

**BLACKROCK CREDIT ALLOCATION INCOME TRUST II**

Form N-Q

March 28, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21286

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Credit Allocation Income Trust II, Inc., 55 East 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: 10/31/2012

Date of reporting period: 01/31/2012

Item 1 – Schedule of Investments

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Schedule of Investments January 31, 2012 (Unaudited)

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

	Par (000)	Value
<b>Asset-Backed Securities</b>		
Atrium CDO Corp., Series 5A, Class A4, 0.87%, 7/20/20 (a)(b)	USD 2,650	\$ 2,153,125
SLM Student Loan Trust, Series 2004-B, Class A2, 0.75%, 6/15/21 (b)	2,068	1,980,391
<b>Total Asset-Backed Securities 0.9%</b>		4,133,516
<b>Corporate Bonds</b>		
<b>Aerospace &amp; Defense 1.1%</b>		
BE Aerospace, Inc., 8.50%, 7/01/18	2,500	2,756,250
Huntington Ingalls Industries, Inc. (a):		
6.88%, 3/15/18	610	631,350
7.13%, 3/15/21	600	627,000
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	1,014	1,072,305
		5,086,905
<b>Airlines 0.9%</b>		
American Airlines Pass-Through Trust:		
Series 2011-1, Class A, 5.25%, 7/31/22	1,369	1,307,253
Series 2011-2, Class A, 8.63%, 4/15/23	570	607,050
Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17	1,362	1,426,817
Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24	1,013	1,043,674
		4,384,794
<b>Auto Components 0.8%</b>		
Delphi Corp., 6.13%, 5/15/21 (a)	570	598,500
Icahn Enterprises LP:		
7.75%, 1/15/16	610	634,400
8.00%, 1/15/18 (a)	270	280,125
8.00%, 1/15/18	2,000	2,075,000
		3,588,025
<b>Beverages 0.5%</b>		
Constellation Brands, Inc., 7.25%, 5/15/17	1,970	2,206,400
<b>Building Products 0.4%</b>		
Building Materials Corp. of America (a):		
7.00%, 2/15/20	375	405,000
6.75%, 5/01/21	1,160	1,247,000
		1,652,000
<b>Capital Markets 5.4%</b>		
Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)	3,250	3,586,654

Corporate Bonds

Value

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	Par (000)		
<b>Capital Markets (concluded)</b>			
E*Trade Financial Corp., 12.50%, 11/30/17 (d)	USD	1,865	\$ 2,158,737
<b>The Goldman Sachs Group, Inc.:</b>			
5.25%, 7/27/21 (c)		1,700	1,698,222
5.75%, 1/24/22		3,490	3,617,521
6.25%, 2/01/41 (c)		4,450	4,546,356
<b>Morgan Stanley (c):</b>			
5.75%, 1/25/21		3,915	3,911,132
5.50%, 7/28/21		1,285	1,270,611
<b>UBS AG (c):</b>			
2.25%, 1/28/14		1,627	1,617,633
5.88%, 7/15/16		2,800	2,963,915
			25,370,781
<b>Chemicals 1.1%</b>			
Ashland, Inc., 9.13%, 6/01/17		505	566,231
Celanese US Holdings LLC, 5.88%, 6/15/21		1,545	1,660,875
Lyondell Chemical Co., 11.00%, 5/01/18		1,619	1,772,667
LyondellBasell Industries NV, 6.00%, 11/15/21 (a)		285	309,938
Solutia, Inc., 7.88%, 3/15/20		860	1,010,500
			5,320,211
<b>Commercial Banks 4.2%</b>			
Amsouth Bank, Series AI, 4.85%, 4/01/13		1,050	1,044,750
Asciano Finance Ltd., 5.00%, 4/07/18 (a)		900	928,829
Associated Banc-Corp, 5.13%, 3/28/16		2,200	2,342,107
<b>Branch Banking &amp; Trust Co. (b)(c):</b>			
0.86%, 9/13/16		1,100	1,019,549
0.80%, 5/23/17		675	616,571
<b>CIT Group, Inc.:</b>			
7.00%, 5/02/16 (a)		1,570	1,575,888
7.00%, 5/01/17		1,123	1,124,404
7.00%, 5/02/17 (a)		490	491,225
City National Corp., 5.25%, 9/15/20 (c)		2,350	2,357,287
Discover Bank, 8.70%, 11/18/19		1,200	1,419,313
<b>Regions Financial Corp.:</b>			
4.88%, 4/26/13		2,525	2,531,312
5.75%, 6/15/15		1,800	1,836,720
SVB Financial Group, 5.38%, 9/15/20		2,300	2,367,112
			19,655,067
<b>Commercial Services &amp; Supplies 3.9%</b>			
<b>Aviation Capital Group Corp. (a):</b>			
7.13%, 10/15/20 (c)		9,300	9,372,071
6.75%, 4/06/21		2,325	2,246,252
Casella Waste Systems, Inc., 7.75%, 2/15/19		721	721,000

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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
<b>Corporate Bonds</b>		
<b>Commercial Services &amp; Supplies (concluded)</b>		
Clean Harbors, Inc., 7.63%, 8/15/16	USD 1,314	\$ 1,392,840
Corrections Corp. of America, 7.75%, 6/01/17	3,375	3,663,985
Iron Mountain, Inc., 7.75%, 10/01/19	390	427,050
Mobile Mini, Inc., 7.88%, 12/01/20	275	283,594
		18,106,792
<b>Communications Equipment 1.0%</b>		
Avaya, Inc., 9.75%, 11/01/15	900	861,750
Brocade Communications Systems, Inc., 6.88%, 1/15/20 (c)	2,965	3,261,500
EH Holding Corp., 6.50%, 6/15/19 (a)	420	437,325
		4,560,575
<b>Consumer Finance 5.1%</b>		
American Express Credit Corp., 2.75%, 9/15/15 (c)	5,850	6,023,353
Capital One Bank USA NA, 8.80%, 7/15/19	3,325	4,021,195
Daimler Finance North America LLC, 2.63%, 9/15/16 (a)(c)	3,425	3,441,868
Ford Motor Credit Co. LLC: 7.00%, 4/15/15	2,580	2,838,000
5.88%, 8/02/21	320	349,903
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	1,815	1,912,556
SLM Corp., 6.25%, 1/25/16	4,870	4,970,970
Toll Brothers Finance Corp., 5.88%, 2/15/22 (e)	410	409,992
		23,967,837
<b>Containers &amp; Packaging 1.4%</b>		
Ball Corp.: 7.13%, 9/01/16	1,750	1,907,500
6.75%, 9/15/20	2,210	2,442,050
Crown Americas LLC, 6.25%, 2/01/21 (a)	825	897,187
Graphic Packaging International, Inc., 9.50%, 6/15/17	665	733,163
Rock-Tenn Co., 9.25%, 3/15/16	325	340,844
Sealed Air Corp., 8.38%, 9/15/21 (a)	130	146,250
		6,466,994
<b>Diversified Financial Services 6.5%</b>		
Ally Financial, Inc.: 4.50%, 2/11/14	1,775	1,774,787
8.30%, 2/12/15	1,230	1,356,838
8.00%, 11/01/31	940	997,575

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Bank of America Corp.:		
5.30%, 3/15/17 (c)	3,640	3,621,920
5.00%, 5/13/21	50	48,929

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Diversified Financial Services (concluded)</b>		
Citigroup, Inc. (c):		
6.38%, 8/12/14	USD 1,300	\$ 1,407,267
4.59%, 12/15/15	975	1,023,856
4.45%, 1/10/17	4,075	4,248,827
DPL, Inc., 7.25%, 10/15/21 (a)	890	990,125
General Motors Financial Co., Inc., 6.75%, 6/01/18 (a)	500	520,000
ING Bank NV, 5.00%, 6/09/21 (a)(c)	2,350	2,401,991
Intesa Sanpaolo SpA (c):		
2.38%, 12/21/12	3,500	3,396,547
6.50%, 2/24/21 (a)	600	553,738
Moody s Corp., 6.06%, 9/07/17	6,000	6,273,558
Reynolds Group Issuer, Inc. (a):		
7.13%, 4/15/19	245	257,250
7.88%, 8/15/19	870	937,425
6.88%, 2/15/21	215	224,137
WGM Acquisition Corp., 9.50%, 6/15/16 (a)	205	222,938
		30,257,708
<b>Diversified Telecommunication Services 4.8%</b>		
AT&T, Inc., 6.30%, 1/15/38 (c)	4,000	4,878,012
France Telecom SA, 4.13%, 9/14/21	675	701,112
Level 3 Financing, Inc. (a):		
8.13%, 7/01/19	2,709	2,729,318
8.63%, 7/15/20 (c)	740	758,500
Qwest Corp., 8.38%, 5/01/16	2,795	3,254,565
Telecom Italia Capital SA, 6.18%, 6/18/14	975	979,875
Telefonica Emisiones SAU, 5.46%, 2/16/21	1,360	1,351,170
Verizon Communications, Inc. (c):		
1.95%, 3/28/14	3,650	3,741,845
7.35%, 4/01/39	2,375	3,330,063
Windstream Corp., 7.88%, 11/01/17	730	806,650
		22,531,110
<b>Electric Utilities 1.1%</b>		
Progress Energy, Inc., 7.00%, 10/30/31 (c)	4,000	5,355,872
<b>Electronic Equipment, Instruments &amp; Components 0.3%</b>		
Jabil Circuit, Inc., 8.25%, 3/15/18	800	932,000
NXP BV, 3.32%, 10/15/13 (b)	400	399,000
		1,331,000
<b>Energy Equipment &amp; Services 3.0%</b>		
Atwood Oceanics, Inc., 6.50%, 2/01/20	110	113,850
Energy Transfer Partners LP, 5.20%, 2/01/22	3,000	3,168,078
Ensco Plc, 4.70%, 3/15/21 (c)	1,965	2,105,751
Frac Tech Services LLC, 7.63%, 11/15/18 (a)	1,085	1,155,525



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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
<b>Corporate Bonds</b>		
<b>Energy Equipment &amp; Services (concluded)</b>		
Key Energy Services, Inc., 6.75%, 3/01/21	USD 745	\$ 763,625
MEG Energy Corp., 6.50%, 3/15/21 (a)	955	997,975
Oil States International, Inc., 6.50%, 6/01/19	505	536,562
Peabody Energy Corp., 6.25%, 11/15/21 (a)	2,295	2,363,850
Transocean, Inc.: 6.50%, 11/15/20	1,125	1,245,860
6.38%, 12/15/21	1,375	1,559,220
		14,010,296
<b>Food &amp; Staples Retailing 1.6%</b>		
Wal-Mart Stores, Inc. (c): 5.25%, 9/01/35	2,500	2,948,623
6.20%, 4/15/38	3,375	4,467,035
		7,415,658
<b>Food Products 1.0%</b>		
Kraft Foods, Inc.: 6.50%, 8/11/17	1,665	2,008,333
6.13%, 8/23/18	1,660	2,001,573
Smithfield Foods, Inc., 10.00%, 7/15/14	374	439,450
		4,449,356
<b>Gas Utilities 0.3%</b>		
El Paso Natural Gas Co., 8.63%, 1/15/22	695	880,921
Targa Resources Partners LP, 6.88%, 2/01/21 (a)	495	516,037
		1,396,958
<b>Health Care Equipment &amp; Supplies 0.7%</b>		
Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)	2,250	2,536,875
Teleflex, Inc., 6.88%, 6/01/19	490	524,300
		3,061,175
<b>Health Care Providers &amp; Services 3.9%</b>		
Aetna, Inc., 6.75%, 12/15/37 (c)	1,700	2,179,007
Aviv Healthcare Properties LP, 7.75%, 2/15/19	460	461,150
HCA, Inc.: 8.50%, 4/15/19	240	266,400
6.50%, 2/15/20	2,380	2,522,800
7.25%, 9/15/20	3,435	3,696,919
Health Management Associates, Inc., 7.38%, 1/15/20 (a)	475	489,250
INC Research LLC, 11.50%, 7/15/19 (a)	695	639,400
inVentiv Health, Inc., 10.00%, 8/15/18 (a)	220	199,100
Tenet Healthcare Corp.:		

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10.00%, 5/01/18	1,530	1,763,325
8.88%, 7/01/19	1,125	1,272,656

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Health Care Providers &amp; Services (concluded)</b>		
UnitedHealth Group, Inc., 6.88%, 2/15/38 (c)	USD 3,400	\$ 4,650,507
		18,140,514
<b>Health Care Technology 1.0%</b>		
Amgen, Inc.:		
5.15%, 11/15/41	4,208	4,467,491
5.65%, 6/15/42	42	47,236
		4,514,727
<b>Independent Power Producers &amp; Energy Traders 1.0%</b>		
AES Corp.:		
9.75%, 4/15/16	985	1,157,375
7.38%, 7/01/21 (a)	325	359,125
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)	535	576,462
Calpine Corp., 7.25%, 10/15/17 (a)	440	459,800
Energy Future Intermediate Holding Co., LLC, 10.00%, 12/01/20	1,745	1,880,237
Laredo Petroleum, Inc., 9.50%, 2/15/19	295	322,288
		4,755,287
<b>Insurance 8.2%</b>		
Allianz Finance II BV, 5.75%, 7/08/41 (b)	EUR 400	479,584
The Allstate Corp., 7.45%, 5/16/19	USD 5,600	7,013,798
American International Group, Inc., 6.40%, 12/15/20 (c)	1,690	1,838,230
Aon Corp., 5.00%, 9/30/20 (c)	4,600	5,168,367
Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)	2,800	2,682,697
Forethought Financial Group, Inc., 8.63%, 4/15/21 (a)	1,000	1,015,495
Genworth Financial, Inc., 7.63%, 9/24/21	970	962,116
ING Verzekeringen NV, 3.27%, 6/21/21 (b)	EUR 430	511,806
Manulife Financial Corp., 4.90%, 9/17/20 (c)	USD 4,700	4,848,492
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)	430	378,400
Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)	3,800	4,665,530
Principal Financial Group, Inc., 8.88%, 5/15/19	980	1,246,861
Prudential Financial, Inc., 6.63%, 12/01/37 (c)	3,400	3,970,897
XL Group Ltd., 5.75%, 10/01/21 (c)	3,430	3,767,214
		38,549,487





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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
<b>Corporate Bonds</b>		
<b>IT Services 0.6%</b>		
Eagle Parent, Inc., 8.63%, 5/01/19 (a)	USD 720	\$ 720,000
First Data Corp. (a):		
7.38%, 6/15/19	725	723,188
8.25%, 1/15/21	90	83,250
12.63%, 1/15/21	755	730,462
SunGard Data Systems, Inc., 7.38%, 11/15/18	730	770,150
		3,027,050
<b>Life Sciences Tools &amp; Services 1.9%</b>		
Bio-Rad Laboratories, Inc., 8.00%, 9/15/16	3,825	4,236,188
Life Technologies Corp., 6.00%, 3/01/20 (c)	4,200	4,742,644
		8,978,832
<b>Machinery 1.0%</b>		
Ingersoll-Rand Global Holding Co., Ltd., 9.50%, 4/15/14	3,400	3,942,130
Navistar International Corp., 8.25%, 11/01/21	882	952,560
		4,894,690
<b>Media 8.7%</b>		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	395	434,006
CCH II LLC, 13.50%, 11/30/16	2,317	2,670,343
Comcast Corp., 6.30%, 11/15/17 (c)	3,400	4,091,325
Cox Communications, Inc., 8.38%, 3/01/39 (a)	3,400	4,641,085
CSC Holdings LLC:		
8.50%, 4/15/14	680	756,500
8.63%, 2/15/19	1,200	1,401,000
DIRECTV Holdings LLC, 5.00%, 3/01/21 (c)	2,575	2,832,297
DISH DBS Corp., 7.00%, 10/01/13	1,750	1,872,500
Intelsat Luxemburg SA (d):		
11.50%, 2/04/17 (a)	110	110,550
11.50%, 2/04/17	400	402,000
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	1,175	1,343,906
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	4,781,011
Time Warner Cable, Inc., 6.75%, 6/15/39	4,050	4,866,225
Time Warner, Inc., 7.70%, 5/01/32	4,150	5,508,266
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	1,030	1,112,400

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Virgin Media Secured Finance Pl, 6.50%, 1/15/18	2,675	2,875,625
		40,809,239

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Metals &amp; Mining 2.2%</b>		
Alcoa, Inc., 5.40%, 4/15/21 (c)	USD 580	\$ 608,939
Barrick Gold Corp., 2.90%, 5/30/16 (c)	1,150	1,195,035
Barrick North America Finance LLC, 5.70%, 5/30/41 (c)	1,325	1,592,242
Freeport-McMoRan Corp., 7.13%, 11/01/27	2,900	3,475,963
Novelis, Inc., 8.75%, 12/15/20	975	1,089,563
Teck Resources Ltd., 10.75%, 5/15/19 (c)	1,750	2,139,289
		10,101,031
<b>Multi-Utilities 1.6%</b>		
CenterPoint Energy, Inc.: 5.95%, 2/01/17	3,150	3,591,992
6.50%, 5/01/18	3,350	3,928,833
		7,520,825
<b>Multiline Retail 1.3%</b>		
JC Penney Co., Inc., 5.65%, 6/01/20	6,300	6,315,750
<b>Oil, Gas &amp; Consumable Fuels 13.2%</b>		
Alpha Natural Resources, Inc., 6.25%, 6/01/21	565	559,350
Anadarko Petroleum Corp.: 5.95%, 9/15/16	994	1,141,168
6.38%, 9/15/17	23	27,204
Arch Coal, Inc. (a): 7.00%, 6/15/19	220	220,550
7.25%, 6/15/21	595	597,975
BP Capital Markets Plc (c): 3.88%, 3/10/15	1,500	1,620,024
3.20%, 3/11/16	1,875	1,993,652
Buckeye Partners LP, 4.88%, 2/01/21	1,000	1,061,362
Chesapeake Energy Corp., 6.13%, 2/15/21 (c)	1,295	1,275,575
Chesapeake Midstream Partners LP (a): 5.88%, 4/15/21	595	599,463
6.13%, 7/15/22	475	483,313
Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a)	145	145,725
Consol Energy, Inc., 6.38%, 3/01/21 (a)	450	444,375
Copano Energy LLC, 7.13%, 4/01/21	560	576,800
DCP Midstream LLC, 4.75%, 9/30/21 (a)	1,200	1,266,128
Denbury Resources, Inc., 6.38%, 8/15/21	575	622,437
El Paso Corp., 7.00%, 6/15/17	1,430	1,583,521
El Paso Pipeline Partners Operating Co., LLC: 6.50%, 4/01/20	1,530	1,708,837
5.00%, 10/01/21	525	549,369



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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
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>		
Enbridge Energy Partners LP, 9.88%, 3/01/19	USD 2,100	\$ 2,807,171
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	5,029,399
Forest Oil Corp., 8.50%, 2/15/14	1,240	1,351,600
Kinder Morgan Energy Partners LP, 6.85%, 2/15/20	4,200	4,982,414
Kinder Morgan Finance Co. LLC, 6.00%, 1/15/18 (a)	430	445,050
Kodiak Oil & Gas Corp., 8.13%, 12/01/19 (a)	230	243,800
Linn Energy LLC, 7.75%, 2/01/21	955	1,029,012
Marathon Petroleum Corp., 3.50%, 3/01/16 (a)	1,375	1,416,594
MarkWest Energy Partners LP, 6.25%, 6/15/22	530	563,125
Newfield Exploration Co., 6.88%, 2/01/20	595	636,650
Nexen, Inc., 6.40%, 5/15/37	1,550	1,748,330
Oasis Petroleum, Inc.: 7.25%, 2/01/19	340	357,000
6.50%, 11/01/21	305	308,050
OGX Petroleo e Gas Participacoes SA, 8.50%, 6/01/18 (a)	1,200	1,239,600
ONEOK Partners LP, 8.63%, 3/01/19	3,400	4,371,975
Petrobras International Finance Co., 3.88%, 1/27/16	3,725	3,813,972
Petrohawk Energy Corp.: 10.50%, 8/01/14	615	683,419
6.25%, 6/01/19	715	799,906
Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a)	445	462,800
Pioneer Natural Resources Co.: 6.65%, 3/15/17	650	738,250
6.88%, 5/01/18	490	564,086
Plains Exploration & Production Co.: 10.00%, 3/01/16	405	455,625
8.63%, 10/15/19	560	630,000
6.75%, 2/01/22	655	712,312
Precision Drilling Corp., 6.50%, 12/15/21 (a)	425	436,688
Premier Oil Plc, 5.11%, 6/09/18	3,400	3,502,000
Range Resources Corp., 6.75%, 8/01/20	855	936,225
SandRidge Energy, Inc., 7.50%, 3/15/21 (a)	720	730,800
SM Energy Co. (a):		

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6.63%, 2/15/19	220	231,000
6.50%, 11/15/21	345	361,388
Western Gas Partners LP, 5.38%, 6/01/21	1,525	1,612,535

	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Oil, Gas &amp; Consumable Fuels (concluded)</b>		
The Williams Cos., Inc., 8.75%, 3/15/32	USD 711	\$ 939,600
		61,675,516
<b>Paper &amp; Forest Products 3.0%</b>		
Boise Paper Holdings LLC:		
9.00%, 11/01/17	290	316,100
8.00%, 4/01/20	645	690,150
Georgia-Pacific LLC, 8.25%, 5/01/16 (a)(c)	3,400	3,768,788
International Paper Co.:		
7.50%, 8/15/21	3,325	4,229,536
7.30%, 11/15/39	3,400	4,260,159
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	330	345,263
Verso Paper Holdings LLC, 11.50%, 7/01/14	355	365,650
		13,975,646
<b>Pharmaceuticals 3.8%</b>		
Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)	300	420,865
Merck & Co., Inc.:		
6.50%, 12/01/33 (c)	2,070	2,905,487
6.55%, 9/15/37	1,622	2,271,186
Pfizer, Inc., 7.20%, 3/15/39 (c)	6,250	9,362,100
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)		
	250	253,750
Watson Pharmaceuticals, Inc., 6.13%, 8/15/19	2,075	2,462,529
		17,675,917
<b>Real Estate Investment Trusts (REITs) 2.8%</b>		
AvalonBay Communities, Inc., 6.10%, 3/15/20 (c)	3,400	3,992,460
Developers Diversified Realty Corp.:		
4.75%, 4/15/18	645	649,745
7.88%, 9/01/20	775	916,716
ERP Operating LP, 5.75%, 6/15/17 (c)	3,405	3,874,860
HCP, Inc., 5.38%, 2/01/21	1,025	1,132,709
UDR, Inc., 4.25%, 6/01/18	1,475	1,541,421
Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21	1,135	1,169,615
		13,277,526
<b>Real Estate Management &amp; Development 0.3%</b>		
Realogy Corp. (a):		
7.88%, 2/15/19 (c)	570	527,250
7.63%, 1/15/20 (e)	620	620,000
Shea Homes LP, 8.63%, 5/15/19 (a)	480	480,000
		1,627,250
<b>Road &amp; Rail 1.5%</b>		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	110	115,775



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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
<b>Corporate Bonds</b>		
<b>Road &amp; Rail (concluded)</b>		
Florida East Coast Railway Corp., 8.13%, 2/01/17	USD 200	\$ 200,000
The Hertz Corp., 6.75%, 4/15/19	933	963,322
Norfolk Southern Corp., 6.00%, 3/15/2105 (c)	5,000	5,977,835
		7,256,932
<b>Semiconductors &amp; Semiconductor Equipment 0.7%</b>		
Advanced Micro Devices, Inc., 7.75%, 8/01/20	775	837,000
KLA-Tencor Corp., 6.90%, 5/01/18	1,928	2,279,532
		3,116,532
<b>Specialty Retail 1.2%</b>		
AutoNation, Inc., 6.75%, 4/15/18	1,965	2,102,550
Limited Brands, Inc., 7.00%, 5/01/20	980	1,087,800
QVC, Inc., 7.38%, 10/15/20 (a)	105	114,713
Sally Holdings LLC, 6.88%, 11/15/19 (a)(c)	595	636,650
VF Corp., 5.95%, 11/01/17 (c)	1,475	1,749,046
		5,690,759
<b>Tobacco 1.9%</b>		
Altria Group, Inc., 10.20%, 2/06/39	3,929	6,227,323
Lorillard Tobacco Co., 3.50%, 8/04/16	2,450	2,510,486
		8,737,809
<b>Wireless Telecommunication Services 4.2%</b>		
America Movil SAB de CV, 2.38%, 9/08/16 (c)	2,675	2,709,283
American Tower Corp.:		
4.50%, 1/15/18	1,925	1,966,170
5.90%, 11/01/21	1,295	1,393,797
Cricket Communications, Inc., 7.75%, 5/15/16	670	710,200
Crown Castle International Corp., 9.00%, 1/15/15	890	970,100
Crown Castle Towers LLC (a):		
5.50%, 1/15/37	1,175	1,287,282
6.11%, 1/15/40	1,300	1,458,090
Intelsat Jackson Holdings SA, 7.25%, 4/01/19 (a)	190	198,550
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	840	840,000
SBA Tower Trust, 5.10%, 4/15/42 (a)	4,225	4,528,355
Sprint Capital Corp., 6.88%, 11/15/28	440	326,150

**Corporate Bonds**

**Value**



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	Par (000)	
<b>Wireless Telecommunication Services (concluded)</b>		
Sprint Nextel Corp., 9.00%, 11/15/18 (a)	USD 2,820	\$ 3,038,550
		19,426,527
<b>Total Corporate Bonds 109.1%</b>		510,243,360
<b>Preferred Securities</b>		
<b>Capital Trusts</b>		
<b>Capital Markets 3.8%</b>		
Ameriprise Financial, Inc., 7.52%, 6/01/66 (b)	2,500	2,568,750
State Street Capital Trust III, 5.54% (b)(f)	2,920	2,927,563
State Street Capital Trust IV, 1.55%, 6/01/37 (b)	18,235	12,313,858
		17,810,171
<b>Commercial Banks 5.5%</b>		
Barclays Bank Plc, 7.43% (a)(b)(c)(f)	650	637,000
BNP Paribas, 7.20% (a)(b)(c)(f)	1,500	1,185,000
Credit Agricole SA (a)(b)(c)(f): 6.64%, 8.38%,	1,475	1,047,250
	1,475	1,209,500
Dresdner Funding Trust I, 8.15%, 6/30/31 (a)	2,240	1,668,800
HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f)	4,835	6,092,100
M&T Capital Trust II, 8.28%, 6/01/27	3,630	3,753,017
National City Preferred Capital Trust I, 12.00% (b)(f)	1,100	1,173,139
NationsBank Capital Trust III, 1.12%, 1/15/27 (b)	13,470	9,057,915
		25,823,721
<b>Diversified Financial Services 1.3%</b>		
JPMorgan Chase Capital XXIII, 1.46%, 5/15/77 (b)(c)	8,775	6,150,810
<b>Electric Utilities 0.7%</b>		
PPL Capital Funding, 6.70%, 3/30/67 (b)	3,000	2,962,500
<b>Insurance 8.6%</b>		
Ace Capital Trust II, 9.70%, 4/01/30 (c)	2,500	3,315,955
The Allstate Corp., 6.50%, 5/15/67 (b)	5,000	4,725,000

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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
<b>Capital Trusts</b>		
<b>Insurance (concluded)</b>		
American International Group, Inc., 8.18%, 5/15/68 (b)	USD 900	\$ 868,500
American General Capital II, 8.50%, 7/01/30	100	98,078
Aon Corp., 8.21%, 1/01/27	2,500	2,946,822
AXA SA, 6.38% (a)(b)(f)	3,000	2,242,500
Bank One Capital III, 8.75%, 9/01/30 (c)	2,000	2,713,084
Chubb Corp., 6.38%, 3/29/67 (b)(c)	2,000	2,040,000
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	2,500	2,741,495
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)	2,925	3,729,375
Lincoln National Corp., 7.00%, 5/17/66 (b)	3,350	3,165,750
MetLife, Inc., 6.40%, 12/15/66	3,325	3,239,993
Principal Life Insurance Co., 8.00%, 3/01/44 (a)(c)	2,500	2,941,288
Reinsurance Group of America, 6.75%, 12/15/65 (b)	3,000	2,702,115
Swiss Re Solutions Holding Corp., 7.75%, 6/15/30 (c)	2,000	2,486,556
ZFS Finance (USA), Trust IV, 5.88%, 5/09/32 (a)(b)	379	369,525
		40,326,036
<b>Multi-Utilities 1.4%</b>		
Dominion Resources Capital Trust I, 7.83%, 12/01/27	2,500	2,559,237
Dominion Resources, Inc., 7.50%, 6/30/66 (b)	3,900	4,095,000
		6,654,237
<b>Oil, Gas &amp; Consumable Fuels 1.4%</b>		
Enterprise Products Operating LLC, 8.38%, 8/01/66 (b)	2,000	2,160,000
TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b)	4,000	4,043,572
		6,203,572
<b>Road &amp; Rail 0.8%</b>		
BNSF Funding Trust I, 6.61%, 12/15/55 (b)	3,750	3,862,500
<b>Total Capital Trusts 23.5%</b>		<b>109,793,547</b>
<b>Preferred Stocks</b>		
<b>Auto Components 0.1%</b>		
Dana Holding Corp., 4.00% (a)	4,000	508,500
<b>Preferred Stocks</b>		
<b>Diversified Financial Services 0.3%</b>		