

BLACKROCK CREDIT ALLOCATION INCOME TRUST  
Form N-CSRS  
July 01, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT**

**COMPANIES**

Investment Company Act file number 811-21972

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 10/31/2014

Date of reporting period: 04/30/2014

Item 1 Report to Stockholders

SEMI-ANNUAL REPORT (UNAUDITED)

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

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

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

**Not FDIC Insured   May Lose Value   No Bank Guarantee**

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## Shareholder Letter

Dear Shareholder,

Markets have remained highly attuned to potential changes in U.S. monetary policy over the past year. This was markedly evident one year ago in May of 2013 when then-Federal Reserve Chairman Bernanke first mentioned the possibility of reducing (or tapering) the central bank's asset purchase programs' comments that were widely misinterpreted as signaling an end to the Fed's zero-interest-rate policy. U.S. Treasury yields rose sharply following his comments, triggering a steep sell-off across fixed income markets. (Bond prices move in the opposite direction of yields.) Global equities also suffered as investors feared the implications of a potential end to a program that had greatly supported stocks. Emerging markets, which are more sensitive to changes in global liquidity, were especially hurt by the prospect of ebbing cash flows from the United States. Markets broadly rebounded in late June, however, when the Fed's tone turned more dovish. At the same time, improving economic indicators and better corporate earnings helped extend gains through most of the summer.

Although the tone of economic and financial news was mixed last autumn, it was a surprisingly positive period for most asset classes. Early on, the Fed defied market expectations with its decision to delay tapering, but higher volatility returned in late September 2013 when the U.S. Treasury Department warned that the national debt would soon breach its statutory maximum. The ensuing political brinkmanship led to a partial government shutdown, roiling global financial markets through the first half of October. Equities and other so-called risk assets managed to resume their rally when politicians finally engineered a compromise to reopen the government and extend the debt ceiling.

The remainder of 2013 was a generally positive period for stock markets in the developed world, although investors continued to grapple with uncertainty about when and how much the Fed would scale back on stimulus. When the Fed ultimately announced its tapering plans in mid-December, markets reacted positively, as this action signaled the Fed's perception of real improvement in the economy, and investors were finally released from the anxiety that had gripped them for quite some time.

The start of the new year brought a stark change in sentiment. Heightened volatility in emerging markets' driven by reduced global liquidity, severe currency weakness, high levels of debt and uneven growth' combined with mixed U.S. economic data caused global equities to weaken in January while bond markets found renewed strength from investors seeking relatively safer assets. Although these headwinds persisted, equities were back on the rise in February as investors were encouraged by a one-year extension of the U.S. debt ceiling and market-friendly comments from new Fed Chair Janet Yellen. While U.S. economic data had softened, investors were assuaged by increasing evidence that this was a temporary trend resulting from harsher-than-usual winter weather.

In the final months of the period, signs of decelerating growth in China and geopolitical tensions in Russia and Ukraine made for a bumpy ride, but markets continued their climb as investors focused on improving U.S. economic data, stronger corporate earnings and a still-dovish central bank. Within developed markets, investors shifted from growth to value stocks as the strong performance of growth stocks in 2013 had pushed valuations higher in many of these sectors. Emerging markets also benefited from this broad rotation into cheaper valuations and were further supported by an improving growth outlook for a number of developing countries.

Even though investors were gearing up for a modest shift toward tighter monetary policy from the Fed, equity markets in the developed world posted solid gains for the six- and 12-month periods ended April 30. Emerging markets, however, experienced increased volatility amid heightened risks for the asset class. Interest rate uncertainty posed a headwind for fixed income assets, and higher-quality sectors of the market performed poorly over the reporting period. Conversely, high yield bonds benefited from income-oriented investors' search for yield in the overall low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

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

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

*In a modest global growth environment, expectations around monetary policy changes continued to be a key theme in financial market performance.*

Rob Kapito

President, BlackRock Advisors, LLC

**Total Returns as of April 30, 2014**

	<b>6-month</b>	<b>12-month</b>
U.S. large cap equities (S&P 500® Index)	8.36%	20.44%
U.S. small cap equities (Russell 2000® Index)	3.08	20.50
International equities (MSCI Europe, Australasia, Far East Index)	4.44	13.35
Emerging market equities (MSCI Emerging Markets Index)	(2.98)	(1.84)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.03	0.06
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	0.88	(5.25)
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	1.74	(0.26)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	4.24	0.46
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	4.72	6.28

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

Trust Summary as of April 30, 2014

BlackRock Credit Allocation Income Trust

**Trust Overview**

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

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2014, the Trust returned 9.38% based on market price and 6.81% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 5.32% based on market price and 4.66% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

In a positive market environment, the Trust's high level of leverage enhanced the rewards of its credit exposures. A preference for companies generating cash flows sourced from the U.S. domestic market proved beneficial, as did holding large allocations to the higher-yielding credit sectors such as high yield bonds, subordinated financials and lower-quality investment grade bonds. The Trust's use of leverage to achieve greater exposure to high yield debt boosted returns. Within the investment grade space, security selection within industrials and a preference for capital trust securities within financials added to performance. Additionally, the Trust's short duration bias enhanced results as interest rates increased in late 2013, as did a yield curve-flattening bias as longer-term rates declined in March of 2014.

As the slow-growth, low-rate environment has been conducive for positive performance in credit sectors, there were no material detractors from the Trust's performance during the period.

**Describe recent portfolio activity.**

During the six-month period, the Trust tactically rotated in and out of sectors and individual credit names, but overall, did not make significant changes to its overall weightings in investment grade credit, high yield and capital trust securities. Within the investment grade space, the Trust favored financials and capital trust securities over industrials given the rising event-driven headline risk among industrial credits.

**Describe portfolio positioning at period end.**

As of period end, the Trust continued to maintain its allocations to high yield debt and financials, with a preference for capital trust securities, and retained a bias toward companies with U.S.-sourced cash flows.

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





## BlackRock Credit Allocation Income Trust

## Trust Information

Symbol on New York Stock Exchange ( NYSE )	BTZ
Initial Offering Date	December 27, 2006
Current Distribution Rate on Closing Market Price as of April 30, 2014 (\$13.68) <sup>1</sup>	7.06%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0805
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.9660
Economic Leverage as of April 30, 2014 <sup>3</sup>	31%

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

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

<sup>3</sup> Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

## Market Price and Net Asset Value Per Share Summary

	4/30/14	10/31/13	Change	High	Low
Market Price	\$13.68	\$12.97	5.47%	\$13.72	\$12.51
Net Asset Value	\$15.44	\$14.99	3.00%	\$15.44	\$14.75

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

## Overview of the Trust's Long-Term Investments

Portfolio Composition	4/30/14	10/31/13
Corporate Bonds	79%	84%
Preferred Securities	16	14
U.S. Treasury Obligations	4	
Municipal Bonds	1	1
Asset-Backed Securities		1
Credit Quality Allocation <sup>4</sup>	4/30/14	10/31/13
AAA/Aaa <sup>5</sup>	5%	
AA/Aa	1	1%
A	16	16
BBB/Baa	39	43
BB/Ba	25	24
B	11	13

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CCC/Caa	1	
Not Rated	2	3

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

<sup>5</sup> Includes U.S. Government Sponsored Agency Securities and/or U.S. Treasury Obligations, which were deemed AAA by the investment advisor.

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## Trust Summary as of April 30, 2014

BlackRock Floating Rate Income Trust

**Trust Overview**

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

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

**Portfolio Management Commentary****How did the Trust perform?**

For the six-month period ended April 30, 2014, the Trust returned 2.42% based on market price and 3.42% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 0.77% based on market price and 3.19% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Security selection in the gaming and technology sectors contributed positively to results, as did the Trust's tactical allocation to fixed-rate high yield corporate bonds, which outperformed floating rate loan interests (i.e., bank loans) over the period. The Trust's tactical exposures to higher quality collateralized loan obligations (CLOs) also helped results.

Conversely, positioning in the media non-cable and electric sectors detracted from performance, as did the Trust's underweight to lower-rated loan assets, which outperformed middle and higher quality loans during the period.

**Describe recent portfolio activity.**

Throughout the six-month period, the Trust maintained its focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. With the average loan trading recently at or just below par (i.e., with limited or no upside), the Trust has concentrated its investments in strong companies with stable cash flows and high quality collateral, with the ability to meet interest obligations and ultimately return principal. The Trust actively participated in the new-issue market, where appealing investment opportunities have been emerging. While the investment advisor anticipates modest growth and improving economic conditions, the Trust's exposure to lower-rated segments of the market remained limited given less attractive risk-reward profiles in that space. From an asset allocation perspective, the Trust continued to reduce exposure to higher quality high yield bonds as valuations in that market moved closer to fair value.

In addition, the Trust tactically added risk in high quality CLOs, an area of the market with appealing valuations.

**Describe portfolio positioning at period end.**

At period end, the Trust held 93% of its total portfolio in floating rate loan interests (bank loans), with the remainder in corporate bonds, asset-backed securities and common stocks. The Trust's highest-conviction holdings included Alliance Boots Holdings Ltd. (retailers) and La

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Quinta Intermediate Holdings LLC (lodging).

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## BlackRock Floating Rate Income Trust

## Trust Information

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Current Distribution Rate on Closing Market Price as of April 30, 2014 (\$14.03) <sup>1</sup>	5.94%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.0695
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.8340
Economic Leverage as of April 30, 2014 <sup>3</sup>	24%

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

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

<sup>3</sup> Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

## Market Price and Net Asset Value Per Share Summary

	4/30/14	10/31/13	Change	High	Low
Market Price	\$14.03	\$14.12	(0.64)%	\$14.47	\$13.80
Net Asset Value	\$14.84	\$14.79	0.34%	\$14.91	\$14.72

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

## Overview of the Trust's Long-Term Investments

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

Portfolio Composition	4/30/14	10/31/13
Floating Rate Loan Interests	93%	83%
Corporate Bonds	3	13
Asset-Backed Securities	3	3
Common Stocks	1	1

  

Credit Quality Allocation <sup>4</sup>	4/30/14	10/31/13
BBB/Baa	9%	10%
BB/Ba	29	21
B	44	67
Not Rated	18	2

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

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Trust Summary as of April 30, 2014

BlackRock Multi-Sector Income Trust

**Trust Overview**

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

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2014, the Trust returned 12.31% based on market price and 9.73% based on NAV. For the same period, the closed-end Lipper General Bond Funds category posted an average return of 6.87% based on market price and 6.18% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The largest contributor to the Trust's positive performance was its exposure to corporate credit, particularly high yield bonds and capital securities. Additionally, the Trust's holdings in asset-backed securities (ABS), especially home equity ABS, and non-agency mortgage-backed securities (MBS) had a notable impact on returns. In securitized debt, exposure to non-U.S. dollar-denominated positions enhanced overall performance for the period. In the positive market environment, the Trust's high level of leverage enhanced the rewards of its credit exposures. As the slow-growth, low-rate environment has been conducive for positive performance in credit sectors, there were no material detractors from the Trust's performance during the period.

**Describe recent portfolio activity.**

During the six-month period, the Trust took advantage of favorable market conditions offering attractive entry points to increase allocations to capital securities and securitized debt, particularly collateralized loan obligations.

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

**Describe portfolio positioning at period end.**

As of period end, the Trust was positioned to benefit from a continuation of a positive market environment for risk assets with its largest allocation in high yield debt, followed by capital securities and securitized debt.

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.





**Trust Information**

Symbol on NYSE	BIT
Initial Offering Date	February 27, 2013
Current Distribution Rate on Closing Market Price as of April 30, 2014 (\$18.39) <sup>1</sup>	7.62%
Current Monthly Distribution per Common Share <sup>2</sup>	\$0.1167
Current Annualized Distribution per Common Share <sup>2</sup>	\$1.4004
Economic Leverage as of April 30, 2014 <sup>3</sup>	41%

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

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

<sup>3</sup> Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

**Market Price and Net Asset Value Per Share Summary**

	4/30/14	10/31/13	Change	High	Low
Market Price	\$18.39	\$17.04	7.92%	\$18.40	\$16.39
Net Asset Value	\$19.98	\$18.95	5.44%	\$19.98	\$18.81

**Market Price and Net Asset Value History Since Inception**

<sup>4</sup> Commencement of operations.

**Overview of the Trust's Long-Term Investments**

Portfolio Composition	4/30/14	10/31/13
Corporate Bonds	39%	42%
Non-Agency Mortgage-Backed Securities	27	25
Asset-Backed Securities	17	18
Preferred Securities	11	9
Floating Rate Loan Interests	5	5
Foreign Agency Obligations	1	1

Credit Quality Allocation <sup>5</sup>	4/30/14	10/31/13
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AA/Aa		1%
A	2%	3
BBB/Baa	18	23
BB/Ba	37	33
B	34	31
CCC/Caa	6	6
Not Rated	3	3

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

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## The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trust's shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

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

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Trust had not used leverage. Furthermore, the value of the Trust's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Trust's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Trust's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's Common Shares than if the Trust were not leveraged. In addition, the Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The Trust will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shares.

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

Under the Investment Company Act of 1940, as amended (the 1940 Act ), each Trust is permitted to issue debt up to 33 1/3% of their total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act. If a Trust segregates or designates on its books and records cash or liquid assets having values not less than the value of the Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, forward foreign currency exchange contracts, options and swaps, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of

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derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Schedule of Investments April 30, 2014 (Unaudited)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

		Par	
		(000)	Value
<b>Asset-Backed Securities</b>			
Atrium CDO Corp., Series 5A, Class A4, 0.62%, 7/20/20 (a)(b)	USD	9,000	\$ 8,518,761
SLM Student Loan Trust, Series 2004-B, Class A2, 0.43%, 6/15/21 (a)		3,551	3,518,939
<b>Total Asset-Backed Securities</b>	<b>0.7%</b>		<b>12,037,700</b>
<b>Corporate Bonds</b>			
<b>Aerospace &amp; Defense 0.2%</b>			
Huntington Ingalls Industries, Inc.:			
6.88%, 3/15/18		1,430	1,530,100
7.13%, 3/15/21		2,000	2,205,000
			<b>3,735,100</b>
<b>Airlines 0.9%</b>			
Continental Airlines Pass-Through Trust:			
Series 2009-2, Class B, 9.25%, 11/10/18		3,048	3,444,363
Series 2012-3, Class C, 6.13%, 4/29/18		2,040	2,172,600
Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 1/02/23		3,422	3,986,287
United Airlines 2014-1 Class B Pass-Through Trust, Series B, 4.75%, 1/01/00		4,200	4,239,396
Virgin Australia 2013-1B Trust, 6.00%, 10/23/20 (b)		1,866	1,940,772
			<b>15,783,418</b>
<b>Auto Components 1.1%</b>			
Chrysler Group LLC/CG Co-Issuer, Inc., 8.25%, 6/15/21 (b)		2,925	3,286,969
Delphi Corp., 6.13%, 5/15/21		870	968,963
Icahn Enterprises LP/Icahn Enterprises Finance Corp. (b):			
3.50%, 3/15/17		265	266,988
4.88%, 3/15/19		3,950	4,004,312
6.00%, 8/01/20		4,538	4,787,590
5.88%, 2/01/22		2,669	2,709,035
Schaeffler Finance BV, 4.75%, 5/15/21 (b)		2,470	2,534,837
			<b>18,558,694</b>
<b>Automobiles 0.5%</b>			
Ford Motor Co., 7.45%, 7/16/31		3,660	4,775,941
General Motors Co. (b):			
4.88%, 10/02/23		1,875	1,938,281
6.25%, 10/02/43		940	1,029,300
			<b>7,743,522</b>
<b>Beverages 0.2%</b>			
Silgan Holdings, Inc., 5.50%, 2/01/22 (b)		3,004	3,109,140
<b>Building Products 0.3%</b>			
Building Materials Corp. of America (b):			
7.00%, 2/15/20		1,430	1,519,375
6.75%, 5/01/21		3,600	3,897,000
			<b>5,416,375</b>
		<b>Par</b>	
		<b>(000)</b>	<b>Value</b>
<b>Corporate Bonds</b>			
<b>Capital Markets 3.1%</b>			
The Goldman Sachs Group, Inc. (c):			
6.25%, 9/01/17	USD	625	\$ 714,205
7.50%, 2/15/19		5,165	6,271,420
5.25%, 7/27/21		1,175	1,304,635

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5.75%, 1/24/22	5,500	6,275,451
6.25%, 2/01/41	15,000	17,920,995
Morgan Stanley (c):		
5.63%, 9/23/19	6,770	7,719,120
5.50%, 7/28/21	2,695	3,049,832
5.00%, 11/24/25	5,000	5,187,675
UBS AG, 5.88%, 7/15/16 (c)	3,450	3,795,186
		52,238,519
<b>Chemicals 2.4%</b>		
Ashland, Inc., 3.88%, 4/15/18	1,745	1,792,987
Axiall Corp., 4.88%, 5/15/23 (b)	367	358,743
Basell Finance Co. BV, 8.10%, 3/15/27 (b)	6,000	7,953,342
Celanese US Holdings LLC, 5.88%, 6/15/21	2,615	2,863,425
CF Industries, Inc., 5.38%, 3/15/44	2,500	2,624,140
Chemtura Corp., 5.75%, 7/15/21	632	655,700
Eagle Spinco, Inc., 4.63%, 2/15/21 (b)	2,370	2,358,150
Huntsman International LLC:		
4.88%, 11/15/20	1,385	1,402,312
8.63%, 3/15/21 (c)	2,000	2,230,000
Ineos Finance PLC (b):		
8.38%, 2/15/19	255	280,819
7.50%, 5/01/20	2,080	2,275,000
LSB Industries, Inc., 7.75%, 8/01/19 (b)	569	608,830
NOVA Chemicals Corp., 5.25%, 8/01/23 (b)	2,277	2,436,390
Nufarm Australia Ltd., 6.38%, 10/15/19 (b)	990	1,022,175
PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20	885	903,806
Rockwood Specialties Group, Inc., 4.63%, 10/15/20	9,256	9,487,400