

BLACKROCK CREDIT ALLOCATION INCOME TRUST II
Form N-CSRS
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

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FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21286

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

Date of fiscal year end: 10/31/2012

Date of reporting period: 04/30/2012

Item 1 – Report to Stockholders

April 30, 2012

Semi-Annual Report (Unaudited)

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

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

4BlackRock Credit Allocation Income Trust III (BPP)

4BlackRock Credit Allocation Income Trust IV (BTZ)

4BlackRock Floating Rate Income Trust (BGT)

Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

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

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

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

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

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

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of April 30, 2012

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

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

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of April 30, 2012 **BlackRock Credit Allocation Income Trust I, Inc.**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

For the six months ended April 30, 2012, the Fund returned 13.41% based on market price and 7.14% based on net asset value ("NAV"). For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 8.46% based on market price and 5.24% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on market price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

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

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

Describe recent portfolio activity.

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

Describe portfolio positioning at period end.

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

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

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

Symbol on New York Stock Exchange (“NYSE”)	PSW
Initial Offering Date	August 1, 2003
Yield on Closing Market Price as of April 30, 2012 (\$10.08) ¹	7.08%
Current Monthly Distribution per Common Share ²	\$0.0595
Current Annualized Distribution per Common Share ²	\$0.7140
Economic Leverage as of April 30, 2012 ³	28%

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Fund Summary as of April 30, 2012 **BlackRock Credit Allocation Income Trust II, Inc.**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

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

What factors influenced performance?

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

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

Describe recent portfolio activity.

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

Describe portfolio positioning at period end.

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

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

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

Symbol on NYSE	PSY
Initial Offering Date	March 28, 2003
Yield on Closing Market Price as of April 30, 2012 (\$10.79) ¹	6.78%
Current Monthly Distribution per Common Share ²	\$0.061
Current Annualized Distribution per Common Share ²	\$0.732
Economic Leverage as of April 30, 2012 ³	27%

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Fund Summary as of April 30, 2012 **BlackRock Credit Allocation Income Trust III**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

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

What factors influenced performance?

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

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

Describe recent portfolio activity.

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

Describe portfolio positioning at period end.

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

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

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

Symbol on NYSE	BPP
Initial Offering Date	February 28, 2003
Yield on Closing Market Price as of April 30, 2012 (\$11.43) ¹	6.67%
Current Monthly Distribution per Common Share ²	\$0.0635
Current Annualized Distribution per Common Share ²	\$0.7620
Economic Leverage as of April 30, 2012 ³	24%

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

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Fund Summary as of April 30, 2012 **BlackRock Credit Allocation Income Trust IV**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

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

What factors influenced performance?

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

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

Describe recent portfolio activity.

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

Describe portfolio positioning at period end.

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

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

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

Symbol on NYSE	BTZ
Initial Offering Date	December 27, 2006
Yield on Closing Market Price as of April 30, 2012 (\$13.26) ¹	7.10%
Current Monthly Distribution per Common Share ²	\$0.0785
Current Annualized Distribution per Common Share ²	\$0.9420
Economic Leverage as of April 30, 2012 ³	27%

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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

Fund Summary as of April 30, 2012 **BlackRock Floating Rate Income Trust**

Fund Overview

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

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

Portfolio Management Commentary

How did the Fund perform?

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

What factors influenced performance?

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

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

Describe recent portfolio activity.

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

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

Describe portfolio positioning at period end.

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

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

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

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BlackRock Floating Rate Income Trust**Fund Information**

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Yield on Closing Market Price as of April 30, 2012 (\$14.41) ¹	6.45%
Current Monthly Distribution per Common Share ²	\$0.0775
Current Annualized Distribution per Common Share ²	\$0.9300
Economic Leverage as of April 30, 2012 ³	29%

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

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

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

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

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

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

Portfolio Composition

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

Credit Quality Allocations⁴

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

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

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The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

certain types of hedging strategies. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Shareholders and may reduce income.

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

**Percent of
Economic
Leverage**

PSW 28%

PSY 27%

BPP 24%

BTZ 27%

BGT 29%

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Derivative Financial Instruments

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

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

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

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

Chemicals 1.4%

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

Corporate Bonds

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

Commercial Banks 5.0%

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

Commercial Services & Supplies 4.0%

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

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

Portfolio Abbreviations

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

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

See Notes to Financial Statements.

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

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

Electric Utilities 1.8%

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

Electronic Equipment, Instruments & Components 0.3%

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

Energy Equipment & Services 2.9%

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

Corporate Bonds

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

Food & Staples Retailing 1.3%

Wal-Mart Stores, Inc., 6.20%, 4/15/38 (c)	1,075	1,406,861
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Food Products 0.9%

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

Gas Utilities 0.2%

El Paso Natural Gas Co., 8.63%, 1/15/22	165	208,833
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Health Care Equipment & Supplies 0.6%

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

Health Care Providers & Services 3.1%

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

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

Health Care Technology 0.9%

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

Household Durables 0.2%

Standard Pacific Corp., 8.38%, 1/15/21	210	221,550
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Independent Power Producers & Energy Traders 1.1%

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

Insurance 6.8%

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

See Notes to Financial Statements.

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

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

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

Metals & Mining 2.2%

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

Corporate Bonds

Multi-Utilities 1.6%

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

Multiline Retail 0.3%

JC Penney Co., Inc., 5.65%, 6/01/20 (c)	360	349,200
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Oil, Gas & Consumable Fuels 13.2%

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

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

See Notes to Financial Statements.

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

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

397,413

Road & Rail 1.4%

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

Semiconductors & Semiconductor Equipment 0.7%

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

Software 0.1%

Lawson Software, Inc., 9.38%, 4/01/19 (a)	140	146,300
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Specialty Retail 1.2%

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

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

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

Wireless Telecommunication Services 4.7%

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

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

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Ameriprise Financial, Inc., 7.52%, 6/01/66 (b)	500	530,000
State Street Capital Trust III, 5.46% (b)(f)	725	727,842
State Street Capital Trust IV, 1.47%, 6/01/37 (b)	4,740	3,527,380
		4,785,222
Commercial Banks 2.5%		
Barclays Bank Plc (a)(b)(f):		
5.93%,	425	386,750
7.43%,(c)	150	150,000
BNP Paribas, 7.20% (a)(b)(c)(f)	300	258,000
Credit Agricole SA, 8.38% (a)(b)(c)(f)	350	308,000
Dresdner Funding Trust I, 8.15%, 6/30/31 (a)	530	426,650
M&T Capital Trust II, 8.28%, 6/01/27	910	928,200
National City Preferred Capital Trust I, 12.00% (b)(f)	300	319,320
		2,776,920
Diversified Financial Services 2.0%		
JPMorgan Chase Capital XXIII, 1.50%, 5/15/47 (b)	3,085	2,282,965
Electric Utilities 0.4%		
PPL Capital Funding, 6.70%, 3/30/67 (b)	500	495,000
Insurance 8.8%		
Ace Capital Trust II, 9.70%, 4/01/30	500	683,396
The Allstate Corp., 6.50%, 5/15/67 (b)	500	488,750
American International Group, Inc., 8.18%, 5/15/68 (b)	225	240,469
AXA SA, 6.38% (a)(b)(f)	1,000	795,000
Chubb Corp., 6.38%, 3/29/67 (b)(c)	500	511,875
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	500	553,446
Great-West Life & Annuity Insurance Co., 7.15%, 5/16/46 (a)(b)	500	500,000
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)	500	680,000
Lincoln National Corp., 7.00%, 5/17/66 (b)	500	485,000
MetLife, Inc., 6.40%, 12/15/66	500	489,107
Mitsui Sumitomo Insurance Co., Ltd., 7.00%, 3/15/72 (a)(b)	320	328,777

See Notes to Financial Statements.

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

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

Agency Obligations 0.3%

Fannie Mae, 4.23%, 10/09/19 (c)(h)	390	314,003
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US Treasury Obligations

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

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

See Notes to Financial Statements.

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

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

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Security is perpetual in nature and has no stated maturity date.
- (g) Non-income producing security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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

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

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

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

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

See Notes to Financial Statements.

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

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

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

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

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

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

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

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

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

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

Issuer	Receive Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating¹	Notional Amount (000)²	Unrealized Appreciation (Depreciation)
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Aviva USA Corp.	1.00%	Deutsche Bank AG	5/25/12	A	USD650	\$ (9)
DIRECTV Holdings LLC	1.00%	Credit Suisse Securities (USA) LLC	3/20/17	BBB	USD1,700	28,680
MetLife, Inc.	1.00%	Deutsche Bank AG	3/20/18	A-	USD200	(4,175)
Total						\$ 24,496

¹Using S&P's rating.

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

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

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

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

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

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

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

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

⁶Fund pays a floating interest rate and receives fixed rate.

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

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than

quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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

The following tables summarize the inputs used as of April 30, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term				
Investments:				
Asset-Backed				
Securities	—	\$705,558	\$549,250	\$1,254,808
Corporate				
Bonds	—	119,879,672	851,812	120,731,484
Preferred				
Securities	\$329,210	26,384,039	—	26,713,249
Taxable				
Municipal				
Bonds	—	981,208	—	981,208
US Government				
Sponsored				
Agency				
Securities	—	314,003	—	314,003
US Treasury				
Obligations	—	1,915,121	—	1,915,121
Short-Term				
Securities	621,268	—	—	621,268
Total	\$950,478	\$150,179,601	\$1,401,062	\$152,531,141

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

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

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

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

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

²Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at April 30, 2012 was \$886,618.

³The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

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

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

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

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

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

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

See Notes to Financial Statements.

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

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

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

Chemicals 1.4%

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

Corporate Bonds

Par Value
(000)

Commercial Banks 5.0%

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

Commercial Services & Supplies 4.0%

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

18,967,527

Communications Equipment 1.0%

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

Construction Materials 0.2%

HD Supply, Inc., 8.13%, 4/15/19 (a)	900	966,375
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Consumer Finance 5.1%

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

Containers & Packaging 1.2%

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

Diversified Financial Services 6.5%

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

See Notes to Financial Statements.

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

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

1,332,000

Energy Equipment & Services 2.9%

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

Food & Staples Retailing 0.8%

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

Corporate Bonds

	Par (000)	Value
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Food Products 0.9%

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

Gas Utilities 0.2%

El Paso Natural Gas Co., 8.63%, 1/15/22	695	879,631
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Health Care Equipment & Supplies 0.6%

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

Health Care Providers & Services 3.7%

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

Health Care Technology 0.9%

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

See Notes to Financial Statements.

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

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

Metals & Mining 2.2%

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

Multi-Utilities 1.6%

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

Multiline Retail 0.7%

JC Penney Co., Inc., 5.65%, 6/01/20 (c)	3,235	3,137,950
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**Par
(000) Value****Corporate Bonds****Oil, Gas & Consumable Fuels 13.6%**

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

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

See Notes to Financial Statements.

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

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

3,187,339

Software 0.2%

Lawson Software, Inc., 9.38%, 4/01/19 (a) 960 1,003,200

Specialty Retail 1.2%

AutoNation, Inc., 6.75%, 4/15/18 1,965 2,132,025

Limited Brands, Inc., 7.00%, 5/01/20 980 1,087,800

QVC, Inc., 7.38%, 10/15/20 (a) 105 114,975

Sally Holdings LLC, 6.88%, 11/15/19 (a) 595 633,675

VF Corp., 5.95%, 11/01/17 1,475 1,760,547

5,729,022

Tobacco 1.9%

Altria Group, Inc., 10.20%, 2/06/39 3,929 6,294,946

Lorillard Tobacco Co., 3.50%, 8/04/16 2,450 2,567,286

8,862,232

Wireless Telecommunication Services 4.5%

America Movil SAB de CV, 2.38%, 9/08/16 2,675 2,729,880

American Tower Corp.:

4.50%, 1/15/18 1,925 2,032,675

5.90%, 11/01/21 1,295 1,455,660

Corporate Bonds**Par
(000) Value****Wireless Telecommunication Services (concluded)**

Cricket Communications, Inc., 7.75%, 5/15/16 USD670 \$ 705,175

Crown Castle International Corp., 9.00%, 1/15/15 890 983,450

Crown Castle Towers LLC (a):

5.50%, 1/15/37 1,175 1,297,335

6.11%, 1/15/40 1,300 1,484,564

Nextel Communications, Inc., Series E, 6.88%, 10/31/13 840 840,000

SBA Tower Trust, 5.10%, 4/15/42 (a) 4,225 4,597,675

Sprint Capital Corp., 6.88%, 11/15/28 1,000 747,500

Sprint Nextel Corp. (a):

9.00%, 11/15/18 1,860 2,048,325

7.00%, 3/01/20 2,670 2,723,400

21,645,639

Total Corporate Bonds 105.4% 502,236,345**Preferred Securities****Capital Trusts****Capital Markets 4.0%**

Ameriprise Financial, Inc., 7.52%, 6/01/66 (b) 2,500 2,650,000

State Street Capital Trust III, 5.46% (b)(f) 2,920 2,931,446

State Street Capital Trust IV, 1.47%, 6/01/37 (b) 18,235 13,569,995

19,151,441

Commercial Banks 5.5%

Barclays Bank Plc, 7.43% (a)(b)(c)(f) 650 650,000

BNP Paribas, 7.20% (a)(b)(c)(f) 1,500 1,290,000

Credit Agricole SA, 8.38% (a)(b)(c)(f) 1,475 1,298,000

Dresdner Funding Trust I, 8.15%, 6/30/31 (a) 2,240 1,803,200

HSBC Capital Funding LP/Jersey Channel Islands,

10.18% (a)(b)(c)(f) 4,835 6,285,500

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

See Notes to Financial Statements.

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

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

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

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

(000)

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

Broker Deutsche Bank AG

USD9,600 (142,531)

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

See Notes to Financial Statements.

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

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (f) Security is perpetual in nature and has no stated maturity date.
- (g) Non-income producing security.
- (h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (i) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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

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

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

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

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

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

See Notes to Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

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

¹Using S&P's rating.

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

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

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

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

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

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

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

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

⁶Fund pays a floating interest rate and receives fixed rate.

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

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

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

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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

The following tables summarize the inputs used as of April 30, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities	—	\$2,951,661	\$2,239,250	\$5,190,911
Corporate Bonds	—	498,725,845	3,510,500	502,236,345
Preferred Securities	\$1,378,015	124,371,284	—	125,749,299
Taxable Municipal Bonds	—	4,231,460	—	4,231,460
US Government Sponsored Agency Securities				
US Treasury Obligations	—	1,344,575	—	1,344,575
Short-Term Securities	1,908,035	—	—	1,908,035
Total	\$3,286,050	\$639,773,180	\$5,749,750	\$648,808,980

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

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

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

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

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

² Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at April 30, 2012 was \$3,677,262.

³ The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

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

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

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

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

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

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

See Notes to Financial Statements.

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

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

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

Commercial Banks 4.4%

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

Corporate Bonds

**Par
(000) Value**

Commercial Banks (concluded)

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

Commercial Services & Supplies 3.9%

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

Communications Equipment 1.0%

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

Construction Materials 0.2%

HD Supply, Inc., 8.13%, 4/15/19 (a)	430	461,713
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Consumer Finance 5.3%

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

See Notes to Financial Statements.

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

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

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Frac Tech Services LLC, 7.13%, 11/15/18 (a)	525	542,062
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (a)	135	134,663
Key Energy Services, Inc., 6.75%, 3/01/21	360	370,800
MEG Energy Corp., 6.50%, 3/15/21 (a)	465	489,412
Oil States International, Inc., 6.50%, 6/01/19	245	259,088
Peabody Energy Corp., 6.25%, 11/15/21 (a)	755	764,437
Transocean, Inc.:		
6.50%, 11/15/20	545	625,892
6.38%, 12/15/21	660	772,855
		6,663,449

Food & Staples Retailing 0.9%

Wal-Mart Stores, Inc., 5.25%, 9/01/35 (c)	1,850	2,125,269
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Food Products 0.9%

Kraft Foods, Inc.:		
6.50%, 8/11/17	800	970,724
6.13%, 8/23/18	800	967,601
Smithfield Foods, Inc., 10.00%, 7/15/14	187	218,790
		2,157,115

Gas Utilities 0.2%

El Paso Natural Gas Co., 8.63%, 1/15/22	335	423,995
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Corporate Bonds

**Par
(000) Value**

Health Care Equipment & Supplies 0.6%

Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)	USD 1,000	\$ 1,146,250
Teleflex, Inc., 6.88%, 6/01/19	240	256,800
		1,403,050

Health Care Providers & Services 3.8%

Aetna, Inc., 6.75%, 12/15/37 (c)	850	1,103,493
Aviv Healthcare Properties LP, 7.75%, 2/15/19	220	228,800
HCA, Inc.:		
8.50%, 4/15/19	105	117,797
6.50%, 2/15/20	1,145	1,225,150
7.25%, 9/15/20	1,645	1,821,837
INC Research LLC, 11.50%, 7/15/19 (a)	340	334,050
inVentiv Health, Inc., 10.00%, 8/15/18 (a)	135	121,038
Tenet Healthcare Corp.:		
10.00%, 5/01/18	745	860,475
8.88%, 7/01/19	550	616,688
UnitedHealth Group, Inc., 6.88%, 2/15/38 (c)	1,725	2,310,984
		8,740,312

Health Care Technology 0.9%

Amgen, Inc.:		
5.15%, 11/15/41 (c)	2,015	2,099,926
5.65%, 6/15/42	20	22,249
		2,122,175

Household Durables 0.2%

Standard Pacific Corp., 8.38%, 1/15/21	435	458,925
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Independent Power Producers & Energy Traders

1.1%

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

Insurance 5.4%

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

IT Services 0.7%

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

See Notes to Financial Statements.

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

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

4,812,126

Multi-Utilities 1.6%

CenterPoint Energy, Inc.:

5.95%, 2/01/17

1,500 1,714,863

6.50%, 5/01/18

1,600 1,904,085

3,618,948

Multiline Retail 0.3%

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

720 698,400

Oil, Gas & Consumable Fuels 13.5%

Anadarko Petroleum Corp.:

5.95%, 9/15/16

497 574,604

6.38%, 9/15/17

12 14,261

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

205 213,200

BP Capital Markets Plc:

3.88%, 3/10/15

700 749,740

3.20%, 3/11/16

925 985,439

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

475 490,677

Chesapeake Midstream Partners LP:

5.88%, 4/15/21

285 270,750

6.13%, 7/15/22

230 221,375

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

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

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

USD 205 \$ 205,000

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

220 206,800

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

270 284,850

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

625 674,917

El Paso Pipeline Partners Operating Co. LLC:

6.50%, 4/01/20

680 781,113

5.00%, 10/01/21

300 316,934

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

1,000 1,348,961

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

500 516,250

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

2,000 2,421,606

Everest Acquisition LLC/Everest Acquisition

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

165 173,250

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

600 645,000

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

2,000 2,418,780

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

110 116,600

Linn Energy LLC:

6.25%, 11/01/19 (a)

545 536,825

7.75%, 2/01/21

220 232,100

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

650 681,796

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

255 268,388

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

275 292,188

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

670 743,711

Oasis Petroleum, Inc.:

7.25%, 2/01/19

165 174,900

6.50%, 11/01/21

145 147,900

OGX Petroleo e Gas Participacoes SA,

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

See Notes to Financial Statements.

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

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

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

Wireless Telecommunication Services 5.3%

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

Corporate Bonds

Wireless Telecommunication Services (concluded)

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

Preferred Securities

Capital Trusts

Capital Markets 3.7%

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

Commercial Banks 3.1%

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

Consumer Finance 0.3%

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

Diversified Financial Services 4.3%

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

9,856,921

Electric Utilities 0.4%

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

Insurance 7.8%

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

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

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

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

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

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

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

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

Mitsui Sumitomo Insurance Co., Ltd.,

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

Northwestern Mutual Life Insurance,

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

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

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

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

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

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

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

17,995,469

Oil, Gas & Consumable Fuels 0.4%

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

Total Capital Trusts 20.0% 46,172,451

See Notes to Financial Statements.

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

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

Over-the-Counter Interest Rate Call Swaptions 0.1%

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

Broker Citibank NA

USD 2,700 \$96

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

Broker Citibank NA

5,200 240,832

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

Broker Credit Suisse Securities (USA) LLC

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

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

Broker Citibank NA

5,200 109,356

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

Broker Credit Suisse Securities (USA) LLC

500 20,162

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

Broker Deutsche Bank AG

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

505,404

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

301,845,427

Options Written**Contracts****Over-the-Counter Call Options (0.0)%**

S&P 500 Index, Strike Price USD 1,450.00,

Expires 6/15/12, Broker Deutsche Bank AG

3,500 (25,517)

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

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

Broker Citibank NA

USD 5,000 (967,336)

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

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

Broker Deutsche Bank AG

10,800 (14,881)

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

Broker Citibank NA

5,000 (30,291)

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

Broker Deutsche Bank AG

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

(1,106,321)

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

See Notes to Financial Statements.

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

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (d) Represents a step-down bond that pays an initial coupon rate for the first period and then a lower coupon rate for the following periods. Rate shown is as of report date.
- (e) Security is perpetual in nature and has no stated maturity date.
- (f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (g) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (i) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

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

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

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

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

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

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

See Notes to Financial Statements.

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

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

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

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

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

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

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

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

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

Total \$ 50,157

¹Using S&P's rating.

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

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

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

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

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

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

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

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

⁶Fund pays a floating interest rate and receives fixed rate.

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

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

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

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

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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

The following tables summarize the inputs used as of April 30, 2012 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities	—	—	\$1,098,500	\$1,098,500
Corporate Bonds	—	\$243,458,905	1,677,812	245,136,717
Preferred Securities	\$623,076	47,165,489	—	47,788,565
Taxable Municipal Bonds	—	2,054,404	—	2,054,404
US Government Sponsored Agency Securities	—	648,134	—	648,134
US Treasury Obligations	—	3,754,467	—	3,754,467
Warrants	—	17,872	—	17,872
Short-Term Securities	841,364	—	—	841,364
Total	\$1,464,440	\$297,099,271	\$2,776,312	\$301,340,023

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

¹ Derivative financial instruments are swaps, financial futures contracts, and options. Swaps and financial futures contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value. The following table is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used in determining fair value:

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

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

²Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held at April 30, 2012 was \$1,759,621.

³The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

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

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

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

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

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

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

See Notes to Financial Statements.

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

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