

BlackRock Multi-Sector Income Trust
Form N-CSRS
July 05, 2018

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: 10/31/2018

Date of reporting period: 04/30/2018

Item 1 Report to Stockholders

APRIL 30, 2018

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**

The Markets in Review

Dear Shareholder,

In the 12 months ended April 30, 2018, the strongest corporate profits in seven years drove the equity market higher, while rising interest rates constrained bond returns. While the market's appetite for risk remained healthy, risk taking varied by asset class, as bond investors cautiously shifted to higher-quality securities, and stock investors continued to embrace risk by investing abroad.

The largest global economies experienced sustained, synchronized growth for the first time since the financial crisis, leading to strong equity performance worldwide. Emerging markets stocks posted the highest return, as accelerating growth in China, the second-largest economy in the world, improved the outlook for corporate profits in most developing nations.

Short-term U.S. Treasury interest rates rose the fastest, while longer-term rates slightly increased, leading to a substantial flattening of the yield curve. The annual return for the three-month Treasury bill surpassed 1.0%, but remained well below the annual headline inflation rate of 2.5%. In contrast, the ten-year U.S. Treasury—a bellwether of the bond market—posted a negative return, as rising inflation expectations drove yields higher. In credit markets, the investment-grade and high-yield bond markets posted modest returns in a relatively benign credit environment.

Even though it faced rising pressure to boost interest rates in 2017, the U.S. Federal Reserve (the Fed) increased short-term interest rates just three times during the reporting period. The Fed also announced plans to reduce its \$4.4 trillion balance sheet by \$420 billion in 2018, which began the process of gradually reversing its unprecedented stimulus measures after the financial crisis. The economy continued to gain momentum despite the Fed's modest reduction of economic stimulus, as unemployment dipped below 4.0%, wages increased, and job openings reached a record high. Strong economic performance may justify a more rapid pace of rate hikes in 2018, as the headline inflation rate and investors' expectations for inflation surpassed the Fed's target of 2.0%.

By contrast, the European Central Bank (ECB) and the Bank of Japan (BoJ) continued to expand their balance sheets despite nascent signs of sustained economic growth. Rising global growth, as well as limited bond supply, pressured other central banks to follow in the Fed's footsteps. In October 2017, the ECB pledged to cut its bond purchases in half for 2018, while the BoJ reiterated its commitment to economic stimulus, even though the size of its balance sheet almost matched the total output of the Japanese economy.

The Fed's measured pace of stimulus reduction could lead to moderately higher inflation, steadily rising interest rates, and improving real growth in 2018. We continue to believe the primary risks to economic expansion are trade protectionism, rapidly rising interest rates, and geopolitical tension. In particular, we are closely monitoring trade protectionism and the rise of populism in Western nations.

In December 2017, Congress passed a sweeping tax reform bill. The U.S. tax overhaul is likely to accentuate the existing reflationary themes, including corporate spending on stock buybacks, mergers & acquisitions and capital investment, which could extend the economic cycle if inflation and interest rates rise at a relatively modest pace.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of April 30, 2018

	6-month	12-month
U.S. large cap equities (S&P 500 [®] Index)	3.82%	13.27%
U.S. small cap equities (Russell 2000 [®] Index)	3.27	11.54
International equities (MSCI Europe, Australasia, Far East Index)	3.41	14.51
Emerging market equities (MSCI Emerging Markets Index)	4.80	21.71
3-month Treasury bills (ICE BofAML 3-Month U.S. Treasury Bill Index)	0.68	1.17
U.S. Treasury securities (ICE BofAML 10-Year U.S. Treasury Index)	(3.79)	(3.64)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	(1.87)	(0.32)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(0.76)	1.44
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	(0.17)	3.27

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, 2018

BlackRock Credit Allocation Income Trust**Investment Objective**

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.

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, 2018 (\$12.54) ^(a)	6.41%
Current Monthly Distribution per Common Share ^(b)	\$0.0670
Current Annualized Distribution per Common Share ^(b)	\$0.8040
Economic Leverage as of April 30, 2018 ^(c)	32%

^(a) 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.

^(b) 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.

^(c) 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 its 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 13.

Market Price and Net Asset Value Per Share Summary

	04/30/18	10/31/17	Change	High	Low
Market Price	\$ 12.54	\$ 13.36	(6.14)%	\$ 13.51	\$ 12.46
Net Asset Value	14.20	14.88	(4.57)	14.92	14.15

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

Trust Summary as of April 30, 2018 (continued)

BlackRock Credit Allocation Income Trust**Performance and Portfolio Management Commentary**

Returns for the period ended April 30, 2018 were as follows:

	Average Annual Total Returns			
	<i>6 Months</i>	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>
Trust at NAV ^{(a)(b)}	(1.57)%	3.12%	4.66%	5.11%
Trust at Market Price ^{(a)(b)}	(3.18)	(0.51)	4.38	4.29
Reference Benchmark^(c)	(1.81)	1.62	3.20	3.41
Bloomberg Barclays U.S. Credit Index^(d)	(2.34)	0.65	2.05	2.27
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index^(e)	(0.17)	3.27	4.99	4.76
Bloomberg Barclays USD Capital Securities Index^(f)	(2.96)	1.60	3.36	4.19

- (a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices. Performance results reflect the Trust's use of leverage.
- (b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- (c) The Reference Benchmark is comprised of the Bloomberg Barclays U.S. Credit Index (50.36%), the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index (29.93%), and the Bloomberg Barclays USD Capital Securities Index (19.71%).
- (d) This unmanaged index measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets.
- (e) An unmanaged index comprised of issues that meet the following criteria: at least \$150 million par value outstanding; maximum credit rating of Ba1; at least one year to maturity; and no issuer represents more than 2% of the index.
- (f) This unmanaged index tracks fixed-rate, investment grade capital securities denominated in USD.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

BTZ is presenting the Reference Benchmark to accompany trust performance. The Reference Benchmark is presented for informational purposes only, as the Trust is actively managed and does not seek to track or replicate the performance of the Reference Benchmark or any other index. The portfolio investments of the Trust may differ substantially from the securities that comprise the indices within the Reference Benchmark, which may cause the Trust's performance to differ materially from that of the Reference Benchmark. The Trust employs leverage as part of its investment strategy, which may change over time at the discretion of BlackRock Advisors, LLC (the "Manager") as market and other conditions warrant. In contrast, the Reference Benchmark is not adjusted for leverage. Therefore, leverage generally may result in the Trust outperforming the Reference Benchmark in rising markets and underperforming in declining markets. The Board considers additional factors to evaluate the Trust's performance, such as the performance of the Trust relative to a peer group of funds, a leverage-adjusted benchmark and/or other information provided by the Manager.

More information about the Trust's historical performance can be found in the Closed End Funds section of <http://www.blackrock.com>.

The following discussion relates to the Trust's absolute performance based on NAV:

What factors influenced performance?

The Trust's allocations to bank issues within investment grade corporate bonds and capital securities (dividend-paying securities that combine some features of both corporate bonds and preferred stocks, while generally providing higher yields to compensate for being less senior in the issuer's capital structure) were the largest detractors from performance. Both segments are generally higher beta (more responsive to market moves in either direction) and performed poorly as credit sold off in the first quarter of 2018.

The Trust's out-of-benchmark allocation to collateralized loan obligations (CLOs) was the largest positive contributor to performance on an absolute basis, as demand for floating rate products remained strong in a rising rate environment.

Describe recent portfolio activity.

The largest shift in the Trust's positioning was an increase in out-of-benchmark exposure to CLOs as demand for floating rate products in a rising rate environment supported the asset class. Exposure to the energy sector was increased as well as the environment has become more constructive for oil prices. In addition, the Trust's underweight stance with respect to duration (and sensitivity to interest rate movement) was increased on the view that rates should continue to rise.

During the period, the Trust utilized derivatives through the use of financial futures in order to manage interest rate risk in the portfolio. The use of derivatives had a positive impact on performance.

Describe portfolio positioning at period end.

The Trust was positioned with a constructive view on credit as growth remained strong and corporate fundamentals remained healthy through the first quarter earnings season. The Trust favors high yield over investment grade corporates as the investment grade market faced increased event risk surrounding merger & acquisition activity together with waning overseas demand. From a sector perspective, the Trust continued to favor financials over industrials given that bank balance sheets remain strong and banks are relatively immune from a rise in idiosyncratic risk. The Trust maintained a short duration stance on the view that interest rates should marginally move higher.

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 Summary as of April 30, 2018 (continued)

BlackRock Credit Allocation Income Trust

Overview of the Trust's Total Investments

PORTFOLIO COMPOSITION

	04/30/18	10/31/17
Corporate Bonds	69%	73%
Preferred Securities	18	19
Asset-Backed Securities	6	3
U.S. Treasury Obligations	4	1
Foreign Agency Obligations	2	2
Municipal Bonds	1	1
Other	(a)	1 ^(b)

(a) Includes a less than 1% holding in each of the following investment types: U.S. Government Sponsored Agency Securities and Options Purchased.

(b) Includes a less than 1% holding in each of the following investment types: Short-Term Securities, U.S. Government Sponsored Agency Securities and Options Purchased.

CREDIT QUALITY ALLOCATION ^{(c)(d)}

	04/30/18	10/31/17
AAA/Aaa ^(e)	1%	2%
AA/Aa	7	3
A	16	16
BBB/Baa	47	51
BB/Ba	18	19
B	10	8
CCC/Caa	1	1
CC/Ca		(f)

(c) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit

ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower.

Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

^(d) Excludes Short-Term Securities, Options Purchased and Options Written.

^(e) The investment adviser evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuer. Using this approach, the investment adviser has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

^(f) Represents less than 1% of total investments.

Trust Summary as of April 30, 2018

BlackRock Floating Rate Income Trust**Investment Objective**

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 to the extent consistent with its primary objective of high current income. 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.

Trust Information

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Current Distribution Rate on Closing Market Price as of April 30, 2018 (\$13.79) ^(a)	5.07%
Current Monthly Distribution per Common Share ^(b)	\$0.0583
Current Annualized Distribution per Common Share ^(b)	\$0.6996
Economic Leverage as of April 30, 2018 ^(c)	30%

(a) 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.

(b) 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.

(c) Represents bank borrowings 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 its 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 13.

Market Price and Net Asset Value Per Share Summary

	04/30/18	10/31/17	Change	High	Low
Market Price	\$ 13.79	\$ 14.31	(3.63)%	\$ 14.32	\$ 13.52
Net Asset Value	14.44	14.49	(0.35)	14.54	14.35

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

TRUST SUMMARY

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Trust Summary as of April 30, 2018 (continued)

BlackRock Floating Rate Income Trust**Performance and Portfolio Management Commentary**

Returns for the period ended April 30, 2018 were as follows:

	Average Annual Total Returns			
	<i>6 Months</i>	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>
Trust at NAV ^{(a)(b)}	2.19%	4.69%	5.02%	5.28%
Trust at Market Price ^{(a)(b)}	(1.18)	(1.25)	6.33	2.78
S&P/LSTA Leveraged Loan Index^(c)	2.39	4.41	4.03	3.86

(a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices. Performance results reflect the Trust's use of leverage.

(b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.

(c) This unmanaged market value-weighted index (the Reference Benchmark) is designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

BGT is presenting the Reference Benchmark to accompany trust performance. The Reference Benchmark is presented for informational purposes only, as the Trust is actively managed and does not seek to track or replicate the performance of the Reference Benchmark or any other index. The portfolio investments of the Trust may differ substantially from the securities that comprise the indices within the Reference Benchmark, which may cause the Trust's performance to differ materially from that of the Reference Benchmark. The Trust employs leverage as part of its investment strategy, which may change over time at the discretion of BlackRock Advisors, LLC (the Manager) as market and other conditions warrant. In contrast, the Reference Benchmark is not adjusted for leverage. Therefore, leverage generally may result in the Trust outperforming the Reference Benchmark in rising markets and underperforming in declining markets. The Board considers additional factors to evaluate the Trust's performance, such as the performance of the Trust relative to a peer group of funds, a leverage-adjusted benchmark and/or other information provided by the Manager.

More information about the Trust's historical performance can be found in the Closed End Funds section of <http://www.blackrock.com>.

The following discussion relates to the Trust's absolute performance based on NAV:**What factors influenced performance?**

Over the six-month period, the Trust's tactical out-of-benchmark allocation to high yield bonds positively contributed to performance, as the high yield market outperformed floating rate loan interests (bank loans). With respect to the Trust's core allocation to floating rate bank loans, holdings within the technology, health care, and media & entertainment segments were the largest absolute contributors to performance. By credit rating, B-rated, BB-rated, and

CCC-rated positions were the largest contributors.

From a sector perspective, consumer products and wireless were the only two detractors on an absolute basis. There were no absolute detractors by credit rating.

Describe recent portfolio activity.

In terms of credit rating positioning, the majority of the Trust was invested in B-rated bank loans, followed by BB-rated names. Over the course of the period, the Trust increased its B-rated allocation, while reducing positions in higher-rated names. At the sector level, the Trust reduced its exposure to consumer cyclical loans, and in particular gaming and retailer credits. By contrast, the Trust increased its technology allocation over the six-month period. Finally, with the bank loan market increasingly trading above par value, the Trust added to its high yield bond position based on relative valuation.

Describe portfolio positioning at period end.

At period end, the Trust held the majority of its portfolio in floating rate bank loans, with a meaningful position in high yield corporate bonds. The Trust maintained its highest concentration in B-rated loans of select issuers, while limiting exposure to both higher quality loans with less compelling risk/reward profiles and lower-rated loans with more equity-like profiles and greater downside risk, should credit sentiment weaken.

From a sector perspective, the largest overweight positions were within technology, independent energy and health care. By contrast, the Trust was underweight in retail and leisure, where fundamentals have continued to deteriorate. Within energy, holdings were focused on higher-quality issuers within the independent energy segment. More broadly, the Trust remained focused on industries and companies with stable business profiles and consistent cash flows, avoiding areas of the market with secular concerns and/or deteriorating fundamental trends. Top issuer positions included HD Supply (building materials), Level 3 (wirelines), and Centurylink (wirelines).

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 Summary as of April 30, 2018 (continued)

BlackRock Floating Rate Income Trust

Overview of the Trust's Total Investments

PORTFOLIO COMPOSITION

	04/30/18	10/31/17
Floating Rate Loan Interests	91%	93%
Corporate Bonds	6	5
Asset-Backed Securities	2	1
Investment Companies	1	(a)
Other	(b)	1(b)

(a) Represents less than 1% of total investments.

(b) Includes a less than 1% holding in each of the following investment types: Common Stocks, Other Interests, Rights, Warrants, Short-Term Securities and Options Purchased.

CREDIT QUALITY ALLOCATION (c)(d)

	04/30/18	10/31/17
AA/Aa	1%	%
A		1
BBB/Baa	9	8
BB/Ba	43	42
B	40	42
CCC/Caa	3	3
N/R	4	4

(c) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(d) Excludes Short-Term Securities and Options Purchased.

Trust Summary as of April 30, 2018

BlackRock Multi-Sector Income Trust**Investment Objective**

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. Additionally, as part of the Trust's investments in loans, the Trust may make loans directly to borrowers either as a sole lender or by acting as a member of a syndicate of original lenders.

No assurance can be given that the Trust's investment objectives 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, 2018 (\$16.95) ^(a)	8.26%
Current Monthly Distribution per Common Share ^(b)	\$0.1167
Current Annualized Distribution per Common Share ^(b)	\$1.4004
Economic Leverage as of April 30, 2018 ^(c)	41%

(a) 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.

(b) 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.

(c) 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 its 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 13.

Market Price and Net Asset Value Per Share Summary

	04/30/18	10/31/17	Change	High	Low
Market Price	\$ 16.95	\$ 18.55	(8.63)%	\$ 18.59	\$ 16.57
Net Asset Value	18.96	20.07	(5.53)	20.09	18.88

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

Trust Summary as of April 30, 2018 (continued)

BlackRock Multi-Sector Income Trust**Performance and Portfolio Management Commentary**

Returns for the period ended April 30, 2018 were as follows:

	Average Annual Total Returns			
	<i>6 Months</i>	<i>1 Year</i>	<i>3 Years</i>	<i>5 Years</i>
Trust at NAV ^{(a)(b)}	(1.01)%	7.59%	8.72%	8.85%
Trust at Market Price ^{(a)(b)}	(4.26)	2.61	8.78	6.86
Lipper General Bond Funds at NAV^(c)	1.85	5.74	6.28	5.63
Lipper General Bond Funds at Market Price^(c)	0.87	5.51	7.97	5.34

(a) All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices. Performance results reflect the Trust's use of leverage.

(b) The Trust's discount to NAV widened during the period, which accounts for the difference between performance based on market price and performance based on NAV.

(c) Average return. Returns reflect reinvestment of dividends and/or distributions at NAV on the ex-dividend date as calculated by Lipper. Historical performance shown is calculated based on the composition of the Lipper General Bond Fund category at the time of preparation of this report to shareholders.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

More information about the Trust's historical performance can be found in the "Closed End Funds" section of <http://www.blackrock.com>.

The following discussion relates to the Trust's absolute performance based on NAV:**What factors influenced performance?**

The Trust's position within senior loans represented the largest detractor from returns. Allocations to capital securities, sovereign plus securities, investment grade corporate issues and emerging market bonds also detracted from returns.

The Trust's positions in non-agency mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS) were the largest contributors to returns during the six-month period. Allocations to high yield corporate issues and asset-backed securities (ABS) also supported performance.

During the period, the Trust held derivatives as part of its investment strategy. Interest rate swaps were utilized to manage duration (sensitivity to interest rates) and to express the investment adviser's views on swap spreads. The use of interest rate swaps had a positive impact on performance during the period.

Describe recent portfolio activity.

In light of the fact that credit spreads for most sectors were trading at their narrowest levels since the 2008 financial crisis, and given the investment adviser's belief that we are entering the late stages of the credit cycle, the Trust's allocation was rotated toward more liquid fixed-income sectors. In particular, the Trust's allocations to emerging market debt and foreign sovereign issuers were reduced in order to fund a position in pass-through agency MBS. Agency MBS have lagged the rally seen in other spread sectors, making them relatively attractively valued in the investment adviser's opinion. In addition, following a bout of market volatility in February, the investment adviser believed that volatility would subside going forward, which would benefit agency MBS performance. With respect to interest rate exposure, the Trust's duration was reduced on the view that a combination of heavy Treasury issuance and monetary policy tightening by the Fed would push rates higher.

Describe portfolio positioning at period end.

At period end, the Trust maintained diversified exposure across non-government spread sectors. The largest sector allocations were in high yield corporate issues, non-agency MBS, investment grade corporates and ABS. The Trust also held allocations in foreign sovereign issues, emerging market debt and agency MBS.

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 Summary as of April 30, 2018 (continued)

BlackRock Multi-Sector Income Trust

Overview of the Trust's Total Investments

PORTFOLIO COMPOSITION

	04/30/18	10/31/17
Corporate Bonds	41%	42%
Asset-Backed Securities	17	17
Non-Agency Mortgage-Backed Securities	12	13
Preferred Securities	10	11
Foreign Agency Obligations	9	6
Floating Rate Loan Interests	5	9
U.S. Government Sponsored Agency Securities	5	2
Short-Term Securities	1	(a)
Other	(b)	(b)

(a) Represents less than 1% of total investments.

(b) Includes a less than 1% holding in each of the following investment types: Common Stocks, Options Purchased, Options Written, and Short-Term Securities.

CREDIT QUALITY ALLOCATION (c)(d)

	04/30/18	10/31/17
AAA/Aaa ^(e)		(a)
AA/Aa	6%	1%
A	6	5
BBB/Baa	18	16
BB/Ba	21	29
B	17	18
CCC/Caa	15	16
CC/Ca	4	(a)
C	1	4
N/R	12	11

(c) For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

(d) Excludes Short-Term Securities, Options Purchased and Options Written.

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- (e) The investment adviser evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuer. Using this approach, the investment adviser has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

The Benefits and Risks of Leveraging

The Trusts may utilize leverage to seek to enhance the distribution rate on, and net asset value (NAV) of, their common shares (Common Shares). However, there is no guarantee that these objectives can 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 is based on short-term interest rates, is normally 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 Trusts (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trusts' shareholders 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, a 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 a Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Trust's financing cost of leverage is significantly lower than the income earned on a 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 Trusts' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Trusts had not used leverage. 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 value of the Trusts' obligations under their respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trusts' NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Trusts' intended leveraging strategy will be successful.

The use of leverage also generally causes greater changes in each Trust's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Trust's shares than if the Trust were not leveraged. In addition, 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 the Trusts to incur losses. The use of leverage may limit a Trust's ability to invest in certain types of securities or use certain types of hedging strategies. Each Trust incurs expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shareholders. Moreover, to the extent the calculation of the Trusts' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Trusts' investment adviser will be higher than if the Trusts did not use leverage.

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 its total managed assets. BIT is permitted to use economic leverage (which includes leverage attributable to reverse repurchase agreements) of up to 50% of its 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 a value not less than the value of a Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction is not considered a senior security and is not subject to the foregoing limitations and requirements imposed by the 1940 Act.

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market and/or other assets without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and 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 instrument. BIT may use economic leverage up to 100% of its net assets (50% of its total managed assets). The Trusts' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Trust can realize on an investment and/or may result in lower distributions paid to shareholders. The Trusts' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Schedule of Investments (unaudited)

BlackRock Credit Allocation Income Trust (BTZ)

April 30, 2018

(Percentages shown are based on Net Assets)

<i>Security</i>		<i>Par (000)</i>	<i>Value</i>
Asset-Backed Securities 8.0%			
Allegro CLO VI Ltd., Series 2017-2A ^{(a)(b)} :			
Class B, 3.23%, 01/17/31	USD	360	\$ 361,285
Class C, 3.53%, 01/17/31		2,400	2,382,624
Class D, 4.48%, 01/17/31		1,300	1,301,055
ALM XVII Ltd., Series 2015-17A, Class B1, (3 mo. LIBOR US + 3.40%), 5.75%, 01/15/28 ^{(a)(c)}		1,400	1,403,548
AMMC CLO 22, Ltd., Series 2018-22A, Class D, 5.04%, 04/25/31 ^{(a)(b)}		1,000	990,579
AMMC CLO XII Ltd., Series 2013-12A, Class CR, 3.71%, 11/10/30 ^{(a)(b)}		1,500	1,501,975
Anchorage Capital CLO Ltd. ^{(a)(b)} :			
Series 2013-1A, Class BR, 4.49%, 10/13/30		1,000	1,001,027
Series 2014-3RA, Class C, 4.21%, 01/28/31		1,000	993,060
Series 2014-3RA, Class D, 4.96%, 01/28/31		1,000	996,385
Series 2015-7A, Class CR, 4.05%, 10/15/27		1,750	1,752,257
Series 2015-7A, Class DR, 5.05%, 10/15/27		1,000	993,610
Apidos CLO XV, Series 2013-15A ^{(a)(b)} :			
Class CRR, 4.21%, 04/20/31		1,000	1,000,000
Class DRR, 5.06%, 04/20/31		1,000	1,000,000
Apidos CLO XVIII, Series 2014-18A, Class CR, (3 mo. LIBOR US + 3.25%), 5.61%, 07/22/26 ^{(a)(c)}		1,300	1,302,889
Ares CLO Ltd. ^{(a)(b)} :			
3.85%, 10/15/30		1,000	998,398
4.15%, 10/15/30		1,750	1,747,275
ARES XLVII CLO, Ltd., Series 2018-47A, Class D, 5.05%, 04/15/30 ^{(a)(b)(d)}		1,500	1,497,750
Atlas Senior Loan Fund X Ltd., Series 2018-10A ^{(a)(b)} :			
Class B, 3.85%, 01/15/31		500	501,350
Class C, 4.20%, 01/15/31		1,000	995,960
Class D, 5.10%, 01/15/31		1,700	1,680,018
Atrium X, Series 10A, Class DR, (3 mo. LIBOR US + 3.00%), 5.35%, 07/16/25 ^{(a)(c)}		1,500	1,501,148
Benefit Street Partners CLO XII Ltd., Series 2017-12A ^{(a)(b)} :			
Class B, 4.35%, 10/15/30		1,000	995,439
Class C, 5.40%, 10/15/30		2,000	1,995,324
BlueMountain CLO Ltd., Series 2012-2A, Class AR, (3 mo. LIBOR US + 1.42%), 3.30%, 11/20/28 ^{(a)(c)}		2,000	2,004,817
Bowman Park CLO Ltd., Series 2014-1A, Class D2R, (3 mo. LIBOR US + 3.35%), 5.27%, 11/23/25 ^{(a)(c)}		1,000	1,000,874
Carlyle Global Market Strategies CLO Ltd.:			
Series 2013-4A, Class DRR, 5.00%, 01/15/31 ^{(a)(b)}		1,000	993,932
Series 2016-1A, Class C, (3 mo. LIBOR US + 4.90%), 7.26%, 04/20/27 ^{(a)(c)}		1,000	1,002,461
Series 2016-3A, Class C, (3 mo. LIBOR US + 4.00%), 6.36%, 10/20/29 ^{(a)(c)}		1,000	1,007,523
Carlyle US CLO 2017-2, Ltd., Series 2017-2A, Class C, (3 mo. LIBOR US + 3.70%), 6.06%, 07/20/31 ^{(a)(c)}		500	502,984
Cent CLO 17, Ltd., Series C17A ^{(a)(b)(d)(e)} :			

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Class BR, 4.20%, 04/30/31		1,000	999,500
Class CR, 5.15%, 04/30/31		1,000	999,500
CIFC Funding Ltd. ^{(a)(b)} :			
4.82%, 04/18/31		1,200	1,187,960
Series 2013-2A, Class A3LR, 4.31%, 10/18/30		1,000	1,000,555
Series 2013-2A, Class B1LR, 5.41%, 10/18/30		1,000	1,001,679
Series 2014-2A, Class A3LR		1,000	992,536
Series 2018-1A, Class C, 3.93%, 04/18/31		1,000	992,536
Elevation CLO Ltd., Series 2017-7A, Class C, 3.50%, 07/15/30 ^{(a)(b)}		1,500	1,499,934
Galaxy XX CLO, Ltd., Series 2015-20A, Class D1R, 4.96%, 04/20/31 ^{(a)(b)}		1,000	991,836
		<i>Par</i>	
<i>Security</i>		<i>(000)</i>	<i>Value</i>
Asset-Backed Securities (continued)			
Galaxy XXVII CLO, Ltd., Series 2018-27A, Class C, 4.20%, 05/16/31 ^{(a)(b)(d)}	USD	1,500	\$ 1,498,500
GoldenTree Loan Opportunities IX Ltd., Series 2014-9A, Class D, 5.86%, 10/29/26 ^(b)		1,000	1,002,452
Greenwood Park CLO Ltd., Series 2018-1A, Class D, 4.53%, 04/15/31 ^{(a)(b)(d)}		1,000	992,500
Highbridge Loan Management Ltd. ^(a) :			
Series 4A-2014, Class A2R, 3.86%, 01/28/30 ^(b)		650	652,480
Series 4A-2014, Class BR, 4.21%, 01/28/30 ^(b)		750	747,837
Series 6A-2015, Class BR, 4.11%, 02/05/31 ^(b)		1,500	1,488,000
Series 6A-2015, Class CR, 4.86%, 02/05/31 ^(b)		1,000	980,795
Series 7A-2015, Class CR, 4.00%, 03/15/27 ^(b)		2,000	1,992,430
Series 7A-2015, Class DR, 4.70%, 03/15/27 ^(b)		1,000	1,000,086
Series 8A-2016, Class D, (3 mo. LIBOR US + 4.85%), 7.21%, 04/20/27 ^(c)		500	501,224
LCM XVIII LP, Series 18A, Class C1, (3 mo. LIBOR US + 3.15%), 5.51%, 04/20/27 ^{(a)(c)}		1,000	1,000,984
Limerock CLO III LLC, Series 2014-3A, Class C, (3 mo. LIBOR US + 3.60%), 5.96%, 10/20/26 ^{(a)(c)}		1,000	1,002,745
Long Point Park CLO Ltd., Series 2017-1A, Class B, 3.39%, 01/17/30 ^{(a)(b)}		1,000	989,506
Madison Park Funding Ltd., Series 2018-27A, Class B, 3.85%, 04/20/30 ^{(a)(b)(d)}		1,000	1,000,800
Madison Park Funding XIII Ltd., Series 2014-13A, Class CR2, 4.26%, 04/19/30 ^{(a)(b)(d)}		1,000	1,000,000
Madison Park Funding XIV Ltd., Series 2014-14A, Class DR, (3 mo. LIBOR US + 3.25%), 5.61%, 07/20/26 ^{(a)(c)}		2,000	2,003,391
Madison Park Funding XV Ltd., Series 2014-15A, Class B1R, (3 mo. LIBOR US + 2.20%), 4.57%, 01/27/26 ^{(a)(c)}		2,000	2,004,600
Madison Park Funding XXVII Ltd., Series 2018-27A, Class C, 4.65%, 04/20/30 ^{(a)(b)(d)}		1,000	989,300
Madison Park Funding XXX Ltd., Series 2018-30A, Class D, 4.84%, 04/15/29 ^{(a)(b)(d)}		1,000	1,000,000
Marble Point CLO XI Ltd., Series 2017-2A ^{(a)(b)} :			
Class A, 3.54%, 12/18/30		1,500	1,502,099
Class B, 3.86%, 12/18/30		1,000	1,003,798
Mill Creek II CLO Ltd., Series 2016-1A, Class D, (3 mo. LIBOR US + 4.85%), 7.21%, 04/20/28 ^{(a)(c)}		1,000	1,002,432
MP CLO III Ltd., Series 2013-1A, Class CR, 4.36%, 10/20/30 ^{(a)(b)}		1,000	1,005,012
Neuberger Berman CLO XV Ltd., Series 2013-15A, Class CR, 4.40%, 10/15/29 ^{(a)(b)}		1,000	1,006,207
Neuberger Berman CLO XXI Ltd., Series 2016-21A ^{(a)(b)} :			
Class CR, 3.96%, 04/20/27		1,000	1,000,000
Class DR, 4.76%, 04/20/27		1,000	1,000,000
Neuberger Berman Loan Advisers CLO 26 Ltd., Series 2017-26A ^{(a)(b)} :			
Class A, 3.53%, 10/18/30		2,000	2,009,607
Class B, 3.86%, 10/18/30		1,000	999,802
Class C, 4.11%, 10/18/30		1,500	1,499,493
		1,000	989,994

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Neuberger Berman Loan Advisers CLO 27 Ltd., Series 2018-27A, Class D, 4.62%, 01/15/30 ^{(a)(b)}		
Oak Hill Credit Partners XII Ltd., Series 2015-12A, Class C2, (3 mo. LIBOR US + 3.25%), 5.61%, 01/23/27 ^{(a)(c)}	1,600	1,603,001
OCP CLO Ltd. ^{(a)(b)} :		
Series 2015-8A, Class CR, 5.15%, 04/17/27	1,000	994,988
Series 2017-14A, Class B, 3.67%, 11/20/30	1,000	993,329
Octagon Investment Partners Ltd. ^(a) :		
Series 2013-1A, Class BR2, 3.38%, 01/25/31 ^(b)	1,000	998,012
Series 2013-1A, Class CR2, 3.68%, 01/25/31 ^(b)	1,000	999,391

Schedule of Investments (unaudited) (continued)

BlackRock Credit Allocation Income Trust (BTZ)

April 30, 2018

(Percentages shown are based on Net Assets)

<i>Security</i>		<i>Par (000)</i>	<i>Value</i>
Asset-Backed Securities (continued)			
Series 2016-1A, Class D, (3 mo. LIBOR US + 4.95%), 7.30%, 04/15/27 ^(c)	USD	500	\$ 500,998
Series 2017-1A, Class B1, 3.76%, 01/20/30 ^(b)		1,000	1,002,000
Series 2017-1A, Class C, 5.11%, 01/20/31 ^(b)		1,000	995,576
Octagon Investment Partners XXII Ltd., Series 2014-1A, Class CRR, 4.26%, 01/22/30 ^{(a)(b)}		900	902,683
OHA Credit Partners XIV Ltd., Series 2017-14A, Class C, 4.16%, 01/21/30 ^{(a)(b)}		1,250	1,241,430
OZLM Funding IV Ltd., 4.56%, 10/22/30 ^{(a)(b)}			