BlackRock Multi-Sector Income Trust
Form N-CSRS
July 03, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22774

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Multi-Sector Income Trust,

55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 10/31/2013

Date of reporting period: 04/30/2013

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Item 1 Report to Stockholders

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APRIL 30, 2013

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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Dear Shareholder

About this time one year ago, financial market activity was dominated by concerns about Europe s debt crisis. Investors were also discouraged by gloomy economic reports from various parts of the world, particularly in China. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world s largest central banks would intervene to stimulate growth. This theme, along with the European Central Bank s (ECB s) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer of 2012. In early September, the ECB announced its sovereign bond-buying program designed to support the region s debt-laden countries. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by these aggressive policy actions, risk assets weakened in the fall of 2012. Global trade slowed as many European countries fell into recession and growth continued to decelerate in China. In the United States, stocks slid on lackluster corporate earnings and volatility rose in advance of the US Presidential election. In the post-election environment, investors became more concerned about the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. High levels of global market volatility persisted through year-end due to fears that bipartisan gridlock would preclude a timely resolution, putting the US economy at high risk for recession. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal, although decisions relating to spending cuts and the debt ceiling were postponed, leaving lingering uncertainty.

Investors shook off the nerve-wracking finale to 2012 and the New Year began with a powerful relief rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world s major economies underpinned the rally. Underlying this aura of comfort was the absence of negative headlines out of Europe. Against this backdrop, global equities surged through January while rising US Treasury yields pressured high quality fixed income assets (as prices move in the opposite direction of yields).

However, bond markets regained strength in February (as yields once again dropped) when global economic momentum slowed and investors toned down their risk appetite. International stock markets weakened amid a resurgence of macro risk out of Europe. A stalemate presidential election in Italy was a reminder that political instability continued to plague the eurozone and a severe banking crisis in Cyprus underscored the fragility of the broader European banking system. In the United States, stocks continued to rise, but at a more moderate pace. Investors grew more cautious given uncertainty as to how long the central bank would continue its stimulus programs. How government spending cuts would impact the already slow economic recovery was another concern. But improving labor market data and rising home prices boosted sentiment in March, pushing major US stock indices to all-time highs. Investors scaled back their enthusiasm in April due to a series of disappointing economic reports. On the whole, US stocks have performed well thus far in 2013 as the US economy demonstrated enough resilience to allay fears of recession, but growth has remained slow enough to dissuade the US Federal Reserve from changing its stance.

Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment. For the 6- and 12-month periods ended April 30, 2013, US and international stocks and high yield bonds posted strong gains. Emerging market equities lagged the rally as the uneven pace of global growth raised doubts that developing economies could thrive in the near term. US Treasury yields were highly volatile over the past 12 months, although they continue to remain low from a historical perspective. US Treasury and investment-grade bonds generated modest returns in this environment, while tax-exempt municipal bonds benefited from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Market conditions have improved over the past couple of years, but investors still remain highly uncertain and many of the old ways of investing no longer work. That s why the new world of investing calls for a new approach. One that seeks out more opportunities in more places across a broader array of investments in a portfolio designed to move freely as the markets move up and down. Visit www.blackrockplan.com to learn more about how to take action.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of April 30, 2013

	6-month	**12-month**
US large cap equities (S&P 500® Index)	14.42%	16.89%
US small cap equities (Russell 2000® Index)	16.58	17.69
International equities (MSCI Europe, Australasia, Far East Index)	16.90	19.39
Emerging market equities (MSCI Emerging Markets Index)	5.29	3.97
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.06	0.12
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	1.52	5.07
US investment grade bonds (Barclays US Aggregate Bond Index)	0.90	3.68
Tax-exempt municipal bonds (S&P Municipal Bond Index)	2.01	5.74
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	7.26	13.95

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

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Trust Summary as of April 30, 2013

BlackRock Credit Allocation Income Trust

Trust Overview

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

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

Portfolio Management Commentary

On July 27, 2012, the Board of Directors of BTZ approved separate plans of reorganization whereby BTZ would acquire all of the assets and assume all of the liabilities of Credit Allocation Income Trust (PSW), Credit Allocation Income Trust II (PSY) and Credit Allocation Income Trust III (BPP) (each a Target Fund) in exchange for newly issued shares of BTZ in a merger transaction. At a shareholder meeting on November 2, 2012, each Target Fund s shareholders approved their respective plan of reorganization and BTZ shareholders approved the issuance of BTZ shares in connection with each reorganization. The reorganizations took place on December 10, 2012. On February 11, 2013, BTZ changed its name to BlackRock Credit Allocation Income Trust.

How did the Trust perform?

For the six-month period ended April 30, 2013, the Trust returned 5.04% based on market price and 5.88% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 5.12% based on market price and 4.83% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Trust s heavy exposure to credit sectors had a positive impact on performance as risk assets broadly rallied during the period. The Trust maintained a high level of leverage, which enhanced results in the positive market environment. A preference for companies generating cash flows sourced from the US domestic market proved beneficial. Also contributing positively to returns were the Trust s large allocations to the higher-yielding credit sectors such as high yield bonds, subordinated financials and lower-quality investment grade bonds.

Describe recent portfolio activity.

During the six-month period, the Trust was tactical in rotating in and out of sectors and individual credit names, but overall, did not make major changes to its overall positioning. The Trust continued to maintain a stance based on the assumption that the current low-growth, low-interest rate and low-volatility environment would continue for the near term. Thus far, the slow-growth paradigm in the United States has not proved sufficient to warrant a major change in central bank monetary policy and, as a result, credit sectors have been well supported. In this scenario where corporate funding is cheap and re-levering is a reality, the Trust remained focused on bottom-up security selection within industrials given the event-driven headline risk for a number of credits in that space.

Describe portfolio positioning at period end.

As of period end, the Trust s positioning remained largely consistent with the themes of 2012, which reflect a base case of the continuation of modest growth, accommodative monetary policy and low interest rates. In this environment, credit conditions remained supportive and thus the Trust retained its allocations to high yield bonds, financials, capital securities, and companies with cash flows derived from the United States.

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 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, 2013 ($14.42)[1]	6.53%
Current Monthly Distribution per Common Share[2]	$0.0785
Current Annualized Distribution per Common Share[2]	$0.9420
Economic Leverage as of April 30, 2013[3]	31%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the Additional Information Section 19(a) Notices section for the estimated sources and character of distributions. Past performance does not guarantee future results.

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

3 Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 9.

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

	4/30/13	**10/31/12**	**Change**	**High**	**Low**
Market Price	$ 14.42	$ 14.23	1.34%	$ 14.44	$ 13.57
Net Asset Value	$ 15.70	$ 15.37	2.15%	$ 15.70	$ 15.17

The following charts show the portfolio composition of the Trust s long-term investments and credit quality allocation of the Trust s corporate bond and US government securities investments:

Portfolio Composition

	4/30/13	**10/31/12**
Corporate Bonds	79%	80%
Preferred Securities	17	16
US Treasury Obligations	2	2
Taxable Municipal Bonds	1	1
Asset-Backed Securities	1	1

Credit Quality Allocation[4]

	4/30/13	**10/31/12**
AAA/Aaa[5]	2%	3%
AA/Aa	2	2
A	20	25
BBB/Baa	41	39
BB/Ba	21	18
B	11	10

CCC/Caa	1	1
Not Rated	2	2

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

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

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Trust Summary as of April 30, 2013

BlackRock Floating Rate Income Trust

Trust Overview

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

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

Portfolio Management Commentary

How did the Trust perform?

For the six-month period ended April 30, 2013, the Trust returned 10.55% based on market price and 6.56% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 8.61% based on market price and 6.32% based on NAV. All returns reflect reinvestment of dividends. The Trust s premium 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 technology and gaming sectors contributed positively to results, as did the Trust s tactical allocation to fixed-rate high yield corporate bonds, which outperformed floating rate loan interests (bank loans) over the period. The Trust s preference for non-US loan credits versus emerging market sovereign bonds had a positive impact as well.

Conversely, security selection in the electric and media non-cable sectors detracted from performance. The Trust s large exposures to the wireless and media cable sectors also had a negative impact.

Describe recent portfolio activity.

During the six-month period, the Trust maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust sought issuers with attractive risk-reward characteristics and superior fundamentals, while avoiding lower-rated, less-liquid loan names that have rallied significantly, but offer a less compelling risk-reward trade-off. More specifically, with the average loan trading at or just above par today (leaving little or no potential for price appreciation and increased risk for unfavorable re-pricing), the Trust placed an emphasis on attaining attractive coupon income and investing in strong companies that are better positioned to endure the continued fragile economic environment.

Describe portfolio positioning at period end.

At period end, the Trust held 81% of its total portfolio in floating rate loan interests, 15% in corporate bonds and 3% in asset-backed securities, with the remainder invested in a mix of common stocks and other interests. The Trust s largest sector exposures included health care, consumer services and gaming. The Trust ended the period with leverage at approximately 29% of its total managed assets.

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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, 2013 ($16.00)[1]	5.81%
Current Monthly Distribution per Common Share[2]	$0.0775
Current Annualized Distribution per Common Share[2]	$0.9300
Economic Leverage as of April 30, 2013[3]	29%

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

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

3 Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 9.

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

	4/30/13	**10/31/12**	**Change**	**High**	**Low**
Market Price	$ 16.00	$ 15.07	6.17%	$ 16.23	$ 13.90
Net Asset Value	$ 14.86	$ 14.52	2.34%	$ 14.86	$ 14.45

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

Portfolio Composition

	4/30/13	**10/31/12**
Floating Rate Loan Interests	81%	80%
Corporate Bonds	15	16
Asset-Backed Securities	3	2
Foreign Agency Obligations		1
Common Stocks	1	1

Credit Quality Allocation[4]

	4/30/13	**10/31/12**
BBB/Baa	13%	19%
BB/Ba	28	36
B	56	42
CCC/Caa	2	2
Not Rated	1	1

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

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Trust Summary as of April 30, 2013

BlackRock Multi-Sector Income Trust

Trust Overview

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

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

Trust Information	
Symbol on NYSE	BIT
Initial Offering Date	February 27, 2013
Current Distribution Rate on Closing Market Price as of April 30, 2013 ($19.16)[1]	7.31%
Current Monthly Distribution per Common Share[2]	$0.1167
Current Annualized Distribution per Common Share[2]	$1.4004
Economic Leverage as of April 30, 2013[3]	23%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the Additional Information Section 19(a) Notices section for the estimated sources and character of distributions. Past performance does not guarantee future results.

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

3 Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 9.

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

	4/30/13	2/27/13[4]	Change	High	Low
Market Price	$ 19.16	$ 20.00	(4.20)%	$ 20.50	$ 18.69
Net Asset Value	$ 19.54	$ 19.10	2.30%	$ 19.54	$ 19.05

4 Commencement of operations.

The following charts show the portfolio composition of the Trust s long-term investments and credit quality allocation of the Trust s corporate bond and US government securities investments:

Portfolio Composition

	4/30/13
Corporate Bonds	40%
Non-Agency Mortgage-Backed Securities	20
Asset-Backed Securities	19

Preferred Securities	10
Floating Rate Loan Interests	7
US Government Sponsored Agency Securities	4

Credit Quality Allocation[5]

	4/30/13
AAA/Aaa[6]	8%
AA/Aa	
A	1
BBB/Baa	3
BB/Ba	33
B	43
CCC/Caa	9
Not Rated	3

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

6 Includes US Government-Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.

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The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Trusts are permitted to issue senior securities representing indebtedness up to 33 $^{1}/_{3}$% of their total managed assets (each Trust s net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of April 30, 2013, the Trusts had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
BTZ	31%
BGT	29%
BIT	23%

Derivative Financial Instruments

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

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Schedule of Investments April 30, 2013 (Unaudited)

BlackRock Credit Allocation Income Trust (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	2,897	$ 3,210,589
Atrium CDO Corp., Series 5A, Class A4, 0.68%, 7/20/20 (a)(b)		9,000	8,415,000
SLM Student Loan Trust, Series 2004-B, Class A2, 0.48%, 6/15/21 (b)		4,788	4,715,960
Total Asset-Backed Securities 1.0%			16,341,549
Corporate Bonds			
Aerospace & Defense 0.5%			
Bombardier, Inc., 4.25%, 1/15/16 (a)		1,390	1,450,813
Huntington Ingalls Industries, Inc.:			
6.88%, 3/15/18		1,430	1,581,937
7.13%, 3/15/21		2,000	2,225,000
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17		3,418	3,768,345
			9,026,095
Airlines 0.6%			
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 10/15/21		755	798,718
Continental Airlines Pass-Through Trust:			
Series 2009-2, Class B, 9.25%, 5/10/17		3,626	4,065,125
Series 2012-3, Class C, 6.13%, 4/29/18		2,040	2,080,800
Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 1/02/23		3,582	3,994,039
			10,938,682
Auto Components 1.1%			
Delphi Corp., 6.13%, 5/15/21		870	973,312
Ford Motor Co., 7.45%, 7/16/31		3,660	4,869,912
Icahn Enterprises LP, 8.00%, 1/15/18		9,200	9,890,000
Schaeffler Finance BV, 4.75%, 5/15/21 (a)		2,470	2,500,875
			18,234,099
Beverages 0.7%			
Anheuser-Busch InBev Worldwide, Inc., 1.38%, 7/15/17 (c)		3,375	3,420,218
Constellation Brands, Inc.:			
7.25%, 5/15/17		6,615	7,706,475
4.25%, 5/01/23 (d)		1,240	1,240,000
			12,366,693
Building Products 0.5%			
Building Materials Corp. of America (a):			
7.00%, 2/15/20		1,430	1,565,850
6.75%, 5/01/21		3,600	3,987,000
Cemex SAB de CV, 5.88%, 3/25/19 (a)		440	447,700
Momentive Performance Materials, Inc., 8.88%, 10/15/20		1,030	1,122,700
Texas Industries, Inc., 9.25%, 8/15/20		1,342	1,494,653
			8,617,903
Capital Markets 4.6%			
Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)	USD	10,000	$ 12,018,350
The Goldman Sachs Group, Inc. (c):			
6.25%, 9/01/17		625	735,201
6.15%, 4/01/18		1,650	1,949,425
7.50%, 2/15/19		5,165	6,512,988

5.25%, 7/27/21		1,175	1,362,367
5.75%, 1/24/22		5,500	6,566,989
6.25%, 2/01/41		15,000	18,712,755
Morgan Stanley:			
0.76%, 10/15/15 (b)		1,325	1,308,422
5.63%, 9/23/19 (c)		6,770	7,886,684
5.75%, 1/25/21 (c)		5,495	6,540,545
5.50%, 7/28/21		2,695	3,162,900
3.75%, 2/25/23		2,000	2,075,688
UBS AG:			
2.25%, 1/28/14 (c)		3,170	3,209,777
5.88%, 7/15/16		5,025	5,642,462
			77,684,553
Chemicals 2.6%			
Ashland, Inc., 3.88%, 4/15/18 (a)		1,745	1,797,350
Axiall Corp., 4.88%, 5/15/23 (a)		367	383,515
Basell Finance Co. BV, 8.10%, 3/15/27 (a)		6,000	8,265,000
Celanese US Holdings LLC, 5.88%, 6/15/21		2,615	2,928,800
Eagle Spinco, Inc., 4.63%, 2/15/21 (a)		1,674	1,757,700
Huntsman International LLC:			
4.88%, 11/15/20		1,651	1,729,422
8.63%, 3/15/21 (c)		2,000	2,300,000
INEOS Finance Plc (a):			
8.38%, 2/15/19		255	287,513
7.50%, 5/01/20		2,080	2,324,400
Linde Finance BV, 7.38%, 7/14/66 (b)	EUR	2,086	3,193,572
LyondellBasell Industries NV, 5.75%, 4/15/24 (c)	USD	6,370	7,674,894
Nufarm Australia Ltd., 6.38%, 10/15/19 (a)		990	1,017,225
PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (a)		885	898,275
Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., 6.50%, 4/15/21 (a)		1,450	1,486,250
Rockwood Specialties Group, Inc., 4.63%, 10/15/20		5,926	6,251,930
Tronox Finance LLC, 6.38%, 8/15/20 (a)			