|-----------|
| Agency Obligations 0.2% | | |
| Fannie Mae, 2.62%, 10/09/19 (c)(h) | 3,945 | 3,379,394 |

US Treasury Obligations 0.2%

| | | |
|--------------------------------------|-------|-----------|
| US Treasury Note, 2.50%, 8/15/23 (c) | 2,700 | 2,689,875 |
|--------------------------------------|-------|-----------|

Preferred Securities

Capital Trusts

| | | |
|---|--------|------------|
| Capital Markets 2.4% | | |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (a)(c) | 3,000 | 3,330,000 |
| State Street Capital Trust IV, 1.25%, 6/01/67 (a)(c) | 45,845 | 36,016,749 |
| | | 39,346,749 |

Commercial Banks 2.6%

| | | |
|--|--------|------------|
| Barclays Bank PLC (a)(b)(d): 5.93% | 2,125 | 2,236,563 |
| 7.43% | 2,225 | 2,453,062 |
| BNP Paribas SA, 7.20% (a)(b)(c)(d) | 5,000 | 5,206,250 |
| Credit Agricole SA, 8.38% (a)(b)(c)(d) | 5,000 | 5,631,250 |
| HSBC Capital Funding LP, 10.18% (a)(b)(c)(d) | 11,835 | 16,924,050 |
| M&T Capital Trust II, 8.28%, 6/01/27 (c) | 4,540 | 4,630,800 |
| Standard Chartered PLC, 7.01% (a)(b)(c)(d) | 5,000 | 5,275,000 |
| | | 42,356,975 |

Diversified Financial Services 0.8%

| | | |
|--|-------|------------|
| General Electric Capital Corp. (a)(c)(d): Series B, 6.25% | 9,100 | 9,486,750 |
| Series C, 5.25% | 3,000 | 2,865,000 |
| | | 12,351,750 |

Electric Utilities 0.5%

| | | |
|--|-------|-----------|
| PPL Capital Funding, Inc., Series A, 6.70%, 3/30/67 (a) | 8,300 | 8,383,000 |
|--|-------|-----------|

Insurance 8.6%

| | | |
|---|--------|------------|
| ACE Capital Trust II, 9.70%, 4/01/30 (c) | 7,000 | 10,045,000 |
| The Allstate Corp., 6.50%, 5/15/67 (a)(c) | 10,400 | 10,947,040 |
| AXA SA (a)(b)(d): 6.38% | 4,900 | 4,820,375 |
| 6.46% | 6,000 | 6,097,500 |
| Bank One Capital III, 8.75%, 9/01/30 (c) | 2,000 | 2,603,508 |
| The Chubb Corp., 6.38%, 3/29/67 (a)(c) | 7,400 | 8,066,000 |
| Great-West Life & Annuity Insurance Capital LP II, 7.15%, 5/16/46 (a)(b)(c) | 500 | 525,000 |
| Hartford Financial Services Group, Inc., 8.13%, 6/15/68 (a) | 3,500 | 4,096,750 |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b) | 8,325 | 12,654,000 |
| Lincoln National Corp., 7.00%, 5/17/66 (a) | 9,005 | 9,297,662 |
| MetLife, Inc., 6.40%, 12/15/66 | 9,775 | 10,178,219 |
| Mitsui Sumitomo Insurance Co. Ltd., 7.00%, 3/15/72 (a)(b)(c) | 4,800 | 5,388,000 |
| The Northwestern Mutual Life Insurance Co., 6.06%, 3/30/40 (b)(c) | 12,000 | 14,021,976 |

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See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Preferred Securities | | | |
| Insurance (concluded) | | | |
| Principal Life Insurance Co., 8.00%, 3/01/44 (b)(c) | USD | 2,500 | \$ 2,606,645 |
| Prudential Financial, Inc., 5.88%, 9/15/42 (a)(c) | | 6,100 | 6,191,500 |
| Prudential PLC, 6.50% (d) | | 6,000 | 6,014,400 |
| Reinsurance Group of America, Inc., 6.75%, 12/15/65 (a) | | 12,000 | 11,790,000 |
| Swiss Re Capital I LP, 6.85% (a)(b)(c)(d) | | 4,450 | 4,739,250 |
| XL Group PLC, Series E, 6.50% (a)(d) | | 1,920 | 1,883,520 |
| ZFS Finance USA Trust II, 6.45%, 12/15/65 (a)(b)(c) | | 6,800 | 7,276,000 |
| | | | 139,242,345 |
| Media 0.4% | | | |
| NBCUniversal Enterprise, Inc., 5.25% (b)(d) | | 5,600 | 5,544,000 |
| Multi-Utilities 0.3% | | | |
| Dominion Resources, Inc., 7.50%, 6/30/66 (a) | | 4,400 | 4,702,500 |
| Oil, Gas & Consumable Fuels 1.4% | | | |
| Enterprise Products Operating LLC (a): 7.00%, 6/01/67 | | 2,500 | 2,600,000 |
| Series A, 8.38%, 8/01/66 | | 9,325 | 10,292,468 |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (a) | | 9,400 | 9,762,248 |
| | | | 22,654,716 |
| Road & Rail 0.4% | | | |
| BNSF Funding Trust I, 6.61%, 12/15/55 (a) | | 6,125 | 6,729,844 |
| Total Capital Trusts 17.4% | | | 281,311,879 |
| Preferred Stocks | | | |
| Auto Components 0.2% | | | |
| Dana Holding Corp., 4.00% (b)(i) | | 14,973 | 2,458,379 |
| Capital Markets 0.2% | | | |
| The Goldman Sachs Group, Inc., 5.50% (a) | | 162,450 | 3,708,733 |
| Commercial Banks 0.6% | | | |
| Wells Fargo & Co., 5.85% (a) | | 403,900 | 9,822,848 |
| Diversified Financial Services 0.3% | | | |
| Citigroup, Inc., Series K, 6.88% (a) | | 206,000 | 5,139,700 |
| Real Estate Investment Trusts (REITs) 0.7% | | | |
| Sovereign Real Estate Investment Trust, 12.00% (b) | | 7,000 | 8,818,418 |
| Ventas Realty LP/Ventas Capital Corp., 5.45% | | 75,000 | 1,695,000 |
| Vornado Realty Trust, Series K, 5.70% | | 50,000 | 1,047,500 |
| | | | 11,560,918 |
| Preferred Stocks | | | |
| Wireless Telecommunication Services 1.2% | | | |
| Centaur Funding Corp., Series B Series B, 9.08% (b) | | 15,143 | 18,583,301 |
| Crown Castle International Corp., Series A, 4.50% (i) | | 8,192 | 838,451 |
| | | | 19,421,752 |
| Total Preferred Stocks 3.2% | | | 52,112,330 |

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| | | |
|--|-----------|-------------------------|
| Trust Preferred 0.8% | | |
| Diversified Financial Services 0.8% | | |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 | 495,620 | 13,099,822 |
| Total Preferred Securities 21.4% | | 346,524,031 |
| Total Long-Term Investments | | |
| (Cost \$2,265,230,227) 147.3% | | 2,384,118,525 |
| | | |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (j)(k) | | |
| | 3,999,467 | 3,999,467 |
| Total Short-Term Securities | | 3,999,467 |
| (Cost \$3,999,467) 0.2% | | 3,999,467 |
| | | |
| Options Purchased | | |
| (Cost \$12,822,253) 0.6% | | 10,204,684 |
| Total Investments Before Options Written | | 2,398,322,676 |
| (Cost \$2,282,051,947) 148.1% | | 2,398,322,676 |
| | | |
| Options Written | | |
| (Premiums Received \$7,246,376) (0.4)% | | (6,194,184) |
| Total Investments, Net of Options Written 147.7% | | 2,392,128,492 |
| Liabilities in Excess of Other Assets (47.7)% | | (772,425,793) |
| | | |
| Net Assets 100.0% | | \$ 1,619,702,699 |

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 securities have been pledged as collateral in connection with open reverse repurchase agreements.
- (d) Security is perpetual in nature and has no stated maturity date.
- (e) Represents a 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.
- (f) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|--------------------------------|------------|----------------------------|
| J.P. Morgan Securities LLC | \$ 659,546 | \$ 9,208 |
| Citigroup Global Markets, Inc. | \$ 725,975 | \$ 15,975 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

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

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

(i) Convertible security.

(j) Investments in issuers considered to be an affiliate of the Trust during the year ended October 31, 2013, for purposes of Section 2(a)(3) of 1940 Act, were as follows:

| Affiliate | Shares Held at October 31, 2012 | Net Activity | Shares Held at October 31, 2013 | Income |
|--|---------------------------------|--------------|---------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,652,656 | 2,346,811 | 3,999,467 | \$ 7,314 |

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

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| UBS Securities LLC | 0.33% | 1/17/13 | Open | \$ 6,352,950 | \$ 6,369,722 |
| UBS Securities LLC | 0.32% | 1/18/13 | Open | 14,280,000 | 14,316,430 |
| Credit Suisse Securities (USA) LLC | 0.35% | 1/29/13 | Open | 14,670,000 | 14,709,364 |
| Deutsche Bank Securities, Inc. | 0.15% | 1/29/13 | Open | 3,442,013 | 3,444,669 |
| Citigroup Global Markets, Inc. | (0.38)% | 1/31/13 | Open | 2,301,075 | 2,294,531 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/22/13 | Open | 3,070,938 | 3,078,461 |
| Credit Suisse Securities (USA) LLC | 0.35% | 2/25/13 | Open | 11,500,000 | 11,527,840 |
| BNP Paribas Securities Corp. | 0.34% | 2/28/13 | Open | 8,705,000 | 8,725,225 |
| Deutsche Bank Securities, Inc. | (0.75)% | 3/5/13 | Open | 1,494,575 | 1,487,071 |
| UBS Securities LLC | 0.35% | 3/12/13 | Open | 6,132,500 | 6,146,392 |
| BNP Paribas Securities Corp. | 0.34% | 3/21/13 | Open | 12,292,000 | 12,318,120 |
| Credit Suisse Securities (USA) LLC | 0.35% | 3/28/13 | Open | 10,309,438 | 10,331,288 |
| UBS Securities LLC | 0.32% | 3/28/13 | Open | 2,249,438 | 2,253,796 |
| UBS Securities LLC | 0.34% | 3/28/13 | Open | 5,572,613 | 5,584,086 |
| Barclays Capital, Inc. | 0.35% | 4/2/13 | Open | 6,163,125 | 6,175,828 |
| Barclays Capital, Inc. | 0.35% | 4/2/13 | Open | 1,205,313 | 1,207,796 |
| Barclays Capital, Inc. | 0.35% | 4/2/13 | Open | 2,858,194 | 2,864,085 |
| Barclays Capital, Inc. | 0.35% | 4/2/13 | Open | 2,502,063 | 2,507,219 |
| Barclays Capital, Inc. | 0.35% | 4/2/13 | Open | 2,054,850 | 2,059,085 |
| BNP Paribas Securities Corp. | 0.37% | 4/2/13 | Open | 582,647 | 583,917 |
| BNP Paribas Securities Corp. | 0.37% | 4/2/13 | Open | 5,475,000 | 5,486,929 |
| BNP Paribas Securities Corp. | 0.35% | 4/2/13 | Open | 5,810,000 | 5,821,975 |
| BNP Paribas Securities Corp. | 0.37% | 4/2/13 | Open | 4,957,000 | 4,967,801 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 1,252,295 | 1,254,876 |

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| | | | | | |
|------------------------------------|-------|--------|------|------------|------------|
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,360,375 | 2,365,240 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 7,590,500 | 7,606,145 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,747,563 | 3,755,286 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,607,400 | 3,614,835 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,633,656 | 3,641,145 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 860,781 | 862,555 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 4,077,375 | 4,085,779 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 8,587,500 | 8,605,200 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 1,699,441 | 1,702,944 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,567,375 | 3,574,728 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,171,875 | 2,176,351 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 11,181,744 | 11,204,791 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,285,625 | 2,290,336 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,915,000 | 2,921,008 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 6,173,719 | 6,186,444 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 20,623,680 | 20,666,188 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 5,266,463 | 5,277,317 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,132,000 | 2,136,394 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 12,448,144 | 12,473,801 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,007,500 | 3,013,699 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 5,154,000 | 5,164,623 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,873,500 | 2,879,423 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 837,900 | 839,627 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,637,656 | 2,643,092 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 872,969 | 874,768 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,880,000 | 2,885,936 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,664,406 | 3,671,959 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (continued):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|---------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | \$ 10,490,000 | \$ 10,511,621 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 8,018,569 | 8,035,096 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 597,400 | 598,631 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 4,604,531 | 4,614,021 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 3,695,813 | 3,703,429 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 476,875 | 477,858 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 4,197,375 | 4,206,026 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 532,125 | 533,222 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 10,825,000 | 10,847,312 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 7,353,913 | 7,369,070 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 8,703,625 | 8,721,564 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 1,143,000 | 1,145,356 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 7,339,594 | 7,354,722 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 2,639,763 | 2,645,204 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 15,710,963 | 15,743,345 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 6,912,938 | 6,927,186 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 980,156 | 982,176 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/2/13 | Open | 5,351,063 | 5,362,092 |
| Barclays Capital, Inc. | 0.35% | 4/10/13 | Open | 12,018,000 | 12,041,953 |
| UBS Securities LLC | 0.32% | 4/12/13 | Open | 6,936,000 | 6,948,516 |
| Deutsche Bank Securities, Inc. | (0.25)% | 4/17/13 | Open | 2,107,500 | 2,104,675 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/23/13 | Open | 7,076,875 | 7,090,085 |
| Citigroup Global Markets, Inc. | (0.50)% | 4/30/13 | Open | 1,862,500 | 1,857,740 |
| BNP Paribas Securities Corp. | 0.33% | 5/2/13 | Open | 5,707,000 | 5,716,573 |
| Barclays Capital, Inc. | 0.40% | 5/31/13 | Open | 14,160,000 | 14,184,229 |
| Barclays Capital, Inc. | 0.40% | 5/31/13 | Open | 7,936,500 | 7,950,080 |
| Barclays Capital, Inc. | 0.35% | 6/24/13 | Open | 4,788,764 | 4,794,816 |
| Barclays Capital, Inc. | 0.35% | 6/24/13 | Open | 881,003 | 882,116 |
| Barclays Capital, Inc. | 0.35% | 6/24/13 | Open | 2,428,471 | 2,431,540 |
| Barclays Capital, Inc. | 0.40% | 7/22/13 | Open | 8,162,000 | 8,171,250 |
| Deutsche Bank Securities, Inc. | 0.34% | 7/29/13 | Open | 6,375,000 | 6,380,720 |
| Deutsche Bank Securities, Inc. | 0.34% | 7/31/13 | Open | 5,064,000 | 5,068,448 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/8/13 | Open | 4,397,000 | 4,400,634 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/8/13 | Open | 6,562,000 | 6,567,423 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/12/13 | Open | 5,648,000 | 5,652,448 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/12/13 | Open | 4,584,000 | 4,587,610 |
| Credit Suisse Securities (USA) LLC | 0.35% | 8/23/13 | Open | 2,055,000 | 2,056,399 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/26/13 | Open | 8,051,000 | 8,056,244 |
| BNP Paribas Securities Corp. | 0.33% | 8/27/13 | Open | 5,068,000 | 5,071,066 |
| Deutsche Bank Securities, Inc. | 0.34% | 8/29/13 | Open | 9,867,000 | 9,872,871 |
| Deutsche Bank Securities, Inc. | 0.35% | 8/30/13 | Open | 1,847,000 | 1,848,131 |
| Credit Suisse Securities (USA) LLC | 0.45% | 9/23/13 | Open | 12,225,000 | 12,230,807 |
| BNP Paribas Securities Corp. | 0.34% | 9/27/13 | Open | 13,964,000 | 13,968,616 |
| Barclays Capital, Inc. | 0.40% | 10/10/13 | Open | 8,977,500 | 8,979,694 |
| Barclays Capital, Inc. | 0.40% | 10/10/13 | Open | 6,638,125 | 6,639,748 |
| Barclays Capital, Inc. | (0.25)% | 10/11/13 | Open | 5,357,625 | 5,356,918 |
| BNP Paribas Securities Corp. | 0.34% | 10/16/13 | Open | 2,822,000 | 2,822,426 |
| BNP Paribas Securities Corp. | 0.34% | 10/17/13 | Open | 9,057,000 | 9,058,283 |
| BNP Paribas Securities Corp. | 0.34% | 10/17/13 | Open | 10,273,000 | 10,274,455 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 4,856,000 | 4,856,472 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 2,692,000 | 2,692,262 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 2,419,000 | 2,419,235 |

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| | | | | | |
|------------------------|-------|----------|------|------------|------------|
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 5,066,000 | 5,066,493 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 2,280,000 | 2,280,222 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 718,000 | 718,070 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 577,000 | 577,056 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 4,589,000 | 4,589,446 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 8,379,000 | 8,379,815 |
| Barclays Capital, Inc. | 0.35% | 10/21/13 | Open | 2,371,000 | 2,371,231 |
| UBS Securities LLC | 0.35% | 10/21/13 | Open | 11,025,000 | 11,026,072 |
| UBS Securities LLC | 0.35% | 10/21/13 | Open | 22,649,375 | 22,651,577 |
| UBS Securities LLC | 0.35% | 10/21/13 | Open | 5,037,500 | 5,037,990 |
| UBS Securities LLC | 0.34% | 10/21/13 | Open | 4,669,000 | 4,669,441 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|----------------|---------------------------------------|
| UBS Securities LLC | 0.25% | 10/21/13 | Open | \$ 2,890,769 | \$ 2,890,970 |
| UBS Securities LLC | 0.34% | 10/21/13 | Open | 9,020,375 | 9,021,227 |
| UBS Securities LLC | 0.34% | 10/21/13 | Open | 927,563 | 927,650 |
| UBS Securities LLC | 0.34% | 10/21/13 | Open | 1,233,750 | 1,233,867 |
| UBS Securities LLC | 0.34% | 10/21/13 | Open | 685,156 | 685,221 |
| UBS Securities LLC | 0.35% | 10/21/13 | Open | 3,180,469 | 3,180,778 |
| UBS Securities LLC | 0.32% | 10/21/13 | Open | 8,430,000 | 8,430,749 |
| BNP Paribas Securities Corp. | 0.34% | 10/21/13 | Open | 5,428,000 | 5,428,513 |
| BNP Paribas Securities Corp. | 0.34% | 10/22/13 | Open | 4,274,000 | 4,274,404 |
| BNP Paribas Securities Corp. | 0.34% | 10/22/13 | Open | 6,120,000 | 6,120,578 |
| Credit Suisse Securities (USA) LLC | 0.35% | 10/22/13 | Open | 17,741,250 | 17,742,802 |
| Credit Suisse Securities (USA) LLC | 0.35% | 10/22/13 | Open | 16,593,750 | 16,595,202 |
| Deutsche Bank Securities, Inc. | (1.10)% | 10/22/13 | Open | 5,128,000 | 5,126,704 |
| UBS Securities LLC | 0.36% | 10/21/13 | Open | 7,634,325 | 7,635,088 |
| UBS Securities LLC | 0.35% | 10/22/13 | Open | 1,095,000 | 1,095,096 |
| UBS Securities LLC | 0.10% | 10/22/13 | Open | 6,664,613 | 6,664,780 |
| UBS Securities LLC | 0.35% | 10/22/13 | Open | 5,896,750 | 5,897,266 |
| UBS Securities LLC | 0.34% | 10/22/13 | Open | 4,242,881 | 4,243,242 |
| UBS Securities LLC | 0.35% | 10/22/13 | Open | 10,039,500 | 10,040,378 |
| UBS Securities LLC | (0.50)% | 10/22/13 | Open | 2,019,844 | 2,019,592 |
| UBS Securities LLC | 0.34% | 10/22/13 | Open | 10,054,125 | 10,054,980 |
| UBS Securities LLC | 0.32% | 10/22/13 | Open | 1,067,625 | 1,067,710 |
| BNP Paribas Securities Corp. | 0.07% | 10/23/13 | Open | 2,716,875 | 2,716,923 |
| Deutsche Bank Securities, Inc. | 0.34% | 10/23/13 | Open | 2,763,000 | 2,763,235 |
| Deutsche Bank Securities, Inc. | 0.34% | 10/23/13 | Open | 5,185,000 | 5,185,441 |
| BNP Paribas Securities Corp. | 0.10% | 10/24/13 | Open | 4,934,000 | 4,934,110 |
| Credit Suisse Securities (USA) LLC | 0.35% | 10/25/13 | Open | 4,575,000 | 4,575,311 |
| BNP Paribas Securities Corp. | 0.34% | 10/25/13 | Open | 3,154,000 | 3,154,209 |
| BNP Paribas Securities Corp. | 0.10% | 10/30/13 | Open | 3,331,000 | 3,331,009 |
| BNP Paribas Securities Corp. | (0.50)% | 10/30/13 | Open | 690,333 | 690,332 |
| Deutsche Bank Securities, Inc. | 0.35% | 10/31/13 | Open | 2,876,000 | 2,876,000 |
| Deutsche Bank Securities, Inc. | 0.35% | 10/31/13 | Open | 3,610,000 | 3,610,000 |
| Deutsche Bank Securities, Inc. | 0.35% | 10/31/13 | Open | 4,999,000 | 4,999,000 |
| Total | | | | \$ 811,090,568 | \$ 812,028,314 |

Financial futures contracts as of October 31, 2013 were as follows:

| Contracts Purchased (Sold) | Issue | Exchange | Expiration | Notional Value | Unrealized Appreciation (Depreciation) |
|----------------------------|----------------------------------|------------------------|---------------|-----------------|--|
| 887 | 2-Year US Treasury Note | Chicago Board of Trade | December 2013 | USD 195,514,204 | \$ 880,407 |
| 42 | Ultra Long-Term US Treasury Bond | Chicago Board of Trade | December 2013 | USD 6,051,938 | 108,881 |
| 3 | US Treasury Long Bond | Chicago Board of Trade | December 2013 | USD 404,438 | 9,335 |
| (3) | 5-Year US Treasury Note | Chicago Board of Trade | December 2013 | USD 365,063 | (1,597) |
| (1,125) | 10-Year US Treasury Note | Chicago Board of Trade | December 2013 | USD 143,279,297 | (2,497,339) |
| Total | | | | | \$ (1,500,313) |

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Foreign currency exchange contracts as of October 31, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|--------------------|---------------|--------------|-----------------|----------------------------|
| USD 3,202,096 | EUR 2,344,000 | UBS AG | 11/21/13 | \$ 19,412 |

Exchange-traded options purchased as of October 31, 2013 were as follows:

| Description | Put/ Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|--------------|-----------------|--------------------|-----------|---------------------|
| SPDR S&P 500 ETF Trust | Put | USD 165.00 | 12/21/13 | 3,552 | \$ 293,040 |
| SPDR S&P 500 ETF Trust | Put | USD 173.00 | 1/18/14 | 1,750 | 569,625 |
| SPDR S&P 500 ETF Trust | Put | USD 175.00 | 1/18/14 | 1,750 | 701,750 |
| Total | | | | | \$ 1,564,415 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Over-the-counter interest rate swaptions purchased as of October 31, 2013 were as follows:

| Description | Counterparty | Put/ Call | Exercise Rate | Pay/ Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value |
|----------------------------|------------------------------------|--------------|------------------|-------------------------------------|------------------------|--------------------|-----------------------------|---------------------|
| 10-Year Interest Rate Swap | Credit Suisse Securities (USA) LLC | Call | 2.85% | Receive | 3-month LIBOR | 4/30/14 | USD 19,700 | \$ 375,432 |
| 30-Year Interest Rate Swap | Royal Bank of Scotland PLC | Call | 3.25% | Receive | 3-month LIBOR | 7/11/14 | USD 8,300 | 133,130 |
| 30-Year Interest Rate Swap | Barclays Bank PLC | Call | 3.25% | Receive | 3-month LIBOR | 8/01/14 | USD 8,300 | 141,663 |
| 30-Year Interest Rate Swap | Credit Suisse Securities (USA) LLC | Call | 3.83% | Receive | 3-month LIBOR | 10/03/14 | USD 13,000 | 815,335 |
| 10-Year Interest Rate Swap | Credit Suisse Securities (USA) LLC | Put | 2.85% | Pay | 3-month LIBOR | 4/30/14 | USD 19,700 | 437,899 |
| 30-Year Interest Rate Swap | Credit Suisse Securities (USA) LLC | Put | 3.83% | Pay | 3-month LIBOR | 10/03/14 | USD 13,000 | 605,450 |
| 10-Year Interest Rate Swap | Deutsche Bank AG | Put | 4.50% | Pay | 3-month LIBOR | 2/02/17 | USD 8,000 | 301,676 |
| 5-Year Interest Rate Swap | J.P. Morgan Securities LLC | Put | 4.50% | Pay | 3-month LIBOR | 8/07/18 | USD 203,300 | 5,829,684 |
| Total | | | | | | | | \$ 8,640,269 |

Exchange-traded options written as of October 31, 2013 were as follows:

| Description | Put/ Call | Strike Price | Expiration Date | Contracts | Market Value |
|------------------------|--------------|-----------------|--------------------|-----------|-----------------|
| SPDR S&P 500 ETF Trust | Put | USD 163.00 | 1/18/14 | 3,500 | \$ (418,250) |

Over-the-counter options written as of October 31, 2013 were as follows:

| Description | Counterparty | Put/ Call | Strike Price | Expiration Date | Contracts | Market Value |
|-------------------------|--------------------------------|--------------|-----------------|--------------------|-----------|-----------------|
| 5 Year US Treasury Note | Citigroup Global Markets, Inc. | Call | USD 121.50 | 11/22/13 | 416 | \$ (169,000) |

Over-the-counter interest rate swaptions written as of October 31, 2013 were as follows:

| Description | Counterparty | Put/ Call | Exercise Rate | Pay/ Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value |
|----------------------------|----------------------------|--------------|------------------|-------------------------------------|------------------------|--------------------|-----------------------------|-----------------------|
| 10-Year Interest Rate Swap | Deutsche Bank AG | Put | 6.00% | Pay | 3-month LIBOR | 2/02/17 | USD 16,000 | \$ (207,571) |
| 5-Year Interest Rate Swap | J.P. Morgan Securities LLC | Put | 6.00% | Pay | 3-month LIBOR | 8/07/18 | USD 406,600 | (5,399,363) |
| Total | | | | | | | | \$ (5,606,934) |

Centrally cleared credit default swaps buy protection outstanding as of October 31, 2013 were as follows:

Index

Clearinghouse

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| | Pay Fixed Rate | | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|---|----------------------|--------------------|--------------------|-----------------------------|--|
| Dow Jones CDX North America Investment Grade, Series 20 | 1.00% | Chicago Mercantile | 6/20/18 | USD 80,000 | \$ (500,239) |
| Dow Jones CDX North America Investment Grade, Series 21 | 1.00% | Chicago Mercantile | 12/20/18 | USD 87,371 | 53,904 |
| Total | | | | | \$ (446,335) |

Centrally cleared interest rate swaps outstanding as of October 31, 2013 were as follows:

| Fixed Rate | Floating Rate | Clearinghouse | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--------------------|---------------|--------------------|--------------------|-----------------------------|----------------------------|
| 0.44% ¹ | 3-month LIBOR | Chicago Mercantile | 8/29/14 | USD 56,600 | \$ (72,863) |
| 0.64% ¹ | 3-month LIBOR | Chicago Mercantile | 9/09/15 | USD 131,800 | (578,024) |
| 1.45% ¹ | 3-month LIBOR | Chicago Mercantile | 10/28/18 | USD 13,800 | (8,254) |
| 2.21% ¹ | 3-month LIBOR | Chicago Mercantile | 10/18/20 | USD 65,000 | (587,059) |
| 2.79% ¹ | 3-month LIBOR | Chicago Mercantile | 10/11/23 | USD 68,000 | (741,584) |
| 3.71% ¹ | 3-month LIBOR | Chicago Mercantile | 10/18/43 | USD 29,000 | (721,442) |
| Total | | | | | \$ (2,709,226) |

¹ Trust pays the fixed rate and receives the floating rate.

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Over-the-counter credit default swaps buy protection outstanding as of October 31, 2013 were as follows:

| Issuer | Pay Fixed Rate | Counterparty | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid (Received) | Unrealized Appreciation (Depreciation) |
|----------------------------|----------------|------------------------------------|-----------------|-----------------------|--------------|--------------------------|--|
| Southwest Airlines Co. | 1.00% | Goldman Sachs & Co. | 12/20/16 | USD 2,535 | \$ (41,208) | \$ 75,889 | \$ (117,097) |
| Southwest Airlines Co. | 1.00% | Goldman Sachs International | 12/20/16 | USD 1,465 | (23,893) | 43,857 | (67,750) |
| Southwest Airlines Co. | 1.00% | Royal Bank of Scotland PLC | 12/20/16 | USD 4,000 | (66,248) | 130,246 | (196,494) |
| The New York Times Co. | 1.00% | Barclays Capital, Inc. | 12/20/16 | USD 1,725 | (5,640) | 75,645 | (81,285) |
| STMicro Electronics | 1.00% | Barclays Capital, Inc. | 6/20/17 | EUR 1,500 | (26,765) | 45,987 | (72,752) |
| Lockheed Martin Corp. | 1.00% | Credit Suisse Securities (USA) LLC | 9/20/17 | USD 5,585 | (165,840) | (37,568) | (128,272) |
| General Dynamic Corp. | 1.00% | Credit Suisse Securities (USA) LLC | 9/20/17 | USD 5,585 | (166,915) | (107,968) | (58,947) |
| Northrop Grumman Corp. | 1.00% | Credit Suisse Securities (USA) LLC | 9/20/17 | USD 4,715 | (143,806) | (83,856) | (59,950) |
| Raytheon Co. | 1.00% | Credit Suisse Securities (USA) LLC | 9/20/17 | USD 4,715 | (144,709) | (89,323) | (55,386) |
| Humana, Inc. | 1.00% | Goldman Sachs & Co. | 9/20/17 | USD 4,500 | (57,656) | 57,686 | (115,342) |
| Humana, Inc. | 1.00% | Goldman Sachs International | 9/20/17 | USD 2,800 | (35,875) | 35,893 | (71,768) |
| Cigna Corp. | 1.00% | Goldman Sachs & Co. | 9/20/17 | USD 4,500 | (122,561) | (8,382) | (114,179) |
| Cigna Corp. | 1.00% | Goldman Sachs International | 9/20/17 | USD 2,800 | (76,261) | (5,216) | (71,045) |
| Exelon Generation Co., LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | USD 5,850 | 107,788 | 145,309 | (37,521) |
| Exelon Generation Co., LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | USD 4,300 | 79,229 | 112,565 | (33,336) |
| Exelon Generation Co., LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | USD 2,750 | 50,669 | 58,294 | (7,625) |
| Exelon Generation Co., LLC | 1.00% | JPMorgan Chase Bank N.A. | 12/20/18 | USD 2,925 | 68,371 | 73,814 | (5,443) |
| Exelon Generation Co., LLC | 1.00% | JPMorgan Chase Bank N.A. | 12/20/18 | USD 3,400 | 79,473 | 85,800 | (6,327) |
| Exelon Generation Co., LLC | 1.00% | Barclays Capital, Inc. | 12/20/18 | USD 3,725 | 87,071 | 83,320 | 3,751 |
| Exelon Generation Co., LLC | 1.00% | Barclays Capital, Inc. | 12/20/18 | USD 2,050 | 47,918 | 39,174 | 8,744 |
| Total | | | | | \$ (556,858) | \$ 731,166 | \$ (1,288,024) |

Over-the-counter credit default swaps sold protection outstanding as of October 31, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ¹ | Notional Amount (000) ² | Market Value | Premiums | Unrealized Appreciation |
|---------------------------|--------------------|------------------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------|-------------------------|
| Anadarko Petroleum Corp. | 1.00% | Credit Suisse Securities (USA) LLC | 6/20/17 | BBB- | USD 2,425 | \$ 43,914 | \$ (88,302) | \$ 132,216 |
| Anadarko Petroleum Corp. | 1.00% | Morgan Stanley & Co. LLC | 6/20/17 | BBB- | USD 10 | 181 | (403) | 584 |
| Anadarko Petroleum Corp. | 1.00% | UBS AG | 6/20/17 | BBB- | USD 994 | 18,000 | (39,367) | 57,367 |
| United Health Group, Inc. | 1.00% | Goldman Sachs International | 9/20/17 | A | USD 2,800 | 76,436 | (5,193) | 81,629 |
| WellPoint, Inc. | 1.00% | Goldman Sachs & Co. | 9/20/17 | A- | USD 4,500 | 85,108 | (33,174) | 118,282 |
| WellPoint, Inc. | 1.00% | Goldman Sachs International | 9/20/17 | A- | USD 2,800 | 52,956 | (20,642) | 73,598 |
| Comcast Corp. | 1.00% | Credit Suisse Securities (USA) LLC | 9/20/17 | A- | USD 12,200 | 354,289 | 40,903 | 313,386 |
| United Health Group, Inc. | 1.00% | Goldman Sachs & Co. | 9/20/17 | A | USD 4,500 | 122,844 | (8,346) | 131,190 |

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| | | | | | | | | | |
|----------------|-------|--------------------------|---------|------|-----|-------|------------|--------------|--------------|
| MetLife, Inc. | 1.00% | Deutsche Bank AG | 3/20/18 | A- | USD | 3,025 | 31,002 | (107,626) | 138,628 |
| PSEG Power LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | BBB+ | USD | 5,850 | 15,503 | (53,618) | 69,121 |
| PSEG Power LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | BBB+ | USD | 4,300 | 11,396 | (25,707) | 37,103 |
| PSEG Power LLC | 1.00% | JPMorgan Chase Bank N.A. | 9/20/18 | BBB+ | USD | 2,750 | 7,288 | (6,309) | 13,597 |
| Total | | | | | | | \$ 818,917 | \$ (347,784) | \$ 1,166,701 |

¹ Using S&P's rating of the issuer.

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

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the 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 the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

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.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure 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 investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|------------------|---------------|------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | \$ 7,006,543 | \$ 8,505,000 | \$ 15,511,543 |
| Corporate Bonds | | 1,982,088,882 | 16,746,250 | 1,998,835,132 |
| Municipal Bonds | | 17,178,550 | | 17,178,550 |
| US Government Sponsored Agency Securities | | 3,379,394 | | 3,379,394 |
| US Treasury Obligations | | 2,689,875 | | 2,689,875 |
| Preferred Securities | \$ 22,252,232 | 324,271,799 | | 346,524,031 |
| Short-Term Securities | 3,999,467 | | | 3,999,467 |
| Options Purchased: | | | | |
| Equity Contracts | 1,564,415 | | | 1,564,415 |
| Interest Rate Contracts | | 8,640,269 | | 8,640,269 |
| Total | \$ 27,816,114 | \$ 2,345,255,312 | \$ 25,251,250 | \$ 2,398,322,676 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|---------|-----------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 1,233,100 | | \$ 1,233,100 |
| Foreign currency exchange contracts | | 19,412 | | 19,412 |
| Interest rate contracts | \$ 998,623 | | | 998,623 |
| Liabilities: | | | | |
| Equity contracts | (418,250) | | | (418,250) |
| Credit contracts | | (1,800,758) | | (1,800,758) |
| Interest rate contracts | (2,667,936) | (8,316,160) | | (10,984,096) |
| Total | \$ (2,087,563) | \$ (8,864,406) | | \$ (10,951,969) |

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

Certain of the Trust's assets and/or liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of October 31, 2013, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash | \$ 407,790 | | | \$ 407,790 |
| Cash pledged for centrally cleared swaps | 9,665,000 | | | 9,665,000 |
| Cash pledged for financial futures contracts | 1,663,940 | | | 1,663,940 |
| Cash pledged as collateral for reverse repurchase agreements | 1,333,000 | | | 1,333,000 |
| Liabilities: | | | | |
| Cash received as collateral for OTC derivatives | | \$ (700,000) | | (700,000) |
| Reverse repurchase agreements | | (812,028,314) | | (812,028,314) |
| Total | \$ 13,069,730 | \$ (812,728,314) | | \$ (799,658,584) |

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There were no transfers between Level 1 and Level 2 during the year ended October 31, 2013.

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust (BTZ)

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 Securities | Corporate Bonds | Total |
|---|--------------------------------|---------------------|----------------------|
| Assets: | | | |
| Opening Balance, as of October 31, 2012 | \$ 3,982,000 | \$ 8,192,550 | \$ 12,174,550 |
| Transfers into Level 3 | | | |
| Transfers out of Level 3 | | | |
| Accrued discounts/premiums | 124,241 | | 124,241 |
| Net realized gain (loss) | | | |
| Net change in unrealized appreciation/depreciation ² | 353,603 | 63,700 | 417,303 |
| Purchases | 4,045,156 | 8,490,000 | 12,535,156 |
| Sales | | | |
| Closing Balance, as of October 31, 2013 | \$ 8,505,000 | \$16,746,250 | \$ 25,251,250 |

¹ Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of October 31, 2013 was \$417,303.

See Notes to Financial Statements.

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Consolidated Schedule of Investments October 31, 2013

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| Common Stocks | Shares | Value |
|--|---------|-----------|
| Auto Components 0.0% | | |
| Lear Corp. | 402 | \$ 31,111 |
| Construction & Engineering 0.0% | | |
| USI United Subcontractors | 8,067 | 8,067 |
| Health Care Equipment & Supplies 0.3% | | |
| Twin River, Inc. | 50,832 | 1,067,472 |
| Metals & Mining 0.1% | | |
| Euramax International | 1,135 | 272,448 |
| Paper & Forest Products 0.2% | | |
| Ainsworth Lumber Co. Ltd. (a) | 220,483 | 833,168 |
| Software 0.4% | | |
| HMH Holdings/EduMedia | 83,224 | 1,289,973 |
| Total Common Stocks 1.0% | | 3,502,239 |

| Asset-Backed Securities | Par (000) | |
|--|--------------|------------|
| ACAS CLO Ltd., Series 2012-1A, Class D, 5.10%, 9/20/23 (b)(c) | USD 750 | 750,000 |
| ALM VII R Ltd., Series 2013-7RA (b)(c): | | |
| Class C, 3.71%, 4/24/24 | 1,280 | 1,227,904 |
| Class D, 5.26%, 4/24/24 | 550 | 508,750 |
| ALM VII R-2 Ltd., Series 2013-7R2A, Class B, 2.86%, 4/24/24 (b)(c) | 475 | 459,800 |
| Apidos CLO XI, Series 2012-11A, Class D, 4.49%, 1/17/23 (b)(c) | 500 | 494,000 |
| Atrium IX, Series 9A, Class D, 3.76%, 2/28/24 (b)(c) | 500 | 475,250 |
| Carlyle Global Market Strategies CLO Ltd. (b)(c): | | |
| Series 2012-4A, Class D, 4.74%, 1/20/25 | 450 | 451,593 |
| Series 2013-1A, Class C, 4.24%, 2/14/25 | 250 | 246,050 |
| Cavalry CLO II, Series 2A, Class D, 4.24%, 1/17/24 (b)(c) | 500 | 487,500 |
| Cent CLO LP, Series 2013-17A, Class C, 3.74%, 1/30/25 (b)(c) | 500 | 475,850 |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.24%, 4/20/23 (b)(c) | 575 | 567,238 |
| Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.44%, 4/17/22 (b)(c) | 950 | 942,400 |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.25%, 9/20/22 (b)(c) | 925 | 927,312 |
| ING Investment Management, Series 2012-2A, Class D, 4.79%, 10/15/22 (b)(c) | 950 | 953,315 |
| Madison Park Funding XI Ltd., Series 2013-11A, Class D, 3.80%, 10/23/25 (b)(c) | 250 | 235,750 |
| Marea CLO Ltd., Series 2012-1A, Class D, 4.79%, 10/16/23 (b)(c) | 1,000 | 1,003,490 |
| North End CLO Ltd. 2013-1, 3.73%, 7/17/25 (b)(c) | 500 | 464,000 |
| Octagon Investment Partners XVII Ltd., Series 2013-1A, Class D, 3.42%, 10/25/25 (b)(c) | 750 | 703,418 |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.59%, 10/30/23 (b)(c) | 500 | 498,400 |
| Race Point CLO Ltd., Series 2012-6A, Class D, 4.76%, 5/24/23 (b)(c) | 675 | 675,608 |
| Symphony CLO Ltd., Class D (b)(c): | | |
| Series 2012-10A, 5.49%, 7/23/23 | 925 | 931,937 |
| Series 2012-9A, 4.50%, 4/16/22 | 775 | 770,505 |
| Total Asset-Backed Securities 4.1% | | 14,250,070 |

Corporate Bonds

| | | |
|--|-------|-----------|
| Airlines 0.4% | | |
| US Airways Series 2012-2, Class C Pass Through Trust, 5.45%, 6/03/18 | 1,585 | 1,529,525 |

Corporate Bonds

| Auto Components 1.4% | Par (000) | Value |
|--|--------------|------------|
| Icahn Enterprises LP/Icahn Enterprises Finance Corp., 8.00%, 1/15/18 | USD 660 | \$ 692,175 |
| Rhino Bondco SpA, 5.78%, 12/15/19 (b)(d) | EUR 3,000 | 4,071,619 |
| | | 4,763,794 |

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| | | | |
|---|-----|-------|-----------|
| Beverages 0.6% | | | |
| Refresco Group BV (b): | | | |
| 4.23%, 5/15/18 (c) | | 500 | 682,948 |
| 4.23%, 5/15/18 | | 1,000 | 1,365,896 |
| | | | 2,048,844 |
| Building Products 0.3% | | | |
| Grohe Holding GmbH, 4.22%, 9/15/17 (b)(c) | | 700 | 951,850 |
| Capital Markets 0.2% | | | |
| E*TRADE Financial Corp., 0.00%, 8/31/19 (c)(e)(f) | USD | 439 | 719,137 |
| Commercial Banks 1.2% | | | |
| VTB Bank OJSC Via VTB Capital SA, 6.88%, 5/29/18 | | 3,940 | 4,341,092 |
| Commercial Services & Supplies 0.2% | | | |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (c) | | 448 | 464,642 |
| UR Merger Sub Corp., 5.75%, 7/15/18 | | 210 | 225,225 |
| | | | 689,867 |
| Communications Equipment 1.0% | | | |
| Avaya, Inc., 7.00%, 4/01/19 (c) | | 467 | 445,985 |
| Telenet Finance IV Luxembourg SCA, 4.10%, 6/15/21 (b) | EUR | 1,500 | 2,056,990 |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20 | USD | 1,010 | 1,105,950 |
| | | | 3,608,925 |
| Construction & Engineering 0.1% | | | |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (c) | | 237 | 245,295 |
| Containers & Packaging 2.3% | | | |
| Ardagh Packaging Finance PLC: | | | |
| 7.38%, 10/15/17 | EUR | 300 | 436,856 |
| 7.38%, 10/15/17 (c) | | 400 | 582,475 |
| GCL Holdings S.C.A., 9.38%, 4/15/18 (c) | | 329 | 482,806 |
| Guala Closures SpA, 5.60%, 11/15/19 (b) | | 1,500 | 2,064,118 |
| Smurfit Kappa Acquisitions: | | | |
| 7.25%, 11/15/17 (c) | | 355 | 501,059 |
| 7.75%, 11/15/19 (c) | | 416 | 615,206 |
| 3.73%, 10/15/20 (b) | | 2,500 | 3,522,477 |
| | | | 8,204,997 |
| Diversified Financial Services 1.3% | | | |
| Ally Financial, Inc., 2.93%, 7/18/16 (b) | USD | 875 | 887,611 |
| Level 3 Financing, Inc., 6.13%, 1/15/21 (c)(d) | | 337 | 342,898 |
| Travelex Financing PLC, 8.00%, 8/01/18 (c) | GBP | 2,000 | 3,343,087 |
| | | | 4,573,596 |
| Energy Equipment & Services 0.5% | | | |
| CGG Veritas, 7.75%, 5/15/17 | USD | 1,795 | 1,846,606 |
| Health Care Equipment & Supplies 1.3% | | | |
| IDH Finance PLC, 5.52%, 12/01/18 (b) | GBP | 2,000 | 3,192,368 |
| Ontex IV SA, 4.35%, 4/15/18 (b) | EUR | 1,000 | 1,354,694 |
| | | | 4,547,062 |
| Health Care Providers & Services 0.8% | | | |
| Priory Group No. 3 PLC, 7.00%, 2/15/18 (c) | GBP | 1,750 | 2,932,216 |
| Hotels, Restaurants & Leisure 0.1% | | | |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (c) | USD | 200 | 207,000 |
| Household Durables 0.6% | | | |
| Berkline/Benchcraft LLC, 1.00%, 11/03/14 (a)(g) | | 400 | |
| Verisure Holding AB, 6.72%, 9/01/18 (b) | EUR | 1,500 | 2,096,704 |
| | | | 2,096,704 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Independent Power Producers & Energy Traders 0.6% | | | |
| Calpine Corp., 6.00%, 1/15/22 (c) | USD | 212 | \$ 219,950 |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.: | | | |
| 10.00%, 12/01/20 (c) | | 585 | 611,325 |
| 10.00%, 12/01/20 | | 1,260 | 1,323,000 |
| | | | 2,154,275 |
| Insurance 0.5% | | | |
| Galaxy Bidco Ltd., 5.53%, 11/15/19 (b)(d) | GBP | 1,000 | 1,603,399 |
| Media 1.7% | | | |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (c) | USD | 248 | 254,200 |
| Odeon & UCI Finco PLC, 5.23%, 8/01/18 (b) | EUR | 1,600 | 2,154,020 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 8.13%, 12/01/17 | | 148 | 209,723 |
| Virgin Media Secured Finance PLC, 7.00%, 1/15/18 | GBP | 1,197 | 1,998,439 |
| Ziggo Finance BV, 6.13%, 11/15/17 (c) | EUR | 1,005 | 1,405,474 |
| | | | 6,021,856 |
| Oil, Gas & Consumable Fuels 1.0% | | | |
| EP Energy LLC/Everest Acquisition Finance, Inc., Series WI, 6.88%, 5/01/19 | USD | 385 | 413,875 |
| Petroleos de Venezuela SA, 5.25%, 4/12/17 | | 4,000 | 3,210,000 |
| | | | 3,623,875 |
| Paper & Forest Products 0.1% | | | |
| Ainsworth Lumber Co. Ltd., 11.00% (c)(h) | | 63 | 236,876 |
| Specialty Retail 1.1% | | | |
| DFS Furniture Holdings PLC, 6.52%, 8/15/18 (b) | GBP | 2,000 | 3,241,272 |
| House of Fraser Funding PLC, 8.88%, 8/15/18 (c) | | 349 | 607,151 |
| | | | 3,848,423 |
| Transportation Infrastructure 0.4% | | | |
| Aguila 3 SA, 7.88%, 1/31/18 (c) | CHF | 1,100 | 1,282,273 |
| Wireless Telecommunication Services 1.5% | | | |
| Matterhorn Mobile SA, 5.47%, 5/15/19 (b) | EUR | 3,000 | 4,140,457 |
| T-Mobile USA, Inc., 6.73%, 4/28/22 | USD | 956 | 1,009,775 |
| | | | 5,150,232 |
| Total Corporate Bonds 19.2% | | | 67,227,719 |
| Floating Rate Loan Interests (b) | | | |
| Aerospace & Defense 1.8% | | | |
| DigitalGlobe, Inc., New Term Loan B, 3.75%, 1/31/20 | | 1,358 | 1,364,124 |
| DynCorp International LLC, Term Loan B, 6.25% - 6.75%, 7/07/16 | | 367 | 369,988 |
| SI Organization, Inc., Term Loan B, 5.50%, 11/22/16 | | 1,064 | 1,031,970 |
| Spirit Aerosystems, Inc., Term Loan B, 3.75%, 4/18/19 | | 955 | 958,135 |
| Transdigm, Inc., Term Loan C, 3.75%, 2/28/20 | | 516 | 516,208 |
| TransUnion LLC, Term Loan, 4.25%, 2/10/19 | | 2,207 | 2,215,200 |
| | | | 6,455,625 |
| Airlines 1.0% | | | |
| Delta Air Lines, Inc., Term Loan: | | | |
| 3.50%, 9/16/15 | | 865 | 834,307 |
| New B1, 4.00%, 10/18/18 | | 449 | 450,409 |

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| | | | |
|---|-----|--------------|--------------|
| Northwest Airlines, Inc.: | | | |
| 2.24%, 3/10/17 | | 553 | 510,143 |
| 1.62%, 9/10/18 | | 724 | 639,077 |
| US Airways Group, Inc., Term Loan B1, 4.25%, 5/23/19 | | 1,230 | 1,230,517 |
| | | | 3,664,453 |
| | | Par | |
| | | (000) | Value |
| Floating Rate Loan Interests (b) | | | |
| Auto Components 2.9% | | | |
| Autoparts Holdings Ltd., 1st Lien Term Loan, 6.50%, 7/28/17 | USD | 1,591 | \$ 1,584,761 |
| Federal-Mogul Corp.: | | | |
| Term Loan B, 2.11% - 2.12%, 12/29/14 | | 2,954 | 2,924,119 |
| Term Loan C, 2.11% - 2.12%, 12/28/15 | | 1,424 | 1,409,367 |
| Goodyear Tire & Rubber Co., New 2nd Lien Term Loan, 4.75%, 4/30/19 | | 1,705 | 1,723,465 |
| GPX International Tire Corp., Term Loan (a)(g): | | | |
| 12.25%, 3/30/12 | | 274 | |
| PIK, 13.00%, 3/31/12 | | 4 | |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17 | | 270 | 271,123 |
| Transtar Holding Co., 1st Lien Term Loan, 5.50%, 10/09/18 | | 1,307 | 1,308,434 |
| UCI International, Inc., New Term Loan B, 5.50%, 7/26/17 | | 924 | 926,471 |
| | | | 10,147,740 |
| Beverages 0.0% | | | |
| Le-Nature s, Inc., Tranche B Term Loan, 10.25%, 3/01/11 (a)(g) | | 1,000 | 100 |
| Biotechnology 0.2% | | | |
| Grifols, Inc., New Term Loan B, 4.25%, 6/01/17 | | 861 | 866,221 |
| Building Products 1.6% | | | |
| Armstrong World Industries, Inc., New Term Loan B, 3.50%, 3/16/20 | | 607 | 609,226 |
| Continental Building Products LLC, 1st Lien Term Loan, 4.50%, 8/14/20 | | 490 | 489,387 |
| CPG International, Inc., New Term Loan, 4.75%, 9/30/20 | | 1,935 | 1,937,419 |
| Quikrete Holdings, Inc., 1st Lien Term Loan, 4.00%, 9/25/20 | | 770 | 773,165 |
| United Subcontractors, Inc., Term Loan, 2.00% - 4.25%, 6/30/15 | | 214 | 203,704 |
| Wilsonart International Holdings LLC, Term Loan B, 4.00%, 10/31/19 | | 1,543 | 1,526,299 |
| | | | 5,539,200 |
| Capital Markets 0.7% | | | |
| American Capital Holdings, Inc., New Term Loan, 4.00%, 8/22/16 | USD | 541 | 542,603 |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17 | | 842 | 844,441 |
| KCG Holdings, Inc, Term Loan B, 5.75%, 12/05/17 | | 723 | 725,936 |
| Nuveen Investments, Inc., New 2nd Lien Term Loan, 6.50%, 2/28/19 | | 241 | 236,180 |
| | | | 2,349,160 |
| Chemicals 4.1% | | | |
| Allnex USA, Inc.: | | | |
| 2nd Lien Term Loan, 8.25%, 4/03/20 | | 330 | 339,075 |
| Term Loan B1, 4.50%, 10/03/19 | | 598 | 600,257 |
| Term Loan B2, 4.50%, 10/03/19 | | 310 | 311,444 |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17 | | 590 | 592,242 |
| Chemtura Corp., Term Loan B, 3.50%, 8/29/16 | | 545 | 547,197 |
| Evergreen Acqco 1 LP, New Term Loan, 5.00%, 7/09/19 | | 1,270 | 1,276,173 |
| General Chemical Corp., New Term Loan, 5.00%, 10/06/15 | | 415 | 416,613 |
| INEOS US Finance LLC: | | | |
| 3 Year Term Loan, 2.17%, 5/04/15 | | 231 | 231,137 |
| 6 Year Term Loan, 4.00%, 5/04/18 | | 564 | 566,026 |
| MacDermid, Inc., 1st Lien Term Loan, 4.00%, 6/08/20 | | 753 | 755,470 |
| Nexo Solutions LLC, Term Loan B, 5.00%, 9/08/17 | | 1,434 | 1,413,506 |
| OXEA Finance LLC: | | | |
| 2nd Lien Term Loan, 8.25%, 7/15/20 | | 845 | 855,039 |
| Term Loan B2, 4.25%, 1/15/20 | | 1,430 | 1,431,787 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Floating Rate Loan Interests (b) | | | |
| Chemicals (concluded) | | | |
| Royal Adhesives and Sealants LLC, 1st Lien Term Loan, 5.50%, 7/31/18 | USD | 425 | \$ 428,187 |
| Tata Chemicals North America, Inc., Term Loan B, 3.75%, 8/07/20 | | 354 | 353,670 |
| Tronox Pigments (Netherlands) BV, 2013 Term Loan, 4.50%, 3/19/20 | | 1,479 | 1,491,195 |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17 | | 957 | 941,258 |
| US Coatings Acquisition, Inc., Term Loan, 4.75%, 2/03/20 | | 1,930 | 1,949,410 |
| | | | 14,499,686 |
| Commercial Services & Supplies 3.1% | | | |
| ADS Waste Holdings, Inc., New Term Loan B, 4.25%, 10/09/19 | | 1,899 | 1,908,395 |
| AWAS Aviation Capital Ltd., New Term Loan, 3.50%, 7/16/18 | | 253 | 252,751 |
| Catalent Pharma Solutions, Inc., New Term Loan, 6.50%, 12/29/17 | | 300 | 303,375 |
| Garda World Security Corp., Term Loan B, 5.75%, 11/13/19 | | 312 | 311,850 |
| KAR Auction Services, Inc., Term Loan B, 3.75%, 5/19/17 | | 891 | 893,557 |
| Learning Care Group (US) No. 2, Inc., Term Loan B, 6.00%, 5/08/19 | | 554 | 554,997 |
| Livingston International, Inc.: | | | |
| 1st Lien Term Loan, 5.00%, 4/16/19 | | 818 | 815,905 |
| 2nd Lien Term Loan, 9.00%, 4/20/20 | | 528 | 529,111 |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19 | | 824 | 823,429 |
| Protection One, Inc., Term Loan, 4.25%, 3/21/19 | | 1,205 | 1,204,951 |
| Spin Holdco, Inc., New Term Loan B, 4.25%, 11/14/19 | | 1,675 | 1,670,812 |
| West Corp., Term Loan B8, 3.75%, 6/29/18 | | 1,599 | 1,602,510 |
| | | | 10,871,643 |
| Communications Equipment 2.7% | | | |
| Alcatel-Lucent USA, Inc.: | | | |
| Term Loan C, 5.75%, 1/30/19 | | 1,757 | 1,781,249 |
| Term Loan D, 6.25%, 1/30/19 | EUR | 645 | 883,039 |
| Avaya, Inc.: | | | |
| Extended Term Loan B3, 4.76%, 10/26/17 | USD | 906 | 836,984 |
| Term Loan B5, 8.00%, 3/30/18 | | 80 | 78,252 |
| CommScope, Inc., New Term Loan, 3.75%, 1/12/18 | | 1,177 | 1,179,563 |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19 | | 396 | 397,597 |
| Telesat Canada, Term Loan A, 4.38%, 3/24/17 | CAD | 2,820 | 2,704,767 |
| Zayo Group LLC, Term Loan B, 4.50%, 7/02/19 | USD | 1,557 | 1,563,649 |
| | | | 9,425,100 |
| Construction & Engineering 3.0% | | | |
| BakerCorp International, Inc., New Term Loan, 4.25%, 2/14/20 | | 670 | 665,479 |
| Centaur LLC: | | | |
| New 1st Lien Term Loan, 5.25%, 2/15/19 | | 1,512 | 1,528,477 |
| New 2nd Lien Term Loan, 8.75%, 2/15/20 | | 745 | 753,068 |
| SIG Euro Holdings AG & Co. KG, New Term Loan, 5.00%, 9/28/18 | EUR | 4,950 | 6,743,239 |
| USIC Holdings, Inc., 1st Lien Term Loan, 4.75%, 7/10/20 | USD | 708 | 709,996 |
| | | | 10,400,259 |
| Construction Materials 1.1% | | | |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | | 3,796 | 3,820,180 |
| Consumer Finance 0.5% | | | |
| Springleaf Financial Funding Co., Term Loan B2, 4.75%, 9/25/19 | | 1,860 | 1,877,819 |
| Floating Rate Loan Interests (b) | | | |
| Containers & Packaging 1.4% | | | |
| Clondalkin Acquisition BV, 1st Lien Term Loan B, 5.75%, 5/29/20 | USD | 888 | \$ 892,214 |
| Pact Group Property Ltd., Term Loan B, 3.75%, 5/29/20 | | 2,125 | 2,104,767 |

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| | | |
|---|-----------|------------|
| Polarpak Inc., 1st Lien Canadian Borrower, 4.50% - 5.50%, 6/05/20 | 335 | 336,973 |
| Sealed Air Corp., New Term Loan, 4.00%, 10/03/18 | 1,012 | 1,017,217 |
| WNA Holdings, Inc.: | | |
| 1st Lien US Borrower, 4.50% - 5.50%, 6/05/20 | 182 | 183,047 |
| 2nd Lien Term Loan, 8.50%, 12/07/20 | 245 | 245,919 |
| | | 4,780,137 |
| Distributors 1.2% | | |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20 | 2,855 | 2,856,799 |
| Crossmark Holdings, Inc., 1st Lien Term Loan, 4.50%, 12/20/19 | 496 | 493,977 |
| VWR Funding, Inc., Extended Add on Term Loan, 4.17%, 4/03/17 | 729 | 731,617 |
| | | 4,082,393 |
| Diversified Consumer Services 2.4% | | |
| Bright Horizons Family Solutions, Inc., New Term Loan B, 4.00% - 5.25%, 1/30/20 | 1,494 | 1,501,181 |
| Doncasters Finance US LLC, Term Loan, 5.50%, 4/09/20 | 552 | 556,367 |
| Iglo Foods Midco Ltd., Term Loan F, 4.88%, 10/31/17 | EUR 2,620 | 3,598,374 |
| ServiceMaster Co., New Term Loan, 4.25%, 1/31/17 | USD 1,561 | 1,533,054 |
| Weight Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20 | 1,244 | 1,141,924 |
| | | 8,330,900 |
| Diversified Financial Services 2.9% | | |
| ION Trading Technologies Sarl: | | |
| 1st Lien Term Loan, 4.50%, 5/22/20 | 793 | 794,503 |
| 2nd Lien Term Loan, 8.25%, 5/21/21 | 220 | 220,917 |
| Kasima LLC, New Term Loan B, 3.25%, 5/17/21 | 930 | 925,350 |
| Level 3 Financing, Inc.: | | |
| 2020 Term Loan B, 4.00%, 1/15/20 | 4,225 | 4,242,618 |
| New 2019 Term Loan, 4.00%, 8/01/19 | 1,040 | 1,044,337 |
| ROC Finance LLC, Term Loan, 5.00%, 5/15/19 | 660 | 645,150 |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18 | 239 | 239,334 |
| WMG Acquisition Corp., New Term Loan, 3.75%, 7/01/20 | 2,140 | 2,140,664 |
| | | 10,252,873 |
| Diversified Telecommunication Services 3.1% | | |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18 | 2,332 | 2,345,973 |
| Hawaiian Telcom Holdco, Inc., Term Loan B, 5.00%, 6/06/19 | 1,455 | 1,458,041 |
| Integra Telecom, Inc.: | | |
| 1st Lien Term Loan, 5.25%, 2/22/19 | 1,229 | 1,242,133 |
| 2nd Lien Term Loan, 9.75%, 2/21/20 | 650 | 667,739 |
| ISS Holdings A/S, Term Loan B12, 3.75%, 4/30/18 | 1,995 | 1,996,416 |
| Syniverse Holdings, Inc., Term Loan B, 4.00%, 4/23/19 | 1,183 | 1,185,277 |
| US Telepacific Corp., New Term Loan B, 5.75%, 2/23/17 | 1,882 | 1,880,274 |
| | | 10,775,853 |
| Electric Utilities 0.2% | | |
| American Energy - Utica LLC, 2nd Lien Term Loan, 11.00%, 9/10/18 | 593 | 580,938 |
| Electronic Equipment, Instruments & Components 0.3% | | |
| CDW LLC, New Term Loan, 3.50%, 4/29/20 | 871 | 866,821 |
| Energy Equipment & Services 0.8% | | |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20 | 1,112 | 1,112,491 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests (b) | | | |
| Energy Equipment & Services (concluded) | | | |
| MEG Energy Corp., Refinancing Term Loan, 3.75%, 3/31/20 | USD | 966 | \$ 971,257 |
| Unifrax Corp., New Term Loan, 4.25%, 11/28/18 | | 581 | 581,332 |
| | | | 2,665,080 |
| Food & Staples Retailing 3.0% | | | |
| Alliance Boots Holdings Ltd., Term Loan B1, 3.48%, 7/09/15 | GBP | 4,525 | 7,222,152 |
| Iceland Foods Group Ltd., Term Loan B1, 4.99%, 3/08/19 | | 849 | 1,375,986 |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20 | USD | 540 | 552,344 |
| Supervalu, Inc., Refinancing Term Loan B, 5.00%, 3/21/19 | | 1,093 | 1,098,737 |
| US Foods, Inc., Refinancing Term Loan, 4.50%, 3/29/19 | | 389 | 389,998 |
| | | | 10,639,217 |
| Food Products 3.4% | | | |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17 | | 1,439 | 1,449,026 |
| CTI Foods Holding Co, LLC, New 1st Lien Term Loan, 4.50%, 6/29/20 | | 520 | 520,000 |
| Del Monte Foods Co., Term Loan, 4.00%, 3/08/18 | | 1,005 | 1,005,120 |
| Dole Food Co., Inc.: | | | |
| Term Loan, 3.75% - 5.00%, 4/01/20 | | 1,602 | 1,606,628 |
| Term Loan B, 4.50%, 11/01/18 | | 1,490 | 1,496,213 |
| GFA Brands, Inc., New Term Loan B, 5.00%, 7/09/20 | | 294 | 294,998 |
| Michael Foods Group, Inc., Term Loan, 4.25%, 2/23/18 | | 293 | 294,246 |
| Performance Food Group Co., 2nd Lien Term Loan, 6.25%, 11/14/19 | | 1,516 | 1,511,151 |
| Pinnacle Foods Finance LLC: | | | |
| Incremental Term Loan H, 3.25%, 4/29/20 | | 325 | 324,542 |
| Term Loan G, 3.25%, 4/29/20 | | 1,144 | 1,142,682 |
| Reddy Ice Corp.: | | | |
| 1st Lien Term Loan, 6.75% - 7.75%, 5/01/19 | | 1,502 | 1,498,694 |
| 2nd Lien Term Loan, 10.75%, 11/01/19 | | 725 | 714,125 |
| | | | 11,857,425 |
| Health Care Equipment & Supplies 3.9% | | | |
| Arysta LifeScience Corp.: | | | |
| 1st Lien Term Loan, 4.50%, 5/29/20 | | 2,100 | 2,106,310 |
| 2nd Lien Term Loan, 8.25%, 11/30/20 | | 885 | 888,690 |
| Biomet, Inc., Term Loan B2, 3.67% - 3.75%, 7/25/17 | | 1,711 | 1,721,764 |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19 | | 946 | 943,886 |
| CeramTec Acquisition Corp., Term Loan B2, 4.25%, 8/28/20 | | 72 | 71,664 |
| DJO Finance LLC, Term Loan B3, 4.75%, 9/15/17 | | 2,459 | 2,482,558 |
| The Hologic Inc., New Term Loan B, 3.75%, 8/01/19 | | 1,296 | 1,302,054 |
| ImmuCor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18 | | 1,724 | 1,732,061 |
| Kinetic Concepts, Inc., Term Loan D1, 4.50%, 5/04/18 | | 320 | 323,501 |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18 | | 563 | 534,731 |
| Onex Carestream Finance LP: | | | |
| 1st Lien Term Loan, 5.00%, 6/07/19 | | 760 | 768,359 |
| 2nd Lien Term Loan, 9.50%, 6/07/19 | | 605 | 605,502 |
| | | | 13,481,080 |
| Health Care Providers & Services 4.1% | | | |
| American Renal Holdings, Inc.: | | | |
| 1st Lien Term Loan, 4.50%, 9/20/19 | | 1,587 | 1,563,220 |
| 2nd Lien Term Loan, 8.50%, 2/14/20 | | 885 | 854,025 |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18 | | 705 | 707,614 |
| CHG Buyer Corp., 1st Lien Term Loan, 5.00%, 11/19/19 | | 1,084 | 1,094,949 |
| ConvaTec, Inc., Term Loan, 4.00%, 12/22/16 | | 1,150 | 1,153,442 |

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| | | |
|--|--------------|--------------|
| DaVita, Inc.: | | |
| New Term Loan B, 4.50%, 10/20/16 | 2,167 | 2,177,840 |
| Term Loan B2, 4.00%, 11/01/19 | 431 | 433,524 |
| | Par | |
| | (000) | Value |
| Floating Rate Loan Interests (b) | | |
| Health Care Providers & Services (concluded) | | |
| Envision Healthcare Corp., Term Loan, 4.00%, 5/25/18 | USD 920 | 923,651 |
| Fresenius SE & Co. KGaA, Term Loan B, 2.25%, 8/07/19 | 1,645 | 1,640,065 |
| Genesis HealthCare Corp., Term Loan B, 10.00% - 10.75% , 9/25/17 | 556 | 567,080 |
| HCA, Inc., Extended Term Loan B4, 2.92%, 5/01/18 | 330 | 330,373 |
| Ikaria Acquisition, Inc., New 1st Lien Term Loan, 7.25%, 7/03/18 | 375 | 379,003 |
| inVentiv Health, Inc.: | | |
| Combined Term Loan, 7.50%, 8/04/16 | 183 | 180,338 |
| Incremental Term Loan B3, 7.75%, 5/15/18 | 241 | 237,816 |
| Surgical Care Affiliates, Inc., Class C, Incremental Term Loan, 4.25%, 6/29/18 | 848 | 843,636 |
| US Renal Care, Inc., Incremental 1st Lien Term Loan, 5.25%, 7/03/19 | 1,287 | 1,303,391 |
| | | 14,389,967 |
| Health Care Technology 0.5% | | |
| IMS Health, Inc., Term Loan B1, 3.75%, 9/01/17 | 1,172 | 1,176,971 |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19 | 555 | 556,095 |
| | | 1,733,066 |
| Hotels, Restaurants & Leisure 10.2% | | |
| Bally Technologies, Inc., Term Loan B, 4.25%, 8/31/20 | 1,145 | 1,147,863 |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20 | 730 | 728,723 |
| Caesars Entertainment Operating Co., Inc., Term Loan B, 7.00%, 10/12/20 | 10,850 | 10,688,986 |
| Four Seasons Holdings, Inc., 2nd Lien Term Loan, 6.25%, 12/28/20 | 745 | 763,625 |
| Hilton Worldwide Finance LLC, Term Loan B2, 4.00%, 10/26/20 | 9,855 | 9,909,239 |
| MGM Resorts International, Term Loan B, 3.50%, 12/20/19 | 1,443 | 1,440,670 |
| OSI Restaurant Partners LLC, New Term Loan, 3.50%, 10/25/19 | 635 | 636,060 |
| Pinnacle Entertainment, Inc., Term Loan B2, 3.75%, 8/13/20 | 1,372 | 1,372,536 |
| Playa Resorts Holding BV, Term Loan B, 4.75%, 8/06/19 | 1,085 | 1,093,821 |
| Sabre, Inc.: | | |
| Term Loan B, 5.25%, 2/19/19 | 849 | 853,276 |
| Term Loan B2, 4.50%, 2/19/19 | 310 | 310,000 |
| Station Casinos, Inc., New Term Loan B, 5.00%, 3/01/20 | 3,219 | 3,247,988 |
| Travelport LLC: | | |
| 2nd Lien Term Loan 1, 9.50%, 1/29/16 | 575 | 595,125 |
| Refinancing Term Loan, 6.25%, 6/26/19 | 843 | 857,815 |
| Twin River Management Group, Inc., Term Loan B, 5.25%, 11/09/18 | 1,504 | 1,517,459 |
| Wendy's International, Inc., New Term Loan B, 3.25%, 5/15/19 | 579 | 579,472 |
| | | 35,742,658 |
| Household Products 1.1% | | |
| Prestige Brands, Inc., New Term Loan, 3.75% - 5.00%, 1/31/19 | 1,199 | 1,205,200 |
| Spectrum Brands, Inc.: | | |
| New Term Loan, 4.50% - 5.50%, 12/17/19 | 1,870 | 1,874,990 |
| Term Loan A, 3.00%, 9/07/17 | 630 | 629,868 |
| Term Loan C, 3.50%, 8/13/19 | 125 | 125,089 |
| | | 3,835,147 |
| Independent Power Producers & Energy Traders 1.2% | | |
| Calpine Corp., Term Loan B1, 4.00%, 4/02/18 | 563 | 565,036 |
| La Frontera Generation LLC, Term Loan, 4.50%, 9/30/20 | 2,683 | 2,704,699 |
| Star West Generation LLC, New Term Loan B, 4.25%, 3/13/20 | 1,080 | 1,087,672 |
| | | 4,357,407 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|--------------|--------------|
| Floating Rate Loan Interests (b) | | |
| Industrial Conglomerates 0.7% | | |
| Sequa Corp., New Term Loan B, 5.25%, 12/19/17 | USD 2,584 | \$ 2,601,746 |
| Insurance 2.4% | | |
| Alliant Holdings I, Inc., New Term Loan B, 5.00%, 12/20/19 | 1,126 | 1,129,867 |
| Asurion LLC, New Term Loan B1, 4.50%, 5/24/19 | 1,722 | 1,721,505 |
| CNO Financial Group, Inc., Term Loan B2, 3.75%, 9/20/18 | 1,382 | 1,383,543 |
| Cooper Gay Swett & Crawford Ltd.: | | |
| 1st Lien Term Loan, 5.00%, 4/16/20 | 1,112 | 1,098,310 |
| 2nd Lien Term Loan, 8.25%, 10/16/20 | 530 | 522,050 |
| Cunningham Lindsey US, Inc., 1st Lien Term Loan, 5.00%, 12/10/19 | 978 | 978,834 |
| HUB International Ltd., Term Loan B, 4.75%, 10/02/20 | 1,170 | 1,178,986 |
| National Financial Partners Corp., Term Loan, 5.25%, 7/01/20 | 339 | 340,422 |
| | | 8,353,517 |
| Internet Software & Services 1.3% | | |
| Interactive Data Corp., New Term Loan B, 3.75%, 2/11/18 | 2,325 | 2,321,696 |
| W3 Co.: | | |
| 1st Lien Term Loan, 5.75%, 3/13/20 | 1,085 | 1,092,684 |
| 2nd Lien Term Loan, 9.25%, 9/11/20 | 419 | 426,281 |
| Web.com Group, Inc., Term Loan B, 4.50%, 10/27/17 | 686 | 692,334 |
| | | 4,532,995 |
| IT Services 3.1% | | |
| CCC Information Services, Inc., Term Loan, 4.00%, 12/20/19 | 516 | 515,135 |
| Ceridian Corp., New Term Loan B, 4.42%, 5/09/17 | 1,733 | 1,741,675 |
| First Data Corp., 2018 Term Loan: | | |
| 4.17%, 9/24/18 | 680 | 680,639 |
| Extended B, 4.17%, 3/23/18 | 4,410 | 4,411,374 |
| Genpact International, Inc., Term Loan B, 3.50%, 8/30/19 | 2,064 | 2,070,454 |
| InfoGroup, Inc., New Term Loan, 8.00%, 5/25/18 | 314 | 262,270 |
| Moneygram International, Inc., New Term Loan B, 4.25%, 3/27/20 | 376 | 377,134 |
| SunGard Data Systems, Inc.: | | |
| Term Loan D, 4.50%, 1/31/20 | 675 | 678,268 |
| Term Loan E, 4.00%, 3/09/20 | 194 | 195,335 |
| | | 10,932,284 |
| Leisure Equipment & Products 0.1% | | |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19 | 509 | 512,794 |
| Life Sciences Tools & Services 0.2% | | |
| Patheon, Inc., Term Loan, 7.25% - 8.25%, 12/06/18 | 738 | 748,613 |
| Machinery 4.0% | | |
| Allegion PLC, Term Loan B, 3.00%, 9/30/20 | 560 | 560,174 |
| Alliance Laundry Systems LLC: | | |
| 2nd Lien Term Loan, 9.50%, 12/10/19 | 286 | 289,050 |
| Refinancing Term Loan, 4.25%, 12/10/18 | 480 | 481,211 |
| Faenza Acquisition GmbH: | | |
| Term Loan B1, 4.25%, 8/31/20 | 727 | 727,808 |
| Term Loan B3, 4.25%, 8/28/20 | 221 | 221,374 |
| Gardner Denver, Inc.: | | |
| 4.25%, 7/30/20 | 2,018 | 2,018,482 |
| 4.75%, 7/30/20 | EUR 332 | 453,799 |
| Generac Power Systems, Inc.: | | |
| Term Loan B, 3.50%, 5/29/20 | USD 2,080 | 2,070,262 |
| | 1,188 | 1,193,940 |

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Intelligrated, Inc., 1st Lien Term Loan,
4.50%, 7/30/18

| | | |
|--|-------|-----------|
| Mirror BidCo Corp., Term Loan, 5.25%, 12/27/19 | 1,057 | 1,061,420 |
|--|-------|-----------|

Floating Rate Loan Interests (b)

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

Machinery (concluded)

| | | |
|---|---------|---------|
| Navistar International Corp., Term Loan B, 5.75%, 8/17/17 | USD 549 | 559,578 |
|---|---------|---------|

Pacific Industrial Services US Finco LLC:

| | | |
|-------------------------------------|-------|-----------|
| 1st Lien Term Loan, 5.00%, 10/02/18 | 1,340 | 1,350,894 |
|-------------------------------------|-------|-----------|

| | | |
|------------------------------------|-----|---------|
| 2nd Lien Term Loan, 8.75%, 4/02/19 | 515 | 520,794 |
|------------------------------------|-----|---------|

| | | |
|---|-----|---------|
| Rexnord LLC, 1st Lien Term Loan B, 4.00%, 8/20/20 | 925 | 925,462 |
|---|-----|---------|

| | | |
|--|-----|---------|
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19 | 779 | 778,553 |
|--|-----|---------|

| | | |
|---|---------|---------|
| Terex International Finance Services Co., Refinancing Term Loan B, 5.00%, 4/28/17 | EUR 201 | 274,955 |
|---|---------|---------|

| | | |
|---|---------|---------|
| Wabash National Corp., Term Loan B, 4.50%, 5/02/19 | USD 612 | 612,661 |
|---|---------|---------|

14,100,417

Marine 0.7%

| | | |
|---|-------|-----------|
| HGIM Corp., Term Loan B, 5.50%, 6/18/20 | 2,450 | 2,453,063 |
|---|-------|-----------|

Media 10.0%

| | | |
|---|-------|-----------|
| Activision Blizzard, Inc., Term Loan B, 3.25%, 10/11/20 | 1,845 | 1,850,609 |
|---|-------|-----------|

| | | |
|--|-----|---------|
| Advanstar Communications, Inc., New 2nd Lien Term Loan, 9.50%, 6/06/20 | 685 | 683,856 |
|--|-----|---------|

| | | |
|---|-------|-----------|
| Capsugel Holdings US, Inc., New Term Loan B, 3.50%, 8/01/18 | 1,086 | 1,082,677 |
|---|-------|-----------|

| | | |
|--|-------|-----------|
| Catalina Marketing Corp., New Term Loan B, 5.25%, 10/07/20 | 1,525 | 1,530,246 |
|--|-------|-----------|

| | | |
|--|-----|---------|
| Cengage Learning Acquisitions, Inc.: Non Extended Term Loan, 4.75%, 7/03/14 | 195 | 142,764 |
|--|-----|---------|

| | | |
|---------------------------------------|-------|---------|
| Tranche 1 Incremental, 7.50%, 7/03/14 | 1,101 | 792,654 |
|---------------------------------------|-------|---------|

Clear Channel Communications, Inc.:

| | | |
|-----------------------------|----|--------|
| Term Loan B, 3.82%, 1/29/16 | 43 | 41,707 |
|-----------------------------|----|--------|

| | | |
|-----------------------------|-----|---------|
| Term Loan C, 3.82%, 1/29/16 | 111 | 105,273 |
|-----------------------------|-----|---------|

| | | |
|-----------------------------|-----|---------|
| Term Loan D, 6.92%, 1/30/19 | 922 | 875,912 |
|-----------------------------|-----|---------|

| | | |
|--|-------|-----------|
| Cumulus Media, Inc., 1st Lien Term Loan, 4.50%, 9/17/18 | 1,135 | 1,141,193 |
|--|-------|-----------|

| | | |
|--|-------|-----------|
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18 | 1,203 | 1,208,884 |
|--|-------|-----------|

| | | |
|---|-----|---------|
| Fender Musical Instrument Corp., 2019 Term Loan B, 5.75%, 4/03/19 | 182 | 182,551 |
|---|-----|---------|

| | | |
|--|-------|-----------|
| Foxco Acquisition Sub LLC, New Term Loan B, 5.50%, 7/14/17 | 1,767 | 1,770,333 |
|--|-------|-----------|

| | | |
|--|-----|---------|
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19 | 178 | 156,676 |
|--|-----|---------|

| | | |
|---|-----|---------|
| Gray Television, Inc., New Term Loan B, 4.75%, 10/15/19 | 309 | 311,020 |
|---|-----|---------|

| | | |
|---|-------|-----------|
| Hemisphere Media Group, Inc., Term Loan, 6.25%, 7/30/20 | 1,332 | 1,335,831 |
|---|-------|-----------|

| | | |
|---|-------|-----------|
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 5.25%, 6/01/18 | 1,143 | 1,144,028 |
|---|-------|-----------|

| | | |
|--|-----|---------|
| Hubbard Radio LLC, Term Loan B, 4.50%, 4/29/19 | 887 | 892,941 |
|--|-----|---------|

| | | |
|--|-------|-----------|
| Intelsat Jackson Holdings Ltd., Term Loan B1, 4.25%, 4/02/18 | 3,152 | 3,167,475 |
|--|-------|-----------|

Lavena Holding 3 GMBH:

| | | |
|------------------------------|--------|--------|
| Term Loan E2, 4.09%, 3/06/17 | EUR 54 | 73,810 |
|------------------------------|--------|--------|

| | | |
|------------------------------|-----|---------|
| Term Loan E3, 4.09%, 3/06/17 | 109 | 148,052 |
|------------------------------|-----|---------|

| | | |
|--|---------|---------|
| Lions Gate Entertainment Corp., 2nd Lien Term Loan, 5.00%, 7/17/20 | USD 390 | 389,512 |
|--|---------|---------|

| | | |
|--|-----|---------|
| Live Nation Entertainment, Inc., 2020 Term Loan B1, 3.50%, 8/16/20 | 305 | 305,763 |
|--|-----|---------|

NEP/NCP Holdco, Inc., Term Loan:

| | | |
|--------------------------|-----|---------|
| 2nd Lien, 9.50%, 7/22/20 | 349 | 357,505 |
|--------------------------|-----|---------|

| | | |
|----------------|-------|-----------|
| 4.75%, 1/22/20 | 1,747 | 1,751,167 |
|----------------|-------|-----------|

| | | |
|--|-------|-----------|
| Nielsen Finance LLC, Term Loan E, 2.92%, 5/02/16 | 1,024 | 1,026,516 |
|--|-------|-----------|

| | | |
|---|-------|-----------|
| Rentpath, Inc., Term Loan B, 6.25%, 5/29/20 | 1,252 | 1,227,864 |
|---|-------|-----------|

| | | |
|--|-------|-----------|
| Salem Communications Corp., Term Loan B, 4.50%, 3/16/20 | 1,037 | 1,039,627 |
|--|-------|-----------|

| | | |
|--|-------|-----------|
| Springer Science & Business Media Deutschland GMBH, Term Loan B2, 5.00%, 8/14/20 | 2,250 | 2,249,302 |
|--|-------|-----------|

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Floating Rate Loan Interests (b) | | | |
| Media (concluded) | | | |
| TWCC Holding Corp., 2nd Lien Term Loan, 7.00%, 6/26/20 | USD | 1,240 | \$ 1,270,231 |
| Univision Communications, Inc., Converted Extended Term Loan, 4.50%, 3/02/20 | | 1,082 | 1,087,313 |
| UPC Financing Partnership, Term Loan AG, 3.88%, 3/26/21 | EUR | 910 | 1,241,556 |
| Virgin Media Investment Holdings Ltd.: | | | |
| New GBP Term Loan C, 4.50%, 6/05/20 | GBP | 1,105 | 1,785,877 |
| Term Loan B, 3.50%, 6/08/20 | USD | 1,080 | 1,079,514 |
| WideOpenWest Finance LLC, Term Loan B, 4.75%, 4/01/19 | | 1,353 | 1,363,642 |
| | | | 34,813,881 |
| Metals & Mining 3.9% | | | |
| Ameriforge Group, Inc.: | | | |
| 1st Lien Term Loan, 5.00%, 12/19/19 | | 993 | 999,120 |
| 2nd Lien Term Loan, 8.75%, 12/18/20 | | 495 | 499,331 |
| API Heat Transfer, Inc., Term Loan, 5.25%, 5/03/19 | | 999 | 992,477 |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20 | | 2,209 | 2,261,361 |
| FMG Resources August 2006 Property Ltd., Term Loan, 5.25%, 10/18/17 | | 2,837 | 2,840,710 |
| Murray Energy Corp., New Term Loan B, 4.75%, 5/24/19 | | 239 | 237,930 |
| Novelis, Inc., New Term Loan, 3.75%, 3/10/17 | | 2,095 | 2,101,906 |
| Suncor Energy, Inc., Term Loan B, 4.00%, 7/26/18 | | 258 | 256,227 |
| Walter Energy, Inc., Term Loan B, 6.75%, 4/02/18 | | 1,899 | 1,861,045 |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17 | | 1,652 | 1,686,727 |
| | | | 13,736,834 |
| Multiline Retail 3.7% | | | |
| 99 Cents Only Stores, New Term Loan, 4.50%, 1/11/19 | | 1,134 | 1,140,552 |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/31/20 | | 1,279 | 1,283,830 |
| BJ's Wholesale Club, Inc.: | | | |
| 2nd Lien Term Loan, 9.75%, 3/26/20 | | 545 | 555,219 |
| Replacement Term Loan, 4.25%, 9/26/19 | | 1,089 | 1,089,162 |
| HEMA Holding BV: | | | |
| Extended 2nd Lien TL, 5.88%, 1/05/18 | EUR | 3,800 | 4,785,387 |
| Extended Term Loan B, 4.50%, 12/06/17 | | 161 | 218,507 |
| Extended Term Loan C, 4.50%, 12/06/17 | | 148 | 200,108 |
| Hudson's Bay Co.: | | | |
| 2nd Lien Term Loan, 8.25%, 10/04/21 | USD | 90 | 92,363 |
| Term Loan B, 4.75%, 10/07/20 | | 1,130 | 1,144,837 |
| JC Penney Corp., Inc., First Lien Term Loan, 6.00%, 5/22/18 | | 658 | 636,223 |
| The Neiman Marcus Group, Inc. New Term Loan B, 5.00%, 10/26/20 | | 1,755 | 1,766,197 |
| | | | 12,912,385 |
| Oil, Gas & Consumable Fuels 5.7% | | | |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20 | | 1,995 | 2,009,962 |
| Chesapeake Energy Corp., New Unsecured Term Loan, 5.75%, 12/01/17 | | 2,115 | 2,159,944 |
| Drillships Financing Holding Inc., Term Loan B2, 5.50%, 7/15/16 | | 2,229 | 2,252,643 |
| EP Energy LLC, Term Loan B3, 3.50%, 5/24/18 | | 1,170 | 1,170,000 |
| Fieldwood Energy LLC, 1st Lien Term Loan, 3.88%, 9/28/18 | | 700 | 705,950 |
| GIM Channelview Cogeneration, LLC, Term Loan B, 4.25%, 5/08/20 | | 708 | 710,583 |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15 | | 811 | 810,971 |
| Offshore Group Investment Ltd., Term Loan: | | | |
| 6.25%, 10/26/17 | | 1,716 | 1,721,108 |
| B, 5.75%, 3/28/19 | | 891 | 895,815 |
| | | | 12,912,385 |
| Floating Rate Loan Interests (b) | | | |
| Oil, Gas & Consumable Fuels (concluded) | | | |

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| | | | |
|--|-----|-------|--------------|
| Pacific Drilling SA Term Loan, Term Loan B, 4.50%, 6/04/18 | USD | 1,471 | \$ 1,476,212 |
| Panda Temple II Power LLC, New Term Loan B, 7.25%, 4/03/19 | | 940 | 963,500 |
| Philadelphia Energy Solutions LLC, Term Loan B, 6.25%, 4/04/18 | | 994 | 889,264 |
| Power Team Services LLC: | | | |
| 2nd Lien Term Loan, 8.25%, 11/06/20 | | 285 | 282,743 |
| Delayed Draw Term Loan, 4.25%, 5/06/20 | | 28 | 27,097 |
| First Lien Term Loan, 4.25%, 5/06/20 | | 510 | 497,088 |
| Ruby Western Pipeline Holdings LLC, Term Loan B, 3.50%, 3/27/20 | | 747 | 748,712 |
| Samson Investment Co., 2nd Lien Term Loan, 6.00%, 9/25/18 | | 785 | 790,644 |
| State Class Tankers II LLC, Term Loan B, 6.75%, 6/22/20 | | 1,000 | 1,005,000 |
| Tesoro Corp., Term Loan B, 2.51%, 1/29/16 | | 836 | 836,494 |
| | | | 19,953,730 |
| Pharmaceuticals 4.0% | | | |
| Anneal Pharmaceuticals LLC, 5.75%, 11/01/19 | | 645 | 638,550 |
| Aptalis Pharma, Inc., New Term Loan B, 6.00%, 9/18/20 | | 2,617 | 2,628,620 |
| Envision Pharmaceutical Services, 1st Lien Term Loan, 5.75%, 9/03/20 | | 635 | 635,794 |
| Par Pharmaceutical Cos., Inc., Refinancing Term Loan B, 4.25%, 9/30/19 | | 2,435 | 2,442,147 |
| Pharmaceutical Product Development, Inc., New Term Loan B, 4.25%, 12/05/18 | | 2,086 | 2,103,381 |
| Quintiles Transnational Corp., New Term Loan B, 4.00%, 6/08/18 | | 1,280 | 1,284,503 |
| Valeant Pharmaceuticals International, Inc.: | | | |
| Series C2, Term Loan B, 3.75%, 12/11/19 | | 1,629 | 1,643,632 |
| Series D2, Term Loan B, 3.75%, 2/13/19 | | 1,092 | 1,100,632 |
| Term Loan E, 4.50%, 8/05/20 | | 1,443 | 1,461,783 |
| | | | 13,939,042 |
| Professional Services 1.8% | | | |
| Emdeon Business Services, LLC, Term Loan B2, 3.75%, 11/02/18 | | 1,262 | 1,265,618 |
| Intertrust Group Holding BV, Term Loan B1, 4.72%, 2/07/20 | EUR | 1,000 | 1,363,696 |
| ON Assignment, Inc., Refinancing Term Loan B, 3.50%, 4/30/20 | USD | 478 | 477,841 |
| Sirva Worldwide, Inc., Term Loan, 7.50%, 3/27/19 | | 1,124 | 1,138,404 |
| TriNet Group, Inc., Term Loan B2, 5.00%, 8/14/20 | | 655 | 649,269 |
| Truven Health Analytics, Inc., Term Loan B, 4.50%, 6/06/19 | | 1,343 | 1,347,752 |
| | | | 6,242,580 |
| Real Estate Investment Trusts (REITs) 0.4% | | | |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17 | | 1,435 | 1,440,653 |
| Real Estate Management & Development 1.4% | | | |
| City Center Holdings LLC, Term Loan B, 5.00%, 10/16/20 | | 1,535 | 1,547,157 |
| Realogy Corp.: | | | |
| Extended Letter of Credit, 4.45%, 10/10/16 | | 236 | 238,514 |
| Extended Term Loan, 4.50%, 3/05/20 | | 2,911 | 2,939,464 |
| | | | 4,725,135 |
| Road & Rail 0.9% | | | |
| Genesee & Wyoming, Inc., Term Loan A, 1.93%, 9/29/17 | | 645 | 643,222 |
| RAC Ltd., GBP Term Loan B, 4.99% - 5.00%, 9/28/18 | GBP | 1,182 | 1,910,273 |
| Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18 | USD | 609 | 610,743 |
| | | | 3,164,238 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-------------|--------------|--------------|
| Floating Rate Loan Interests (b) | | | |
| Semiconductors & Semiconductor Equipment | 0.9% | | |
| Freescall Semiconductor, Inc.: | | | |
| Term Loan B4, 5.00%, 2/28/20 | | USD 1,701 | \$ 1,716,014 |
| Term Loan B5, 5.00%, 1/15/21 | | 435 | 438,806 |
| NXP BV, Term Loan C, 4.75%, 1/11/20 | | 1,022 | 1,032,498 |
| | | | 3,187,318 |
| Software 4.2% | | | |
| Blackboard, Inc., Term Loan B2, 6.25%, 10/04/18 | | | |
| | | 203 | 203,757 |
| BMC Software, Inc., Term Loan, 5.00%, 9/10/20 | | | |
| | | 1,490 | 1,504,155 |
| CompuCom Systems, Inc., Refinancing Term Loan B, 4.25%, 5/11/20 | | | |
| | | 454 | 453,295 |
| GCA Services Group, Inc.: | | | |
| 2nd Lien Term Loan, 9.25%, 10/22/20 | | | |
| | | 500 | 505,000 |
| Term Loan B, 5.25% - 6.25%, 11/01/19 | | | |
| | | 1,149 | 1,149,021 |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18 | | | |
| | | 2,005 | 2,019,524 |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20 | | | |
| | | 925 | 952,750 |
| Mitchell International, Inc.: | | | |
| New 1st Lien Term Loan, 4.50%, 10/08/20 | | | |
| | | 675 | 679,219 |
| New 2nd Lien Term Loan, 8.50%, 10/08/21 | | | |
| | | 1,000 | 1,013,750 |
| RP Crown Parent LLC, 1st Lien Term Loan, 6.75%, 12/21/18 | | | |
| | | 963 | 971,630 |
| Sophia LP, New Term Loan B, 4.50%, 7/19/18 | | | |
| | | 1,331 | 1,342,295 |
| SS&C Technologies, Inc.: | | | |
| New Term Loan B1, 3.50%, 6/07/19 | | | |
| | | 1,830 | 1,834,822 |
| New Term Loan B2, 3.50%, 6/07/19 | | | |
| | | 189 | 189,809 |
| StoneRiver Holdings, Inc.: | | | |
| 1st Lien Term Loan, 4.50%, 11/29/19 | | | |
| | | 494 | 491,170 |
| 2nd Lien Term Loan, 8.50%, 11/20/20 | | | |
| | | 392 | 394,305 |
| Websence, Inc.: | | | |
| 2nd Lien Term Loan, 8.25%, 12/24/20 | | | |
| | | 445 | 444,444 |
| Term Loan B, 4.50%, 6/25/20 | | | |
| | | 489 | 488,164 |
| | | | 14,637,110 |
| Specialty Retail 5.2% | | | |
| Academy Ltd., Term Loan, 4.50%, 8/03/18 | | | |
| | | 1,867 | 1,878,262 |
| Atlantic Aviation FBO, Inc., Term Loan B, 3.25%, 6/01/20 | | | |
| | | 354 | 353,521 |
| Bass Pro Group LLC, New Term Loan, 4.00%, 11/20/19 | | | |
| | | 1,613 | 1,621,345 |
| Burlington Coat Factory Warehouse Corp., New Term Loan B2, 4.25%, 2/23/17 | | | |
| | | 364 | 366,090 |
| David's Bridal, Inc., New Term Loan B, 5.00%, 10/11/19 | | | |
| | | 2,019 | 2,022,482 |
| Equinox Holdings, Inc., Repriced Term Loan B, 4.50% - 5.50%, 1/31/20 | | | |
| | | 1,204 | 1,211,475 |
| Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18 | | | |
| | | 70 | 67,422 |
| Harbor Freight Tools USA, Inc., New 1st Lien Term Loan, 4.75%, 7/26/19 | | | |
| | | 970 | 982,346 |
| Jo-Ann Stores, Inc., Term Loan, 4.00%, 3/16/18 | | | |
| | | 582 | 582,032 |
| Leslie's Poolmart, Inc., New Term Loan B, 5.25%, 10/16/19 | | | |
| | | 1,237 | 1,242,181 |
| Michaels Stores, Inc., New Term Loan, 3.75%, 1/28/20 | | | |
| | | 1,298 | 1,302,332 |
| Party City Holdings, Inc., Refinancing Term Loan B, 4.25%, 7/29/19 | | | |
| | | 2,679 | 2,685,701 |
| PETCO Animal Supplies, Inc., New Term Loan, 4.00%, 11/24/17 | | | |
| | | 1,496 | 1,503,315 |
| Sprouts Farmers Markets Holdings LLC, New Term Loan, 4.00%, 4/23/20 | | | |
| | | 415 | 414,890 |
| SRAM LLC, New Term Loan B, 4.00%, 4/10/20 | | | |
| | | 505 | 501,880 |
| Things Remembered, Inc., New Term Loan B, 8.00%, 5/24/18 | | | |
| | | 1,015 | 1,010,162 |
| Toys R Us Delaware, Inc.: | | | |
| Incremental Term Loan B2, 5.25%, 5/25/18 | | | |
| | | 470 | 423,588 |
| Term Loan B3, 5.25%, 5/25/18 | | | |
| | | 99 | 88,893 |
| | | | 18,257,917 |
| Floating Rate Loan Interests (b) | | | Value |

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| | Par (000) | |
|--|--------------|-------------|
| Textiles, Apparel & Luxury Goods 0.8% | | |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18 | USD 2,145 | 2,032,210 |
| Phillips-Van Heusen Corp., Term Loan B, 3.25%, 2/13/20 | 609 | 610,739 |
| True Religion Apparel, Inc., 1st Lien Term Loan, 5.88%, 7/30/19 | 200 | 190,000 |
| | | 2,832,949 |
| Thrifts & Mortgage Finance 0.6% | | |
| IG Investments Holdings LLC, 1st Lien Term Loan, 6.00%, 10/31/19 | 1,196 | 1,195,962 |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18 | 995 | 1,007,189 |
| | | 2,203,151 |
| Trading Companies & Distributors 0.4% | | |
| WESCO Distribution, Inc., Term Loan B, 4.50%, 12/12/19 | 1,306 | 1,312,928 |
| Wireless Telecommunication Services 0.8% | | |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19 | 996 | 999,676 |
| Light Tower Fiber LLC, 1st Lien Term Loan, 4.50%, 4/13/20 | 1,626 | 1,630,673 |
| | | 2,630,349 |
| Total Floating Rate Loan Interests 119.6% | | 418,513,777 |

| | Beneficial Interest (000) | |
|---|---------------------------------|-----------|
| Other Interests (i) | | |
| Auto Components 0.0% | | |
| Lear Corp. Escrow | 500,000 | 2,500 |
| Capital Markets 0.1% | | |
| J.G. Wentworth LLC Preferred Equity Interests | 512 | 524,487 |
| Construction Materials 0.0% | | |
| USI Senior Holdings | 8,067 | |
| Hotels, Restaurants & Leisure 0.3% | | |
| Wembley Contigent | 1,500 | 900,000 |
| Household Durables 0.0% | | |
| Berkline Benchcraft Equity LLC | 6,155 | |
| Total Other Interests 0.4% | | 1,426,987 |

| | Shares | |
|---|--------|-------------|
| Warrants (j) | | |
| Chemicals 0.0% | | |
| British Vita Holdings Co. (Non-Expiring) | 166 | |
| Media 0.0% | | |
| New Vision Holdings LLC (Expires 9/30/14) | 22,447 | 1,215 |
| Software 0.0% | | |
| Bankruptcy Management Solutions, Inc. (Expires 6/28/18) | 181 | 90 |
| (Expires 6/28/19) | 195 | 98 |
| (Expires 6/28/20) | 292 | 146 |
| HMH Holdings/EduMedia (issued/exercisable 3/09/10, 19 shares for 1 warrant, Expires 6/22/19, Strike Price \$42.27) | 1,501 | |
| | | 334 |
| Total Warrants 0.0% | | 1,549 |
| Total Long-Term Investments | | |
| (Cost \$500,204,771) 144.3% | | 504,922,341 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

(Percentages shown are based on Net Assets)

| Short-Term Securities | Shares | Value |
|---|---------------|----------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (k) (l) | 3,378,158 | \$ 3,378,158 |
| Total Short-Term Securities | | |
| (Cost \$3,378,158) 1.0% | | 3,378,158 |
| Options Purchased | | |
| (Cost \$25,422) 0.0% | | |
| Total Investments | | |
| (Cost \$503,608,351) 145.3% | | 508,300,499 |
| Liabilities in Excess of Other Assets (45.3)% | | (158,359,818) |
| Net Assets 100.0% | | \$ 349,940,681 |

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. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation (Depreciation) |
|--|--------------|---|
| Citigroup Global Markets, Inc. | \$ 342,898 | \$ 5,898 |
| Credit Suisse Securities (Europe) Ltd. | \$ 4,071,619 | \$ (70,780) |
| Goldman Sachs International | \$ 1,603,399 | \$ (8,848) |

- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Convertible security.
- (g) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.

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- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Other interests represent beneficial interests in liquidation trusts and other reorganizations or private entities.
- (j) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (k) Investments in issuers considered to be an affiliate of the Trust during the year ended October 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

| Affiliate | Shares Held at October 31, 2012 | Net Activity | Shares Held at October 31, 2013 | Income |
|--|---------------------------------------|-----------------|---------------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,740,694 | 637,464 | 3,378,158 | \$ 1,692 |

- (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 Trust management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of October 31, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|-----------------------|------------------|----------------------|--------------------|----------------------------|
| USD 351,546 | EUR 255,000 | Bank of America N.A. | 11/21/13 | \$ 5,307 |
| USD 44,308,540 | EUR 32,421,468 | UBS AG | 11/21/13 | 286,661 |
| USD 3,196,014 | CAD 3,310,000 | Barclays Bank PLC | 1/23/14 | 28,008 |
| USD 1,121,555 | CHF 1,011,188 | Deutsche Bank AG | 1/23/14 | 6,359 |
| USD 27,235,997 | GBP 16,875,000 | Barclays Bank PLC | 1/23/14 | 195,121 |
| Total | | | | \$ 521,456 |

See Notes to Financial Statements.

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Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust
(BGT)

Over-the-counter options purchased as of October 31, 2013 were as follows:

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

Centrally cleared credit default swaps buy protection outstanding as of October 31, 2013 were as follows:

| Index | Pay Fixed Rate | Clearinghouse | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--|----------------|--------------------|-----------------|-----------------------|-------------------------|
| Dow Jones CDX North America High Yield Index, Series 20, Version 1 | 5.00% | Chicago Mercantile | 6/20/18 | USD 2,750 | \$ (75,362) |

Over-the-counter credit default swaps sold protection outstanding as of October 31, 2013 were as follows:

| Issuer | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ¹ | Notional Amount (000) ² | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---|--------------------|--------------------------|-----------------|----------------------------|------------------------------------|--------------|-------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00% | Barclays Bank PLC | 9/20/15 | CCC- | USD 250 | \$ (48,719) | \$ (54,342) | \$ 5,623 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 12/20/15 | CCC- | USD 204 | (47,522) | (27,017) | (20,505) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase Bank N.A. | 12/20/15 | CCC- | USD 331 | (77,189) | (88,507) | 11,318 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 12/20/15 | CCC- | USD 189 | (44,082) | (45,107) | 1,025 |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase Bank N.A. | 12/20/15 | CCC- | USD 77 | (17,885) | (17,778) | (107) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 12/20/15 | CCC- | USD 91 | (21,242) | (19,478) | (1,764) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 3/20/16 | CCC- | USD 385 | (105,768) | (82,247) | (23,521) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 3/20/16 | CCC- | USD 73 | (20,005) | (12,134) | (7,871) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 3/20/16 | CCC- | USD 131 | (36,010) | (29,379) | (6,631) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 3/20/16 | CCC- | USD 131 | (36,010) | (29,379) | (6,631) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 6/20/16 | CCC- | USD 500 | (158,677) | (114,419) | (44,258) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | JPMorgan Chase Bank N.A. | 6/20/16 | CCC- | USD 220 | (69,672) | (42,037) | (27,635) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Citibank N.A. | 9/20/16 | CCC- | USD 175 | (63,077) | (56,983) | (6,094) |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Goldman Sachs Bank USA | 9/20/16 | CCC- | USD 1,126 | (405,965) | (243,422) | (162,543) |
| | 5.00% | Goldman Sachs Bank USA | 3/20/17 | CCC- | USD 238 | (100,693) | (62,791) | (37,902) |

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| | | | | | | | | | |
|---|-------|------------------|---------|------|-----|-----|-----------------------|-----------------------|---------------------|
| Caesars Entertainment Operating Co., Inc. | | | | | | | | | |
| Caesars Entertainment Operating Co., Inc. | 5.00% | Deutsche Bank AG | 6/20/17 | CCC- | USD | 339 | (150,418) | (95,581) | (54,837) |
| Total | | | | | | | \$ (1,402,934) | \$ (1,020,601) | \$ (382,333) |

¹ Using S&P's rating of the issuer or the underlying securities of the index, as applicable.

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

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the 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 the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

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.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure 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 investment and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | | \$ 14,250,070 | \$ 14,250,070 |
| Common Stocks | \$ 864,279 | | 2,637,960 | 3,502,239 |
| Corporate Bonds | | \$ 67,227,719 | | 67,227,719 |
| Floating Rate Loan Interests | | 389,674,210 | 28,839,567 | 418,513,777 |
| Other Interests | | | 1,426,987 | 1,426,987 |
| Warrants | | | 1,549 | 1,549 |
| Unfunded Loan Commitments | | | 14,706 | 14,706 |
| Short-Term Securities | 3,378,158 | | | 3,378,158 |
| Liabilities: | | | | |
| Unfunded Loan Commitments | | | (903) | (903) |
| Total | \$ 4,242,437 | \$ 456,901,929 | \$ 47,169,936 | \$ 508,314,302 |

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See Notes to Financial Statements.

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ANNUAL REPORT

OCTOBER 31, 2013

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Consolidated Schedule of Investments (concluded)

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

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2013 (concluded):

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------|-----------|---------|-----------|
| Derivative Financial Instruments¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 17,966 | | \$ 17,966 |
| Foreign currency exchange contracts | | 521,456 | | 521,456 |
| Liabilities: | | | | |
| Credit contracts | | (475,661) | | (475,661) |
| Total | | \$ 63,761 | | \$ 63,761 |

¹ Derivative financial instruments are swaps and foreign currency exchange contracts which are valued at the unrealized appreciation/depreciation on the instrument.

Certain of the Trust's assets and/or liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of October 31, 2013, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|------------------|---------|------------------|
| Assets: | | | | |
| Cash | \$ 999,623 | | | \$ 999,623 |
| Cash pledged for centrally cleared swaps | 145,000 | | | 145,000 |
| Cash pledged as collateral for OTC derivatives | 600,000 | | | 600,000 |
| Liabilities: | | | | |
| Bank overdraft on foreign currency at value | | \$ (46,524) | | (46,524) |
| Loan payable | | (152,000,000) | | (152,000,000) |
| Total | \$ 1,744,623 | \$ (152,046,524) | | \$ (150,301,901) |

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 Securities | Common Stocks | Floating Rate Loan Interests | Other Interests | Warrants | Unfunded Loan Commitments Assets | Unfunded Loan Commitments (Liabilities) | Total |
|---|-------------------------|---------------|------------------------------|-----------------|-----------|----------------------------------|---|---------------|
| Assets: | | | | | | | | |
| Opening Balance, as of October 31, 2012 | \$ 8,621,975 | \$ 8,096 | \$ 27,270,564 | \$ 1,394,386 | | | | \$ 37,295,021 |
| Transfers into Level 3 ² | | 1,933,131 | 5,924,401 | | \$ 67,341 | | | 7,924,873 |
| Transfers out of Level 3 ³ | | | (7,196,497) | | | | | (7,196,497) |
| Accrued discounts/premiums | 62,055 | | 136,230 | | | | | 198,285 |
| Net realized gain (loss) | 178,621 | (2,932) | (313,993) | | | | | (138,304) |
| Net change in unrealized appreciation/depreciation ⁴ | 407,149 | 699,680 | 902,091 | 1,108,147 | (72,064) | \$ 14,706 | \$ (903) | 3,058,806 |
| Purchases | 7,404,195 | | 24,311,119 | | 6,275 | | | 31,721,589 |
| Sales | (2,423,925) | (15) | (22,194,348) | (1,075,546) | (3) | | | (25,693,837) |

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**Closing Balance, as of October 31,
2013**

\$ 14,250,070 \$ 2,637,960 \$ 28,839,567 \$ 1,426,987 \$ 1,549 \$ 14,706 \$ (903) \$ 47,169,936

- ² As of October 31, 2012, the Trust used observable inputs in determining the value of certain investments. As of October 31, 2013, 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 \$7,924,873 transferred from Level 2 to Level 3 in the disclosure hierarchy.
- ³ As of October 31, 2012, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2013, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$7,196,497 transferred from Level 3 to Level 2 in the disclosure hierarchy.
- ⁴ Included in the related net change in unrealized appreciation/depreciation in the Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of October 31, 2013 was \$2,473,502.

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Schedule of Investments October 31, 2013

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|---|-----|----------------------|---------------|
| Asset-Backed Securities | | | |
| ABFC Trust, Series 2006-OPT3, Class A3B, 0.33%, 11/25/36 (a)(b) | USD | 25,654 | \$ 13,351,843 |
| ACAS CLO Ltd., Series 2013-1A, Class D, 3.84%, 4/20/25 (a)(c) | | 2,500 | 2,356,250 |
| Adirondack Park CLO Ltd., Series 2013-1A (a)(c): | | | |
| Class D, 3.89%, 4/15/24 | | 3,250 | 3,111,875 |
| Class E, 4.89%, 4/15/24 | | 2,000 | 1,820,000 |
| ALM V Ltd., Series 2012-5A, Class C, 4.76%, 2/13/23 (a)(c) | | 4,000 | 3,980,000 |
| ALM VII R Ltd., Series 2013-7RA (a)(c): | | | |
| Class C, 3.71%, 4/24/24 | | 4,000 | 3,837,200 |
| Class D, 5.26%, 4/24/24 | | 1,000 | 925,000 |
| AMMC CLO XII Ltd., Series 2013-12A, Class D1, 4.01%, 5/10/25 (a)(c) | | 1,000 | 992,380 |
| Apidos CLO XII, Series 2013-12A, Class D, 3.29%, 4/15/25 (a)(c) | | 1,000 | 924,500 |
| ARES XXVI CLO Ltd., Series 2013-1A, Class D, 3.99%, 4/15/25 (a)(c) | | 2,000 | 1,985,420 |
| Atrium X, Series 10A (a)(c): | | | |
| Class D, 3.78%, 7/16/25 | | 1,000 | 948,500 |
| Class E, 4.78%, 7/16/25 | | 2,000 | 1,780,000 |
| Benefit Street Partners CLO II Ltd., Series 2013-IIA, Class C, 3.77%, 7/15/24 (a)(c) | | 1,000 | 935,100 |
| Benefit Street Partners CLO Ltd., Series 2012-IA, Class C, 4.74%, 10/15/23 (a)(c) | | 2,750 | 2,750,000 |
| BlueMountain CLO Ltd., Series 2013-1A, Class C, 3.67%, 5/15/25 (a)(c) | | 1,000 | 945,500 |
| Brookside Mill CLO Ltd., Series 2013-1A, Class D, 3.29%, 4/17/25 (a)(c) | | 1,250 | 1,148,375 |
| C-BASS Trust, Series 2006-CB7, Class A4, 0.33%, 10/25/36 (a) | | 10,819 | 6,758,997 |
| Carlyle Global Market Strategies CLO Ltd., Class D (a)(c): | | | |
| Series 2012-4A, 4.74%, 1/20/25 | | 1,350 | 1,354,779 |
| Series 2013-2A, 4.00%, 4/18/25 | | 1,250 | 1,203,125 |
| Carrington Mortgage Loan Trust, Series 2006-FRE2 (a): | | | |
| Class A2, 0.29%, 10/25/36 | | 7,996 | 4,061,731 |
| Class A5, 0.25%, 10/25/36 | | 8,480 | 4,287,592 |
| Central Park CLO Ltd., Series 2011-1A, Class D, 3.44%, 7/23/22 (a)(c) | | 2,250 | 2,160,000 |
| Chrysler Capital Auto Receivables Trust, Series 2013-AA, Class R, 0.00%, 8/17/20 (c) | | 4 | 1,749,850 |
| CIFC Funding Ltd., Class B1L (a)(c): | | | |
| Series 2012-1A, 5.51%, 8/14/24 | | 2,000 | 2,007,400 |
| Series 2013-2A, 3.85%, 4/21/25 | | 1,000 | 945,000 |
| Citigroup Mortgage Loan Trust, Inc., Series 2005-HE3, Class M2, 0.65%, 9/25/35 (a) | | 4,800 | 3,931,449 |
| Countrywide Asset-Backed Certificates, Series 2007-6, Class 2A2, 0.34%, 9/25/37 (a) | | 3,378 | 3,252,657 |
| Credit Suisse ABS Repackaging Trust, Series 2013-A, Class B, 2.50%, 1/25/30 (c) | | 2,403 | 2,234,554 |
| Dryden XXIII Senior Loan Fund, Series 2012-23A, Class D, 6.24%, 7/17/23 (a)(c) | | 2,000 | 1,957,500 |
| ECP CLO Ltd., Series 2013-5A, Class C, 3.74%, 1/20/25 (a)(c) | | 2,500 | 2,342,500 |
| Fieldstone Mortgage Investment Trust, Series 2006-3 (a): | | | |
| Class 2A3, 0.33%, 11/25/36 | | 14,242 | 7,662,648 |
| Class 2A4, 0.41%, 11/25/36 | | 13,213 | 7,134,759 |
| Flatiron CLO Ltd., Series 2012-1A, Class C, 4.74%, 10/25/24 (a)(c) | | 750 | 751,950 |
| Fremont Home Loan Trust, Class 2A3 (a): | | | |
| Series 2006-A, 0.33%, 5/25/36 (b) | | 28,437 | 14,079,447 |
| Series 2006-D, 0.32%, 11/25/36 | | 26,902 | 11,970,616 |
| | | Par (000) | Value |
| Asset-Backed Securities | | | |
| GoldenTree Loan Opportunities VII Ltd., Series 2013-7A, Class D, 3.54%, 4/25/25 (a)(c) | USD | 1,250 | 1,162,750 |
| GSAMP Trust (a): | | | |
| Series 2005-AHL2, Class A2C, 0.41%, 12/25/35 | | 7,701 | 6,379,923 |
| Series 2006-FM2, Class A2C, 0.32%, 9/25/36 | | 13,509 | 5,539,409 |
| Series 2007-FM2, Class A2B, 0.26%, 1/25/37 | | 9,950 | 5,185,085 |
| Halcyon Loan Advisors Funding Ltd., Series 2013-1A, Class C, 3.74%, 4/15/25 (a)(c) | | 2,000 | 1,901,000 |
| Home Equity Mortgage Loan Asset-Backed Trust, Series 2006-E, Class 2A3, 0.34%, 4/25/37 (a) | | 15,940 | 9,507,509 |
| ING IM CLO Ltd., Series 2013-2A, Class C, 3.74%, 4/25/25 (a)(c) | | 1,000 | 943,000 |

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| | | |
|---|--------|--------------------|
| Jamestown CLO I Ltd., Series 2012-1A, Class C, 4.27%, 11/05/24 (a)(c) | 2,550 | 2,510,985 |
| Lehman XS Trust (a): | | |
| Series 2005-9N, Class 1A1, 0.44%, 2/25/36 | 5,805 | 4,967,060 |
| Series 2007-1, Class 2A1, 5.87%, 2/25/37 | 11,492 | 10,064,536 |
| Madison Park Funding Ltd., Series 2012-8X, Class E, 5.59%, 4/22/22 (a) | 3,000 | 2,878,200 |
| Mastr Asset-Backed Securities Trust (a): | | |
| Series 2006-HE2, Class A3, 0.32%, 6/25/36 | 14,141 | 7,120,175 |
| Series 2006-WMC2, Class A5, 0.42%, 4/25/36 | 10,312 | 4,348,143 |
| Morgan Stanley IXIS Real Estate Capital Trust, Series 2006-2, Class A3, 0.32%, 11/25/36 (a) | 17,140 | 7,613,369 |
| Morgan Stanley Mortgage Loan Trust, Series 2006-12XS, Class A4, 6.01%, 10/25/36 (d) | 4,086 | 2,202,338 |
| Mountain View CLO Ltd., Series 2013-1A, Class D, 3.54%, 4/12/24 (a)(c) | 750 | 706,875 |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.24%, 1/15/24 (a)(c) | 1,000 | 987,500 |
| Octagon Investment Partners XVI Ltd., Series 2013-1A, Class D, 3.62%, 7/17/25 (a)(c) | 750 | 705,450 |
| OHA Credit Partners VII Ltd., Series 2012-7A, Class D, 4.26%, 11/20/23 (a)(c) | 3,000 | 2,935,500 |
| OZLM Funding IV Ltd., Series 2013-4A, Class C, 3.52%, 7/22/25 (a)(c) | 1,250 | 1,135,625 |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.59%, 10/30/23 (a)(c) | 2,000 | 1,993,600 |
| Race Point V CLO Ltd., Series 2011-5A, Class E, 6.75%, 12/15/22 (a)(c) | 1,500 | 1,503,750 |
| Renaissance Home Equity Loan Trust, Series 2007-3 (d): | | |
| Class AF2, 7.00%, 9/25/37 | 5,000 | 2,886,805 |
| Class AF3, 7.24%, 9/25/37 | 10,000 | 5,772,300 |
| Saxon Asset Securities Trust, Series 2007-3, Class 2A3, 0.57%, 9/25/47 (a)(b) | 5,000 | 2,687,570 |
| Scholar Funding Trust, Series 2013-A, Class R, 0.00%, 1/30/45 (c) | (e) | 4,209,702 |
| Tyron Park CLO Ltd., Series 2013-1A (a)(c): | | |
| Class C, 3.77%, 7/15/25 | 1,250 | 1,187,750 |
| Class D, 4.67%, 7/15/25 | 1,000 | 880,500 |
| WaMu Asset-Backed Certificates Trust, Series 2007-HE3, Class 2A3, 0.41%, 5/25/47 (a) | 11,451 | 6,846,622 |
| Total Asset-Backed Securities 31.4% | | 228,401,528 |

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|--------------|
| Corporate Bonds | | | |
| Aerospace & Defense 0.3% | | | |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (b) | USD | 2,005 | \$ 2,185,450 |
| Airlines 4.8% | | | |
| Air Canada Pass-Through Trust, Series 2013-1 (b)(c): | | | |
| Class B, 5.38%, 5/15/21 | | 3,400 | 3,289,500 |
| Class C, 6.63%, 5/15/18 | | 761 | 748,672 |
| American Airlines Pass-Through Trust (b)(c): | | | |
| Series 2013-1, Class C, 6.13%, 7/15/18 | | 1,500 | 1,447,500 |
| Series 2013-2, Class A, 4.95%, 1/15/23 | | 3,500 | 3,605,000 |
| Continental Airlines Pass-Through Trust (b): | | | |
| Series 2003-ERJ1, 7.88%, 7/02/18 | | 8,994 | 9,578,653 |
| Series 2007-1, Class B, 6.90%, 4/19/22 | | 3,533 | 3,691,566 |
| Series 2012-1, Class B, 6.25%, 4/11/20 | | 546 | 564,966 |
| Series 2012-3, Class C, 6.13%, 4/29/18 | | 678 | 696,645 |
| Delta Air Lines Pass-Through Trust, Class B (b): | | | |
| Series 2007-1, 8.02%, 8/10/22 | | 2,582 | 2,795,421 |
| Series 2012-1, 6.88%, 5/07/19 (c) | | 4,823 | 5,075,812 |
| US Airways Group, Inc., 6.13%, 6/01/18 (b) | | 865 | 850,944 |
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 11/15/21 (b) | | 3,100 | 2,968,250 |
| | | | 35,312,929 |
| Auto Components 0.3% | | | |
| Dana Holding Corp., 6.75%, 2/15/21 (b) | | 1,257 | 1,366,987 |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b)(c) | | 1,045 | 1,042,388 |
| | | | 2,409,375 |
| Automobiles 0.7% | | | |
| General Motors Co. (b)(c): | | | |
| 3.50%, 10/02/18 | | 2,669 | 2,722,380 |
| 6.25%, 10/02/43 | | 2,194 | 2,281,760 |
| | | | 5,004,140 |
| Building Products 0.9% | | | |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b)(c) | | 375 | 379,688 |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (b)(c) | | 1,100 | 1,144,000 |
| Building Materials Corp. of America, 6.75%, 5/01/21 (b)(c) | | 3,125 | 3,398,437 |
| Cemex SAB de CV, 5.88%, 3/25/19 (c) | | 200 | 195,750 |
| Texas Industries, Inc., 9.25%, 8/15/20 (b) | | 543 | 600,015 |
| USG Corp., 9.75%, 1/15/18 (b) | | 572 | 672,100 |
| | | | 6,389,990 |
| Capital Markets 0.5% | | | |
| AE-Rotor Holding BV, 4.97%, 3/28/18 | | 2,500 | 2,477,375 |
| American Capital Ltd., 6.50%, 9/15/18 (b)(c) | | 700 | 726,250 |
| KCG Holdings, Inc., 8.25%, 6/15/18 (b)(c) | | 337 | 342,898 |
| | | | 3,546,523 |
| Chemicals 1.0% | | | |
| Celanese US Holdings LLC, 6.63%, 10/15/18 (b) | | 1,555 | 1,677,456 |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (b) | | 1,200 | 1,374,145 |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (c) | | 246 | 246,000 |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 (b) | | 3,392 | 3,485,280 |
| Tronox Finance LLC, 6.38%, 8/15/20 (b) | | 275 | 280,500 |
| | | | 7,063,381 |

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| | | |
|--|--------------|--------------|
| Commercial Banks 3.3% | | |
| CIT Group, Inc., 5.25%, 3/15/18 (b) | 9,558 | 10,334,587 |
| Fifth Third Bancorp, 5.10% (a)(b)(f) | 5,000 | 4,500,000 |
| | Par | |
| | (000) | Value |
| Corporate Bonds | | |
| Commercial Banks (concluded) | | |
| Lloyds Bank PLC, 12.00% (a)(b)(c)(f) | USD 3,500 | 4,707,500 |
| Sberbank of Russia Via SB Capital SA, 5.25%, 5/23/23 (b)(c) | 5,000 | 4,668,750 |
| | | 24,210,837 |
| Commercial Services & Supplies 1.1% | | |
| The ADT Corp., 6.25%, 10/15/21 (b)(c) | 721 | 765,161 |
| ARAMARK Corp., 5.75%, 3/15/20 (b)(c) | 672 | 703,920 |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b)(c) | 5,000 | 5,387,500 |
| West Corp., 8.63%, 10/01/18 (b) | 1,346 | 1,467,140 |
| | | 8,323,721 |
| Communications Equipment 1.1% | | |
| Alcatel-Lucent USA, Inc., 8.88%, 1/01/20 (b)(c) | 942 | 1,018,538 |
| Avaya, Inc. (b)(c): | | |
| 7.00%, 4/01/19 | 691 | 659,905 |
| 10.50%, 3/01/21 | 494 | 429,780 |
| Zayo Group LLC/Zayo Capital, Inc., 10.13%, 7/01/20 (b) | 5,000 | 5,775,000 |
| | | 7,883,223 |
| Construction & Engineering 0.3% | | |
| Alam Synergy Property Ltd., 6.95%, 3/27/20 | 2,000 | 1,855,000 |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)(c) | 290 | 300,150 |
| | | 2,155,150 |
| Construction Materials 1.7% | | |
| HD Supply, Inc. (b): | | |
| 8.13%, 4/15/19 | 2,292 | 2,561,768 |
| 11.00%, 4/15/20 | 2,900 | 3,480,580 |
| 7.50%, 7/15/20 (c) | 6,388 | 6,739,340 |
| | | 12,781,688 |
| Containers & Packaging 0.3% | | |
| Ardagh Packaging Finance PLC, 9.13%, 10/15/20 (b)(c) | 2,000 | 2,155,000 |
| Distributors 0.1% | | |
| VWR Funding, Inc., 7.25%, 9/15/17 (b) | 652 | 694,380 |
| Diversified Consumer Services 0.4% | | |
| APX Group, Inc. (b): | | |
| 6.38%, 12/01/19 | 679 | 676,454 |
| 8.75%, 12/01/20 | 968 | 992,200 |
| Laureate Education, Inc., 9.25%, 9/01/19 (b)(c) | 624 | 686,400 |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (b)(c) | 349 | 327,187 |
| | | 2,682,241 |
| Diversified Financial Services 6.8% | | |
| Aircastle Ltd., 6.25%, 12/01/19 (b) | 624 | 664,560 |
| Ally Financial, Inc., 8.00%, 11/01/31 (b) | 9,315 | 11,108,137 |
| Citigroup, Inc., Series D, 5.35% (a)(b)(f) | 3,700 | 3,330,000 |
| DPL, Inc., 6.50%, 10/15/16 (b) | 638 | 687,445 |
| General Motors Financial Co., Inc. (b)(c): | | |
| 3.25%, 5/15/18 | 235 | 234,119 |
| 4.25%, 5/15/23 | 326 | 312,960 |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)(c) | 845 | 868,238 |
| Jefferies LoanCore LLC/JLC Finance Corp., 6.88%, 6/01/20 (b)(c) | 3,958 | 3,918,420 |
| Level 3 Financing, Inc., 8.13%, 7/01/19 (b) | 7,722 | 8,513,505 |
| Macquarie Bank Ltd., 10.25%, 6/20/57 | 10,000 | 11,200,000 |
| Reynolds Group Issuer, Inc. (b): | | |
| 9.88%, 8/15/19 | 3,278 | 3,626,288 |
| 5.75%, 10/15/20 | 4,941 | 5,101,582 |
| | | 49,565,254 |

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BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Diversified Telecommunication Services 2.7% | | | |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20 (b) | USD | 834 | \$ 847,553 |
| Cequel Communications Escrow 1 LLC/Cequel Capital Corp., 6.38%, 9/15/20 (b)(c) | | 662 | 686,825 |
| Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (b)(c) | | 250 | 252,500 |
| Verizon Communications, Inc., 6.55%, 9/15/43 (b) | | 12,500 | 14,502,637 |
| Windstream Corp.: | | | |
| 7.88%, 11/01/17 (b) | | 2,003 | 2,290,931 |
| 7.75%, 10/15/20 | | 310 | 332,475 |
| 6.38%, 8/01/23 | | 470 | 455,900 |
| | | | 19,368,821 |
| Electric Utilities 0.3% | | | |
| Star Energy Geothermal Wayang Windu Ltd., 6.13%, 3/27/20 | | 2,000 | 1,910,000 |
| Electrical Equipment 0.1% | | | |
| General Cable Corp., 6.50%, 10/01/22 (b)(c) | | 657 | 653,715 |
| Energy Equipment & Services 1.2% | | | |
| CGG SA, 6.50%, 6/01/21 (b) | | 2,564 | 2,666,560 |
| Peabody Energy Corp., 6.00%, 11/15/18 (b) | | 176 | 185,680 |
| Transocean, Inc., 7.35%, 12/15/41 (b) | | 5,000 | 5,913,915 |
| | | | 8,766,155 |
| Food & Staples Retailing 0.1% | | | |
| Rite Aid Corp., 6.75%, 6/15/21 (b) | | 506 | 535,095 |
| Food Products 0.3% | | | |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (c) | | 1,200 | 1,216,020 |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 4.88%, 5/01/21 (b)(c) | | 395 | 377,225 |
| Sun Merger Sub, Inc. (b)(c): | | | |
| 5.25%, 8/01/18 | | 596 | 622,820 |
| 5.88%, 8/01/21 | | 307 | 320,815 |
| | | | 2,536,880 |
| Health Care Equipment & Supplies 1.7% | | | |
| Biomet, Inc. (b): | | | |
| 6.50%, 8/01/20 | | 5,795 | 6,157,188 |
| 6.50%, 10/01/20 | | 2,904 | 3,020,160 |
| Hologic, Inc., 6.25%, 8/01/20 (b) | | 3,216 | 3,417,000 |
| | | | 12,594,348 |
| Health Care Providers & Services 3.7% | | | |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 6.00%, 10/15/21 (b)(c) | | 319 | 326,975 |
| CHS/Community Health Systems, Inc., 7.13%, 7/15/20 (b) | | 1,000 | 1,052,500 |
| HCA, Inc., 6.50%, 2/15/20 (b) | | 10,643 | 11,840,337 |
| Tenet Healthcare Corp. (b): | | | |
| 6.25%, 11/01/18 | | 6,087 | 6,665,265 |
| 8.00%, 8/01/20 | | 2,969 | 3,232,499 |
| 6.00%, 10/01/20 (c) | | 1,150 | 1,216,125 |
| 8.13%, 4/01/22 (c) | | 2,562 | 2,805,390 |
| | | | 27,139,091 |
| Hotels, Restaurants & Leisure 5.8% | | | |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property (b)(c): | | | |
| 8.00%, 10/01/20 | | 2,773 | 2,779,932 |
| 11.00%, 10/01/21 | | 3,866 | 3,779,015 |
| Diamond Resorts Corp., 12.00%, 8/15/18 (b) | | 620 | 688,200 |
| Enterprise Inns PLC, 6.50%, 12/06/18 | GBP | 8,000 | 13,308,213 |

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| | | | |
|--|-----|----------------------|--------------|
| Playa Resorts Holding BV, 8.00%, 8/15/20 (c) | USD | 202 | 213,868 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure (concluded) | | | |
| PNK Finance Corp., 6.38%, 8/01/21 (b)(c) | USD | 945 | 992,250 |
| The Unique Pub Finance Co. PLC: | | | |
| Series A3, 6.54%, 3/30/21 | GBP | 6,000 | 10,005,211 |
| Series M, 7.40%, 3/28/24 | | 6,400 | 9,876,939 |
| Wynn Macau Ltd., 5.25%, 10/15/21 (b)(c) | USD | 765 | 782,213 |
| | | | 42,425,841 |
| Household Durables 1.4% | | | |
| Standard Pacific Corp., 8.38%, 1/15/21 (b) | | 2,000 | 2,295,000 |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)(c) | | 357 | 348,075 |
| United Rentals North America, Inc. (b): | | | |
| 8.25%, 2/01/21 | | 4,204 | 4,761,030 |
| 7.63%, 4/15/22 | | 2,440 | 2,732,800 |
| | | | 10,136,905 |
| Independent Power Producers & Energy Traders 2.0% | | | |
| Calpine Corp. (c): | | | |
| 6.00%, 1/15/22 | | 254 | 263,525 |
| 5.88%, 1/15/24 | | 240 | 240,600 |
| Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc., 10.00%, 12/01/20 | | 10,336 | 10,852,800 |
| NRG Energy, Inc., 7.63%, 1/15/18 (b) | | 2,735 | 3,104,225 |
| | | | 14,461,150 |
| Industrial Conglomerates 0.2% | | | |
| Sequa Corp., 7.00%, 12/15/17 (b)(c) | | 1,341 | 1,347,705 |
| Insurance 3.1% | | | |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b)(c) | | | |
| | | 680 | 703,800 |
| The Allstate Corp., 5.75%, 8/15/53 (a)(b) | | 2,000 | 2,045,000 |
| American International Group, Inc., 8.18%, 5/15/58 (a)(b) | | 4,500 | 5,546,250 |
| Genworth Holdings, Inc., 6.50%, 6/15/34 (b) | | 5,500 | 6,053,031 |
| ING US, Inc., 5.65%, 5/15/53 (a)(b) | | 1,090 | 1,037,281 |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)(c) | | 1,400 | 1,442,000 |
| Prudential Financial, Inc., 5.63%, 6/15/43 (a)(b) | | 6,000 | 5,977,500 |
| | | | 22,804,862 |
| Internet Software & Services 0.1% | | | |
| Equinix, Inc., 4.88%, 4/01/20 | | 144 | 144,540 |
| VeriSign, Inc., 4.63%, 5/01/23 (b) | | 575 | 559,906 |
| | | | 704,446 |
| IT Services 2.7% | | | |
| Ceridian Corp., 8.88%, 7/15/19 (b)(c) | | 2,007 | 2,323,102 |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b)(c) | | 742 | 868,140 |
| Epicor Software Corp., 8.63%, 5/01/19 (b) | | 425 | 461,125 |
| First Data Corp. (b)(c): | | | |
| 7.38%, 6/15/19 | | 5,071 | 5,457,664 |
| 6.75%, 11/01/20 | | 4,788 | 5,069,295 |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (b) | | 5,003 | 5,228,135 |
| | | | 19,407,461 |
| Media 6.5% | | | |
| Bharti Airtel International Netherlands BV, 5.13%, 3/11/23 | | 3,000 | 2,812,500 |
| Cablevision Systems Corp., 5.88%, 9/15/22 (b) | | 700 | 700,875 |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.13%, 2/15/23 (b) | | 7,029 | 6,536,970 |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (b) | | 700 | 710,500 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|--|--------------|----|--------------|
| | (000) | | |
| Corporate Bonds | | | |
| Media (concluded) | | | |
| Clear Channel Worldwide Holdings, Inc. (b): | | | |
| 7.63%, 3/15/20 | USD 5,274 | \$ | 5,629,995 |
| 6.50%, 11/15/22 | 2,573 | | 2,701,650 |
| Consolidated Communications Finance Co., 10.88%, 6/01/20 (b) | 1,264 | | 1,466,240 |
| DISH DBS Corp. (b): | | | |
| 4.25%, 4/01/18 | 1,000 | | 1,015,000 |
| 5.13%, 5/01/20 | 5,500 | | 5,568,750 |
| Gray Television, Inc., 7.50%, 10/01/20 (b)(c) | 891 | | 933,323 |
| Intelsat Jackson Holdings SA (b): | | | |
| 7.25%, 10/15/20 | 1,250 | | 1,356,250 |
| 5.50%, 8/01/23 (c) | 1,271 | | 1,226,515 |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (b)(c) | 3,000 | | 3,157,500 |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b) | 1,234 | | 1,346,602 |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (c) | 199 | | 211,438 |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., | | | |
| 5.00%, 8/01/18 (b)(c) | 629 | | 644,725 |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (b)(c) | 630 | | 636,300 |
| Sirius XM Radio, Inc. (b)(c): | | | |
| 4.25%, 5/15/20 | 994 | | 948,027 |
| 4.63%, 5/15/23 | 488 | | 447,740 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)(c) | 5,287 | | 5,220,912 |
| Univision Communications, Inc., 5.13%, 5/15/23 (b)(c) | 2,093 | | 2,072,070 |
| Virgin Media Finance PLC, 6.38%, 4/15/23 (b)(c) | 805 | | 825,125 |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)(c) | 980 | | 1,029,000 |
| | | | 47,198,007 |
| Metals & Mining 1.5% | | | |
| ArcelorMittal, 6.13%, 6/01/18 (b) | 1,900 | | 2,061,500 |
| Commercial Metals Co., 4.88%, 5/15/23 (b) | 984 | | 934,800 |
| Novelis, Inc., 8.75%, 12/15/20 (b) | 7,164 | | 7,969,950 |
| | | | 10,966,250 |
| Multiline Retail 0.4% | | | |
| Dollar General Corp., 4.13%, 7/15/17 (b) | 643 | | 687,358 |
| The Neiman Marcus Group, Inc. (b)(c): | | | |
| 8.00%, 10/15/21 | 927 | | 949,016 |
| 8.75%, 10/15/21 (g) | 963 | | 989,483 |
| | | | 2,625,857 |
| Oil, Gas & Consumable Fuels 3.8% | | | |
| Antero Resources Finance Corp., 5.38%, 11/01/21 (c)(h) | 284 | | 288,615 |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (c) | 254 | | 265,430 |
| Aurora USA Oil & Gas, Inc. (c): | | | |
| 9.88%, 2/15/17 | 190 | | 203,300 |
| 7.50%, 4/01/20 | 224 | | 231,280 |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 | 99 | | 104,940 |
| Chesapeake Energy Corp., 5.75%, 3/15/23 (b) | 1,145 | | 1,213,700 |
| Continental Resources, Inc., 4.50%, 4/15/23 (b) | 283 | | 285,476 |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (b)(c) | 383 | | 384,915 |
| DCP Midstream LLC, 5.85%, 5/21/43 (a)(b)(c) | 5,020 | | 4,693,700 |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (c) | 486 | | 486,000 |
| | Par | | |
| | (000) | | Value |
| Corporate Bonds | | | |

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| Oil, Gas & Consumable Fuels (concluded) | | | |
|---|-----|-------|------------|
| MEG Energy Corp., 6.50%, 3/15/21 (b)(c) | USD | 1,586 | 1,655,387 |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 (b) | | 334 | 339,010 |
| MIE Holdings Corp., 6.88%, 2/06/18 (b) | | 2,000 | 1,910,000 |
| Oasis Petroleum, Inc., 6.88%, 3/15/22 (b)(c) | | 529 | 571,320 |
| Offshore Group Investment Ltd., 7.13%, 4/01/23 | | 212 | 215,710 |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)(c) | | 669 | 674,018 |
| Peabody Energy Corp., 6.25%, 11/15/21 (b) | | 1,625 | 1,677,812 |
| Pertamina Persero PT, 5.63%, 5/20/43 (b)(c) | | 2,000 | 1,680,000 |
| Range Resources Corp. (b): | | | |
| 5.75%, 6/01/21 | | 2,874 | 3,060,810 |
| 5.00%, 8/15/22 | | 302 | 301,623 |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23 (c) | | 297 | 274,725 |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b)(c) | | 218 | 226,720 |
| Rosetta Resources, Inc., 5.63%, 5/01/21 (b) | | 286 | 288,860 |
| Sabine Pass LNG LP, 6.50%, 11/01/20 (b) | | 5,124 | 5,354,580 |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (b)(c) | | 703 | 739,908 |
| Whiting Petroleum Corp., 5.00%, 3/15/19 (b) | | 878 | 913,120 |
| | | | 28,040,959 |
| Paper & Forest Products 0.1% | | | |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b)(c) | | 385 | 416,281 |
| Pharmaceuticals 0.5% | | | |
| Valeant Pharmaceuticals International (b)(c): | | | |
| 6.75%, 8/15/18 | | 1,807 | 1,978,665 |
| 6.75%, 8/15/21 | | 1,276 | 1,358,940 |
| | | | 3,337,605 |
| Real Estate Investment Trusts (REITs) 0.2% | | | |
| Felcor Lodging LP, 6.75%, 6/01/19 (b) | | 1,261 | 1,342,965 |
| Real Estate Management & Development 3.9% | | | |
| Caifu Holdings Ltd., 8.75%, 1/24/20 (b) | | 3,000 | 3,022,500 |
| Gemdale International Investment Ltd., 7.13%, 11/16/17 | | 2,000 | 2,080,000 |
| Kaisa Group Holdings Ltd., 10.25%, 1/08/20 | | 2,000 | 2,060,000 |
| Lai Sun International Finance 2012 Ltd., 5.70%, 1/18/18 | | 2,000 | 1,935,000 |
| Punch Taverns Finance B Ltd.: | | | |
| 7.37%, 6/30/22 | GBP | 3,351 | 5,506,914 |
| Series A6, 5.94%, 12/30/24 | | 6,346 | 9,920,792 |
| The Realogy Group LLC/Sunshine Group Florida Ltd., 3.38%, 5/01/16 (b)(c) | USD | 454 | 454,000 |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19 (b) | | 1,505 | 1,666,788 |
| Sparkle Assets Ltd., 6.88%, 1/30/20 | | 2,000 | 1,903,268 |
| | | | 28,549,262 |
| Road & Rail 0.5% | | | |
| The Hertz Corp. (b): | | | |
| 4.25%, 4/01/18 (c) | | 400 | 401,000 |
| 7.38%, 1/15/21 | | 3,075 | 3,413,250 |
| | | | 3,814,250 |
| Semiconductors & Semiconductor Equipment 0.1% | | | |
| NXP BV/NXP Funding LLC, 3.75%, 6/01/18 (b)(c) | | 1,065 | 1,067,663 |
| Software 1.0% | | | |
| Activision Blizzard, Inc. (b)(c): | | | |
| 5.63%, 9/15/21 | | 997 | 1,031,895 |
| 6.13%, 9/15/23 | | 348 | 363,660 |

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|--|-------|-------|--------------|
| | (000) | | |
| Corporate Bonds | | | |
| Software (concluded) | | | |
| Infor US, Inc., 9.38%, 4/01/19 (b) | USD | 2,400 | \$ 2,712,000 |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)(c) | | 1,605 | 1,592,963 |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (b)(c) | | 1,220 | 1,329,800 |
| | | | 7,030,318 |
| Specialty Retail 0.2% | | | |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b)(c) | | 623 | 680,627 |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22 (b) | | 647 | 671,263 |
| | | | 1,351,890 |
| Textiles, Apparel & Luxury Goods 0.2% | | | |
| SIWF Merger Sub, Inc., 6.25%, 6/01/21 (b)(c) | | 729 | 732,645 |
| The William Carter Co., 5.25%, 8/15/21 (b)(c) | | 604 | 613,060 |
| | | | 1,345,705 |
| Trading Companies & Distributors 0.2% | | | |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class B, 6.50%, 5/30/21 (b)(c) | | 1,492 | 1,531,823 |
| Wireless Telecommunication Services 3.8% | | | |
| Crown Castle International Corp., 5.25%, 1/15/23 (b) | | 6,565 | 6,499,350 |
| Digicel Ltd., 6.00%, 4/15/21 (b)(c) | | 5,000 | 4,850,000 |
| Softbank Corp., 4.50%, 4/15/20 (b)(c) | | 1,500 | 1,485,000 |
| Sprint Corp., 7.88%, 9/15/23 (b)(c) | | 2,142 | 2,324,070 |
| Sprint Nextel Corp., 9.00%, 11/15/18 (b)(c) | | 8,131 | 9,858,838 |
| T-Mobile USA, Inc. (b): | | | |
| 6.63%, 4/28/21 | | 820 | 867,150 |
| 6.73%, 4/28/22 | | 945 | 998,156 |
| 6.84%, 4/28/23 | | 610 | 645,075 |
| | | | 27,527,639 |
| Total Corporate Bonds 71.9% | | | 523,302,231 |
| Floating Rate Loan Interests (a) | | | |
| Airlines 0.4% | | | |
| Delta Air Lines, Inc., Term Loan B2, 3.25%, 4/18/16 | | 2,978 | 2,982,889 |
| Auto Components 0.2% | | | |
| Federal-Mogul Corp.: | | | |
| Term Loan B, 2.12%, 12/29/14 | | 1,136 | 1,124,495 |
| Term Loan C, 2.12%, 12/28/15 | | 670 | 663,517 |
| | | | 1,788,012 |
| Chemicals 0.1% | | | |
| Allnex USA, Inc.: | | | |
| Term Loan B1, 4.50%, 10/03/19 | | 89 | 89,049 |
| Term Loan B2, 4.50%, 10/03/19 | | 46 | 46,203 |
| Tronox Pigments (Netherlands) BV, 2013 Term Loan, 4.50%, 3/19/20 | | 249 | 251,445 |

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| | | |
|--|--------------|--------------|
| | | 386,697 |
| Commercial Services & Supplies 0.2% | | |
| ADS Waste Holdings, Inc., New Term Loan B, 4.25%, 10/09/19 | 645 | 648,467 |
| ARAMARK Corp., Term Loan D, 4.00%, 9/09/19 | 450 | 450,985 |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16 | 119 | 118,717 |
| Spin Holdco, Inc., New Term Loan B, 4.25%, 11/14/19 | 280 | 279,300 |
| | | 1,497,469 |
| | Par | |
| Floating Rate Loan Interests (a) | (000) | Value |
| Communications Equipment 0.3% | | |
| Alcatel-Lucent USA, Inc., Term Loan C, 5.75%, 1/30/19 | USD 1,489 | 1,509,533 |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.50%, 7/02/19 | 992 | 996,809 |
| | | 2,506,342 |
| Construction Materials 0.1% | | |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17 | 496 | 499,333 |
| Distributors 0.1% | | |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20 | 600 | 600,378 |
| Diversified Consumer Services 0.2% | | |
| Bright Horizons Family Solutions, Inc., New Term Loan B, 5.25%, 1/30/20 | 496 | 498,731 |
| ServiceMaster Co., New Term Loan, 4.25%, 1/31/17 | 427 | 419,174 |
| Weight Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20 | 498 | 456,770 |
| | | 1,374,675 |
| Diversified Financial Services 0.3% | | |
| Kasima LLC, New Term Loan B, 3.25%, 5/17/21 | 2,260 | 2,248,700 |
| Diversified Telecommunication Services 0.3% | | |
| Level 3 Financing, Inc., 2020 Term Loan B, 4.00%, 1/15/20 | 2,275 | 2,284,487 |
| Electronic Equipment, Instruments & Components 0.0% | | |
| CDW LLC, New Term Loan, 3.50%, 4/29/20 | 299 | 297,196 |
| Energy Equipment & Services 0.2% | | |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20 | 1,636 | 1,636,309 |
| Food Products 0.3% | | |
| Dole Food Co., Inc., New Term Loan, 5.00%, 4/01/20 | 1,378 | 1,382,099 |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/29/20 | 498 | 496,818 |
| | | 1,878,917 |
| Health Care Equipment & Supplies 0.2% | | |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19 | 551 | 549,807 |
| Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18 | 744 | 747,409 |
| | | 1,297,216 |
| Health Care Providers & Services 0.1% | | |
| American Renal Holdings, Inc., First Lien Term Loan, 4.50%, 9/20/19 | 478 | 470,436 |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16 | 500 | 492,000 |
| | | 962,436 |
| Hotels, Restaurants & Leisure 3.2% | | |
| Caesars Entertainment Operating Co., Inc., Term Loan B, 7.00%, 10/12/20 | 2,215 | 2,182,129 |
| Hilton Fort Lauderdale, Mezzanine Term Loan, 7.38%, 2/22/16 | 10,000 | 10,000,000 |
| Hilton Los Cabos, B-Note, 8.00%, 9/18/18 | 5,375 | 5,375,000 |
| Hilton Worldwide Finance LLC, Term Loan B2, 4.00%, 10/26/20 | 3,523 | 3,542,629 |
| MGM resorts International, Term Loan A, 2.92%, 12/20/17 | 1,241 | 1,239,459 |

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BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | Par | | Value |
|--|------------|----|------------|
| | (000) | | |
| Floating Rate Loan Interests (a) | | | |
| Hotels, Restaurants & Leisure (concluded) | | | |
| Station Casinos, Inc., New Term Loan B, 5.00%, 3/01/20 | USD 995 | \$ | 1,004,015 |
| | | | 23,343,232 |
| Independent Power Producers & Energy Traders 0.4% | | | |
| La Frontera Generation LLC, Term Loan, 4.50%, 9/30/20 | 2,744 | | 2,766,062 |
| IT Services 0.1% | | | |
| Moneygram International, Inc., New Term Loan B, 4.25%, 3/27/20 | 208 | | 208,372 |
| SunGard Data Systems, Inc., Term Loan E, 4.00%, 3/09/20 | 259 | | 260,446 |
| | | | 468,818 |
| Machinery 0.3% | | | |
| Generac Power Systems, Inc., Term Loan B, 3.50%, 5/29/20 | 958 | | 953,214 |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19 | 1,241 | | 1,239,298 |
| | | | 2,192,512 |
| Media 0.3% | | | |
| Clear Channel Communications, Inc.: | | | |
| Term Loan B, 3.82%, 1/29/16 | 75 | | 72,594 |
| Term Loan D, 6.92%, 1/30/19 | 675 | | 641,438 |
| Univision Communications, Inc., Refinancing Term Loan C2, 4.50%, 3/02/20 | 498 | | 499,988 |
| Virgin Media Investment Holdings Ltd., Term Loan B, 3.50%, 6/08/20 | 700 | | 699,685 |
| | | | 1,913,705 |
| Metals & Mining 0.2% | | | |
| Constellium Holdco BV, Term Loan B, 6.00%, 3/25/20 | 413 | | 422,732 |
| FMG Resources August 2006 Property Ltd., Term Loan, 5.25%, 10/18/17 | 1,328 | | 1,330,192 |
| | | | 1,752,924 |
| Multiline Retail 0.1% | | | |
| JC Penney Corp., Inc., First Lien Term Loan, 6.00%, 5/22/18 | 718 | | 694,061 |
| Oil, Gas & Consumable Fuels 0.5% | | | |
| Chesapeake Energy Corp., New Unsecured Term Loan, 5.75%, 12/01/17 | 2,025 | | 2,068,031 |
| Offshore Group Investment Ltd., Term Loan B, 5.75%, 3/28/19 | 1,194 | | 1,201,093 |
| Power Team Services LLC: | | | |
| Delayed Draw Term Loan, 4.25%, 5/06/20 | 38 | | 36,758 |
| First Lien Term Loan, 4.25%, 5/06/20 | 692 | | 674,310 |
| | | | 3,980,192 |
| Pharmaceuticals 0.1% | | | |
| Par Pharmaceutical Cos., Inc., Refinancing Term Loan B, 4.25%, 9/30/19 | 744 | | 746,459 |
| Real Estate Investment Trusts (REITs) 0.1% | | | |
| iStar Financial, Inc., Term Loan, 4.50%, 10/16/17 | 601 | | 603,764 |
| Real Estate Management & Development 0.1% | | | |
| Realty Corp., Extended Term Loan, 4.50%, 3/05/20 | 891 | | 899,154 |
| Semiconductors & Semiconductor Equipment 0.1% | | | |
| Freescale Semiconductor, Inc., Term Loan B4, 5.00%, 2/28/20 | 498 | | 501,759 |
| | Par | | |
| Floating Rate Loan Interests (a) | | | |
| Specialty Retail 0.2% | | | |
| Party City Holdings, Inc., Refinancing Term Loan B, 4.25%, 7/29/19 | USD 993 | | 994,981 |
| Sprouts Farmers Markets Holdings LLC, New Term Loan, 4.00%, 4/23/20 | 92 | | 92,198 |
| SRAM LLC, New Term Loan B, 4.00%, 4/10/20 | 141 | | 139,947 |

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| | | |
|---|-------------|-------------------|
| | | 1,227,126 |
| Total Floating Rate Loan Interests | 8.7% | 63,330,824 |

Foreign Agency Obligations

| | | | |
|---|-----|-------|------------------|
| Slovenia Government Bond, Series RS65, 4.38%, 4/02/14 | EUR | 2,650 | 3,618,293 |
| Slovenia Government International Bond, 5.85%, 5/10/23 (b)(c) | USD | 766 | 746,850 |
| Sri Lanka Government International Bond, 5.88%, 7/25/22 | | 3,000 | 2,913,750 |
| Total Foreign Agency Obligations | | | 7,278,893 |

Non-Agency Mortgage-Backed Securities

| | | | |
|--|-----|--------|------------|
| Collateralized Mortgage Obligations 29.0% | | | |
| Alternative Loan Trust: | | | |
| Series 2005-61, Class 2A1, 0.45%, 12/25/35 (a)(b) | | 4,935 | 4,131,928 |
| Series 2005-86CB, Class A8, 5.50%, 2/25/36 (b) | | 3,156 | 2,937,988 |
| Series 2005-9CB, Class 1A3, 0.62%, 5/25/35 (a) | | 8,198 | 6,340,600 |
| Series 2006-40T1, Class 2A5, 0.57%, 12/25/36 (a) | | 4,115 | 1,701,638 |
| Series 2006-4CB, Class 2A6, 5.50%, 4/25/36 | | 5,209 | 4,676,793 |
| Series 2006-7CB, Class 2A1, 6.50%, 5/25/36 | | 5,448 | 3,647,524 |
| Series 2006-J8, Class A5, 6.00%, 2/25/37 | | 3,329 | 2,412,316 |
| Series 2006-OA10, Class 2A1, 0.36%, 8/25/46 (a) | | 4,936 | 3,515,466 |
| Series 2006-OC2, Class 2A3, 0.46%, 2/25/36 (a) | | 6,622 | 4,251,583 |
| Series 2007-12T1, Class A22, 5.75%, 6/25/37 | | 9,465 | 7,797,845 |
| Series 2007-12T1, Class A5, 6.00%, 6/25/37 | | 4,593 | 3,841,706 |
| Series 2007-22, Class 2A16, 6.50%, 9/25/37 | | 14,858 | 11,499,073 |
| Series 2007-23CB, Class A1, 6.00%, 9/25/37 | | 14,440 | 11,680,076 |
| Series 2007-4CB, Class 1A3, 0.52%, 4/25/37 (a) | | 9,058 | 6,399,395 |
| American Home Mortgage Assets Trust, Series 2006-5, Class A1, 1.07%, 11/25/46 (a) | | 7,791 | 4,403,429 |
| American Home Mortgage Investment Trust, Series 2007-1, Class GA1C, 0.36%, 5/25/47 (a) | | 5,599 | 3,933,990 |
| AyT Hipotecario Mixto III Fondo de Titulizacion de Activos, Series M3, Class A, 0.35%, 3/21/38 (a) | EUR | 9,442 | 10,473,261 |
| Banc of America Funding Trust, Series 2006-G (a): | | | |
| Class 2A1, 0.39%, 7/20/36 | USD | 3,388 | 3,075,940 |
| Class 2A4, 0.46%, 7/20/36 | | 9,500 | 8,245,772 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | Par | (000) | Value |
|--|------------|--------|--------------|
| Non-Agency Mortgage-Backed Securities | | | |
| Collateralized Mortgage Obligations (concluded) | | | |
| Bear Stearns ARM Trust, Series 2006-1, Class A1, 2.37%, 2/25/36 (a) | USD | 5,535 | \$ 5,400,272 |
| CHL Mortgage Pass-Through Trust: | | | |
| Series 2005-HYB9, Class 2A1, 2.42%, 2/20/36 (a) | | 11,725 | 9,612,910 |
| Series 2006-13, Class 1A19, 6.25%, 9/25/36 | | 6,780 | 5,975,763 |
| Series 2006-9, Class A2, 6.00%, 5/25/36 | | 3,889 | 3,538,498 |
| Series 2007-2, Class A16, 6.00%, 3/25/37 | | 6,188 | 5,583,610 |
| Series 2007-3, Class A30, 5.75%, 4/25/37 | | 5,519 | 4,896,448 |
| Series 2007-J2, Class 2A1, 0.82%, 7/25/37 (a) | | 9,098 | 6,131,482 |
| Series 2007-J2, Class 2A8, 6.00%, 7/25/37 | | 5,024 | 4,053,042 |
| Citigroup Mortgage Loan Trust: | | | |
| Series 2005-9, Class 21A2, 5.50%, 11/25/35 | | 7,836 | 7,081,731 |
| Series 2006-AR7, Class 2A3A, 2.59%, 11/25/36 (a) | | 10,769 | 7,373,275 |
| GSR Mortgage Loan Trust (a): | | | |
| Series 2005-AR3, Class 5A1, 2.85%, 5/25/35 | | 4,624 | 4,438,704 |
| Series 2005-AR6, Class 2A1, 2.65%, 9/25/35 (b) | | 3,518 | 3,493,492 |
| Madison Avenue Trust, Series 2013-650M, Class E, 4.17%, 10/12/32 (a)(c) | | 5,000 | 4,688,500 |
| Morgan Stanley Re-REMIC Trust, Series 2010-R5, Class 7B, 0.44%, 5/26/37 (a)(c) | | 21,897 | 11,867,811 |
| Residential Asset Securitization Trust, Series 2006-A8, Class 2A5, 0.77%, 8/25/36 (a) | | 9,449 | 4,191,223 |
| Structured Asset Mortgage Investments II Trust, Series 2006-AR1, Class 3A1, 0.40%, 2/25/36 (a) | | 4,810 | 3,732,509 |
| WaMu Mortgage Pass-Through Certificates (a): | | | |
| Series 2005-AR1, Class A1A, 0.49%, 1/25/45 (b) | | 4,609 | 4,401,896 |
| Series 2005-AR17, Class A1A1, 0.44%, 12/25/45 (b) | | 3,776 | 3,419,167 |
| Series 2007-OA4, Class 1A, 0.92%, 5/25/47 | | 7,369 | 6,348,588 |
| | | | 211,195,244 |
| Commercial Mortgage-Backed Securities 14.1% | | | |
| Banc of America Commercial Mortgage Trust, Series 2008-1, Class AJ, 6.44%, 2/10/51 (a)(b) | | 5,000 | 5,168,565 |
| CD Mortgage Trust, Series 2007-CD5, Class C, 6.12%, 11/15/44 (a) | | 3,372 | 3,344,394 |
| COMM Mortgage Trust, Series 2013-LC13, Class D, 5.22%, 8/10/46 (a)(c) | | 2,650 | 2,404,197 |
| Commercial Mortgage Pass-Through Certificates, Series 2013-CR11, Class D, 5.34%, 10/10/46 (a)(c) | | 2,000 | 1,814,740 |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class B, 4.88%, 7/15/37 | | 2,000 | 1,861,124 |
| Del Coronado Trust, Series 2013-HDMZ, Class M, 5.17%, 3/15/18 (a)(c) | | 6,000 | 6,025,200 |
| Epic Value Retail Ltd., Series VRET, Class B, 0.55%, 7/26/19 (a) | EUR | 4,000 | 5,349,532 |
| GS Mortgage Securities Trust, Series 2006-GG6, Class AJ, 5.82%, 4/10/38 (a)(b) | USD | 5,000 | 4,880,425 |
| | Par | | |
| Non-Agency Mortgage-Backed Securities (000) Value | | | |
| Commercial Mortgage-Backed Securities (concluded) | | | |
| JP Morgan Chase Commercial Mortgage Securities Trust, Series 2007-CB20 (a): | | | |
| Class AJ, 6.27%, 2/12/51 (b) | USD | 5,000 | 5,196,125 |
| Class B, 6.37%, 2/12/51 (c) | | 1,000 | 989,765 |
| LB-UBS Commercial Mortgage Trust (b): | | | |
| Series 2006-C4, Class AJ, 5.88%, 6/15/38 (a) | | 5,000 | 5,175,315 |
| Series 2007-C1, Class AJ, 5.48%, 2/15/40 | | 2,000 | 2,042,870 |
| Series 2007-C2, Class AM, 5.49%, 2/15/40 (a) | | 5,000 | 5,283,715 |
| Series 2007-C7, Class AJ, 6.25%, 9/15/45 (a) | | 5,000 | 5,009,355 |
| London & Regional Debt Securitisation No. 2 PLC, Series 2, Class A, 0.73%, 10/15/15 (a) | GBP | 4,968 | 7,943,798 |
| Merrill Lynch Alternative Note Asset Trust, Series 2007-OAR2, Class A1, 0.35%, 4/25/37 (a) | USD | 8,761 | 7,755,390 |

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| | | | |
|---|--------------|-------|--------------------|
| ML-CFC Commercial Mortgage Trust, Series 2006-1, Class AJ, 5.75%, 2/12/39 (a)(b) | | 6,000 | 6,232,704 |
| Morgan Stanley Capital I Trust, Class AJ (a)(b): | | | |
| Series 2007-HQ11, 5.51%, 2/12/44 | | 5,000 | 5,245,325 |
| Series 2007-T25, 5.57%, 11/12/49 | | 5,000 | 5,005,665 |
| Talisman Finance PLC, Series 6, Class A, 0.41%, 10/22/16 (a) | EUR | 7,153 | 9,105,021 |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class AJ, 5.92%, 2/15/51 (a)(b) | USD | 7,000 | 6,831,531 |
| | | | 102,664,756 |
| Total Non-Agency Mortgage-Backed Securities | 43.1% | | 313,860,000 |

Preferred Securities

Capital Trusts

| | | | |
|--|-------------|--------|------------|
| Capital Markets | 0.4% | | |
| The Bank of New York Mellon Corp., Series D, 4.50% (a)(b)(f) | | 3,067 | 2,798,637 |
| Commercial Banks | 4.0% | | |
| BNP Paribas SA, 7.20% (a)(b)(c)(f) | | 7,500 | 7,809,375 |
| BPCE SA, 12.50% (a)(b)(c)(f) | | 5,100 | 6,521,625 |
| Northgroup Preferred Capital Corp., 6.38% (a)(b)(c)(f) | | 5,000 | 5,037,500 |
| Wachovia Capital Trust III, 5.57% (a)(b)(f) | | 10,000 | 9,350,000 |
| | | | 28,718,500 |

Diversified Financial Services 1.4%

| | | | |
|---|--|-------|------------|
| General Electric Capital Corp., Series B, 6.25% (a)(b)(f) | | 5,000 | 5,212,500 |
| JPMorgan Chase & Co., Series Q, 5.15% (a)(b)(f) | | 5,500 | 4,977,500 |
| | | | 10,190,000 |

Electric Utilities 1.0%

| | | | |
|--|--|-------|-----------|
| Electricite de France SA, 5.25% (a)(b)(c)(f) | | 7,500 | 7,372,500 |
|--|--|-------|-----------|

Insurance 6.4%

| | | | |
|---|--|--------|------------|
| AXA SA, 6.46% (a)(b)(c)(f) | | 10,000 | 10,162,500 |
| Genworth Holdings, Inc., 6.15%, 11/15/66 (a)(b) | | 10,000 | 9,054,700 |
| Liberty Mutual Group, Inc., 10.75%, 6/15/58 (a)(b)(c) | | 10,000 | 15,200,000 |
| Sompo Japan Insurance, Inc., 5.33%, 3/28/73 (a)(b)(c) | | 6,000 | 6,026,832 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

| | | Par | | Value |
|--|-----|------------|----|---------------|
| | | (000) | | |
| Capital Trusts | | | | |
| Insurance (concluded) | | | | |
| XL Group PLC, Series E, 6.50% (a)(b)(f) | USD | 6,500 | \$ | 6,376,500 |
| | | | | 46,820,532 |
| Oil, Gas & Consumable Fuels 0.5% | | | | |
| Enterprise Products Operating LLC, Series A, 8.38%, 8/01/66 (a)(b) | | 3,248 | | 3,584,980 |
| Total Capital Trusts 13.7% | | | | 99,485,149 |
| Preferred Stocks | | | | |
| Aerospace & Defense 0.4% | | | | |
| United Technologies Corp., 7.50% (i) | | 50,000 | | 3,164,000 |
| Capital Markets 0.5% | | | | |
| The Goldman Sachs Group, Inc., Series J, 5.50% (a) | | 160,000 | | 3,652,800 |
| Preferred Stocks | | | | |
| Real Estate Investment Trusts (REITs) 2.0% | | | | |
| Firststar Realty LLC, 8.88% (a)(c) | | 10,000 | \$ | 12,353,125 |
| Suntrust Real Estate Investment Corp., 9.00% (c) | | 15 | | 1,836,928 |
| | | | | 14,190,053 |
| Total Preferred Stocks 2.9% | | | | 21,006,853 |
| Total Preferred Securities 16.6% | | | | 120,492,002 |
| Total Long-Term Investments (Cost \$1,258,564,263) 172.7% | | | | 1,256,665,478 |
| Short-Term Securities | | | | |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.03% (j)(k) | | 10,668,292 | | 10,668,292 |
| Total Short-Term Securities (Cost \$10,668,292) 1.4% | | | | 10,668,292 |
| Total Investments (Cost \$1,269,232,555) 174.1% | | | | 1,267,333,770 |
| Liabilities in Excess of Other Assets (74.1)% | | | | (539,425,951) |
| Net Assets 100.0% | | | \$ | 727,907,819 |

Notes to Schedule of Investments

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

(b) All or a portion of securities have been pledged as collateral for open reverse repurchase agreements.

(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.

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- (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) Amount is less than \$500.
- (f) Security is perpetual in nature and has no stated maturity date.
- (g) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (h) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|----------------------------|------------|----------------------------|
| J.P. Morgan Securities LLC | \$ 288,615 | \$ 4,029 |

- (i) Convertible security.
- (j) Investments in issuers considered to be an affiliate of the Trust during the period ended October 31, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Net Activity | Shares Held at October 31, 2013 | Income |
|--|-----------------|---------------------------------------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 10,668,292 | 10,668,292 | \$ 25,320 |

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

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows:

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------|------------------|---------------|------------------|---------------|--|
| Barclays Capital, Inc. | 0.45% | 4/01/13 | Open | \$ 9,562,500 | \$ 9,587,960 |
| UBS Securities LLC | 0.45% | 4/01/13 | Open | 7,068,750 | 7,087,571 |
| Barclays Capital, Inc. | 0.45% | 4/02/13 | Open | 5,250,000 | 5,263,912 |
| Barclays Capital, Inc. | 0.45% | 4/02/13 | Open | 5,692,500 | 5,707,585 |
| Barclays Capital, Inc. | 0.45% | 4/02/13 | Open | 9,387,500 | 9,412,377 |
| UBS Securities LLC | 0.40% | 4/04/13 | Open | 4,606,250 | 4,616,998 |
| UBS Securities LLC | 0.40% | 4/04/13 | Open | 1,293,000 | 1,296,017 |
| UBS Securities LLC | 0.50% | 4/04/13 | Open | 7,059,375 | 7,079,965 |
| UBS Securities LLC | 0.55% | 4/04/13 | Open | 1,776,500 | 1,782,200 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (continued):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| UBS Securities LLC | 0.60% | 4/04/13 | Open | \$ 2,800,781 | \$ 2,810,584 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/05/13 | Open | 647,000 | 649,076 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/05/13 | Open | 662,000 | 664,124 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/05/13 | Open | 176,000 | 176,565 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/05/13 | Open | 623,000 | 624,999 |
| UBS Securities LLC | 0.55% | 4/05/13 | Open | 9,086,393 | 9,115,545 |
| UBS Securities LLC | 0.55% | 4/05/13 | Open | 4,857,431 | 4,873,015 |
| UBS Securities LLC | 0.55% | 4/05/13 | Open | 9,127,890 | 9,157,175 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/09/13 | Open | 14,186,000 | 14,230,646 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/09/13 | Open | 10,878,000 | 10,912,235 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/09/13 | Open | 4,963,000 | 4,978,620 |
| UBS Securities LLC | 0.50% | 4/09/13 | Open | 8,025,000 | 8,047,960 |
| UBS Securities LLC | 0.50% | 4/09/13 | Open | 6,041,348 | 6,058,632 |
| Deutsche Bank Securities, Inc. | 0.40% | 4/11/13 | Open | 4,551,000 | 4,561,316 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/11/13 | Open | 3,111,000 | 3,120,696 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/11/13 | Open | 3,121,125 | 3,130,805 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/11/13 | Open | 5,036,670 | 5,052,291 |
| Deutsche Bank Securities, Inc. | 0.45% | 4/26/13 | Open | 5,280,000 | 5,292,474 |
| Deutsche Bank Securities, Inc. | 0.45% | 4/26/13 | Open | 1,470,000 | 1,473,473 |
| Deutsche Bank Securities, Inc. | 0.55% | 4/30/13 | Open | 2,782,500 | 2,790,364 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/06/13 | Open | 3,380,875 | 3,390,121 |
| UBS Securities LLC | 0.55% | 5/06/13 | Open | 10,722,823 | 10,752,146 |
| Barclays Capital, Inc. | 0.60% | 5/07/13 | Open | 6,425,494 | 6,444,556 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/07/13 | Open | 2,535,155 | 2,542,049 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/07/13 | Open | 2,496,000 | 2,502,788 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/08/13 | Open | 4,625,000 | 4,637,507 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/09/13 | Open | 4,692,240 | 4,704,857 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/09/13 | Open | 2,130,040 | 2,135,767 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/09/13 | Open | 4,780,418 | 4,793,271 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/09/13 | Open | 4,435,220 | 4,447,146 |
| Deutsche Bank Securities, Inc. | 0.32% | 5/10/13 | Open | 708,550 | 709,652 |
| Deutsche Bank Securities, Inc. | 0.50% | 5/10/13 | Open | 2,082,694 | 2,087,756 |
| Deutsche Bank Securities, Inc. | 0.50% | 5/10/13 | Open | 2,128,188 | 2,133,360 |
| Barclays Capital, Inc. | 0.40% | 5/13/13 | Open | 5,962,500 | 5,973,895 |
| Barclays Capital, Inc. | 0.40% | 5/13/13 | Open | 6,105,000 | 6,116,667 |
| Barclays Capital, Inc. | 0.40% | 5/13/13 | Open | 6,277,500 | 6,289,497 |
| Barclays Capital, Inc. | 0.40% | 5/13/13 | Open | 6,306,250 | 6,318,232 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 9,200,000 | 9,224,176 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 3,123,750 | 3,131,958 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 6,252,255 | 6,268,685 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 7,895,745 | 7,916,493 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 5,882,500 | 5,897,958 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/13/13 | Open | 5,562,500 | 5,577,117 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/13 | Open | 1,127,825 | 1,130,754 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/13 | Open | 1,271,215 | 1,274,517 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/13 | Open | 2,385,000 | 2,391,194 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/13 | Open | 1,498,669 | 1,502,561 |
| Credit Suisse Securities (USA) LLC | 0.40% | 5/16/13 | Open | 2,764,134 | 2,769,293 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/16/13 | Open | 5,865,000 | 5,880,143 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/16/13 | Open | 2,165,051 | 2,170,641 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/16/13 | Open | 3,787,000 | 3,796,720 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/16/13 | Open | 4,500,000 | 4,511,550 |

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| | | | | | |
|------------------------|-------|---------|------|-----------|-----------|
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,256,730 | 1,260,249 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 2,202,110 | 2,208,276 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 2,869,790 | 2,877,825 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,538,020 | 1,542,326 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,263,960 | 1,267,499 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 2,066,620 | 2,072,406 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,268,800 | 1,272,353 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,261,640 | 1,265,173 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,379,520 | 1,383,383 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,383,100 | 1,386,973 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 3,196,700 | 3,205,651 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (continued):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | \$ 1,272,380 | \$ 1,275,943 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 2,496,390 | 2,503,380 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 952,260 | 954,926 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 885,770 | 888,250 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 798,870 | 801,107 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 807,840 | 810,102 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 952,150 | 954,816 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 797,000 | 799,232 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 824,620 | 826,929 |
| Barclays Capital, Inc. | 0.60% | 5/17/13 | Open | 1,036,490 | 1,039,392 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 640,000 | 641,732 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 641,000 | 642,735 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 637,000 | 638,724 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 613,000 | 614,659 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 703,000 | 704,903 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 636,000 | 637,721 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 625,000 | 626,692 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 639,000 | 640,730 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 630,000 | 631,705 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 613,000 | 614,659 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 654,000 | 655,770 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 638,000 | 639,727 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 547,000 | 548,481 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/17/13 | Open | 546,000 | 547,478 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 358,000 | 358,952 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 369,000 | 369,981 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 376,000 | 376,999 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 1,219,000 | 1,222,240 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 349,000 | 349,928 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 432,000 | 433,148 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 408,000 | 409,085 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 1,564,000 | 1,568,158 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 2,894,000 | 2,901,693 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 2,732,000 | 2,739,263 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 958,000 | 960,547 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 876,000 | 878,329 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/20/13 | Open | 415,000 | 416,103 |
| Barclays Capital, Inc. | 0.60% | 5/21/13 | Open | 4,392,500 | 4,404,506 |
| Barclays Capital, Inc. | 0.60% | 5/21/13 | Open | 1,891,549 | 1,896,719 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/21/13 | Open | 4,484,375 | 4,496,224 |
| Barclays Capital, Inc. | 0.60% | 5/24/13 | Open | 1,278,230 | 1,281,660 |
| Deutsche Bank Securities, Inc. | 0.58% | 5/29/13 | Open | 635,700 | 637,298 |
| Barclays Capital, Inc. | 0.50% | 5/30/13 | Open | 4,162,500 | 4,171,461 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/30/13 | Open | 999,000 | 1,001,366 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/30/13 | Open | 3,616,000 | 3,624,508 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/31/13 | Open | 7,513,245 | 7,530,922 |
| Barclays Capital, Inc. | 0.60% | 6/03/13 | Open | 653,366 | 655,000 |
| Barclays Capital, Inc. | 0.60% | 6/03/13 | Open | 326,209 | 327,024 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/03/13 | Open | 595,000 | 596,373 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/03/13 | Open | 209,000 | 209,482 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/03/13 | Open | 286,000 | 286,660 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/03/13 | Open | 776,000 | 777,790 |

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| | | | | | |
|--------------------------------|-------|---------|------|-----------|-----------|
| Barclays Capital, Inc. | 0.60% | 6/05/13 | Open | 308,796 | 309,563 |
| Barclays Capital, Inc. | 0.75% | 6/12/13 | Open | 4,412,701 | 4,425,756 |
| UBS Securities LLC | 0.55% | 6/12/13 | Open | 2,728,163 | 2,734,039 |
| UBS Securities LLC | 0.55% | 6/12/13 | Open | 1,417,813 | 1,420,867 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/24/13 | Open | 5,490,763 | 5,501,668 |
| Deutsche Bank Securities, Inc. | 0.55% | 6/25/13 | Open | 3,151,000 | 3,157,210 |
| Deutsche Bank Securities, Inc. | 0.58% | 7/15/13 | Open | 602,000 | 603,057 |
| Deutsche Bank Securities, Inc. | 0.55% | 7/16/13 | Open | 264,000 | 264,436 |
| Deutsche Bank Securities, Inc. | 0.55% | 7/18/13 | Open | 2,483,000 | 2,487,021 |
| Barclays Capital, Inc. | 0.60% | 7/23/13 | Open | 298,204 | 298,706 |
| Barclays Capital, Inc. | 0.60% | 7/30/13 | Open | 4,812,979 | 4,820,519 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (continued):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|------------|---------------------------------------|
| Barclays Capital, Inc. | 0.60% | 7/31/13 | Open | \$ 305,249 | \$ 305,722 |
| Barclays Capital, Inc. | 0.60% | 8/08/13 | Open | 1,032,000 | 1,033,462 |
| Deutsche Bank Securities, Inc. | 0.50% | 8/12/13 | Open | 1,805,000 | 1,807,031 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/12/13 | Open | 3,185,000 | 3,189,156 |
| Barclays Capital, Inc. | 0.60% | 8/13/13 | Open | 997,357 | 998,678 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/13/13 | Open | 1,534,000 | 1,535,928 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/13/13 | Open | 5,883,000 | 5,890,393 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/13/13 | Open | 1,481,000 | 1,482,861 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/14/13 | Open | 371,000 | 371,472 |
| Deutsche Bank Securities, Inc. | 0.58% | 8/19/13 | Open | 1,280,000 | 1,281,526 |
| UBS Securities LLC | 0.55% | 8/27/13 | Open | 878,178 | 879,063 |
| Barclays Capital, Inc. | 0.60% | 8/30/13 | Open | 437,575 | 438,035 |
| Deutsche Bank Securities, Inc. | 0.55% | 9/03/13 | Open | 4,475,000 | 4,479,034 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 1,794,000 | 1,795,705 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 641,000 | 641,609 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 558,000 | 558,530 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 566,000 | 566,538 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 852,000 | 852,810 |
| Deutsche Bank Securities, Inc. | 0.58% | 9/03/13 | Open | 279,000 | 279,265 |
| Credit Suisse Securities (USA) LLC | 1.50% | 9/05/13 | 11/05/13 | 4,808,000 | 4,819,219 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 8,625,000 | 8,645,234 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 3,761,000 | 3,769,823 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 3,447,000 | 3,455,086 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 1,393,000 | 1,396,268 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 3,535,000 | 3,543,293 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 3,570,000 | 3,578,375 |
| Barclays Capital, Inc. | 1.51% | 9/05/13 | 12/06/13 | 3,325,000 | 3,332,800 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/05/13 | Open | 575,535 | 576,082 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/05/13 | Open | 562,275 | 562,809 |
| Barclays Capital, Inc. | 1.51% | 9/16/13 | 12/06/13 | 4,655,000 | 4,663,970 |
| Barclays Capital, Inc. | 0.65% | 9/16/13 | Open | 907,853 | 908,606 |
| Barclays Capital, Inc. | 0.65% | 9/16/13 | Open | 1,992,060 | 1,993,714 |
| Barclays Capital, Inc. | 0.65% | 9/16/13 | Open | 806,663 | 807,332 |
| BNP Paribas Securities Corp. | 0.34% | 9/18/13 | Open | 12,318,750 | 12,323,869 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/19/13 | Open | 902,285 | 902,932 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/19/13 | Open | 318,420 | 318,648 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/19/13 | Open | 251,322 | 251,502 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/19/13 | Open | 269,700 | 269,893 |
| Barclays Capital, Inc. | 0.60% | 9/20/13 | Open | 3,061,280 | 3,063,423 |
| Barclays Capital, Inc. | 0.60% | 9/20/13 | Open | 612,500 | 612,929 |
| Deutsche Bank Securities, Inc. | 0.55% | 9/26/13 | Open | 2,755,000 | 2,756,515 |
| BNP Paribas Securities Corp. | 0.34% | 9/27/13 | Open | 485,000 | 485,160 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/27/13 | Open | 1,062,000 | 1,062,619 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/27/13 | Open | 2,390,000 | 2,391,394 |
| Deutsche Bank Securities, Inc. | 0.60% | 9/27/13 | Open | 1,952,000 | 1,953,139 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/09/13 | Open | 499,000 | 499,185 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/09/13 | Open | 504,000 | 504,187 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/09/13 | Open | 664,000 | 664,246 |
| Deutsche Bank Securities, Inc. | 0.60% | 10/09/13 | Open | 1,293,000 | 1,293,496 |
| Deutsche Bank Securities, Inc. | 0.60% | 10/09/13 | Open | 2,459,000 | 2,459,943 |
| Credit Suisse Securities (USA) LLC | 1.50% | 10/10/13 | 11/12/13 | 2,716,600 | 2,718,977 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/10/13 | Open | 360,000 | 360,128 |

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| | | | | | |
|------------------------------------|---------|----------|----------|-----------|-----------|
| Morgan Stanley & Co. LLC | 1.00% | 10/11/13 | 11/12/13 | 3,415,000 | 3,416,992 |
| Barclays Capital, Inc. | 0.60% | 10/11/13 | Open | 223,750 | 223,828 |
| Barclays Capital, Inc. | 0.60% | 10/11/13 | Open | 2,481,835 | 2,482,704 |
| Barclays Capital, Inc. | 0.60% | 10/11/13 | Open | 270,290 | 270,385 |
| Barclays Capital, Inc. | (0.25)% | 10/11/13 | Open | 3,382,750 | 3,382,217 |
| Deutsche Bank Securities, Inc. | 0.56% | 10/11/13 | Open | 754,000 | 754,246 |
| Deutsche Bank Securities, Inc. | 0.55% | 10/15/13 | Open | 5,059,950 | 5,061,264 |
| Deutsche Bank Securities, Inc. | 0.60% | 10/15/13 | Open | 463,623 | 463,754 |
| Barclays Capital, Inc. | 1.42% | 10/16/13 | 11/15/13 | 3,825,000 | 3,827,421 |
| Credit Suisse Securities (USA) LLC | 1.50% | 10/16/13 | 11/18/13 | 7,943,750 | 7,949,046 |
| Credit Suisse Securities (USA) LLC | 0.65% | 10/16/13 | Open | 770,800 | 771,023 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2013 were as follows (concluded):

| Counterparty | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|----------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.65% | 10/16/13 | Open | \$ 571,875 | \$ 572,040 |
| Credit Suisse Securities (USA) LLC | 0.65% | 10/16/13 | Open | 791,131 | 791,360 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/17/13 | Open | 508,875 | 508,998 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/17/13 | Open | 2,935,593 | 2,936,308 |
| Barclays Capital, Inc. | 1.42% | 10/21/13 | 11/21/13 | 3,012,000 | 3,013,307 |
| Deutsche Bank Securities, Inc. | 0.59% | 10/21/13 | Open | 292,000 | 292,053 |
| Deutsche Bank Securities, Inc. | 0.59% | 10/21/13 | Open | 823,000 | 823,148 |
| Deutsche Bank Securities, Inc. | 0.59% | 10/21/13 | Open | 856,000 | 856,154 |
| Deutsche Bank Securities, Inc. | 0.59% | 10/21/13 | Open | 893,000 | 893,161 |
| Deutsche Bank Securities, Inc. | 0.59% | 10/21/13 | Open | 695,000 | 695,125 |
| Barclays Capital, Inc. | 1.42% | 10/22/13 | 11/22/13 | 5,777,000 | 5,779,279 |
| Barclays Capital, Inc. | 0.60% | 10/25/13 | Open | 201,000 | 201,023 |
| Deutsche Bank Securities, Inc. | 0.58% | 10/28/13 | Open | 627,000 | 627,040 |
| BNP Paribas Securities Corp. | (0.50)% | 10/30/13 | Open | 258,000 | 257,993 |
| Deutsche Bank Securities, Inc. | 0.55% | 10/30/13 | Open | 594,000 | 594,018 |
| Total | | | | \$ 550,825,781 | \$ 552,039,876 |

Financial futures contracts as of October 31, 2013 were as follows:

| Contracts Sold | Issue | Exchange | Expiration | Notional Value | Unrealized Depreciation |
|----------------|-----------------------|------------------------|---------------|----------------|-------------------------|
| (111) | US Treasury Long Bond | Chicago Board of Trade | December 2013 | USD 14,964,188 | \$ (662,677) |

Foreign currency exchange contracts as of October 31, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty | Settlement Date | Unrealized Appreciation |
|--------------------|----------------|----------------------|-----------------|-------------------------|
| USD 28,139,973 | EUR 20,443,000 | Bank of America N.A. | 11/21/13 | \$ 382,462 |
| USD 53,790,303 | GBP 33,349,000 | Bank of America N.A. | 1/23/14 | 351,122 |
| Total | | | | \$ 733,584 |

Centrally cleared credit default swaps buy protection outstanding as of October 31, 2013 were as follows:

| Index | Pay Fixed Rate | Clearinghouse | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|-------|----------------|--------------------|-----------------|-----------------------|-------------------------|
| | 5.00% | Chicago Mercantile | 6/20/18 | USD 5,000 | \$ (186,151) |

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Dow Jones CDX North America High Yield Index, Series 20,
Version 1

Over-the-counter credit default swaps sold protection outstanding as of October 31, 2013 were as follows:

| Index | Receive Fixed Rate | Counterparty | Expiration Date | Credit Rating ¹ | Notional Amount (000) ² | Market Value | Premiums Received | Unrealized Appreciation |
|---|--------------------------|----------------------|--------------------|-------------------------------|--|-----------------|----------------------|----------------------------|
| Dow Jones CDX North America Investment Grade, Series 9 | 5.00% | Bank of America N.A. | 12/20/17 | BBB+ | USD 10,000 | \$ 282,860 | \$ (715,906) | \$ 998,766 |
| Markit CMBX North America AAA Index, Series 3 | 0.50% | Citibank N.A. | 12/13/49 | A- | USD 5,000 | (372,205) | (553,912) | 181,707 |
| Markit CMBX North America BBB- Index, Series 6 | 3.00% | Bank of America N.A. | 5/11/63 | BBB | USD 2,500 | (144,996) | (207,246) | 62,250 |
| Total | | | | | | \$ (234,341) | \$ (1,477,064) | \$ 1,242,723 |

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

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

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the 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 the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

See Notes to Financial Statements.

Table of Contents**Schedule of Investments (continued)****BlackRock Multi-Sector Income Trust (BIT)**

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.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure 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 investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2013:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|---------------|------------------|----------------|------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term Investments: | | | | |
| Asset-Backed Securities | | \$ 160,590,383 | \$ 67,811,145 | \$ 228,401,528 |
| Corporate Bonds | | 523,302,231 | | 523,302,231 |
| Floating Rate Loan Interests | | 44,525,620 | 18,805,204 | 63,330,824 |
| Foreign Agency Obligations | | 7,278,893 | | 7,278,893 |
| Non-Agency Mortgage-Backed Securities | | 297,303,689 | 16,556,311 | 313,860,000 |
| Preferred Securities | \$ 6,816,800 | 113,675,202 | | 120,492,002 |
| Short-Term Securities | 10,668,292 | | | 10,668,292 |
| Liabilities: | | | | |
| Unfunded Loan Commitments | | | (1,224) | (1,224) |
| Total | \$ 17,485,092 | \$ 1,146,676,018 | \$ 103,171,436 | \$ 1,267,332,546 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|--------------|---------|--------------|
| Derivative Financial Instruments ¹ | | | | |
| Assets: | | | | |
| Credit contracts | | \$ 1,242,723 | | \$ 1,242,723 |
| Foreign currency exchange contracts | | 733,584 | | 733,584 |
| Liabilities: | | | | |
| Credit contracts | | (186,151) | | (186,151) |
| Interest rate contracts | \$ (662,677) | | | (662,677) |
| Total | \$ (662,677) | \$ 1,790,156 | | \$ 1,127,479 |

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

Certain of the Trust's assets and/or liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of October 31, 2013, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------|------------|---------|---------|------------|
| Assets: | | | | |
| Cash | \$ 477,664 | | | \$ 477,664 |

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| | | | |
|--|---------------------|-------------------------|-------------------------|
| Foreign currency at value | 90,311 | | 90,311 |
| Cash pledged for financial futures contracts | 330,000 | | 330,000 |
| Cash pledged for centrally cleared swaps | 500,000 | | 500,000 |
| Cash pledged as collateral for reverse repurchase agreements | 3,032,750 | | 3,032,750 |
| Liabilities: | | | |
| Cash received as collateral for OTC derivatives | | \$ (600,000) | (600,000) |
| Reverse repurchase agreements | | (552,039,876) | (552,039,876) |
| Total | \$ 4,430,725 | \$ (552,639,876) | \$ (548,209,151) |

There were no transfers between Level 1 and Level 2 during the period ended October 31, 2013.

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 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 Securities | Floating Rate Loan Interests | Non-Agency Mortgage-Backed Securities | Unfunded Loan Commitments (Liabilities) | Total |
|---|----------------------------|---------------------------------|---|---|-----------------------|
| Assets: | | | | | |
| Opening Balance, as of February 27, 2013 ¹ | | | | | |
| Transfers into Level 3 | | | | | |
| Transfers out of Level 3 | | | | | |
| Accrued discounts/premiums | \$ 59,857 | \$ 12,160 | \$ 191,448 | | \$ 263,465 |
| Net realized gain (loss) | 7,823 | | (494,005) | | (486,182) |
| Net change in unrealized appreciation/depreciation ² | (276,706) | 8,035 | 136,979 | \$ (1,224) | (132,916) |
| Purchases | 68,110,572 | 18,789,142 | 16,721,889 | | 103,621,603 |
| Sales | (90,401) | (4,133) | | | (94,534) |
| Closing Balance, October 31, 2013 | \$ 67,811,145 | \$ 18,805,204 | \$ 16,556,311 | \$ (1,224) | \$ 103,171,436 |

¹ Commencement of operations.

² Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of October 31, 2013 was \$(132,916).

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 inputs could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

| | BlackRock Credit Allocation Income Trust (BTZ) | BlackRock Floating Rate Income Trust (BGT)¹ | BlackRock Multi-Sector Income Trust (BIT) |
|--|---|---|--|
| October 31, 2013 | | | |
| Assets | | | |
| Investments at value unaffiliated | \$ 2,394,323,209 | \$ 504,922,341 | \$ 1,256,665,478 |
| Investments at value affiliated | 3,999,467 | 3,378,158 | 10,668,292 |
| Cash | 407,790 | 999,623 | 477,664 |
| Foreign currency at value ⁴ | | | 90,311 |
| Cash pledged for financial futures contracts | 1,663,940 | | 330,000 |
| Cash pledged as collateral for reverse repurchase agreements | 1,333,000 | | 3,032,750 |
| Cash pledged as collateral for OTC derivatives | | 600,000 | |
| Cash pledged for centrally cleared swaps | 9,665,000 | 145,000 | 500,000 |
| Interest receivable | 32,953,803 | 2,469,496 | 13,462,076 |
| Investments sold receivable | 17,670,749 | 4,433,395 | 3,152,448 |
| Unrealized appreciation on swaps | 1,179,196 | 17,966 | 1,242,723 |
| Unrealized appreciation on foreign currency exchange contracts | 19,412 | 521,456 | 733,584 |
| Swap premiums paid | 1,104,382 | | |
| Swaps receivable | 331,005 | 26,006 | 73,194 |
| Variation margin receivable on financial futures contracts | 214,918 | | 17,344 |
| Dividends receivable | 70,815 | | 101,875 |
| Unrealized appreciation on unfunded loan commitments | | 14,706 | |
| Principal paydown receivable | | | 7,516 |
| Prepaid expenses | 26,727 | 9,675 | |
| Total assets | 2,464,963,413 | 517,536,919 | 1,290,555,255 |
| Liabilities | | | |
| Bank overdraft on foreign currency at value | | 46,524 | |
| Cash received as collateral for OTC derivatives | 700,000 | | 600,000 |
| Reverse repurchase agreements | 812,028,314 | | 552,039,876 |
| Loan payable | | 152,000,000 | |
| Investments purchased payable | 21,420,019 | 13,135,330 | 7,190,221 |
| Options written at value ⁵ | 6,194,184 | | |
| Swap premiums received | 721,000 | 1,020,601 | 1,477,064 |
| Investment advisory fees payable | 1,249,172 | 307,802 | 853,051 |
| Unrealized depreciation on swaps | 1,300,519 | 400,299 | |
| Income dividends payable | 526,751 | 32,837 | 232,976 |
| Officers and Trustees fees payable | 511,097 | 171,537 | 7,331 |
| Swaps payable | 239,181 | | |
| Interest expense payable | | 211,699 | |
| Unrealized depreciation on unfunded loan commitments | | 903 | 1,224 |
| Variation margin payable on centrally cleared swaps | 24,452 | 1,943 | 3,508 |
| Other accrued expenses payable | 346,025 | 267,666 | 242,185 |
| Total liabilities | 845,260,714 | 167,597,141 | 562,647,436 |
| Net Assets | \$ 1,619,702,699 | \$ 349,940,681 | \$ 727,907,819 |
| Net Assets Consist of | | | |
| Paid-in capital ^{6,7,8} | \$ 1,906,261,237 | \$ 429,064,959 | \$ 727,781,455 |
| Undistributed (distributions in excess of) net investment income | 944,076 | (1,724,564) | (589,378) |
| Accumulated net realized gain (loss) | (400,068,732) | (82,261,722) | 1,479,956 |
| Net unrealized appreciation/depreciation | 112,566,118 | 4,862,008 | (764,214) |

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| | | | | | | |
|--|--------|---------------|--------|-------------|--------|---------------|
| Net Assets | \$ | 1,619,702,699 | \$ | 349,940,681 | \$ | 727,907,819 |
| Net asset value | \$ | 14.99 | \$ | 14.79 | \$ | 18.95 |
| ¹ Consolidated Statement of Assets and Liabilities. | | | | | | |
| ² Investments at cost unaffiliated | \$ | 2,278,052,480 | \$ | 500,230,193 | \$ | 1,258,564,263 |
| ³ Investments at cost affiliated | \$ | 3,999,467 | \$ | 3,378,158 | \$ | 10,668,292 |
| ⁴ Foreign currency at cost | | | \$ | (47,040) | \$ | 91,770 |
| ⁵ Premiums received | \$ | 7,246,376 | | | | |
| ⁶ Par value per share | \$ | 0.001 | \$ | 0.001 | \$ | 0.001 |
| ⁷ Shares outstanding | | 108,088,170 | | 23,663,232 | | 38,421,624 |
| ⁸ Shares authorized | | unlimited | | unlimited | | unlimited |

See Notes to Financial Statements.

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Statements of Operations

| Year Ended October 31, 2013 | BlackRock Credit Allocation Income Trust (BTZ) | BlackRock Floating Rate Income Trust (BGT) ¹ | BlackRock Multi-Sector Income Trust (BIT) ² |
|--|---|--|--|
| Investment Income | | | |
| Interest | \$ 114,394,219 | \$ 27,605,694 | \$ 45,675,141 |
| Dividends unaffiliated | 2,439,782 | 53,458 | 874,861 |
| Dividends affiliated | 7,314 | 1,692 | 25,320 |
| Total income | 116,841,315 | 27,660,844 | 46,575,322 |
| Expenses | | | |
| Investment advisory | 14,078,475 | 3,643,002 | 5,955,612 |
| Professional | 326,385 | 129,714 | 155,815 |
| Officer and Trustees | 213,074 | 59,327 | 56,829 |
| Transfer agent | 187,548 | 43,924 | 32,600 |
| Accounting services | 158,718 | 55,424 | 64,447 |
| Custodian | 142,820 | 121,389 | 79,503 |
| Reorganization | 60,581 | | |
| Printing | 55,555 | 16,307 | 25,396 |
| Registration | 32,934 | 7,871 | 12 |
| Miscellaneous | 173,850 | 62,834 | 38,424 |
| Total expenses excluding interest expense | 15,429,940 | 4,139,792 | 6,408,638 |
| Interest expense | 2,302,856 | 1,309,749 | 1,599,480 |
| Total expenses | 17,732,796 | 5,449,541 | 8,008,118 |
| Less fees waived by Manager | (6,015) | (1,261) | (21,552) |
| Total expenses after fees waived | 17,726,781 | 5,448,280 | 7,986,566 |
| Net investment income | 99,114,534 | 22,212,564 | 38,588,756 |
| Realized and Unrealized Gain (Loss) | | | |
| Net realized gain (loss) from: | | | |
| Investments | 17,991,383 | 7,345,380 | (7,291,001) |
| Financial futures contracts | 5,442,073 | | 680,344 |
| Foreign currency transactions | (191,136) | (2,342,556) | (4,826,916) |
| Options written | (1,887,902) | | |
| Swaps | 11,138,914 | 352,703 | 591,043 |
| | 32,493,332 | 5,355,527 | (10,846,530) |
| Net change in unrealized appreciation/depreciation on: | | | |
| Investments | (69,069,711) | 3,849,593 | (1,898,785) |
| Financial futures contracts | (960,424) | | (662,677) |
| Foreign currency translations | 27,329 | 25,972 | 741,900 |
| Options written | 3,004,848 | | |
| Swaps | (4,897,979) | (457,695) | 1,056,572 |
| Unfunded loan commitments | | 13,803 | (1,224) |
| | (71,895,937) | 3,431,673 | (764,214) |

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| | | | |
|---|----------------------|----------------------|----------------------|
| Total realized and unrealized gain (loss) | (39,402,605) | 8,787,200 | (11,610,744) |
| Net Increase in Net Assets Resulting from Operations | \$ 59,711,929 | \$ 30,999,764 | \$ 26,978,012 |

¹ Consolidated Statement of Operations.

² For the period February 27, 2013 (commencement of operations) to October 31, 2013.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets: | BlackRock Credit Allocation Income Trust (BTZ) Year Ended October 31, | | BlackRock Floating Rate Income Trust (BGT) Year Ended October 31, | |
|--|---|----------------|---|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| Operations | | | | |
| Net investment income | \$ 99,114,534 | \$ 48,604,985 | \$ 22,212,564 | \$ 22,900,163 |
| Net realized gain | 32,493,332 | 2,008,796 | 5,355,527 | 505,502 |
| Net change in unrealized appreciation/depreciation | (71,895,937) | 72,603,230 | 3,431,673 | 15,613,331 |
| Net increase in net assets resulting from operations | 59,711,929 | 123,217,011 | 30,999,764 | 39,018,996 |
| Dividends to Shareholders From¹ | | | | |
| Net investment income | (99,536,463) | (48,718,467) | (24,716,431) | (25,867,315) |
| Capital Share Transactions | | | | |
| Reinvestment of dividends | | | 374,931 | 300,131 |
| Net proceeds from the issuance of shares due to reorganization | 862,691,514 | | | |
| Net increase in net assets derived from capital share transactions | 862,691,514 | | 374,931 | 300,131 |
| Net Assets | | | | |
| Total increase in net assets | 822,866,980 | 74,498,544 | 6,658,264 | 13,451,812 |
| Beginning of year | 796,835,719 | 722,337,175 | 343,282,417 | 329,830,605 |
| End of year | \$ 1,619,702,699 | \$ 796,835,719 | \$ 349,940,681 | \$ 343,282,417 |
| Undistributed net investment income, end of year | \$ 944,076 | \$ 757,568 | \$ (1,724,564) | \$ 3,276,393 |

¹ Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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Statement of Changes in Net Assets

BlackRock Multi-Sector Income Trust (BIT)

| | Period February 27, 2013¹ to October 31, 2013 |
|---|---|
| Increase (Decrease) in Net Assets: | |
| Operations | |
| Net investment income | \$ 38,588,756 |
| Net realized loss | (10,846,530) |
| Net change in unrealized appreciation/depreciation | (764,214) |
| Net increase in net assets resulting from operations | 26,978,012 |
| Dividends and Distributions to Shareholders From² | |
| Net investment income | (26,851,648) |
| Tax return of capital | (4,534,977) |
| Decrease in net assets resulting from dividends and distributions to shareholders | (31,386,625) |
| Capital Share Transactions | |
| Net proceeds from the issuance of shares | 686,096,414 |
| Net proceeds from the underwriter's over allotment option exercised | 46,120,006 |
| Net increase in net assets derived from capital share transactions | 732,216,420 |
| Net Assets | |
| Total increase in net assets | 727,807,807 |
| Beginning of period | 100,012 |
| End of period | \$ 727,907,819 |
| Distributions in excess of net investment income, end of period | \$ (589,378) |

¹ Commencement of operations.

² Determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Table of Contents**Statements of Cash Flows**

| | BlackRock Credit Allocation Income Trust (BTZ) | BlackRock Floating Rate Income Trust (BGT)¹ | BlackRock Multi-Sector Income Trust (BIT)² |
|--|---|---|--|
| Year Ended October 31, 2013 | | | |
| Cash Provided by (Used for) Operating Activities | | | |
| Net increase in net assets resulting from operations | \$ 59,711,929 | \$ 30,999,764 | \$ 26,978,012 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: | | | |
| (Increase) decrease in interest receivable | (1,341,359) ³ | 536,753 | (13,462,076) |
| Increase in swaps receivable | (93,787) | (26,006) | (73,194) |
| (Increase) decrease in prepaid expenses | 14,602 ³ | (95) | |
| Increase in variation margin receivable on financial futures contracts on | (191,827) | | (17,344) |
| Increase (decrease) in dividends receivable | (115) | | (101,875) |
| Increase in cash pledged for financial futures contracts | 903,000 ³ | | (330,000) |
| Increase in cash pledged as collateral for reverse repurchase agreements | (1,333,000) | | (3,032,750) |
| Increase in cash pledged for centrally cleared swaps | (9,545,000) ³ | (145,000) | (500,000) |
| (Increase) decrease in cash pledged as collateral for OTC derivatives | 3,926,000 ³ | (600,000) | |
| Increase in investment advisory fees payable | (208,766) ³ | 5,055 | 853,051 |
| Increase in interest expense payable | 493,298 | 102,133 | 1,214,095 |
| Decrease in cash received as collateral for reverse repurchase agreements | (15,062,900) ³ | | |
| Increase in cash received as collateral for OTC derivatives | 3 | | 600,000 |
| Decrease in reorganization costs payable | (586,298) ³ | | |
| Increase (decrease) in other accrued expenses payable | (108,035) ³ | (119,323) | 242,185 |
| Increase in variation margin payable on centrally cleared swaps | 24,452 | 1,943 | 3,508 |
| Increase (decrease) in variation margin payable on financial futures contracts | (334,500) | | |
| Increase in swaps payable | 42,378 | | |
| Increase in Officers and Trustees fees payable | 123,863 ³ | 39,980 | 7,331 |
| Net periodic and termination payments of swaps | 10,864,193 ³ | 1,373,304 | 2,068,107 |
| Net realized and unrealized gain (loss) on investments and swaps | 41,237,398 | (9,804,970) | 8,129,441 |
| Amortization of premium and accretion of discount on investments and swaps | 5,894,513 | (1,587,524) | (9,604,231) |
| Premiums received from options written | 12,461,278 | | |
| Proceeds from sales of long-term investments | 959,434,795 ³ | 402,915,490 | 798,464,930 |
| Purchases of long-term investments | (982,712,103) ³ | (404,046,409) | (2,052,190,028) |
| Net proceeds from sales (purchases) of short-term securities | 1,859,474 ³ | (637,464) | (10,668,292) |
| Premiums paid on closing options written | (9,964,428) | | |
| Cash provided by (used for) operating activities | 75,509,055 | 19,007,631 | (1,251,419,130) |
| Cash Provided by (Used for) Financing Activities | | | |
| Cash receipts from issuance of common shares | | | 732,216,420 |
| Cash receipts on borrowings | | 314,000,000 | |
| Cash payments on borrowings | | (307,000,000) | |
| Net borrowings of reverse repurchase agreements | 24,855,915 ³ | | 550,825,781 |
| Cash dividends paid to shareholders | (99,254,491) | (24,308,663) | (31,153,649) |
| Increase (decrease) in bank overdraft | (836,949) ³ | (868,967) | |
| Cash provided by (used for) financing activities | (75,235,525) | (18,177,630) | 1,251,888,552 |
| Cash Impact from Foreign Exchange Fluctuations | | | |
| Cash impact from foreign exchange fluctuations | 146 | 976 | (1,459) |
| Cash and Foreign Currency | | | |
| Net increase in cash and foreign currency | 273,676 | 830,977 | 467,963 |
| Cash and foreign currency at beginning of period | 134,114 | 168,646 | 100,012 |

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| | | | | | | |
|--|----|---------|----|---------|----|---------|
| Cash and foreign currency at end of period | \$ | 407,790 | \$ | 999,623 | \$ | 567,975 |
|--|----|---------|----|---------|----|---------|

Cash Flow Information

| | | | | | | |
|--|----|-----------|----|-----------|----|-----------|
| Cash paid during the period for interest | \$ | 1,809,558 | \$ | 1,207,616 | \$ | \$385,385 |
|--|----|-----------|----|-----------|----|-----------|

Non-cash Financing Activities

| | | |
|---|----|---------------|
| Fair value of investments acquired through reorganization | \$ | 1,256,477,573 |
|---|----|---------------|

| | | |
|---------------------------------|----|-------------|
| Debt acquired in reorganization | \$ | 412,518,963 |
|---------------------------------|----|-------------|

| | | |
|---|----|-------------|
| Capital shares issued in reorganization | \$ | 862,691,514 |
|---|----|-------------|

| | | | |
|--|--|----|---------|
| Capital shares issued in reinvestment of dividends | | \$ | 374,931 |
|--|--|----|---------|

¹ Consolidated Statement of Cash Flows.

² For the period February 27, 2013 (commencement of operations) to October 31, 2013.

³ Includes assets and liabilities acquired in reorganization.

See Notes to Financial Statements.

Table of Contents**Financial Highlights****BlackRock Credit Allocation Income Trust (BTZ)**

| | 2013 | Year Ended October 31, | | | 2009 |
|--|--------------------|------------------------|------------|------------|------------|
| | 2012 | 2011 | 2010 | | |
| Per Share Operating Performance | | | | | |
| Net asset value, beginning of year | \$ 15.37 | \$ 13.94 | \$ 14.46 | \$ 12.64 | \$ 10.59 |
| Net investment income ¹ | 0.97 | 0.94 | 0.88 | 0.85 | 0.99 |
| Net realized and unrealized gain (loss) | (0.37) | 1.43 | (0.54) | 2.14 | 2.54 |
| Dividends to Preferred Shareholders from net investment income | | | (0.01) | (0.07) | (0.07) |
| Net increase from investment operations | 0.60 | 2.37 | 0.33 | 2.92 | 3.46 |
| Dividends and distributions to Common Shareholders from: ² | | | | | |
| Net investment income | (0.98) | (0.94) | (0.85) | (0.81) | (0.93) |
| Tax return of capital | | | | (0.29) | (0.48) |
| Total dividends and distributions | (0.98) | (0.94) | (0.85) | (1.10) | (1.41) |
| Net asset value, end of year | \$ 14.99 | \$ 15.37 | \$ 13.94 | \$ 14.46 | \$ 12.64 |
| Market price, end of year | \$ 12.97 | \$ 14.23 | \$ 12.08 | \$ 13.02 | \$ 10.96 |
| Total Investment Return Applicable to Common Shareholders³ | | | | | |
| Based on net asset value | 4.86% | 18.35% | 3.28% | 25.16% | 41.06% |
| Based on market price | (2.01)% | 26.44% | (0.60)% | 29.98% | 38.38% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | |
| Total expenses ⁴ | 1.15% ⁵ | 1.20% ⁶ | 1.09% | 1.12% | 1.60% |
| Total expenses after fees waived and paid indirectly ⁴ | 1.15% ⁵ | 1.20% ⁶ | 1.09% | 1.11% | 1.58% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁴ | 1.00% ⁵ | 1.07% ⁶ | 0.99% | 1.07% | 1.24% |
| Net investment income ⁴ | 6.43% | 6.53% | 6.25% | 6.33% | 9.93% |
| Dividends to Preferred Shareholders | | | 0.09% | 0.50% | 0.74% |
| Net investment income to Common Shareholders | 6.43% | 6.53% | 6.16% | 5.83% | 9.19% |
| Supplemental Data | | | | | |
| Net assets applicable to Common Shareholders, end of year (000) | \$ 1,619,703 | \$ 796,836 | \$ 722,337 | \$ 749,360 | \$ 654,999 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of year (000) | | | | \$ 231,000 | \$ 231,000 |
| Borrowings outstanding, end of year (000) | \$ 812,028 | \$ 373,716 | \$ 339,303 | | \$ 61,576 |
| Average borrowings outstanding, during the year (000) | \$ 724,537 | \$ 312,634 | \$ 182,843 | \$ 63,660 | \$ 76,521 |
| Portfolio turnover | 43% | 37% | 54% | 64% | 30% |

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| | | | | | |
|--|----|-------|----|------------|-----------|
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of year | | | | \$ 106,104 | \$ 95,892 |
| Asset coverage, end of year per \$1,000 | \$ | 2,995 | \$ | 3,132 | \$ 3,129 |

¹ Based on average shares outstanding.

² Determined in accordance with federal income tax regulations.

³ Total investment 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 dividends and distributions.

⁴ Do not reflect the effect of dividends to Preferred Shareholders.

⁵ 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.

⁶ 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.

See Notes to Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Floating Rate Income Trust
(BGT)**

| | Year Ended October 31, | | | | |
|--|------------------------|--------------------|---------------------|------------|------------|
| | 2013 ¹ | 2012 ¹ | 2011 | 2010 | 2009 |
| Per Share Operating Performance | | | | | |
| Net asset value, beginning of year | \$ 14.52 | \$ 13.97 | \$ 14.48 | \$ 13.29 | \$ 11.24 |
| Net investment income ² | 0.94 | 0.97 | 1.00 | 0.97 | 0.98 |
| Net realized and unrealized gain (loss) | 0.38 | 0.68 | (0.42) | 1.09 | 2.72 |
| Dividends to Preferred Shareholders from net investment income | | | (0.00) ³ | (0.04) | (0.04) |
| Net increase from investment operations | 1.32 | 1.65 | 0.58 | 2.02 | 3.66 |
| Dividends and distributions to Common Shareholders from: ⁴ | | | | | |
| Net investment income | (1.05) | (1.10) | (1.09) | (0.83) | (1.19) |
| Tax return of capital | | | | | (0.42) |
| Total dividends and distributions | (1.05) | (1.10) | (1.09) | (0.83) | (1.61) |
| Net asset value, end of year | \$ 14.79 | \$ 14.52 | \$ 13.97 | \$ 14.48 | \$ 13.29 |
| Market price, end of year | \$ 14.12 | \$ 15.07 | \$ 13.00 | \$ 14.52 | \$ 12.58 |
| Total Investment Return Applicable to Common Shareholders⁵ | | | | | |
| Based on net asset value | 9.37% | 12.37% | 4.03% | 15.55% | 39.51% |
| Based on market price | 0.60% | 25.33% | (3.46)% | 22.41% | 54.14% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | |
| Total expenses ⁶ | 1.57% | 1.66% | 1.73% | 1.43% | 1.96% |
| Total expenses after fees waived and paid indirectly ⁶ | 1.57% | 1.61% | 1.60% | 1.25% | 1.68% |
| Total expenses after fees waived and paid indirectly and excluding interest expense ⁶ | 1.19% ⁷ | 1.25% ⁸ | 1.24% | 1.15% | 1.24% |
| Net investment income ⁶ | 6.39% | 6.87% | 6.95% | 7.01% | 8.92% |
| Dividends to Preferred Shareholders | | | 0.03% | 0.27% | 0.38% |
| Net investment income to Common Shareholders | 6.39% | 6.87% | 6.92% | 6.74% | 8.54% |
| Supplemental Data | | | | | |
| Net assets applicable to Common Shareholders, end of year (000) | \$ 349,941 | \$ 343,282 | \$ 329,831 | \$ 341,436 | \$ 312,872 |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of year (000) | | | | \$ 58,800 | \$ 58,800 |
| Borrowings outstanding, end of year (000) | \$ 152,000 | \$ 145,000 | \$ 122,000 | \$ 38,000 | \$ 14,000 |
| Average borrowings outstanding, during the year (000) | \$ 138,337 | \$ 126,186 | \$ 120,334 | \$ 24,321 | \$ 53,156 |
| Portfolio turnover | 72% | 65% | 89% | 87% | 42% |

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| | | | | | |
|--|----------|----------|----------|------------|------------|
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of year (000) | | | | \$ 170,174 | \$ 158,029 |
| Asset coverage, end of year per \$1,000 | \$ 3,302 | \$ 3,367 | \$ 3,704 | | |

¹ Consolidated Financial Highlights.

² Based on average shares outstanding.

³ Amount is greater than \$(0.005) per share.

⁴ Determined in accordance with federal income tax regulations.

⁵ Total investment 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 dividends and distributions.

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

⁷ For the year ended October 31, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense was 1.19%.

⁸ For the year ended October 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs 1.14%.

See Notes to Financial Statements.

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Table of Contents**Financial Highlights****BlackRock Multi-Sector Income Trust (BIT)**

| | Period February 27, 2013¹ to October 31, 2013 |
|---|---|
| Per Share Operating Performance | |
| Net asset value, beginning of period | \$ 19.10 ² |
| Net investment income ³ | 1.02 |
| Net realized and unrealized loss | (0.35) |
| Net increase from investment operations | 0.67 |
| Dividends and distributions from: ⁴ | |
| Net investment income | (0.70) |
| Tax return of capital | (0.12) |
| Total dividends and distributions | (0.82) |
| Net asset value, end of period | \$ 18.95 |
| Market price, end of period | \$ 17.04 |
| Total Investment Return⁵ | |
| Based on net asset value | 4.04% ⁶ |
| Based on market price | (10.66)% ⁶ |
| Ratios to Average Net Assets | |
| Total expenses | 1.67% ⁷ |
| Total expenses after fees waived | 1.67% ⁷ |
| Total expenses after fees waived and excluding interest expense | 1.33% ⁷ |
| Net investment income | 8.05% ⁷ |
| Supplemental Data | |
| Net assets, end of period (000) | \$ 727,908 |
| Borrowings outstanding, end of period (000) | \$ 552,040 |
| Average borrowings outstanding, during the period (000) | \$ 397,402 |
| Portfolio turnover | 77% ⁸ |
| Asset coverage, end of period per \$1,000 | \$ 2,319 |

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- ¹ Commencement of operations.
- ² Net asset value, beginning of period, reflects a reduction of \$0.90 per share sales charge from the initial offering price of \$20.00 per share.
- ³ Based on average shares outstanding.
- ⁴ Determined in accordance with federal income tax regulations.
- ⁵ Total investment 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 dividends and distributions.
- ⁶ Aggregate total investment return.
- ⁷ Annualized.
- ⁸ Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 54%.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Organization:

BlackRock Credit Allocation Income Trust (BTZ) (formerly known as BlackRock Credit Allocation Income Trust IV), BlackRock Floating Rate Income Trust (BGT) and BlackRock Multi-Sector Income Trust (BIT) (collectively, the Trusts or individually as a Trust) are registered under the 1940 Act as non-diversified, closed-end management investment companies. The Trusts are organized as Delaware statutory trusts. Prior to commencement of operations on February 27, 2013, BIT had no operations other than the sale of 6,964 Common Shares on December 31, 2012 to BlackRock Holdco 2, Inc., an affiliate of BIT, for \$133,012 and organizational matters including recognizing organization costs of \$33,000. Investment operations for BIT commenced on February 27, 2013. 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 NAVs of their Common Shares on a daily basis.

Reorganization: The Board and shareholders of BTZ and the respective Boards of Directors and Boards of Trustees and shareholders of each of BlackRock Credit Allocation Income Trust I, Inc. (PSW), BlackRock Credit Allocation Income Trust II, Inc. (PSY) and BlackRock Credit Allocation Income Trust III (BPP) (individually, a Target Fund and collectively the Target Funds) approved the reorganization of its respective Target Fund into BTZ pursuant to which BTZ acquired substantially all of the assets and substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of newly issued shares of BTZ in a merger transaction.

Each shareholder of a Target Fund received shares of BTZ in an amount equal to the aggregate net asset value of such shareholder's Target Fund shares, as determined at the close of business on December 7, 2012, less the cost of the Target Fund's reorganization. Cash was distributed for any fractional shares.

The reorganizations were accomplished by a tax-free exchange of shares of BTZ in the following amounts and at the following conversion ratios:

| Target Fund | Shares Prior to Reorganization | Conversion Ratio | Shares of |
|-------------|--------------------------------|------------------|------------|
| | | | BTZ |
| PSW | 10,311,941 | 0.74476327 | 7,679,944 |
| PSY | 40,807,418 | 0.80162384 | 32,712,181 |
| BPP | 18,467,785 | 0.85922134 | 15,867,889 |

Each Target Fund's net assets and composition of net assets on December 7, 2012, the date of the reorganization, were as follows:

| | Target Funds | | |
|--|------------------|------------------|------------------|
| | PSW | PSY | BPP |
| Net assets | \$ 117,764,870 | \$ 501,609,101 | \$ 243,318,554 |
| Paid-in capital | \$ 220,759,069 | \$ 855,557,957 | \$ 421,683,737 |
| Undistributed (distributions in excess of) net investment income | \$ (271,460) | \$ (379,634) | \$ (20,963) |
| Accumulated net realized loss | \$ (117,819,600) | \$ (415,840,977) | \$ (201,649,795) |
| Net unrealized appreciation (depreciation) | \$ 15,096,861 | \$ 62,271,755 | \$ 23,305,575 |

For financial reporting purposes, assets received and shares issued by BTZ were recorded at fair value. However, the cost basis of the investments being received from the Target Funds were carried forward to align ongoing reporting of BTZ's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of BTZ before the acquisition were \$794,732,940. The aggregate net assets of BTZ immediately after the acquisition amounted to \$1,657,424,622. Each Target Fund's fair value and cost of investments prior to the reorganization were as follows:

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| Target Fund | Fair Value of Investments | Cost of Investments |
|-------------|------------------------------|------------------------|
| PSW | \$ 173,824,678 | \$ 158,779,261 |
| PSY | \$ 728,147,930 | \$ 666,028,086 |
| BPP | \$ 354,504,965 | \$ 331,424,010 |

The purpose of these transactions was to combine four funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on December 10, 2012.

Assuming the acquisition had been completed on November 1, 2012 the beginning of the fiscal reporting period of BTZ, the pro forma results of operations for the year ended October 31, 2013, are as follows:

Net investment income: \$104,977,862

Net realized and change in unrealized gain/loss on investments: \$(41,452,879)

Net increase/decrease in net assets resulting from operations: \$63,524,983

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in BTZ's Statement of Operations since December 10, 2012.

Reorganization costs incurred in connection with the reorganization were expensed by BTZ.

The Board of Trustees approved a change in the name of BTZ from BlackRock Credit Allocation Income Trust IV to BlackRock Credit Allocation Income Trust. This change was effective February 11, 2013.

Basis of Consolidation: BGT's accompanying consolidated financial statements include the account of BGT Subsidiary, LLC (the Taxable Subsidiary), which is a wholly owned taxable subsidiary of BGT. The Taxable Subsidiary enables BGT to hold an investment in J.G. Wentworth LLC Preferred Equity Interests, an operating company and to satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investment held by the Taxable Subsidiary are taxable to such subsidiary. A tax provision for income, if any, is shown as income tax in the Consolidated Statement of Operations for BGT. A tax provision for realized and unrealized gains, if any, is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statement of Operations for BGT. BGT may invest up to 25% of its total assets

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Notes to Financial Statements (continued)

in the Taxable Subsidiary. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to BGT.

2. Significant Accounting Policies:

The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in 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. The following is a summary of the significant accounting policies followed by the Trusts:

Valuation: US 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 at market value 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.

The Trusts value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. 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. Financial futures contracts traded on exchanges are valued at their last sale price. 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. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

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

Equity investments traded on a recognized securities exchange or the NASDAQ Stock Market (NASDAQ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price.

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

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

In the event that application of these methods of valuation results in a price for an investment 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 Value Assets). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive from the

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current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deem 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 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 the Trusts' pricing vendors, regular

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Notes to Financial Statements (continued)

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

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

Foreign Currency: The Trusts' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Trusts do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated 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. The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

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

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the 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. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. 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. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

Income Taxes: It is the Trusts' policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to RICs 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 Subsidiary.

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Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the BTZ's and BGT's US federal tax returns, remains open for each of the four years ended October 31, 2013. The statute of limitations on BIT's US federal tax return remains open for the period ended October 31, 2013. The statutes of limitations on the Trusts' state and local tax returns, may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standards: In December 2011, the Financial Accounting Standards Board (the "FASB") issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements, which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarifies which investments and transactions are subject to the offsetting

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disclosure requirements. The scope of the disclosure requirements for offsetting will be limited to derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. BIT adopted the disclosure provisions during the current reporting period. The disclosures required have been included for BIT's reverse repurchase agreements and derivative financial instruments in Note 3 and Note 4. Management is evaluating the impact of this guidance on BTZ's and BGT's financial statement disclosures.

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. Deferred compensation liabilities are included in Officer's and Trustees' 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.

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

The Trusts have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

3. Securities and Other Investments:

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

The Trusts may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the US government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States but are supported by the right of the issuer to borrow from the Treasury.

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

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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: The Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations (CMOs) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, US 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, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets), the payments on which are used to make payments on the CMOs or multiple pass-through securities. 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

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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 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 pre-payments of principal, the Trusts may not fully recoup their initial investment in IOs.

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

Capital Trusts and Trust Preferred Securities: The Trusts may invest in capital trusts and/or trust preferred securities. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation will pay interest to the trust, which will then be 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: The Trusts may invest in 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.

Floating Rate Loan Interests: The Trusts may invest in floating rate loan interests. The floating rate loan interests held by the Trusts are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The 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 US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Trusts consider these investments to be investments in debt securities for purposes of its investment policies.

When the Trusts purchase a floating rate loan interest they may receive a facility fee and when they sell a floating rate loan interest they 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 the Trusts upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Trusts may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Trusts 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 Trusts having a contractual relationship only with the lender, not with the borrower. The Trusts will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Trusts generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Trusts may not benefit directly from any

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collateral supporting the loan in which it has purchased the Participation. As a result, the Trusts will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trusts' investment in loan participation interests involves the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trusts 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 Trusts having a direct contractual relationship with the borrower, and the Trusts may enforce compliance by the borrower with the terms of the loan agreement.

In connection with floating rate loan interests, the Trusts may also enter into unfunded floating rate loan interests (commitments). In connection

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Notes to Financial Statements (continued)

with these commitments, the Trusts earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of October 31, 2013, the Trusts had the following unfunded floating rate loan interests:

| | Borrower | Unfunded Floating Rate Loan Interest | Value of Underlying Floating Rate Loan Interest | Unrealized Appreciation (Depreciation) |
|-----|-------------------------|---|--|---|
| BGT | Media General Inc. | \$ 1,120,000 | \$ 1,123,506 | \$ 14,706 |
| BGT | Power Team Services LLC | \$ 36,097 | \$ 35,194 | \$ (903) |
| BIT | Power Team Service LLC | \$ 48,966 | \$ 47,742 | \$ (1,224) |

Forward Commitments and When-Issued Delayed Delivery Securities: The 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. The Trusts 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 Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume 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, the Trusts' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

TBA Commitments: The Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. The Trust generally enters into TBA commitments with the intent to take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

Mortgage Dollar Roll Transactions: The Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trusts will not be entitled to receive interest and principal payments on the securities sold. The Trusts account for mortgage dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions may increase the Trusts portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trusts is required to purchase may decline below the agreed upon repurchase price of those securities.

Reverse Repurchase Agreements: The Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Trusts sell securities to a bank or broker-dealer and agree to repurchase the same securities at a mutually agreed upon date and price. During the term of the reverse repurchase agreement, the Trusts continue 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. The Trusts may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the security that the Trusts are obligated to repurchase under the agreement may decline below the repurchase price. For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest payments to be made 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 the Trusts 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 the Trust.

Reverse repurchase transactions are entered into by the Trusts under Master Repurchase Agreements (MRA), which permit the Trusts, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA

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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 the Trusts and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Trust receives or posts securities as collateral with a market value in excess of the repurchase price to be paid or received by the Trust upon the maturity of the transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Trust is considered an unsecured creditor with respect to excess collateral and, as such, the return of excess collateral may be delayed.

BIT has adopted the new disclosure requirements on offsetting in the following table. As such, the following table is a summary of BIT's open reverse repurchase agreements which are subject to a MRA on a net basis as of October 31, 2013:

| Counterparty | Reverse Repurchase Agreements | Fair Value of Non-cash Collateral Received Including Accrued Interest ¹ | Cash Collateral Pledged | Net Amount |
|------------------------------------|-------------------------------------|--|-------------------------------|------------|
| Barclays Capital, Inc. | \$ (176,028,700) | \$ 176,028,700 | | |
| BNP Paribas Securities Corp. | (13,067,022) | 13,067,022 | | |
| Credit Suisse Securities (USA) LLC | (20,390,958) | 20,390,958 | | |
| Deutsche Bank Securities, Inc. | (261,424,427) | 261,424,427 | | |
| Morgan Stanley & Co. LLC | (3,416,992) | 3,416,992 | | |
| UBS Securities LLC | (77,711,777) | 77,711,777 | | |
| Total | \$ (552,039,876) | \$ 552,039,876 | | |

¹ Collateral with a value of \$617,520,387 has been pledged in connection with open reverse repurchase agreements. Excess of collateral pledged to the individual counterparty is not shown for financial reporting purposes.

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Notes to Financial Statements (continued)

In the event the buyer of securities under a MRA files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the security.

4. 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 economically hedge 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: The Trusts purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between a Trust 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 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 or depreciation, and if applicable, as a receivable or payable for variation margin in the Statement 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.

Foreign Currency Exchange Contracts: The Trusts enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currencies in which some of the investments held by the Trusts are denominated. 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 foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

Options: The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments (including 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 swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement (interest rate risk) at any time before the expiration of the option.

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

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purchasing or selling a security when it otherwise would not, or at a price different from the current market value.

Swaps: The Trusts enter into swap agreements in which a Trust 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 Statement 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 contracts 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 Trust's counterparty on the swap agreement becomes the CCP. The Trust is required to interface with the CCP through a broker. Upon entering into a centrally cleared swap, the Trusts are required to

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Notes to Financial Statements (continued)

deposit initial margin with the broker in the form of cash or 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.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Credit default swaps The 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 occurs. As a buyer, if an underlying credit event occurs, the Trusts will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the 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.

Interest rate swaps The 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. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time. The following is a summary of the Trusts' derivative financial instruments categorized by risk exposure:

Fair Values of Derivative Financial Instruments as of October 31, 2013
Derivative Assets

| | Statements of Assets and Liabilities Location | BTZ | BGT | BIT |
|-------------------------------------|--|--------------|------------|------------|
| | | Value | | |
| Interest rate contracts | Net unrealized appreciation/depreciation ¹ ; Unrealized appreciation on swaps; Investments at value unaffiliated ² | \$ 9,638,892 | | |
| Foreign currency exchange contracts | Unrealized depreciation on foreign currency exchange contracts | 19,412 | \$ 521,456 | \$ 733,584 |
| Credit contracts | Unrealized appreciation on swaps; Swap premiums paid | 2,337,482 | 17,966 | 1,242,723 |
| Equity contracts | Investments at value unaffiliated ³ | 1,564,415 | | |

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| | | | |
|--------------|---------------|------------|--------------|
| Total | \$ 13,560,201 | \$ 539,422 | \$ 1,976,307 |
|--------------|---------------|------------|--------------|

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Fair Values of Derivative Financial Instruments as of October 31, 2013
Derivative Liabilities

| | Statements of Assets and Liabilities Location | BTZ | BGT Value | BIT |
|-------------------------|--|-----------------|----------------|----------------|
| Interest rate contracts | Net unrealized appreciation/depreciation ¹ ; Unrealized depreciation on swaps ¹ ; Options written at value | \$ (10,984,096) | | \$ (662,677) |
| Credit contracts | Unrealized depreciation on swaps; Swap premiums received | (2,521,758) | \$ (1,496,262) | (1,663,215) |
| Equity contracts | Net unrealized appreciation/depreciation ¹ ; Unrealized depreciation on Options written at value | (418,250) | | |
| Total | | \$ (13,924,104) | \$ (1,496,262) | \$ (2,325,892) |

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

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

**The Effect of Derivative Financial Instruments in the Statements of Operations Year Ended
October 31, 2013**

| Net Realized Gain (Loss) From | BTZ | BGT | BIT |
|--------------------------------------|---------------|----------------|----------------|
| Interest rate contracts: | | | |
| Financial futures contracts | \$ 5,442,073 | | \$ 680,344 |
| Swaps | 11,668,914 | | |
| Options ³ | (1,602,569) | | |
| Foreign currency exchange contracts: | | | |
| Foreign currency transactions | (185,331) | \$ (2,324,606) | (4,804,470) |
| Options ³ | (422,450) | | |
| Credit contracts: | | | |
| Swaps | (530,000) | 352,703 | 591,043 |
| Equity contracts | | | |
| Options ³ | 1,938,812 | | |
| Total | \$ 16,309,449 | \$ (1,971,903) | \$ (3,533,083) |

| | Net Change in Unrealized Appreciation/Depreciation on | | |
|--------------------------------------|--|--------------|--------------|
| | BTZ | BGT | BIT |
| Interest rate contracts: | | | |
| Financial futures contracts | \$ (960,424) | | \$ (662,677) |
| Swaps | (4,262,986) | | |
| Options ³ | 2,509,001 | | |
| Foreign currency exchange contracts: | | | |
| Foreign currency translations | 26,345 | \$ (133,119) | 733,584 |
| Credit contracts: | | | |
| Swaps | (634,993) | (457,695) | 1,056,572 |
| Equity contracts: | | | |
| Options ³ | (1,325,641) | | |
| Total | \$ (4,648,698) | \$ (590,814) | \$ 1,127,479 |

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

For the year ended October 31, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

| | BTZ | BGT | BIT |
|--|---------------------------|---------------|-----------------------------|
| Financial futures contracts: | | | |
| Average number of contracts purchased | 693 | | |
| Average number of contracts sold | 1,994 | | 137 |
| Average notional value of contracts purchased | \$ 152,091,875 | | |
| Average notional value of contracts sold | \$ 261,614,563 | | \$ 18,549,234 |
| Foreign currency exchange contracts: | | | |
| Average number of contracts US dollars purchased | 1 | 6 | 2 |
| Average number of contracts US dollars sold | 3 ¹ | 2 | 9 ¹ |
| Average US dollar amounts purchased | \$ 3,248,695 | \$ 80,984,907 | \$ 74,953,090 |
| Average US dollar amounts sold | \$ 5,708,110 ¹ | \$ 4,059,187 | \$ 117,845,475 ¹ |
| Options: | | | |
| Average number of option contracts purchased | 17,501,868 | 26 | |
| Average number of option contracts written | 979 | | |
| Average notional value of option contracts purchased | \$ 60,554,500 | \$ 2,451,436 | |
| Average notional value of option contracts written | \$ 26,898,500 | | |
| Average number of swaption contracts purchased | 5 | | |
| Average number of swaption contracts written | 2 | | |
| Average notional value of swaption contracts purchased | \$ 211,287,500 | | |
| Average notional value of swaption contracts written | \$ 210,900,000 | | |

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Notes to Financial Statements (continued)

| | BTZ | BGT | BIT |
|---|----------------|--------------|---------------|
| Credit default swaps: | | | |
| Average number of contracts buy protection | 20 | 1 | 1 |
| Average number of contracts sell protection | 10 | 12 | 3 |
| Average notional value buy protection | \$ 119,178,939 | \$ 687,500 | \$ 1,667,667 |
| Average notional value sell protection | \$ 36,479,000 | \$ 3,020,718 | \$ 17,500,000 |
| Interest rate swaps: | | | |
| Average number of contracts pays fixed rate | 5 | | |
| Average number of contracts receives fixed rate | 1 | | |
| Average notional value pays fixed rate | \$ 190,568,750 | | |
| Average notional value receives fixed rate | \$ 7,400,000 | | |

¹ Actual contract amount shown due to limited activity.

Counterparty Credit Risk: 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 netted against any collateral held by such Trust. For OTC options purchased, each Trust bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Trust 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.

With exchange traded purchased options and futures and centrally cleared swaps, there is less counterparty credit risk to the Trusts since the exchange's 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. Credit risk exists in exchange traded futures and options and centrally cleared swaps with respect to initial and variation margin that is held in a 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 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.

In order to better define its contractual rights and to secure rights that will help the Trusts 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 derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between each Trust and a counterparty that governs OTC derivatives and foreign exchange contracts 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 instrument's 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. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives 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, which 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 Trusts 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 (e.g. \$500,000) before a transfer is required, which is determined at the close of business of the

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Trusts and any additional required collateral is delivered to/pledged by the Trusts on the next business day. Typically, the Trusts and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Trusts from its counterparties are not fully collateralized, contractually or otherwise, the Trust bears the risk of loss from counterparty non-performance. Each Trust attempts to mitigate counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

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

BIT has adopted the new disclosure requirements on offsetting in the following tables.

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Notes to Financial Statements (continued)

At October 31, 2013, BIT's derivative assets and liabilities (by type) are as follows:

| | Assets | Liabilities |
|--|---------------------|---------------------|
| Derivative Financial Instruments: | | |
| Financial futures contracts | \$ 17,344 | |
| Foreign currency exchange contracts | 733,584 | |
| Swaps | 1,242,723 | \$ 1,480,572 |
| Total derivative assets and liabilities in the Statements of Assets and Liabilities | 1,993,651 | 1,480,572 |
| Derivatives not subject to a master netting agreement or similar agreement (MNA) | (17,344) | (3,508) |
| Total assets and liabilities subject to a MNA | \$ 1,976,307 | \$ 1,477,064 |

The following table presents BIT's derivative assets by counterparty net of amounts available for offset under a MNA and net of the related collateral received by BIT as of October 31, 2013:

| Counterparty | Derivative Assets | | Non-cash | Cash | Net Amount of Derivative Assets ¹ |
|----------------------|----------------------------------|----------------------------------|---------------------|---------------------|--|
| | Subject to a MNA by Counterparty | Derivatives Available for Offset | Collateral Received | Collateral Received | |
| Bank of America N.A. | \$1,794,600 | \$ (923,152) | | \$ (600,000) | \$ 271,448 |
| Citibank N.A. | 181,707 | (181,707) ² | | | |
| Total | \$1,976,307 | \$ (1,104,859) | | \$ (600,000) | \$ 271,448 |

The following table presents BIT's derivative liabilities by counterparty net of amounts available for offset under a MNA and net of the related collateral pledged by BIT as of October 31, 2013:

| Counterparty | Derivative Liabilities | | Non-cash | Cash | Net Amount of Derivative Liabilities ³ |
|----------------------|----------------------------------|----------------------------------|--------------------|--------------------|---|
| | Subject to a MNA by Counterparty | Derivatives Available for Offset | Collateral Pledged | Collateral Pledged | |
| Bank of America N.A. | \$ 923,152 | \$ (923,152) ² | | | |
| Citibank N.A. | 553,912 | (181,707) ² | | | \$ 372,205 |
| Total | \$1,477,064 | \$ (1,104,859) | | | \$ 372,205 |

¹ Net amount represents the net amount receivable from the counterparty in the event of default.

² The amount of derivatives available for offset is limited to the amount of assets and/or liabilities that are subject to a MNA.

³ Net amount represents the net amount payable due to the counterparty in the event of default.

5. Investment Advisory Agreement and Other Transactions with Affiliates:

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

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (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 necessary 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) net assets (including any assets attributable to borrowings) at the following annual rates:

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

Prior to December 10, 2012, BTZ paid the Manager an investment advisory fee computed and paid monthly based on an annual rate of 0.65%.

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 investment in other affiliated investment companies, if any. These amounts are shown as fees waived by Manager in the Statements of Operations.

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

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Manager with respect to each Trust. The Manager also entered into a sub-advisory agreement with BlackRock Investment Management, LLC (BIM), an affiliate of the Manager, with respect to BTZ and BIT. On June 5, 2013, the Board approved the Manager entering into a sub-advisory agreement with BlackRock (Singapore) Limited (BRS), an affiliate of the Manager, with respect to BIT. The Manager pays BFM, BIM and BRS, for services they provide, a monthly fee that is a percentage of the investment advisory fees paid by each Trust to the Manager.

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Notes to Financial Statements (continued)

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 solely due to having a common investment adviser, common officers, or common trustees. For the year ended October 31, 2013, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

| | Purchases | Sales |
|-----|--------------|--------------|
| BTZ | | \$ 7,474,762 |
| BGT | \$ 4,042,959 | |

6. Purchases and Sales:

Purchases and sales of investments including paydowns, excluding short-term securities and US government securities for the year ended October 31, 2013, were as follows:

| | Purchases | Sales |
|-----|------------------|----------------|
| BTZ | \$ 870,375,214 | \$ 800,055,398 |
| BGT | \$ 369,770,946 | \$ 379,998,400 |
| BIT | \$ 2,029,146,673 | \$ 771,373,061 |

Purchases and sales of US government securities for the year ended October 31, 2013, were as follows:

| | Purchases | Sales |
|-----|---------------|----------------|
| BTZ | \$ 99,438,294 | \$ 145,329,737 |
| BIT | \$ 30,282,542 | \$ 30,251,833 |

For the year ended October 31, 2013, purchases and sales of mortgage dollar rolls for BIT were \$234,252,414 and \$234,338,578, respectively.

Transactions in options written for the year ended October 31, 2013, were as follows:

| | Calls | | | Puts | | |
|--|-----------|--------------------------------|----------------------|-----------|--------------------------------|----------------------|
| | Contracts | Notional (000) ¹ | Premiums Received | Contracts | Notional (000) ¹ | Premiums Received |
| BTZ | | | | | | |
| Outstanding options, beginning of year | | \$ 23,500 | \$ 1,274,813 | | \$ 39,500 | \$ 1,586,812 |
| Options written | 416 | 597,910 | 527,756 | 3,916 | 885,985 | 11,933,521 |
| Options expired | | (360,000) | (180,000) | | (180,000) | (198,000) |
| Options closed | | (261,410) | (1,519,334) | (416) | (322,885) | (6,179,192) |
| Outstanding options, end of year | 416 | | \$ 103,235 | 3,500 | \$ 422,600 | \$ 7,143,141 |

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¹ Amount shown is in the currency in which the transaction was denominated.

7. Income Tax Information:

US 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. The following permanent differences as of October 31, 2013 attributable to foreign currency transactions, the accounting for swap agreements, distributions in excess of taxable income, the classification of investments, income recognized from pass-through entities, non-deductible expenses and limitations on the utilization of capital loss carryforwards were reclassified to the following accounts:

| | BTZ | BGT | BIT |
|--|------------------|----------------|-----------------|
| Paid-in capital | \$ (714,505,043) | \$ (231,806) | |
| Undistributed (distributions in excess of) net investment income | \$ 1,280,494 | \$ (2,497,090) | \$ (12,326,486) |
| Accumulated net realized gain (loss) | \$ 713,224,549 | \$ 2,728,896 | \$ 12,326,486 |

The tax character of distributions paid during the fiscal years ended October 31, 2013 and October 31, 2012 was as follows:

| | | BTZ | BGT | BIT |
|-----------------------|----------|---------------|---------------|---------------|
| Ordinary income | 10/31/13 | \$ 99,536,463 | \$ 24,716,431 | \$ 26,851,648 |
| | 10/31/12 | 48,718,467 | 25,867,315 | |
| Tax return of capital | 10/31/13 | | | 4,534,977 |
| Total | 10/31/13 | \$ 99,536,463 | \$ 24,716,431 | \$ 31,386,625 |
| | 10/31/12 | \$ 48,718,467 | \$ 25,867,315 | |

As of October 31, 2013, the tax components of accumulated net earnings (losses) were as follows:

| | BTZ | BGT | BIT |
|-----------------------------------|------------------|-----------------|----------------|
| Capital loss carryforwards | \$ (401,253,019) | \$ (82,569,746) | \$ (2,838,978) |
| Net unrealized gains ² | 114,694,481 | 3,445,468 | 2,965,342 |
| Total | \$ (286,558,538) | \$ (79,124,278) | \$ 126,364 |

² The difference between book-basis and tax-basis net unrealized gains was attributable primarily to the tax deferral of losses on wash sales and straddles, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency exchange contracts, amortization methods for 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 timing and recognition of partnership income, the accounting for swap agreements, the deferral of compensation to Trustees, the classification of investments, and investments in a wholly owned subsidiary.

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Notes to Financial Statements (continued)

As of October 31, 2013, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires October 31, | BTZ | BGT | BIT |
|---------------------------------|-----------------------|----------------------|---------------------|
| 2014 | \$ 22,589,500 | | |
| 2015 | 56,798,160 | | |
| 2016 | 121,634,930 | \$ 20,248,278 | |
| 2017 | 158,120,431 | 45,385,443 | |
| 2018 | 31,756,723 | 16,526,601 | |
| 2019 | 10,353,275 | 409,424 | |
| No expiration date ¹ | | | \$ 2,838,978 |
| Total | \$ 401,253,019 | \$ 82,569,746 | \$ 2,838,978 |

¹ Must be utilized prior to losses subject to expiration.

During the year ended October 31, 2013, the Trusts listed below utilized the following amounts of their respective capital loss carryforward:

| | |
|-----|---------------|
| BTZ | \$ 33,940,972 |
| BGT | \$ 7,731,296 |

As of October 31, 2013, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

| | BTZ | BGT | BIT |
|-------------------------------|------------------|----------------|------------------|
| Tax cost | \$ 2,281,547,278 | \$ 501,932,263 | \$ 1,265,432,092 |
| Gross unrealized appreciation | \$ 141,186,470 | \$ 11,527,242 | \$ 20,356,040 |
| Gross unrealized depreciation | (24,411,072) | (5,159,006) | (18,454,362) |
| Net unrealized appreciation | \$ 116,775,398 | \$ 6,368,236 | \$ 1,901,678 |

8. Borrowings:

Effective March 1, 2013, BGT was 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 at any time after February 24, 2014. 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.

Prior to March 1, 2013, advances were made by SSB to BGT, at BGT's option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above 7-day, 30-day, 60-day or 90-day LIBOR.

On March 1, 2013, the SSB Agreement was renewed and amended from a 364-day revolving line of credit to a 360-day rolling facility whereby SSB may elect to terminate its commitment upon 360-days written notice to BGT any time after February 24, 2014. 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.

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In addition, BGT pays a facility fee and utilization fee (based on the daily unused portion of the commitments). 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. Advances to BGT as of October 31, 2013 are shown in the Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

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

For the year ended October 31, 2013, the daily weighted average interest rates for BGT with loans under the revolving credit agreement was 0.96%.

For the year ended October 31, 2013, the daily weighted average interest rates for Trusts with borrowings from reverse repurchase agreements were as follows:

| | |
|-----|-------|
| BTZ | 0.34% |
| BIT | 0.40% |

9. Concentration, Market and Credit Risk:

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 of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the 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 generally approximated by their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trust.

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Notes to Financial Statements (concluded)

As of October 31, 2013, BTZ and BIT invested a significant portion of its assets in securities in the financials sector. Changes in economic conditions affecting the financials sector would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

10. 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

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

| | Year Ended | Year Ended |
|-----|------------------|------------------|
| | October 31, 2013 | October 31, 2012 |
| BGT | 25,384 | 21,103 |

Shares issued and outstanding increased 56,260,013 from the reorganization for the year ended October 31, 2013 and remained constant for the year ended October 31, 2012 for BTZ.

Shares issued and outstanding for the period February 27, 2013 to October 31, 2013, increased by 36,006,964 from the initial public offering and 2,414,660 from the underwriters' exercising the over-allotment option for BIT.

Prior to commencement of operations, organization costs associated with the establishment of BIT were expensed by BIT. Offering costs incurred in connection with BIT's offering of Common Shares have been charged against the proceeds from the initial Common Share offering in the amount of \$1,503,586.

For BIT, as October 31, 2013, 6,964 shares were owned by affiliates.

11. 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:

Each Trust paid a net investment income dividend in the following amounts per share on November 29, 2013 to Common Shareholders of record on November 15, 2013:

| | Common Dividend Per Share |
|-----|---------------------------------|
| BTZ | \$ 0.0805 |
| BGT | \$ 0.0725 |
| BIT | \$ 0.1167 |

Additionally, the Trusts declared a net investment income dividend on December 2, 2013 payable to Common Shareholders of record on December 13, 2013 for the same amounts as noted above.

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Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of BlackRock Credit Allocation Income Trust (formerly BlackRock Credit Allocation Income Trust IV), BlackRock Floating Rate Income Trust and BlackRock Multi-Sector Income Trust:

We have audited the accompanying statement of assets and liabilities of Credit Allocation Income Trust (formerly BlackRock Credit Allocation Income Trust IV), including the schedule of investments, as of October 31, 2013, 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 consolidated statement of assets and liabilities of BlackRock Floating Rate Income Trust, including the consolidated schedule of investments, as of October 31, 2013, 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 two years ended October 31, 2013). 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, 2013, and the related statements of operations, cash flows, changes in net assets, 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, 2013, 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 Credit Allocation Income Trust as of October 31, 2013, 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 consolidated financial position of BlackRock Floating Rate Income Trust as of October 31, 2013, 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 two years ended October 31, 2013), and the financial position of BlackRock Multi-Sector Income Trust as of October 31, 2013, the results of its operations, cash flows, changes in net assets, 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, 2013

Important Tax Information (Unaudited)

The following information is provided with respect to the ordinary income distributions paid by the Trusts during the fiscal year ended October 31, 2013.

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| | Payable Dates | BTZ | BGT | BIT |
|--|------------------------------|------------|------------|------------|
| Qualified Dividend Income for Individuals ¹ | November 2012 - January 2013 | 5.58% | | |
| | February 2013 - October 2013 | 3.60% | | 9.75% |
| Dividends Qualifying for the Dividend Received Deduction for Corporations ¹ | February 2013 - October 2013 | | | 3.35% |
| Interest-Related Dividends for Non-US Residents ² | November 2012 - January 2013 | 63.54% | 63.05% | |
| | February 2013 - October 2013 | 82.59% | 76.18% | 73.14% |

¹ The Trusts hereby designate the percentage Indicated or the maximum amount allowable by law.

² Represents the portion of the taxable ordinary income dividends eligible for exemption from US withholding tax for nonresident aliens and foreign corporations.

Table of Contents**Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements**

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) and BlackRock Floating Rate Income Trust (BGT and together with BTZ, each a Fund, and, collectively, the Funds) met in person on April 18, 2013 (the April Meeting) and June 4-5, 2013 (the June Meeting) to consider the approval of each Fund's investment advisory agreement (each, an Advisory Agreement) with BlackRock Advisors, LLC (the Manager), each Fund's investment advisor. The Board of each Fund also considered the approval of one or more sub-advisory agreement(s) (each, a Sub-Advisory Agreement) among its Fund, the Manager, and its sub-advisor(s), BlackRock Financial Management, Inc. with respect to BTZ and BGT and BlackRock Investment Management, LLC with respect to BTZ (each, a Sub-Advisor). The Manager and the Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the Agreements.

Activities and Composition of the Board

Each Board consists of eleven individuals, nine of whom are not interested persons of such Fund 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 Funds 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, the Boards are required to consider the continuation of the Agreements on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, considered 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 Funds 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, and applicable benchmarks, if any, as well as senior management's and portfolio managers' analysis of the reasons for any over-performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds' investment objectives, policies and restrictions; (e) the Funds' compliance with their Code of Ethics and other 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 Funds' valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates; 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. In addition, the Boards requested and BlackRock provided an analysis of fair valuation and stale pricing policies. BlackRock also furnished information to the Boards in response to specific questions. These questions covered issues such as BlackRock's profitability, investment performance and management fee levels. The Boards further considered the importance of: (i) organizational and structural variables to investment performance; (ii) rates of portfolio turnover; (iii) BlackRock's performance accountability for portfolio managers; (iv) marketing support for the funds; (v) services provided to the Funds by BlackRock affiliates; and (vi) BlackRock's oversight of relationships with third party service providers.

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The Board of each Fund considered BlackRock's efforts during the past year with regard to refinancing outstanding AMPS, as well as ongoing time and resources devoted to other forms of preferred shares and alternative leverage. As of the date of this report, each Fund has redeemed 100% of its outstanding AMPS.

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 engaged in a process with its independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April Meeting included (a) information independently compiled and prepared by Lipper, Inc. (Lipper) on Fund fees and expenses as compared with a peer group of funds as determined by Lipper (Expense Peers) and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper and a customized peer group selected by BlackRock; (b) information on the profits realized by

¹ Lipper ranks funds in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable.

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

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 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 Fund 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 Fund, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund, each for a one-year term ending June 30, 2014. 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 Funds 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 Funds; (d) the Funds' costs to investors compared to the costs of Expense Peers and performance compared to the relevant performance comparison as previously discussed; (e) economies of scale; (f) fall-out benefits to BlackRock as a result of its relationship with the Funds; 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, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds 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 Funds. Throughout the year, the Boards compared Fund performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, if any. The Boards met with BlackRock's senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its Fund's portfolio management

team discussing the Fund's performance and the Fund's investment objective, strategies and outlook.

The Boards considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and their Funds' portfolio management teams; 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 their Funds' 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 Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus, the summary prospectus (as applicable) and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with 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 or consolidation of certain closed-end funds; and (ix) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund

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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 Funds and BlackRock: Each Board, including the Independent Board Members, also reviewed and considered the performance history of its Funds. In preparation for the April Meeting, the Boards worked with its 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 Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with their review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to other funds in its applicable Lipper category and 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 their methodology. Each Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of its Fund throughout the year.

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

The Board of BTZ noted that BTZ ranked in the first, first and fourth quartiles against its Customized Lipper Peer Group for the one-, three- and five-year periods reported, respectively.

The Board of BGT noted that BGT ranked in the second, third and second quartiles against its Customized Lipper Peer Group for the one-, three- and five-year periods reported, respectively. The Board of BGT and BlackRock reviewed and discussed the reasons for the Fund's underperformance during the three-year period and will continue to monitor BGT's performance.

BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BTZ and BGT.

The Boards noted that BlackRock has recently made, and continues to make, changes to the organization of BlackRock's overall portfolio management structure designed to result in strengthened leadership teams.

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 Funds: Each Board, including the Independent Board Members, reviewed its Fund'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 Fund's total net operating expense ratio, as well as actual management fee rate, to those of other funds in its Lipper category. The total net operating expense ratio and actual management fee rate both give effect to any expense reimbursements or fee waivers that benefit the funds. The Boards considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition. The Boards were also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock's profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2012 compared to available aggregate profitability data provided for the prior two years. The Boards reviewed BlackRock's profitability with respect to certain other 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, comparing profitability 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.

In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' profits relating to the management of the Funds 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 Funds. 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 Board of BTZ noted that BTZ's contractual management fee rate ranked in the second quartile relative to BTZ's Expense Peers.

The Board of BGT noted that BGT's contractual management fee rate ranked in the first quartile relative to BGT'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 Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable the Fund 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 Fund.

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

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fund's inception. The Boards noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

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 Funds, 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 Funds, 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 they 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.

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

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

The Boards also considered the various notable initiatives and projects BlackRock performed in connection with its closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; 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 refinancing efforts related to auction rate preferred securities; 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

Each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2014, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund for a one-year term ending June 30, 2014. Based upon its evaluation of all of the aforementioned factors in their totality, the Boards, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Funds and their shareholders. In arriving at their decision to approve the Agreements, the Boards 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 these determinations. The contractual fee arrangements for the Funds 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.

Table of Contents**Automatic Dividend Reinvestment Plans**

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 Fund'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 dividends and 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 dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

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 43078, Providence, RI 02940-3078, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street Canton, MA 02021.

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Officers and Trustees

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served as a Trustee ² | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios (Portfolios) Overseen | | Public Directorships |
|--|---|---|--|--|--|---|
| | | | | | | |
| Independent Trustees¹ | | | | | | |
| Richard E. Cavanagh | Chairman 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. | 86 RICs consisting of 85 Portfolios | | None |
| 55 East 52nd Street New York, NY 10055 | | | | | | |
| 1946 | | | | | | |
| Karen P. Robards | 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. | 86 RICs consisting of 85 Portfolios | | AtriCure, Inc. (medical devices); Greenhill & Co., Inc. |
| 55 East 52nd Street New York, NY 10055 | | | | | | |
| 1950 | | | | | | |
| Michael J. Castellano | 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) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010; Trustee, Domestic Church Media Foundation since 2012. | 86 RICs consisting of 85 Portfolios | | None |
| 55 East 52nd Street New York, NY 10055 | | | | | | |
| 1946 | | | | | | |
| Frank J. Fabozzi | 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; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006. | 86 RICs consisting of 85 Portfolios | | None |
| 55 East 52nd Street New York, NY 10055 | | | | | | |

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1948

| | | | | | |
|---|----------------|-----------------------|--|--|---|
| <p>Kathleen F. Feldstein</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Trustee</p> | <p>Since 2007</p> | <p>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.</p> | <p>86 RICs consisting of 85 Portfolios</p> | <p>The McClatchy Company (publishing)</p> |
|---|----------------|-----------------------|--|--|---|

| | | | | | |
|--|--|-----------------------|--|--|-------------|
| <p>1941</p> <p>James T. Flynn</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Trustee and Member of the Audit Committee</p> | <p>Since 2007</p> | <p>Chief Financial Officer of JP Morgan & Co., Inc. from 1990 to 1995.</p> | <p>86 RICs consisting of 85 Portfolios</p> | <p>None</p> |
|--|--|-----------------------|--|--|-------------|

| | | | | | |
|---|----------------|-----------------------|---|--|---|
| <p>1939</p> <p>Jerrold B. Harris</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Trustee</p> | <p>Since 2007</p> | <p>Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation from 2010 to 2012; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999.</p> | <p>86 RICs consisting of 85 Portfolios</p> | <p>BlackRock Kelso Capital Corp. (business development company)</p> |
|---|----------------|-----------------------|---|--|---|

| | | | | | |
|--|----------------|-----------------------|--|--|--|
| <p>1942</p> <p>R. Glenn Hubbard</p> <p>55 East 52nd Street New York, NY 10055</p> | <p>Trustee</p> | <p>Since 2007</p> | <p>Dean, Columbia Business School since 2004; Faculty member, Columbia Business School since 1988.</p> | <p>86 RICs consisting of 85 Portfolios</p> | <p>ADP (data and information services); KKR Financial Corporation (finance); Metropolitan Life Insurance Company (insurance)</p> |
|--|----------------|-----------------------|--|--|--|

1958

Table of Contents**Officers and Trustees (continued)**

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served as a Trustee² | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Registered Investment Companies (RICs) Consisting of Investment Portfolios (Portfolios) Overseen | Public Directorships |
|--|---|---|--|---|-----------------------------|
| Independent Trustees¹ (concluded) | | | | | |
| W. Carl Kester 55 East 52nd Street New York, NY 10055 1951 | Trustee and Member of the Audit Committee | Since 2007 | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School since 2008; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Unit, 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 86 RICs consisting of 85 Portfolios | None |
| <p>¹ Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 74. In 2011, 2012 and 2013, the Board of Trustees unanimously approved further extending the mandatory retirement age for James T. Flynn by one additional year, which the Board believed would be in the best interest of shareholders. Mr. Flynn can serve until December of the year in which he turns 75. Mr. Flynn turns 75 in 2014.</p> <p>² Date shown is the earliest date a person has served for the Trusts covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. (MLIM) and BlackRock, Inc. (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> | | | | | |
| Interested Trustees³ | | | | | |
| Paul L. Audet 55 East 52nd Street New York, NY 10055 1953 | Trustee | Since 2011 | Senior Managing Director of BlackRock and Head of U.S. Mutual Funds since 2011; Chair of the U.S. Mutual Funds Committee reporting to the Global Executive Committee since 2011; Head of BlackRock's Real Estate business from 2008 to 2011; Member of BlackRock's Global Operating and Corporate Risk Management Committees and of the BlackRock Alternative Investors Executive Committee and Investment Committee for the Private Equity Fund of Funds business since 2008; Head of BlackRock's Global Cash Management business from 2005 to 2010; Acting Chief Financial Officer of BlackRock from 2007 to 2008; Chief Financial Officer of BlackRock from 1998 to 2005. | 147 RICs consisting of 278 Portfolios | None |
| Henry Gabbay 55 East 52nd Street New York, NY 10055 | Trustee | Since 2007 | Consultant, BlackRock, from 2007 to 2008; Managing Director, BlackRock from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Allocation Target Shares (formerly, BlackRock Bond Allocation Target Shares) from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006. | 147 RICs consisting of 278 Portfolios | None |

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1947

³ Mr. Audet is an interested person, as defined in the 1940 Act, of the Trusts based on his position with BlackRock and its affiliates as well as his ownership of BlackRock securities. Mr. Gabbay is an interested person of the Trusts based on his former positions with BlackRock and its affiliates as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are also Trustees of two complexes of BlackRock registered open-end funds, the BlackRock Equity-Liquidity Complex and the BlackRock Equity-Bond Complex. 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 finding good cause thereof.

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Officers and Trustees (concluded)

| Name, Address and Year of Birth | Position(s) Held with Trusts | Length of Time Served | Principal Occupation(s) During Past Five Years |
|--|---------------------------------------|------------------------------|---|
| Officers¹ | | | |
| John M. Perlowski 55 East 52nd Street New York, NY 10055 | President and Chief Executive Officer | Since 2011 | Managing Director of BlackRock since 2009; Global Head of BlackRock 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. |
| Brendan Kyne 55 East 52nd Street New York, NY 10055 | Vice President | Since 2009 | Managing Director of BlackRock since 2010; Director of BlackRock from 2008 to 2009; Head of Product Development and Management for BlackRock's U.S. Retail Group since 2009; and Co-head thereof from 2007 to 2009; Vice President of BlackRock from 2005 to 2008. |
| Robert W. Crothers 55 East 52nd Street New York, NY 10055 | Vice President | Since 2012 | Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010; Associate of BlackRock from 2006 to 2007. |
| Neal Andrews 55 East 52nd Street New York, NY 10055 | 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. |
| Jay Fife 55 East 52nd Street New York, NY 10055 | 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. |

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55 East 52nd Street
New York, NY 10055

1970
Brian Kindelan Chief Compliance Officer and Anti-Money Laundering Officer Since 2007 Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock since 2005.
55 East 52nd Street
New York, NY 10055

1959
Janey Ahn 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; Associate at Willkie Farr & Gallagher LLP from 2006 to 2008.

55 East 52nd Street
New York, NY 10055

1975
¹ Officers of the Trusts serve at the pleasure of the Board.

| Investment Advisor | Custodian and Accounting Agent | Independent Registered Public Accounting Firm | Address of the Trusts |
|---|--|--|--|
| BlackRock Advisors, LLC Wilmington, DE 19809 | State Street Bank and Trust Company Boston, MA 02110 | Deloitte & Touche LLP Boston, MA 02116 | 100 Bellevue Parkway Wilmington, DE 19809 |
| Sub-Advisors | Transfer Agent | Legal Counsel | |
| BlackRock Financial Management, Inc. ² New York, NY 10022 | Common Shares Computershare Trust Company, N.A. Canton, MA 02021 | Skadden, Arps, Slate, Meagher & Flom LLP New York, NY 10036 | |
| BlackRock Investment Management LLC ³ Princeton, NJ 08540 | | | |
| BlackRock (Singapore) Limited ⁴ 079912 Singapore | | | |

² For BTZ, BGT and BIT.

³ For BTZ and BIT.

⁴ For BIT.

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The Annual Meeting of Shareholders was held on July 30, 2013 for shareholders of record on June 3, 2013 to elect trustee nominees for each Trust. There were no broker non-votes with regard to BTZ and BGT.

Approved the Class III Trustees as follows:

| | Richard E. Cavanagh | | | Kathleen F. Feldstein | | | Henry Gabbay | | |
|-----|----------------------------|-----------------|----------------|------------------------------|-----------------|----------------|---------------------|-----------------|----------------|
| | Votes | | | Votes | | | Votes | | |
| | Votes For | Withheld | Abstain | Votes For | Withheld | Abstain | Votes For | Withheld | Abstain |
| BTZ | 93,653,023 | 1,826,400 | 0 | 93,594,996 | 1,884,427 | 0 | 93,882,885 | 1,596,538 | 0 |
| BGT | 16,245,647 | 503,027 | 0 | 16,224,639 | 524,035 | 0 | 16,258,027 | 490,647 | 0 |
| | Jerrold B. Harris | | | | | | | | |
| | Votes | | | | | | | | |
| | Votes For | Withheld | Abstain | | | | | | |
| BTZ | 93,770,897 | 1,708,526 | 0 | | | | | | |
| BGT | 16,261,460 | 487,214 | 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 Paul L. Audet, Michael J. Castellano, Frank J. Fabozzi, James T. Flynn, R. Glenn Hubbard, W. Carl Kester and Karen P. Robards.

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.

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Additional Information (continued)

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 dividends 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 dividend 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. Dividend 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.

General Information

On July 29, 2010, the Manager announced that a derivative complaint had been filed by Roy Curbow and other plaintiffs, including shareholders of BTZ on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the trustees, officers and portfolio managers of BTZ (collectively, the Defendants) as defendants. The complaint alleges, among other things, that Defendants breached fiduciary duties owed to BTZ and its Common Shareholders by redeeming AMPS, at their liquidation preference. The complaint sought, among other things, unspecified damages for losses purportedly suffered by BTZ as a result of the prior redemptions and injunctive relief preventing BTZ from redeeming AMPS at their liquidation preference in the future. On March 15, 2012, the Supreme Court of the State of New York, New York County, entered an order consolidating the above-referenced derivative action with another derivative case pending in the same court which asserted essentially the same claims. On the same date, the court also authorized plaintiffs to file an amended consolidated complaint, which they filed on April 16, 2012, asserting substantially the same claims alleged in their original complaints. Defendants filed a motion to dismiss the Consolidated Shareholder Derivative Complaint (the Consolidated Complaint) on July 20, 2012. On September 14, 2012, plaintiffs filed an application to hold the Defendants' motion in abeyance and allow plaintiffs to conduct limited discovery before responding to the motion. After the parties agreed to proceed with limited discovery, plaintiffs advised Defendants they would withdraw their action and, on June 10, 2013, the parties filed a stipulation dismissing the Consolidated Complaint without prejudice, subject to approval of the court. The court dismissed the case without prejudice on June 17, 2013.

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

In exchange for the shareholder plaintiff's agreement to withdraw a previously filed motion for preliminary injunction enjoining any further redemptions of AMPS, each of these funds agreed to provide the plaintiffs in those actions with 30 days prior notice of any additional redemptions. On November 24, 2010, the Manager announced that counsel for the plaintiffs filed a motion for a preliminary injunction enjoining PSY and BTZ from redeeming outstanding AMPS pending final resolution of the underlying shareholder derivative suit. On December 23, 2010, the court denied plaintiffs' motion for a preliminary injunction.

On November 2, 2012, shareholders of BTZ approved removing BTZ's investment policies requiring BTZ to invest at least 25% of its Managed Assets in securities of companies principally engaged in providing financial services. Managed Assets as used in the foregoing means the total assets of the Trust (including any assets attributable to any or borrowings that may be outstanding) minus the sum of the accrued liabilities (other than debt representing financial leverage). Shareholders of BTZ also approved amending BTZ's fundamental investment restriction regarding industry concentration to reflect the removal of such policy.

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Additional Information (continued)

General Information (concluded)

BTZ's fundamental investment restriction regarding industry concentration as amended is set forth below.

BTZ may not: Invest 25% or more of the value of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not apply to obligations issued or guaranteed by the US Government or by its agents or instrumentalities.

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, except as noted above, 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

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

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

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

Householding

The 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 share holder documents may be householded 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, DC. 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 (1) without charge, upon request, 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

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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

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 periodically 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 (continued)

Section 19(a) Notices

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

October 31, 2013

| | Net Investment Income | Total Cumulative Distributions for the Fiscal Year-to-Date | | | % Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date | | | |
|-----|-----------------------------|---|----------------------|------------------------------|--|----------------------------------|----------------------|---------------------------|
| | | Net Realized Capital Gains | Return of Capital | Total Per Common Share | Net Investment Income | Net Realized Capital Gains | Return of Capital | Total Per Common Share |
| BTZ | \$0.959500 | | \$0.019500 | \$0.979000 | 20% | 0% | 80% | 100% |
| BIT | \$0.816900 | | | \$0.816900 | 100% | 0% | 0% | 100% |

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

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Additional Information (concluded)

BlackRock Privacy Principles

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

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

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

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

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

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

CE-CAFRI-3-10/13-AR

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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, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

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.

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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:

| Entity Name | (a) Audit Fees | | (b) Audit-Related Fees ¹ | | (c) Tax Fees ² | | (d) All Other Fees ³ | |
|-------------------------------------|--------------------|--------------------|-------------------------------------|--------------------|---------------------------|--------------------|---------------------------------|--------------------|
| | <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 Multi-Sector 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> |
| | \$64,000 | \$0 | \$0 | \$0 | \$15,100 | NA | \$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) Audit-Related Fees¹ | \$0 | \$0 |
| (c) Tax Fees² | \$0 | \$0 |
| (d) All Other Fees³ | \$2,865,000 | \$2,970,000 |

¹ 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.

² The nature of the services includes tax compliance, tax advice and tax planning.

³ 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

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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>Current Fiscal Year</u> | <u>Previous Fiscal Year</u> |
|-------------------------------------|----------------------------|-----------------------------|
| <u>Entity Name</u> | <u>End</u> | <u>End</u> |
| BlackRock Multi-Sector Income Trust | \$15,100 | \$0 |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,865,000 and \$2,970,000, 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

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(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.

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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 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, 2013.

(a)(1) The Fund is managed by a team of investment professionals comprised of Akiva Dickstein, Director at BlackRock, Thomas Musmanno, CFA, Managing Director at BlackRock and John Vibert, Managing Director at BlackRock. Messrs. Dickstein, Musmanno and Vibert 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. Dickstein, Musmanno and Vibert have been members of the Fund’s portfolio management team since 2013.

| Portfolio Manager | Biography |
|--------------------------|--|
| Akiva Dickstein | Managing Director of BlackRock since 2009; Managing Director of Merrill Lynch Investment Managers, L.P. from 2003 to 2009 and Head of the U.S. Rates & Structured Credit Research Group. |
| Thomas Musmanno, CFA | Managing Director of BlackRock since 2010; Director of BlackRock from 2006 to 2009. |
| John Vibert | Managing Director of BlackRock since 2009; Director of BlackRock from 2008 - 2009; Managing Director of Credit Suisse from 2005 - 2008; Executive Director at Morgan Stanley from 2003 - 2005. |

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(a)(2) As of October 31, 2013:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type | | | (iii) Number of Other Accounts and Assets for Which Advisory Fee is | | |
|----------------------------------|---|--|------------------------|--|---|----------------------|
| | Other Registered Investment Companies | Other Pooled Investment Vehicles | Other Accounts | Other Registered Investment Companies | Performance-Based Other Pooled Investment Vehicles | Other Accounts |
| | Akiva Dickstein | 5 \$2.81 Billion | 15 \$4.01 Billion | 17 \$7.92 Billion | 0 \$0 | 2 \$527.7 Million |
| Thomas Musmanno | 12 \$6.66 Billion | 10 \$1.72 Billion | 174 \$45.03 Billion | 0 \$0 | 0 \$0 | 1 \$12.87 Million |
| John Vibert | 3 \$1.41 Billion | 7 \$1.71 Billion | 8 \$919.3 Million | 0 \$0 | 1 \$223.7 Million | 0 \$0 |

(iv) 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. Dickstein, Musmanno and Vibert may be managing certain hedge fund and/or long only accounts, or may be part of a team managing certain hedge fund and/or long only accounts, subject to incentive fees. Messrs. Dickstein, Musmanno and Vibert 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.

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(a)(3) As of October 31, 2013:

Portfolio Manager Compensation Overview

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 BlackRock, Inc.

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 Fund 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 |
|--------------------------|---|
| Akiva Dickstein | A combination of market-based indices (e.g. Citigroup Mortgage Index, Barclays GNMA MBS Index), certain customized indices and certain fund industry peer groups. |
| Thomas Musmanno, CFA | A combination of market-based indices (e.g., Bank of America Merrill Lynch U.S. Corporate & Government Index, 1-3 Years), certain customized indices and certain fund industry peer groups. |
| John Vibert | No Benchmarks |

Table of Contents**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 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. Messrs. Dickstein, Musmanno and Vibert 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 is eligible to participate in the deferred compensation program.

Other Compensation Benefits. In addition to base compensation 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 (\$255,000 for 2013). 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.

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(a)(4) *Beneficial Ownership of Securities* As of October 31, 2013.

| Portfolio Manager | Dollar Range of Equity Securities of the Fund Beneficially Owned |
|--------------------------|---|
| Akiva Dickstein | None |
| Thomas Musmanno | None |
| John Vibert | None |

(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

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

BlackRock Multi-Sector Income Trust

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

Date: January 2, 2014

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 Multi-Sector Income Trust

Date: January 2, 2014

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

Date: January 2, 2014