

LAKELAND BANCORP INC
Form DEF 14A
April 08, 2010

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

LAKELAND BANCORP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Consent Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(4) Date Filed:

LAKELAND BANCORP, INC.

250 OAK RIDGE ROAD

OAK RIDGE, NEW JERSEY 07438

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 11, 2010

Notice is hereby given that the Annual Meeting of Shareholders of Lakeland Bancorp, Inc. will be held at Perona Farms, 350 Andover Sparta Road, Andover, New Jersey 07821 on Tuesday, May 11, 2010 at 5:00 p.m. for the following purposes:

1. To elect five directors for three year terms (although one of such directors is expected to retire after one year).
2. To ratify the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2010.
3. To obtain non-binding approval of the compensation of Lakeland Bancorp's executives as disclosed in this proxy statement.
4. To transact such other business as may properly come before the meeting and/or any adjournment or adjournments thereof.

In accordance with the Bylaws of Lakeland Bancorp, Inc., the close of business on April 7, 2010, has been fixed as the record date for the determination of shareholders entitled to receive notice of, and to vote at, the Annual Meeting of Shareholders or any adjournment or adjournments thereof.

Enclosed are the proxy statement and a form of proxy. You will also be receiving an annual report. You are cordially invited to attend this meeting. It is important that your shares be represented, regardless of the number you own. Whether or not you plan to attend the meeting, please return the proxy, duly signed, as promptly as possible, in the envelope provided to you, or vote by telephone or via the Internet, as described in the proxy statement.

By Order of the Board of Directors

GEORGE H. GUPTILL, JR.

SECRETARY

Oak Ridge, New Jersey

April 9, 2010

LAKELAND BANCORP, INC.

PROXY STATEMENT

Annual Meeting of Shareholders: May 11, 2010

Approximate Mailing Date: April 9, 2010

SOLICITATION OF PROXY

General

THE ENCLOSED PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS OF LAKELAND BANCORP, INC. (hereinafter called "Lakeland" or the "Company") for use in connection with the Annual Meeting of Shareholders to be held at Perona Farms, 350 Andover Sparta Road, Andover, New Jersey 07821 on Tuesday, May 11, 2010 at 5:00 p.m., and at any adjournments thereof. The matters to be considered and acted upon at such meeting are referred to in the enclosed notice of such meeting and are more fully discussed below.

Only shareholders of record at the close of business on April 7, 2010, the record date fixed by the Board of Directors, will be entitled to notice of, and to vote at, the Annual Meeting. If the enclosed proxy is properly executed and returned to Lakeland and not revoked before its exercise, all shares represented thereby will be voted as specified in the form of proxy. If the proxy is signed but no specification is given, the shares will be voted in favor of the Board's nominees for election to the Board and in favor of Proposals 2 (ratification of the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2010) and 3 (non-binding approval of the compensation of the Company's executives as described in this proxy statement). The proxy will enable you to assure that your shares are voted and to aid in securing a quorum at the annual meeting.

In order to reduce the number of annual reports being sent to one address, only one annual report is being delivered to multiple security holders sharing an address unless Lakeland has received contrary instructions from one or more of the security holders. This is called "householding". Lakeland will deliver a separate copy of the annual report to any security holder who requests a copy in writing or by telephone. If you wish to receive a separate copy of the 2009 annual report, or if you wish to receive a separate copy of future annual reports, please contact Mr. Harry Cooper at Lakeland Bancorp, Inc., 250 Oak Ridge Road, Oak Ridge, New Jersey 07438 (toll-free telephone 866-284-1291). If you are currently receiving multiple copies of the annual report at the same address, and wish to have one annual report sent to multiple security holders sharing that address in the future, please contact Mr. Cooper at the above address and telephone number.

The entire cost of this solicitation will be borne by Lakeland. Officers and regular employees of Lakeland may also, but without additional compensation, solicit proxies by further mailings, personal conversations, telephone, facsimile or e-mail. Lakeland will make arrangements with brokerage houses, custodians, nominees and fiduciaries for the forwarding of proxy solicitation materials to beneficial owners of shares held of record by these brokerage houses, custodians, nominees and fiduciaries and Lakeland will reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in connection with the solicitation.

All share information, including stock option information, contained in this proxy statement has been adjusted to reflect Lakeland's previously effectuated 5% stock dividends.

Important notice regarding the availability of proxy materials for the annual meeting of shareholders to be held on May 11, 2010: This proxy statement and our 2009 annual report are available at www.lakelandbank.com.

Voting your Shares

Lakeland shareholders will have four alternative ways to vote:

by traditional paper proxy card;

by telephone;

via the Internet; or

in person at the Annual Meeting.

Please take a moment to read the instructions, choose the way to vote that you find most convenient and cast your vote as soon as possible.

Voting by Proxy Card. If proxy cards in the accompanying form are properly executed and returned, the shares represented thereby will be voted in the manner specified therein. If you vote by proxy card but make no specification on your proxy card that you have otherwise properly executed, your shares will be voted FOR the election of the Board's nominees for director and FOR Proposals 2 and 3.

Voting by Telephone. If you wish to vote by telephone and you are a shareholder of record of Lakeland, use a touch-tone telephone to call toll-free 1-800-PROXIES and follow the instructions. If you vote by telephone, you must have your control number and the proxy card available when you call.

Voting by the Internet. If you wish to vote through the Internet and you are a shareholder of record of Lakeland, you can access the web page at www.voteproxy.com and follow the on-screen instructions. If you vote through the Internet, you must have your control number and the proxy card available when you access the web page.

If your shares are registered in the name of a broker or other nominee, the voting form your broker or other nominee sent you will provide telephone and Internet voting instructions.

The deadline for voting by telephone or through the Internet as a shareholder of record of Lakeland is 11:59 p.m., local time, on May 10, 2010. For shareholders whose shares are registered in the name of a broker or other nominee, please consult the voting instructions provided by your broker or other nominee for information about the deadline for voting by telephone or through the Internet.

Voting in Person. If you attend the Annual Meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

Changing your Vote

You will be able to change your vote as many times as you wish and the last vote received chronologically by any means will supersede your prior vote(s). Please note, however, that if you vote by the Internet, the maximum number of times that you can access the website using any one control number is limited to five times per day.

Any Lakeland shareholder may revoke a proxy at any time before or at the Annual Meeting in one or more of the following ways:

Delivering a written notice of revocation, bearing a later date than the proxy, at any time prior to the vote at the Annual Meeting to George H. Guptill, Jr., Corporate Secretary of Lakeland; or

Submitting a later-dated proxy card; or

Submitting a new proxy via telephone or the Internet.

A Lakeland shareholder should send any written notice of revocation or subsequent proxy card to Lakeland Bancorp, Inc., Attention: George H. Guptill, Jr., Corporate Secretary, 250 Oak Ridge Road, Oak Ridge, New Jersey 07438, or hand deliver the notice of revocation or subsequent proxy card to Mr. Guptill before the taking of the vote at the Annual Meeting. Attendance at the Annual Meeting will not by itself constitute a revocation of a proxy.

Required Vote

The presence, in person or by proxy, of a majority of the shares of Common Stock outstanding on the record date will constitute a quorum for purposes of the Annual Meeting. Provided that a quorum is present, directors will be elected by a plurality vote (there is no right to vote stock cumulatively) and approval of Proposals 2 and 3 will require the affirmative vote of a majority of the votes cast with respect to each such proposal. For purposes of determining the votes cast with respect to any matter presented for consideration at the Annual Meeting, only those votes cast for or against are included. Abstentions and broker non-votes are counted only for the purpose of determining whether a quorum is present at the Annual Meeting. Broker non-votes occur when brokers who hold their customers' shares in street name submit proxies for such shares on some matters, but not others. Generally, this would occur when brokers have not received any instructions from their customers. In these cases, the brokers, as the holders of record, are permitted to vote on routine matters, which typically include the ratification of the independent registered public accounting firm, but not on non-routine matters. Effective January 1, 2010, brokers are no longer permitted to vote on the election of directors without instructions from their customers.

CAPITAL STOCK OUTSTANDING

At the close of business on April 7, 2010, there were 24,000,775 shares of Lakeland's common stock, no par value (the Common Stock), outstanding and entitled to vote at the Annual Meeting. Each share will be entitled to one vote on all matters properly coming before the meeting.

To Lakeland's knowledge, no person beneficially owned more than 5% of the outstanding voting securities of Lakeland as of the record date.

PROPOSAL 1

ELECTION OF DIRECTORS

Unless a shareholder either indicates withhold authority on his proxy or indicates on his proxy that his shares should not be voted for certain nominees, it is intended that the persons named in the proxy will vote for the election as directors of the five persons named in Table I below to serve until the expiration of their respective terms and thereafter until their successors shall have been duly elected and shall have qualified. If elected, the nominees will serve for three year terms (except for Mr. John Fredericks, who is expected to retire in 2011). Each of the Board's nominees has consented to be named in this proxy statement and to serve as a director of the Company if elected. Discretionary authority is also solicited to vote for the election of a substitute for any of said nominees who, for any reason presently unknown, cannot be a candidate for election.

Table I sets forth the names and ages of the nominees for election to the Board of Directors, the positions and offices presently held by each such person within Lakeland, the period during which each such person has served on Lakeland's Board of Directors, the expiration of their respective terms, the principal occupations and employment of each such person during the past five years, and the number of shares of Lakeland Common Stock which they beneficially owned as of March 1, 2010. Except as otherwise indicated, Table II sets forth comparable information with respect to those directors whose terms of office will continue beyond the date of the Annual Meeting. Unless otherwise indicated, positions have been held for more than five years. Unless otherwise

stated in the footnotes following the tables, the nominees and other directors listed in the tables have sole power to vote and dispose of the shares which they beneficially owned as of March 1, 2010. Shares covered by stock options are included in the tables below only to the extent that such options may be exercised by May 1, 2010.

All of the persons named in both tables have been directors of Lakeland and Lakeland Bank for at least five years, except as follows: (a) Stephen R. Tilton, Sr. was appointed to the Board of Lakeland Bank on February 27, 2007, (b) Paul G. Viall, Jr. was appointed to the Board of Lakeland Bank in July 2007, (c) Messrs. Guptill, McCracken and Ms. Hendershot were appointed to the Lakeland Bank Board on August 13, 2008, (d) Bruce D. Bohuny was appointed to the Boards of Lakeland and Lakeland Bank on July 11, 2007, and (e) Thomas J. Shara was appointed to the Boards of Lakeland and Lakeland Bank on April 2, 2008. Mark J. Fredericks is John W. Fredericks' son.

For a description of the attributes of each director that the Board considered in determining that such director should serve on the Company's Board, see "Board Qualifications" below.

TABLE I
NOMINEES FOR ELECTION AS DIRECTORS

| NAME AND AGE | DIRECTOR SINCE | EXPIRATION OF TERM IF ELECTED | BUSINESS EXPERIENCE | SHARES BENEFICIALLY OWNED AS OF | |
|-------------------------------|----------------|--|--|---------------------------------|------------------|
| | | | | NUMBER OF SHARES | PERCENT OF CLASS |
| John W. Fredericks Age 73 | 1989 | 2013 (Expected to retire in 2011) | Chairman, Lakeland Bancorp, Inc. and Lakeland Bank (6/1/99 to present); Chairman and Owner (1/1/02 to 11/1/04) and President and Owner (prior years to 1/1/02), Fredericks Fuel & Heating Service, Oak Ridge, NJ | 617,944(a) | 2.6% |
| Robert E. McCracken Age 52 | 2004 | 2013 | Sole managing member and owner (11/98 to present), REM, LLC (a real estate and investment company), Newton, NJ; owner/manager (1/00 to present), Wood Funeral Home, Branchville, NJ; owner/ manager (10/90 to present), Smith-McCracken Funeral Home, Newton, NJ | 120,020(b) | .5% |
| Thomas J. Shara Age 52 | April 2, 2008 | 2013 | President and CEO, Lakeland Bancorp, Inc. and Lakeland Bank (4/2/08 to present); President and Chief Credit Officer (5/07 to 4/1/08) and Executive Vice President and Senior | 94,200(c) | .4% |

| NAME AND AGE | DIRECTOR SINCE | EXPIRATION OF TERM IF ELECTED | BUSINESS EXPERIENCE | SHARES BENEFICIALLY OWNED AS OF March 1, 2010 | |
|----------------------------------|-------------------|-------------------------------------|---|---|---------------------|
| | | | | NUMBER OF SHARES | PERCENT OF CLASS |
| | | | Commercial Banking Officer (2/06 to 5/07), TD Banknorth, N.A. s Mid-Atlantic Division; Executive Vice President and Senior Loan Officer, Hudson United Bancorp and Hudson United Bank (prior years to 2/06) | | |
| Stephen R. Tilton, Sr. Age 64 | 2001 | 2013 | Chairman, Tilton Automotive LLC (5/08 to present); Chairman and Chief Executive Officer, Tilton Securities LLC, Upper Montclair, NJ (investment trader) (10/98 to present); Chairman and Chief Executive Officer, Chaumont Holdings, Inc. (real estate holding company) (9/92 to present); Chairman and Chief Executive Officer, Fletcher Holdings, LLC (commercial real estate company) (10/98 to present) | 719,187(d) | 3.0% |
| Paul G. Viall, Jr. Age 63 | 2004 | 2013 | Vice Chairman (11/18/03 to November 2005), Newton Trust Company; Vice Chairman (11/18/03 to 7/1/04), Newton Financial Corp.; Chairman and Chief Executive Officer (1997 to present), Ridgecrest Holdings L.L.C., Vero Beach, FL (venture capital, management consulting); Chairman and Chief Executive Officer (1/1/09 to present), Tweed Virginia, L.L.C., Richmond, VA (retailing) | 104,993(e) | .4% |

TABLE II
CONTINUING DIRECTORS

| NAME AND AGE | DIRECTOR SINCE | EXPIRATION OF TERM | BUSINESS EXPERIENCE | SHARES BENEFICIALLY OWNED AS OF March 1, 2010 | |
|----------------------------------|----------------|--------------------|--|---|------------------|
| | | | | NUMBER OF SHARES | PERCENT OF CLASS |
| Roger Bosma Age 67 | 1999 | 2011 | President and CEO, Lakeland Bancorp, Inc. (6/1/99 to 4/2/08); President and CEO, Lakeland Bank (1/1/02 to 4/2/08) | 121,751(f) | .5% |
| Mark J. Fredericks Age 49 | 1994 | 2011 | President of Keil Oil Company, Riverdale, NJ; President of Fredericks Fuel & Heating Service, Oak Ridge, NJ (1/1/02 to present) | 416,852(g) | 1.7% |
| George H. Guptill, Jr. Age 71 | 1999 | 2011 | Member, Franklin Mutual Finance Committee (1/10 to present); Secretary, Lakeland Bancorp, Inc. and Lakeland Bank (6/11/07 to present); Chairman (1/1/04 to present) and President (1/1/90 to 1/1/04), Franklin Mutual Insurance Company, Branchville, NJ; Chairman (1/1/04 to present) and President (1/1/94 to 1/1/04), FMI, Inc., FMI Insurance Company and Fidelity Mohawk Insurance Company, Branchville, NJ | 705,633(h) | 3.0% |
| Janeth C. Hendershot Age 55 | 2004 | 2011 | Global Project Business Leader (6/08 to 2/10), Munich Reinsurance Group; Vice President (10/97 to 6/08), Munich Reinsurance America, Inc. (reinsurance company); Vice President (3/02 to 6/08), American Alternative Insurance Corporation (insurance company); Vice President (12/02 to 6/08), The Princeton Excess and Surplus Lines Insurance Company (insurance company), Princeton, NJ | 80,494(i) | .3% |

| NAME AND AGE | DIRECTOR SINCE | EXPIRATION OF TERM | BUSINESS EXPERIENCE | SHARES BENEFICIALLY OWNED AS OF March 1, 2010 | |
|------------------------------------|----------------|--------------------|---|---|------------------|
| | | | | NUMBER OF SHARES | PERCENT OF CLASS |
| Robert B. Nicholson, III Age 45 | 2003 | 2011 | President and Chief Executive Officer, Eastern Propane Corporation, Oak Ridge, NJ (1988 to present); President and Chief Executive Officer, Eastern Propane Energy Corporation (1993 to present); General Partner, Eastern Properties, L.P. (1999 to present) | 75,515(j) | .3% |
| Bruce D. Bohuny Age 41 | 2007 | 2012 | President, Brooks Ltd. Builders, Franklin Lakes, NJ (10/1993 to present) (construction company) | 65,957(k) | .3% |
| Mary Ann Deacon Age 58 | 1995 | 2012 | Vice Chairman, Lakeland Bancorp, Inc. and Lakeland Bank (1/14/10 to present); Secretary/Treasurer of Deacon Homes, Inc. (1980 to present) (real estate development), Sparta, NJ | 297,232(l) | 1.2% |
| Joseph P. O Dowd Age 63 | 1998 | 2012 | President and Owner of O Dowd Advertising of Montville, NJ (4/14/82 to present); partner of O Dowd Associates (real estate holding company) (7/1/86 to present) and O Dowd Realty (7/1/86 to present) | 50,914(m) | .2% |

Included in the amounts beneficially owned listed in the tables, the directors of Lakeland held the following interests:

- Includes 172,265 shares owned by Mr. Fredericks' wife; and 145,101 shares held in the name of Edward J. Fredericks and John W. Fredericks Trustees U/W Wilbur Fredericks Trust.
- Includes 31 shares owned jointly by Mr. McCracken and his wife; 3,089 shares held as custodian for his children; 61,243 shares held by REM, LLC of which Mr. McCracken is sole managing member; 12,548 shares held by the McCracken Family Trust, of which Mr. McCracken is a co-trustee; and 30,940 shares issuable upon the exercise of stock options.
- Includes 46,254 shares owned jointly by Mr. Shara and his wife; 587 shares held by a family partnership of which Mr. Shara and his wife are general partners or trustees; and 45,000 shares subject to restricted stock awards that have not yet vested, but will vest in annual increments of 15,000 on December 1, 2010, 2011 and 2012. All of these shares may be voted, unless forfeited.
- Includes 17,838 shares held by Mr. Tilton's wife; 3,037 shares held by Chaumont Holdings, Inc. of which Mr. Tilton is Chairman and Chief Executive Officer; 34,583 shares held by the Tilton Securities LLC Profit Sharing Plan of which Mr. Tilton is the beneficiary; and 33,502 shares issuable upon the exercise of stock options.

- (e) Includes 57,822 shares owned jointly by Mr. Viall and his wife; 10,418 shares held by Ridgecrest Holdings LLC of which Mr. Viall is President; and 36,754 shares issuable upon the exercise of stock options.
- (f) Includes 47,155 shares held jointly by Mr. Bosma and his wife; and 15,000 shares issuable upon the exercise of stock options.
- (g) Includes 41,657 shares owned by Mr. Fredericks' wife; 143,227 shares held by Mark J. Fredericks as custodian for his children; 32,383 shares held by the Keil Oil Employee Profit Sharing Plan; 29,385 shares held by Mark J. Fredericks as Trustee for the Fredericks Fuel & Heating Service Profit Sharing Plan; and 20,315 shares held by Fredericks Fuel & Heating Service of which Mark Fredericks is President.
- (h) Includes 623,549 shares held in the name of the Franklin Mutual Insurance Company, of which Mr. Guptill is Chairman. Although Mr. Guptill is a member of the Franklin Mutual Finance Committee (effective January 2010), he does not have the sole power to vote or dispose of the shares held by the Franklin Mutual Insurance Co., and intends to generally abstain from Lakeland stock-related matters considered by such committee.
- (i) Includes 36,754 shares issuable upon the exercise of stock options.
- (j) Includes 28,940 shares issuable upon the exercise of stock options.
- (k) Includes 24,398 shares held by the Bohuny Family LLC of which Mr. Bohuny is a member; 306 shares held by Mr. Bohuny's wife; 1,268 shares held by Mr. Bohuny as custodian for his children; and 15,750 shares issuable upon the exercise of stock options.
- (l) Includes 106,406 shares held in the name of the Mary Ann Deacon Limited Partnership; 15,929 shares held in the name of Mary Ann Deacon's husband; 86,573 shares held in the name of the Philip Deacon Limited Partnership; and 70,701 shares held by the Deacon Home Inc. Profit Sharing Plan of which Ms. Deacon is a trustee.
- (m) Includes 49,043 shares owned jointly by Mr. O'Dowd and his wife.

Board Qualifications

The Company's Board does not have a formal policy of considering diversity in identifying potential director candidates. However, since the Board believes that its membership should broadly reflect the banking community served by Lakeland, it has an informal practice of considering a nominee's age, race, ethnicity, national origin, gender, and geographic location in addition to such nominee's qualifications for Board service. See Nominating and Corporate Governance Committee Matters-Qualifications and the charter of such committee for a description of the qualifications the Company's directors must possess.

The Board considered the following attributes of its nominees in determining that each is qualified to serve as a director of the Company:

Mr. Bohuny's 16 years of experience in the real estate business, particularly land development and building, and his background in the equity and fixed income markets, led the Board to conclude that this individual should serve as a director of the Company.

Ms. Hendershot has had significant experience in the leadership and management of various corporate entities and operations. She also has experience in managing and controlling risk-taking operations within the insurance industry, and in IT strategy and developments. This experience, as well as her educational background (including a degree in economics from Cornell University) led the Board to conclude that this individual should serve as a director of the Company.

Mr. Tilton's extensive and diverse experience in the financial markets and knowledge of financial instruments, including his current positions as Chairman and Chief Executive Officer of Tilton Securities, LLC, led the Board to conclude that this individual should serve as a director of the Company. This experience also includes serving as Chairman of GovPx, a company organized by dealers and brokers in 1990, which provides financial prices on all U.S. Treasury securities, including MBS securities, playing a significant role in establishing a clearing house for all government securities trading globally, his expertise on interest rates and derivative products and his involvement in establishing various federal funds markets between 1967 and 1985.

Additionally, Mr. Tilton serves as president of Tilton Automotive, LLC, which consists of two automotive dealerships in northern New Jersey.

Mr. John Fredericks' intimate knowledge of the Company and Lakeland, as the founder, a director and Chairman of the Board of both entities since 1969, his over 40 years of experience in the banking industry, the leadership role he has played at Lakeland and in his other endeavors, his reputation in the community and his educational background (including a BS in Business Administration and Chemical Engineering from MIT and participation in a Corporation Board Management seminar at the Harvard Business School) led the Board to conclude that this individual should serve as a director of the Company. Some of Mr. Fredericks' activities have included serving as a director (1977-1991) and chairman of the board (1980-1985) of Association Management Corporation (and his service on the finance and all other board committees of such entity), serving as a trustee (1975-2000) and chairman of the board (1980-1985) of Chilton Memorial Hospital (and service on the finance and all other board committees of such hospital), serving as a trustee, treasurer and member of the finance committee of the Fuel Merchants Association of New Jersey, and being a managing member of a number of family real estate holding companies.

Mr. Mark Fredericks' experience in managing three businesses in the Company's market area, his long service as a director of the Company and Lakeland and his charitable work led the Board to conclude that this individual should serve as a director of the Company. His business experience includes serving as president of Fredericks Fuel and Heating Service, Keil Oil Inc. and F&B Trucking Inc. He is knowledgeable about the real estate industry as a result of his management of a number of real estate partnerships. He has served as a trustee (1998-2008) of Chilton Memorial Hospital (and served as a member of the finance committee during that time) and as president of the West Milford Education Foundation (1996 to present).

Ms. Deacon's over 30 years of extensive experience in the real estate development process, building contracting, property management and sales, her service to a number of community associations, her reputation in the broader business community as well as in the local real estate markets and her dedication to the Company and Lakeland led the Board to conclude that this individual should serve as a director of the Company. Ms. Deacon is responsible for the planning and administration of numerous operating companies, three condominium associations and an equipment leasing entity. Her past participation in the state and local real estate associations includes leadership positions and committee experience in ethics, professional standards, strategic planning and governance. Ms. Deacon is committed to enhancing her professional participation as a director of Lakeland and frequently attends continuing education seminars and institutes applicable to directors of banks and bank holding companies. During her 15 year tenure at Lakeland, she has served on every committee of the Board. In January 2010, she was elected Vice Chairman of the Board of the Company and Lakeland Bank.

Mr. Nicholson's business experience with Eastern Propane Corporation (including his serving as president and CEO of that entity since 1988), his educational background in finance and business management, his experience in buying and selling companies and commercial real estate properties and his reputation in the business and local community led the Board to conclude that this individual should serve as a director of the Company. In 2009, Mr. Nicholson was honored with the Outstanding Citizen of the Year award from Sparta Township and as a Distinguished Citizen by the Boy Scouts of America, Patriots Path Council.

Mr. Bosma's 48 years of banking experience and the breadth of his knowledge in all areas of banking, including asset/liability management, loans and asset quality, retail banking and bank marketing, the audit function and overall bank operations, and his stature in the banking industry, led the Board to conclude that this individual should serve as a director of the Company. Mr. Bosma has an intimate knowledge of Lakeland and the Company after serving as President and Chief Executive Officer from 1999 to April 2008. He has served in many prominent positions in the banking industry, including as chairman of the New Jersey Bankers Association and a member of the Community Bankers Committee of the American Bankers Association. Mr. Bosma has held leadership positions in numerous charitable organizations, including the Chilton Hospital Foundation, the Juvenile Diabetes Research Foundation, the Ramapo College Foundation and Paterson Habitat for Humanity.

Mr. Guptill's knowledge of complex business and financial matters, gained over many years as serving as president of various insurance companies, his current service as Chairman of Franklin Mutual Insurance Group and a member of its Enterprise Risk Management Oversight Committee, and involvement with insurance industry associations, including as a former director, chairman of the board and chairman of the finance committee of the New Jersey Insurance Underwriting Association and former director, president, secretary and treasurer of the New Jersey Association of Mutual Insurance Companies, and as a former director and chairman of the audit committee of Highpoint Financial Corporation, led the Board to conclude that this individual should serve as a director of the Company.

Mr. O Dowd's knowledge of the banking industry, gained through his service as a director of Lakeland for 13 years and for the 12 years prior to his joining Lakeland, as a director of Metropolitan State Bank, his experience and reputation in the business community and his civic service led the Board to conclude that this individual should serve as a director of the Company. He is president of his own advertising company, a partner in two real estate holding companies and the former owner and operator of a food manufacturing business. He is the director of the Montville Chamber of Commerce, a past president of the Montville Kiwanis Club and has served as Deputy Mayor and on the Planning Board of Montville Township.

Mr. Viall's extensive business and board experience, educational background and charitable activities led the Board to conclude that this individual should serve as a director of the Company. His 42-year management career includes 35 years as CEO of five corporations (two of which were subsidiaries of Penn Virginia Corporation and three in which Mr. Viall held or holds controlling interests). His management experience included the energy services, minerals extraction/processing/marketing and retailing industries. Mr. Viall holds a Masters Degree in Business Administration from The Weatherhead School of Case Western Reserve University, and he has been an Adjunct Business Professor in the masters program of Centenary College in New Jersey. His for-profit board experience includes 20 years of service on the boards of Lakeland Bancorp, Inc. and Newton Financial Corporation and 38 years of service with six other organizations. He has also served on the boards of nine non-profit organizations and is past chairman and an emeritus director of the North Jersey Health Care Corporation.

Mr. Shara's over 25 years of experience in the banking industry, his stature and reputation in the banking and local community, and his service as President and CEO of the Company and Lakeland Bank since April 2008 led the Board to conclude that this individual should serve as a director of the Company. His knowledge and understanding of all facets of the business of banking, the leadership he has demonstrated at the Company and at prior institutions and his involvement in charitable and trade organizations make him extremely valuable as a Board member. Mr. Shara serves on the Board of Directors of the Commerce and Industry Association of New Jersey, the Board of Trustees of the Boys and Girls Club of Paterson, New Jersey and the Board of Trustees of Chilton Memorial Hospital Foundation. He also serves on the Board of Governors of the Ramapo College Foundation. Mr. Shara earned a Master's Degree in Business Administration as well as a Bachelor of Science Degree from Fairleigh Dickinson University.

Mr. McCracken's knowledge of the banking industry, his over 13 years of service on the boards of various banks (including serving on the Company's Board since 2004 and Lakeland Bank's Board since 2008), his business experience as an owner and operator of various businesses and real estate within Lakeland's footprint, his reputation in the community as a lifelong resident within Lakeland's footprint, his many long standing relationships with the Company's non-institutional shareholder base and his involvement in many non-profit and local charities (including serving as Chairman of Newton Memorial Hospital and on the boards of other similar organizations) led the Board to conclude that this individual should serve as a director of the Company.

Security Ownership of Management

The following table sets forth information regarding the beneficial ownership of Lakeland's Common Stock as of March 1, 2010 by (i) the four Named Executive Officers (as defined below under "Executive

Compensation) who are not directors of Lakeland and (ii) all current executive officers and directors of Lakeland as a group. Unless otherwise indicated, each of the named shareholders possesses sole voting and investment power with respect to the shares beneficially owned. For information concerning the beneficial ownership of Lakeland's Common Stock by directors and nominees for director, see the tables above under Election of Directors. Shares covered by stock options are included in the table below only to the extent that such options may be exercised by May 1, 2010.

| Shareholder | Shares Beneficially Owned as of March 1, 2010 | |
|--|---|---------|
| | Number | Percent |
| Joseph F. Hurley | 81,102(A) | .3% |
| Robert A. Vandenberg | 119,761(B) | .5% |
| David S. Yanagisawa | 14,118(C) | .1% |
| Jeffrey J. Buonforte | 98,873(D) | .4% |
| All current executive officers and directors as a group (21 persons) | 3,955,501(E) | 16.2% |

- (A) Includes 67,034 shares issuable upon the exercise of stock options. Also includes 8,000 shares subject to restricted stock awards that have not yet vested. These shares vest as follows: 6,093 shares vest 45% on January 26, 2012, 45% on January 26, 2013 and the remaining 10% on the later of January 26, 2015 and the date on which the Company repays its investment to the U.S. Treasury under the TARP Capital Purchase Program; 657 shares vest on December 13, 2010; and 625 vest on each of December 12, 2010 and December 12, 2011. All of these shares may be voted, unless forfeited.
- (B) Includes 6,534 shares held jointly by Mr. Vandenberg and his wife; 15,706 shares which have been allocated to Mr. Vandenberg in the ESOP; and 72,495 shares issuable upon the exercise of stock options. Also includes 6,696 shares subject to restricted stock awards that have not yet vested. These shares vest as follows: 4,039 shares vest 45% on January 26, 2012, 45% on January 26, 2013 and the remaining 10% on the later of January 26, 2015 and the date on which the Company repays its investment to the U.S. Treasury under the TARP Capital Purchase Program; 657 shares vest on December 13, 2010; and 1,000 vest on each of December 12, 2010 and December 12, 2011. All of these shares may be voted, unless forfeited.
- (C) Includes 12,993 shares subject to restricted stock awards that have not yet vested. These shares vest as follows: 5,118 shares vest 45% on January 26, 2012, 45% on January 26, 2013 and the remaining 10% on the later of January 26, 2015 and the date on which the Company repays its investment to the U.S. Treasury under the TARP Capital Purchase Program; 1,125 vest on each of November 24, 2010, November 24, 2011 and November 24, 2012; and 4,500 vest on November 24, 2013. All of these shares may be voted, unless forfeited.
- (D) Includes 9,086 shares held jointly by Mr. Buonforte and his wife; and 72,495 shares issuable upon the exercise of stock options. Also includes 3,616 shares subject to restricted stock awards that have not yet vested. These shares vest as follows: 1,709 shares vest 45% on January 26, 2012, 45% on January 26, 2013 and the remaining 10% on the later of January 26, 2015 and the date on which the Company repays its investment to the U.S. Treasury under the TARP Capital Purchase Program; 657 shares vest on December 13, 2010; and 625 vest on each of December 12, 2010 and December 12, 2011. All of these shares may be voted, unless forfeited.
- (E) Includes an aggregate of 502,690 shares issuable upon the exercise of stock options; 100,412 shares subject to restricted stock awards that have not yet vested; and 15,706 shares which have been allocated under the ESOP.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder require Lakeland's directors, executive officers and 10% shareholders to file with the SEC certain reports regarding such persons' ownership of Lakeland's securities. Lakeland is required to disclose any failures to file such reports on a timely basis. Based solely upon a review of the copies of the forms or

information furnished to Lakeland, Lakeland believes that during 2009, all filing requirements applicable to its directors and officers were satisfied on a timely basis, except that Ms. Deacon failed to file on a timely basis a report disclosing a purchase of shares in March 2009 and Mr. McCracken failed to file on a timely basis a report disclosing that he became co-trustee of a trust holding Lakeland's securities in February 2009. The failures to file on a timely basis were inadvertent, and the filings were made promptly after the failures to file were noted.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our Compensation Objectives and the Focus of Our Compensation Rewards

Our compensation program is designed to attract highly qualified individuals, retain those individuals in a competitive marketplace for executive talent and motivate performance in a manner that maximizes our corporate performance while ensuring that these programs do not encourage unnecessary or excessive risks that threaten the value of our Company. We seek to align individual performance with our long-term strategic business objectives and shareholder value. We believe that the combination of executive compensation that we provide fulfills these objectives.

Currently, our executive compensation program has three key elements: (i) salary; (ii) long-term equity incentives; and (iii) other executive retirement benefits and perquisites. We annually review our mix of short term performance incentives versus long term incentives and seek a reasonable balance of those incentives. We do not have set percentages of short term versus long term incentives.

Our compensation philosophy is determined by our Board of Directors, based upon the recommendations of the Compensation Committee, which is comprised solely of independent directors. Our Chief Executive Officer makes recommendations to the Compensation Committee concerning the compensation of our other executive officers, but does not participate in establishing his own compensation.

The guiding principle of our compensation philosophy is that the compensation of our executive officers should be based primarily on the financial performance of the Company, and partially on individual performance. While this pay-for-performance philosophy requires the Compensation Committee to first consider the Company's profitability, the Committee does not intend to reward unnecessary or excessive risk taking. These principles are reflected in the specific elements of our compensation program, particularly our incentive bonus program, as described below.

Specific Elements of Our Compensation Program

We have described below the specific elements of our compensation program for executive officers.

Salary. We believe that a key objective of our salary structure is to maintain reasonable fixed compensation costs, while taking into account the performance of our executive officers.

Thomas J. Shara serves as President and Chief Executive Officer of the Company and Lakeland Bank under an employment agreement which provides that Mr. Shara will receive an annual base salary of at least \$400,000. See Employment Agreements and Other Arrangements with Executive Officers for a description of Mr. Shara's employment agreement, as well as descriptions of certain other agreements entered into with the other executive officers named in our summary compensation table. (Mr. Shara and the other executive officers named in our summary compensation table are referred to as the Named Executive Officers.)

Long-Term Equity Incentive Compensation. The Company's shareholders approved the Lakeland Bancorp, Inc. 2009 Equity Compensation Program (referred to as our Equity Compensation Program) at the Company's 2009 annual meeting of shareholders. The 2009 Equity Compensation Program replaced the 2000 Equity Compensation Program, which was scheduled to expire on February 8, 2010.

Our Equity Compensation Program permits the Company to grant stock options, restricted stock awards and restricted stock unit awards. Stock options previously have been granted to our executive officers at an exercise price equal to the then current market price of our Common Stock. Stock options, restricted stock awards and restricted stock unit awards may be recommended by the Compensation Committee and granted by the Board under the Equity Compensation Program on a discretionary basis,

taking into account the Company's financial performance and each executive's contribution to such performance.

Based on the Company's financial results for 2009, the Board of Directors, upon the recommendation of the Compensation Committee, determined that no discretionary awards should be granted to Mr. Shara or any of the other Named Executive Officers for 2009.

Other Incentive Compensation. In 2009, each of the Named Executive Officers had an opportunity to earn other incentive compensation, based on the achievement of specific performance targets. For Mr. Shara, the Company's President and Chief Executive Officer, this incentive compensation was based exclusively on the achievement of Company goals based on increases in the Company's net income. For the Chief Operating Officer, this incentive compensation was based 80% on the achievement of Company goals and 20% on the achievement of individual goals. This incentive compensation for the other Named Executive Officers was based 65% on the achievement of Company goals and 35% on the achievement of individual goals. The individual performance criteria included an assessment of the executive's leadership and contributions to revenue enhancement, cost containment efforts, loan and deposit growth and maintenance of credit quality.

For 2009, the Company's net income performance target was an 8% increase in net income over the prior year before taking into account expenses related to the Company's participation in the TARP Capital Purchase Program (described below). As the Company's net income for 2008 was \$15.2 million, the net income target for 2009 was \$16.5 million before TARP Capital Purchase Program expenses or \$14.6 million after such expenses (the 2009 Net Income Target). Under the 2009 plan, for each full percentage point by which actual 2009 net income fell below the 2009 Net Income Target, the bonus amount payable would decrease by 2%, provided that if actual 2009 net income was less than 80% of the Net Income Target, no incentive compensation would be payable under this portion of the 2009 plan. For each full percentage point by which actual 2009 net income exceeded the 2009 Net Income Target, the incentive compensation amount payable would increase by 3%, up to the maximum amounts set forth in the table below. The Company reported a net loss of \$5.4 million for 2009.

As noted above, Mr. Shara's eligibility for this incentive compensation was based exclusively on the Company's increase of net income, and despite his significant individual contributions to the Company during 2009, the Board of Directors, upon the recommendation of the Compensation Committee, did not grant Mr. Shara incentive compensation. Based on the achievement of individual performance goals for 2009, on January 26, 2010, the Company granted this incentive compensation to the other Named Executive Officers in the form of restricted stock awards. The minimum (threshold), target and maximum bonus amounts that each Named Executive Officer could have received, and the actual amounts paid, are as follows:

| Name | Estimated Future Payouts Under Equity Incentive Plan Awards (1) | | | Restricted Stock Awards |
|----------------------|--|----------------|-----------------|----------------------------------|
| | Threshold (\$) | Target (\$) | Maximum (\$) | Granted January 2010 (1) (\$) |
| (a) | | | | |
| Thomas J. Shara | 0 | 186,750 | 207,500 | 0 |
| Joseph F. Hurley | 0 | 80,313 | 125,000 | 43,748 |
| Robert A. Vandenberg | 0 | 112,520 | 145,000 | 29,000 |
| David S. Yanagisawa | 0 | 67,463 | 105,000 | 36,747 |
| Jeffrey J. Buonforte | 0 | 68,266 | 106,250 | 12,271 |

- (1) The amounts in the columns above are denominated in dollars, although the payouts were made in grants of restricted stock awards under the Company's 2009 Equity Compensation Program. As described above, Mr. Shara did not receive an award under the Company's 2009 incentive compensation plan. The other Named Executive Officers received the following restricted stock awards on January 26, 2010: Mr. Hurley: 6,093 shares; Mr. Vandenberg: 4,039 shares; Mr. Yanagisawa: 5,118 shares; and Mr. Buonforte: 1,709 shares. Subject to vesting and transferability requirements and

restrictions under the Emergency Economic Stabilization Act of 2008 (EESA), as amended by the American Recovery and Reinvestment Act of 2009 (ARRA), the Interim Final Rule promulgated by the U.S. Department of Treasury on June 15, 2009, as it may be further amended, and the 2009 Equity Compensation Program, the shares of restricted stock subject to each award vest as follows: 45% on January 26, 2012, 45% on January 26, 2013, with the remaining 10% on the later of January 26, 2015 or the date on which the Company repays the Capital Purchase Program investment. The dollar amounts under the caption Restricted Stock Awards Granted January 2010 refer to the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. As these restricted stock awards were granted in 2010, they do not appear in the summary compensation table or the other compensation tables set forth in this proxy statement.

Other Elements of Compensation for Executive Officers. In order to attract and retain qualified executives, we provide executives with a variety of benefits and perquisites, consisting primarily of retirement benefits through our 401(k) and various retirement plans, executive life insurance, and the use of automobiles. Details of the values of these benefits and perquisites may be found in the footnotes and narratives to the summary compensation table. The Company has also entered into Supplemental Executive Retirement Plan Agreements with Mr. Shara and Mr. Vandenberg. See Employment Agreements and Other Arrangements with Executive Officers . Although the Company historically has made contributions to the Lakeland Bank Profit Sharing Plan on behalf of executive officers, as well as all other employees, as a result of the Company s financial performance, no contribution was made to the Lakeland Bank Profit Sharing Plan on behalf of any employees, including the Named Executive Officers, in 2009.

Employment and Other Agreements.

Our agreements with the Named Executive Officers are described later in this proxy statement. See Employment Agreements and Other Arrangements with Executive Officers.

Compliance with Sections 162(m) and 409A of the Internal Revenue Code

Section 162(m) of the Internal Revenue Code denies a deduction to any publicly held corporation for compensation paid to certain covered employees in a taxable year to the extent that compensation exceeds \$1,000,000 for a covered employee. Certain performance-based compensation that has been approved by our shareholders is not subject to this limitation. As a result, stock options granted under our Equity Compensation Program are not subject to the limitations of Section 162(m). However, restricted stock awards granted under our Equity Compensation Program generally will not be treated as performance-based compensation. Restricted stock award grants made to date under the Equity Compensation Program have not been at levels that, together with other compensation, approached the \$1,000,000 limit. Also, since we retain discretion over cash bonuses, those bonuses also will not qualify for the exemption for performance-based compensation.

It is our intention to maintain our executive compensation arrangements in conformity with the requirements of Section 409A of the Internal Revenue Code, which imposes certain restrictions on deferred compensation arrangements.

Effect of our Participation in the Treasury s Capital Purchase Program

In response to unprecedented market turmoil, the Emergency Economic Stabilization Act of 2008 (EESA) was enacted on October 3, 2008. Under EESA, the U.S. Treasury established the Troubled Asset Relief Program (TARP) Capital Purchase Program, pursuant to which the Treasury purchases preferred stock and warrants from financial institutions. In February 2009, the Company received \$59,000,000 under the TARP Capital Purchase Program.

Participants in the TARP Capital Purchase Program were required to accept several compensation-related limitations associated with this Program. In February 2009, five executive officers of the Company (Messrs. Shara, Hurley, Vandenberg, Buonforte and Luddecke) agreed in writing to accept the compensation standards in existence at that time under the Capital Purchase Program and thereby cap or eliminate some of their contractual or legal rights. The provisions agreed to were as follows:

No golden parachute payments. The term "golden parachute payment" under the TARP Capital Purchase Program (as distinguished from the definition under the Stimulus Act referred to below) refers to a severance payment resulting from involuntary termination of employment, or from bankruptcy of the employer, that exceeds three times the terminated employee's average annual base salary over the five years prior to termination. The Company's senior executive officers (the CEO, the CFO and the next three highest-paid executive officers) have agreed to forego all golden parachute payments for as long as they remain senior executive officers of the Company and the Treasury continues to hold the equity securities that the Company issued to it under the TARP Capital Purchase Program (the period during which the Treasury holds those securities is referred to as the "CPP Covered Period").

Clawback of Bonus and Incentive Compensation if Based on Certain Material Inaccuracies. Our senior executive officers agreed to a clawback provision. Any bonus or incentive compensation paid to them during the CPP Covered Period is subject to recovery or clawback by the Company if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria. The senior executive officers acknowledged that each of the Company's compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, "benefit plans") with respect to them was deemed amended to the extent necessary to give effect to such clawback and the restriction on golden parachute payments.

No Compensation Arrangements That Encourage Excessive Risks. The Company is required to review its benefit plans to ensure that they do not encourage senior executive officers to take unnecessary and excessive risks that threaten the value of the Company. To the extent any such review requires revisions to any benefit plan with respect to the senior executive officers, they agreed to negotiate such changes promptly and in good faith.

During the CPP Covered Period, the Company is not permitted to take federal income tax deductions for compensation paid to the senior executive officers in excess of \$500,000 per year, subject to certain exceptions.

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act") was enacted. The Stimulus Act contains several provisions designed to establish executive compensation and governance standards for financial institutions (such as the Company) that received or will receive financial assistance under TARP. In certain instances, the Stimulus Act modified the compensation-related limitations contained in the TARP Capital Purchase Program; in addition, the Stimulus Act created additional compensation-related limitations and directed the Treasury to establish standards for executive compensation applicable to participants in TARP. The compensation-related limitations applicable to the Company which have been added or modified by the Stimulus Act are as follows:

No severance payments. Under the Stimulus Act, the term "golden parachutes" is defined to include any severance payment resulting from involuntary termination of employment, except for payments for services performed or benefits accrued. Under the Stimulus Act, the Company is prohibited from making any severance payment to its senior executive officers (defined in the Stimulus Act as the five highest paid senior executive officers) and the Company's next five most highly compensated employees during the period that the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A (the "Series A Preferred Shares") (the shares issued to the Treasury) are outstanding.

Recovery of Incentive Compensation if Based on Certain Material Inaccuracies. The Stimulus Act contains the clawback provision discussed above but extends its application to any bonus awards and

other incentive compensation paid to any of the Company's senior executive officers and the next 20 most highly compensated employees during the period that the Series A Preferred Shares are outstanding that is later found to have been based on materially inaccurate financial statements or other materially inaccurate measurements of performance.

No Compensation Arrangements that Encourage Earnings Manipulation. Under the Stimulus Act, during the period that the Series A Preferred Shares are outstanding, the Company is prohibited from entering into compensation arrangements that encourage manipulation of the reported earnings of the Company, or that provide incentives to take unnecessary or excessive risks, to enhance the compensation of any of the Company's employees.

Limit on Incentive Compensation. The Stimulus Act contains a provision that prohibits the payment or accrual of any bonus, retention award or incentive compensation to the Company's five most highly compensated employees while the Series A Preferred Shares are outstanding other than awards of long-term restricted stock that (i) do not fully vest while the Series A Preferred Shares are outstanding, (ii) have a value not greater than one-third of the total annual compensation of such employee and (iii) are subject to such other restrictions as are determined by the Treasury. The prohibition on bonuses does not preclude payments required under written employment contracts entered into on or prior to February 11, 2009.

Compensation Committee Functions. The Stimulus Act requires that the Company's Compensation Committee be comprised solely of independent directors and that it meet at least semiannually to discuss and evaluate the Company's employee compensation plans in light of an assessment of any risk posed to the Company from such compensation plans.

Compliance Certifications. The Stimulus Act requires an annual written certification by the Company's chief executive officer and chief financial officer with respect to the Company's compliance with the provisions of the Stimulus Act.

Treasury Review of Excessive Bonuses Previously Paid. The Stimulus Act directs the Treasury to review all compensation paid to the Company's senior executive officers and its next 20 most highly compensated employees to determine whether any such payments were inconsistent with the purposes of the Stimulus Act or were otherwise contrary to the public interest. If the Treasury makes such a finding, the Treasury is directed to negotiate with the Company and the applicable employee for appropriate reimbursements to the federal government with respect to the compensation and bonuses.

Say on Pay. Under the Stimulus Act, the Company is required to have an advisory "say on pay vote" by the shareholders on executive compensation at the Company's shareholder meetings during the period that the Series A Preferred Shares are outstanding. As was the case at last year's annual meeting of shareholders, this requirement pertains to the Company's 2010 annual meeting. See Proposal 3 .

Summary of Cash and Certain Other Compensation

The following table sets forth, for the three years ended December 31, 2009, 2008 and 2007, a summary of the compensation earned by Thomas J. Shara, who has served as our President and Chief Executive Officer since April 2, 2008, Joseph F. Hurley, our Chief Financial Officer, and our three other most highly compensated executive officers for 2009. We refer to the executive officers named in this table as the "Named Executive Officers." The Named Executive Officers did not receive any compensation from non-equity incentive plans with respect to performance during 2009.

SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Stock Awards (\$) | Option Awards (\$) | Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$) | Total (\$) |
|---|------|----------------|---------------|-------------------------|--------------------------|---|-----------------------------------|---------------|
| Thomas J. Shara, | 2009 | 430,962 | | | | 71,739 | 33,062 | 535,763 |
| President and Chief Executive Officer of Lakeland Bancorp and Lakeland Bank (from April 2, 2008) | 2008 | 292,308 | | 789,600 | | 43,235 | 23,332 | 1,148,475 |
| | 2007 | | | | | | | |
| Joseph F. Hurley, | 2009 | 259,915 | | | | | 19,287 | 279,202 |
| Executive Vice President and Chief Financial Officer of Lakeland Bancorp and Lakeland Bank | 2008 | 240,000 | | | | | 26,219 | 266,219 |
| | 2007 | 229,000 | 41,500 | 29,775 | | | 27,928 | 328,203 |
| Robert A. Vandenberg, | 2009 | 301,154 | | | | 70,328 | 48,445 | 419,927 |
| Senior Executive Vice President and Chief Operating Officer of Lakeland Bancorp and Lakeland Bank | 2008 | 268,846 | | | | | 47,636 | 316,482 |
| | 2007 | 250,000 | 40,000 | 47,640 | | | 52,955 | 390,595 |
| David S. Yanagisawa | 2009 | 219,077 | 27,500 | | | | 15,450 | 262,027 |
| Executive Vice President | 2008 | 16,154 | | 84,060 | | | | 100,214 |
| and Chief Lending Officer | 2007 | | | | | | | |
| of Lakeland Bancorp and Lakeland Bank | | | | | | | | |
| Jeffrey J. Buonforte, | 2009 | 220,973 | | | | | 18,108 | 239,081 |
| Executive Vice President | 2008 | 205,075 | | | | | 25,409 | 230,484 |
| and Senior Government Banking/Business Services Officer of Lakeland Bancorp and Lakeland Bank | 2007 | 195,000 | 37,000 | 29,775 | | | 27,165 | 288,940 |

In the table above:

Mr. Shara's salary for 2008 reflects that portion of his annualized salary of \$400,000 for that year, having joined the Company on April 2, 2008. The bonus paid in 2009 to Mr. Yanagisawa was a signing bonus. Mr. Yanagisawa joined the Company on November 24, 2008.

when we refer to amounts under "Stock Awards" and "Option Awards", we are referring to the aggregate grant date fair value in accordance with FASB ASC Topic 718, in accordance with new SEC rules. In prior years, the applicable rules required disclosure of the dollar amount recognized for financial statement purposes. Accordingly, the amounts in the Stock Awards column for 2008 and

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2007 have been revised to conform to the new disclosure requirements. No stock awards were granted to the Named Executive Officers in 2009.

when we refer to Change in Pension Value and Nonqualified Deferred Compensation Earnings, we are referring to the aggregate change in the present value of Mr. Shara's and Mr. Vandenberg's accumulated benefits for 2009 under their respective Supplemental Executive Retirement Plans.

all other compensation for 2009 includes the following:

for Mr. Shara, \$4,832 for the use of an automobile, \$1,691 for a tax gross-up for use of such automobile, \$1,189 for premiums for group term life insurance for Mr. Shara's benefit, \$18,000 for cash dividends paid on restricted stock and a contribution of \$7,350 to the Company's 401(k) Plan on behalf of Mr. Shara to match a pre-tax elective deferral contribution (included under Salary) made by Mr. Shara to that Plan;

for Mr. Hurley, \$6,546 for the use of an automobile, \$2,291 for a tax gross-up for use of such automobile, \$2,144 for premiums for group term life insurance for Mr. Hurley's benefit, \$956 for cash dividends paid on restricted stock and a contribution of \$7,350 to the Company's 401(k) Plan on behalf of Mr. Hurley to match a pre-tax elective deferral contribution (included under Salary) made by Mr. Hurley to that Plan;

for Mr. Vandenberg, \$7,954 for the use of an automobile, \$2,784 for a tax gross-up for use of such automobile, \$2,812 for premiums for group term life insurance for Mr. Vandenberg's benefit, \$1,294 for cash dividends paid on restricted stock, a contribution of \$7,350 to the Company's 401(k) Plan on behalf of Mr. Vandenberg to match a pre-tax elective deferral contribution (included under Salary) made by Mr. Vandenberg to that Plan, and \$26,251, representing the aggregate earnings in 2009 under a salary continuation agreement for Mr. Vandenberg (of which \$18,661 was used to pay the premium for additional life insurance and trustee fees for Mr. Vandenberg) (see Deferred Compensation below);

for Mr. Yanagisawa, \$5,830 for the use of an automobile, \$2,040 for a tax gross-up for use of such automobile, \$1,542 for premiums for group term life insurance for Mr. Yanagisawa's benefit, \$2,700 for cash dividends paid on restricted stock and a contribution of \$3,338 to the Company's 401(k) Plan on behalf of Mr. Yanagisawa to match a pre-tax elective deferral contribution (included under Salary) made by Mr. Yanagisawa to that Plan; and

for Mr. Buonforte, \$6,306 for the use of an automobile, \$2,207 for a tax gross-up for use of such automobile, \$2,009 for premiums for group term life insurance for Mr. Buonforte's benefit, \$956 for cash dividends paid on restricted stock and a contribution of \$6,629 to the Company's 401(k) Plan on behalf of Mr. Buonforte to match a pre-tax elective deferral contribution (included under Salary) made by Mr. Buonforte to that Plan.

The Company has a Profit Sharing Plan for all eligible employees. The Company's annual contribution to the plan is determined by its Board of Directors. Annual contributions are allocated to participants on a point basis for years of service and salary, with accumulated benefits payable at retirement, or, at the discretion of the plan committee, upon termination of employment. Contributions made by the Company on behalf of the Named Executive Officers are included in the table above under All Other Compensation for 2008 and 2007. No contributions were made by the Company to the Profit Sharing Plan for 2009.

Grant of Plan Based Awards

During 2009, our Named Executive Officers did not receive stock awards or stock options under any equity incentive plan. They also did not receive awards in 2009 under any non-equity incentive plan. The following table shows amounts that could have been earned under the Company's 2009 incentive bonus plan. The amounts in the columns under Estimated Future Payouts Under Equity Incentive Plan Awards are denominated in dollars, although the applicable payouts were made in grants of restricted stock awards in January 2010 under the Company's 2009 Equity Compensation Program. As the actual restricted stock awards were made in 2010, they

are not included in the Summary Compensation Table contained herein. For a description of the Company's 2009 incentive compensation plan, including the various performance targets, and the payouts that were made in January 2010, see "Other Incentive Compensation" under the Compensation Discussion and Analysis.

| Name (a) | Grant Date (b) | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All other Stock Awards: Number of Shares of Stock or Units (#) (i) | All other Option Awards: Number of Securities Underlying Options (#) (j) | Exercise or Base Price of Option Awards (\$/Sh) (k) | Grant Date Fair Value of Stock and Option Awards (\$ (l) |
|----------------------|----------------------|--|-------------------|--------------------|---|---|--|---|
| | | Threshold (\$ (f) | Target (\$ (g) | Maximum (\$ (h) | | | | |
| Thomas J. Shara | | 0 | 186,750 | 207,500 | | | | |
| Joseph F. Hurley | | 0 | 80,313 | 125,000 | | | | |
| Robert A. Vandenberg | | 0 | 112,520 | 145,000 | | | | |
| David S. Yanagisawa | | 0 | 67,463 | 105,000 | | | | |
| Jeffrey J. Buonforte | | 0 | 68,266 | 106,250 | | | | |

Outstanding Equity Awards at December 31, 2009

The following table sets forth, for each of the Named Executive Officers, information regarding option awards and stock awards outstanding at December 31, 2009. As of that date, all stock options held by the Named Executive Officers were exercisable. The vesting dates applicable to each stock award that was not vested on December 31, 2009 are described following the table. At December 31, 2009, the Named Executive Officers did not hold any other equity awards.

| Name (a) | Number of Securities Underlying Unexercised Options (#) Exercisable (b) | Option Awards | | | Stock Awards | | |
|----------------------|---|---|--|-------------------------------------|---|--|---------|
| | | Number of Securities Underlying Unexercised Options (#) Non-Exercisable (c) | Option Exercise Price (\$) (e) | Option Expiration Date (f) | Number of Shares or Units of Stock That Have Not Vested (#) (g) | Market Value of Shares or Units of Stock That Have Not Vested (\$) (h) | |
| Thomas J. Shara | | | | | | 45,000 | 287,550 |
| Joseph F. Hurley | 7,939 | | 7.65 | 12/13/2010 | | | |
| | 12,763 | | 13.16 | 12/12/2011 | | | |
| | 12,155 | | 15.38 | 12/10/2012 | | | |
| | 11,576 | | 13.38 | 12/09/2013 | 1,907 | | 12,186 |
| | 11,576 | | 14.87 | 12/07/2014 | | | |
| | 11,025 | | 14.23 | 12/13/2015 | | | |
| Robert A. Vandenberg | 13,400 | | 7.65 | 12/13/2010 | 2,657 | | 16,978 |
| | 12,763 | | 13.16 | 12/12/2011 | | | |
| | 12,155 | | 15.38 | 12/10/2012 | | | |
| | 11,576 | | 13.38 | 12/09/2013 | | | |
| | 11,576 | | 14.87 | 12/07/2014 | | | |

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| | | | | | |
|----------------------|--------|-------|------------|-------|--------|
| | 11,025 | 14.23 | 12/13/2015 | | |
| David S. Yanagisawa | | | | 7,875 | 50,321 |
| Jeffrey J. Buonforte | 13,400 | 7.65 | 12/13/2010 | | |
| | 12,763 | 13.16 | 12/12/2011 | | |
| | 12,155 | 15.38 | 12/10/2012 | | |
| | 11,576 | 13.38 | 12/09/2013 | 1,907 | 12,186 |
| | 11,576 | 14.87 | 12/07/2014 | | |
| | 11,025 | 14.23 | 12/13/2015 | | |

In the table above, we are disclosing:

in column (b), the number of shares of our Common Stock underlying unexercised stock options that were exercisable as of December 31, 2009;

in column (c), the number of shares of our Common Stock underlying unexercised stock options that were non-exercisable as of December 31, 2009;

in columns (e) and (f), respectively, the exercise price and expiration date for each stock option that was outstanding as of December 31, 2009;

in column (g), the number of shares of our Common Stock covered by stock awards that were not vested as of December 31, 2009; and

in column (h), the aggregate market value as of December 31, 2009 of the stock awards referenced in column (g).

In calculating the market values of restricted stock in the table above, we have multiplied the closing market price of our Common Stock on the last trading day in 2009, which was \$6.39, by the applicable number of shares of Common Stock underlying the Named Executive Officers' stock awards. The stock awards included in the table above for Messrs. Hurley, Vandenberg and Buonforte were granted on December 13, 2006 and December 12, 2007, and vest in four equal annual installments beginning one year after the grant date. The stock award for Mr. Shara was granted on April 2, 2008, and vests in four equal annual installments beginning December 1, 2009. The stock award for Mr. Yanagisawa was granted on November 24, 2008. A total of 4,500 of these shares began to vest in 25% increments beginning November 24, 2009 and 4,500 shares vest on November 24, 2013.

Options Exercised and Stock Awards Vested

The following table sets forth, for each of the Named Executive Officers, information regarding stock options exercised during 2009 and stock awards vested during 2009. The phrase "value realized on exercise" represents the number of shares of Common Stock set forth in column (b) multiplied by the difference between the market price of our Common Stock on the date of exercise and the Named Executive Officer's exercise price. Similarly, the phrase "value realized on vesting" represents the number of shares of Common Stock set forth in column (d) multiplied by the market price of our Common Stock on the date on which the Named Executive Officer's stock award vested.

| Name (a) | Option Awards | | Stock Awards | |
|----------------------|---|--|--|---|
| | Number of Shares Acquired on Exercise (#) (b) | Value Realized on Exercise (\$ (c) | Number of Shares Acquired on Vesting (#) (d) | Value Realized on Vesting (\$ (e) |
| Thomas J. Shara | | | 15,000 | 91,500 |
| Joseph F. Hurley | | | 1,281 | 7,917 |
| Robert A. Vandenberg | | | 1,656 | 10,234 |
| David S. Yanagisawa | | | 1,125 | 6,975 |
| Jeffrey J. Buonforte | | | 1,281 | 7,917 |

Pension Plans

The following table sets forth, for each of the Named Executive Officers, information regarding the benefits payable under each of our plans that provides for payments or other benefits at, following, or in connection with such Named Executive Officer's retirement. In accordance with the SEC's rules, the following table does not provide information regarding tax-qualified defined contribution plans or nonqualified defined contribution plans.

| Name (a) | Plan Name (b) | Number of Years of Credited Service (#) (c) | Present Value of Accumulated Benefit (\$ (d) | Payments During Last Fiscal Year (\$ (e) |
|----------------------|--|--|---|---|
| Thomas J. Shara | Supplemental Executive Retirement Plan | Not Applicable | 114,974 | |
| Joseph F. Hurley | | | | |
| Robert A. Vandenberg | Supplemental Executive Retirement Plan | Not Applicable | 70,328 | |
| David S. Yanagisawa | | | | |
| Jeffrey J. Buonforte | | | | |

In the table above:

when we use the phrase "present value of accumulated benefit", we are referring to the actuarial present value of the Named Executive Officer's accumulated benefits under the Supplemental Executive Retirement Plans, calculated as of December 31, 2009; and

column (e) refers to the dollar amount of payments and benefits, if any, actually paid or otherwise provided to the Named Executive Officer during 2009 under our pension plans.

See "Employment Agreements and other Arrangements with Executive Officers" for a description of various agreements with the Named Executive Officers.

Deferred Compensation

The following table sets forth, for each of the Named Executive Officers, information regarding each defined contribution plan that we maintain and each other plan that we maintain that provides for the deferral of compensation on a basis that is not tax-qualified.

| Name (a) | Executive Contributions in 2009 (\$ (b) | Registrant Contributions in 2009 (\$ (c) | Aggregate Earnings in 2009 (\$ (d) | Aggregate Withdrawals/ Distributions (\$ (e) | Aggregate Balance at December 31, 2009 (\$ (f) |
|----------------------|--|---|---|---|---|
| Thomas J. Shara | | | | | |
| Joseph F. Hurley | | | | | |
| Robert A. Vandenberg | | | 26,251 | 18,661 | 253,788 |
| David S. Yanagisawa | | | | | |
| Jeffrey J. Buonforte | | | | | |

In the table above:

when we refer to the term "earnings", we are referring to the aggregate interest or other earnings accrued to the Named Executive Officer's account during 2009;

the amount included in column (d) of this table is also included under the column All Other Compensation in the Summary Compensation Table set forth above (the amount in column (e) was paid out of the amount set forth in column (d)); and

the amount included in column (f) of this table was not included in our Summary Compensation Table in any prior year's proxy statement or in the Summary Compensation Table set forth above.

The National Bank of Sussex County (NBSC) entered into a salary continuation agreement during 1996 with Mr. Vandenberg, its president, which entitled him to certain payments upon his retirement. As part of the merger of the Company and NBSC's parent (High Point Financial Corp.) in July 1999, the Company placed in trust amounts equal to the present value of the amounts that would be owed to Mr. Vandenberg in his retirement. This amount was \$381,000. The earnings for 2009 were \$26,251 and the aggregate balance of the trust at December 31, 2009 was \$253,788. The Company has no further obligation to pay additional amounts pursuant to this agreement. The \$18,661 withdrawn in 2009 was used to pay the premium for additional life insurance and trustee fees for Mr. Vandenberg. In December 2008, the salary continuation agreement with Mr. Vandenberg was amended to comply with Section 409A of the Internal Revenue Code of 1986, as amended.

NBSC also provided Mr. Vandenberg with a split dollar life insurance death benefit, pursuant to which his beneficiary will receive an amount equal to three times his last salary. The one time premium for such insurance was paid prior to 2009.

Equity Compensation Plan Information

The following table gives information about the Company's common stock that may be issued upon the exercise of options under the Company's Amended and Restated 2000 Equity Compensation Program and the Company's 2009 Equity Compensation Program as of December 31, 2009. These plans were the Company's only equity compensation plans in existence as of December 31, 2009. The 2009 Equity Compensation Program is the successor to the 2000 Equity Compensation Program, and no additional awards will be granted under the 2000 Equity Compensation Program. No warrants or rights may be granted, or are outstanding, under the 2000 or the 2009 Equity Compensation Programs.

| Plan Category | (a) Number Of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants and Rights | (b) Weighted-Average Exercise Price Of Outstanding Options, Warrants and Rights | (c) Number Of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (a)) |
|--|--|---|--|
| Equity Compensation Plans Approved by Shareholders | 912,364 | \$ 12.38 | 2,000,000 |
| Equity Compensation Plans Not Approved by Shareholders | | | |
| TOTAL | 912,364 | \$ 12.38 | 2,000,000 |

The number in column (a) includes 96,831 shares subject to restricted stock awards, including unvested shares. Shares subject to restricted stock awards have been excluded for purposes of calculating the weighted-average exercise price in column (b).

Employment Agreements and Other Arrangements with Executive Officers

Thomas J. Shara joined the Company as President and Chief Executive Officer of Lakeland and Lakeland Bank on April 2, 2008. On May 22, 2008, Lakeland, Lakeland Bank and Mr. Shara, executed an Employment Agreement (the "Employment Agreement") and a Supplemental Executive Retirement Plan Agreement (the "SERP"). Both the Employment Agreement and the SERP are effective as of April 2, 2008.

The Employment Agreement provides that Mr. Shara will be employed as President and Chief Executive Officer of the Company and Lakeland Bank for a term commencing on April 2, 2008 (the "Effective Date") and expiring on April 1, 2011 (the "Initial Term"). The Initial Term will automatically be extended for an additional

one year period on each anniversary date of the Effective Date, unless on or before each such anniversary date either party provides written notice to the other of its (or his) intent not to extend the then current term, provided, however, that on and after the 15th anniversary of the Effective Date, if Mr. Shara remains employed, his employment will be on an at-will basis. The Initial Term and any renewal period through the 15th anniversary of the Effective Date collectively are referred to as the Term .

The Employment Agreement further provides that Mr. Shara will be nominated for election (i) as a member of Lakeland Bank's Board of Directors at each annual meeting of the sole shareholder of Lakeland Bank occurring during the Term and (ii) as a member of the Company's Board of Directors at each annual meeting of shareholders of the Company at which Mr. Shara's term as a director of the Company expires occurring during the Term. Mr. Shara initially was appointed to the Lakeland Bank Board and the Company Board on April 2, 2008, and was nominated to stand for election at the Company's 2008 annual meeting of shareholders for a term of two years, at which he was so elected. He is nominated for a three year term at the 2010 Annual Meeting.

The Employment Agreement provides that Mr. Shara will receive a base salary of not less than \$400,000 per year. He will participate in the executive bonus program as approved annually by the Company's Board. Upon joining the Company on April 2, 2008, Mr. Shara received a restricted stock award of 60,000 shares. A total of 25% of such restricted shares vested on December 1, 2009, with the balance to vest in 15,000 share increments on each of December 1, 2010, December 1, 2011 and December 1, 2012, provided that Mr. Shara is an employee of the Company or Lakeland Bank on the respective vesting date. The Employment Agreement also provides that Mr. Shara will be entitled to participate in all employee benefit plans or programs, including without limitation the 401(k) Plan and Profit Sharing Plan, and to receive all benefits and perquisites, including without limitation an automobile, which are approved by the Boards of the Company and Lakeland Bank and are generally made available to executive officers of the Company, to the extent permissible under the general terms and provisions of such plans or programs.

The Employment Agreement provides that if Mr. Shara's employment is terminated during the Term by the Company without Cause (as contractually defined) or Mr. Shara resigns for Good Reason (as contractually defined), Mr. Shara will receive a severance payment equal to 36 months of his annual base salary at the rate in effect as of the termination date. In addition, all of Mr. Shara's restricted shares and stock options (to the extent not already vested) will become fully vested, and he will be permitted to exercise any such option for the period specified in the Company's equity compensation plan as in effect at such time. He will also be entitled to the continuation of certain medical benefits. However, if within 90 days following a Change in Control (as contractually defined), Mr. Shara's employment is terminated without Cause or he resigns for Good Reason, then he will receive a severance payment equal to three times the sum of (a) an amount equal to his annual base salary at the rate in effect as of the termination date, plus (b) an amount equal to the highest annual bonus paid to Mr. Shara during the last three years prior to the his termination date.

The Employment Agreement provides that in the event it is determined that any payment or benefit made or provided by the Company or Lakeland Bank pursuant to the terms of the Employment Agreement or otherwise would be subject to the excise tax (the Excise Tax) imposed by Section 4999 of the Internal Revenue Code, then Mr. Shara will be entitled to receive an additional payment from the Company (a Gross-Up Payment) such that the net amount received by Mr. Shara after deduction of such Excise Tax and any federal, state and local income tax, penalties, interest and Excise Tax upon the Gross-Up Payment will be equal to the payments otherwise payable to him under the terms of the Employment Agreement. Mr. Shara also agrees in the Employment Agreement not to compete with Lakeland Bank's business for a 12 month period following termination of employment in a geographic area equal to 20 miles from any of Lakeland Bank's branches at the time of Mr. Shara's termination of employment.

The SERP provides that Mr. Shara will receive a normal retirement benefit of \$150,000 per year for 15 years upon termination of his employment after the normal retirement age of 65. The benefit will be paid in monthly payments of \$12,500 each. The SERP further provides that if, prior to a Change in Control, Mr. Shara resigns his employment with the Company or Lakeland Bank for Good Reason, his employment with the

Company or Lakeland Bank terminates due to disability, or his employment with the Company or Lakeland Bank is terminated by the Company or Lakeland Bank other than for Cause, he will receive the same benefit of \$150,000 per year for 15 years, payable in monthly payments of \$12,500 each, commencing with the month following Mr. Shara's 65th birthday. If Mr. Shara is employed by the Company or Lakeland Bank at the time of a Change in Control, he will receive the same benefit, beginning with the month following his 65th birthday. If Mr. Shara should die while employed, his beneficiary will receive the same monthly payment described above for the period specified, except that such payments will commence within 60 days of receipt of a death certificate. If Mr. Shara should die after the benefit payments have commenced but before receiving all such payments, the Company will pay the remaining benefits to his beneficiary at the same

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Biotechnology (continued) | | | |
| Senvion Holding GmbH, 6.63%, 11/15/20 | EUR | 145 | \$ 162,914 |
| | | | 1,933,453 |
| Building Materials 0.2% | | | |
| Dry Mix Solutions Investissements SAS, 3.93%, 6/15/21 (b) | | 100 | 108,220 |
| Tecnoglass, Inc., 8.20%, 1/31/22 (c) | USD | 1,511 | 1,499,668 |
| Titan Global Finance PLC, 3.50%, 6/17/21 | EUR | 100 | 112,721 |
| | | | 1,720,609 |
| Building Products 0.5% | | | |
| American Builders & Contractors Supply Co., Inc. (c)(d): | | | |
| 5.63%, 4/15/21 | USD | 375 | 385,781 |
| 5.75%, 12/15/23 | | 155 | 161,200 |
| Builders FirstSource, Inc., 5.63%, 9/01/24 (c) | | 94 | 96,585 |
| Building Materials Corp. of America (c): | | | |
| 5.38%, 11/15/24 | | 110 | 113,438 |
| 6.00%, 10/15/25 (d) | | 247 | 260,585 |
| Louisiana-Pacific Corp., 4.88%, 9/15/24 | | 106 | 105,735 |
| Masonite International Corp., 5.63%, 3/15/23 (c)(d) | | 360 | 372,600 |
| Ply Gem Industries, Inc., 6.50%, 2/01/22 (d) | | 729 | 759,982 |
| Standard Industries, Inc. (c)(d): | | | |
| 5.13%, 2/15/21 | | 47 | 49,115 |
| 5.50%, 2/15/23 | | 227 | 235,513 |
| USG Corp. (d): | | | |
| 8.25%, 1/15/18 | | 652 | 689,490 |
| 5.50%, 3/01/25 (c) | | 435 | 455,662 |
| | | | 3,685,686 |
| Capital Markets 0.0% | | | |
| AE-Rotor Holding BV, 4.97%, 3/28/18 | | 140 | 139,963 |
| E*Trade Financial Corp., 4.63%, 9/15/23 (d) | | 194 | 199,093 |
| | | | 339,056 |
| Chemicals 1.0% | | | |
| Alpha 3 BV / Alpha US Bidco, Inc., 6.25%, 2/01/25 (c) | | 900 | 900,000 |
| Axalta Coating Systems Dutch Holding B BV, 3.75%, 1/15/25 | EUR | 100 | 110,649 |
| Axalta Coating Systems LLC, 4.88%, 8/15/24 (c) | USD | 265 | 268,313 |
| Corporate Bonds | | | |
| Chemicals (continued) | | | |
| Blue Cube Spinco, Inc., 10.00%, 10/15/25 | USD | 45 | \$ 54,450 |
| CF Industries, Inc.: | | | |
| 7.13%, 5/01/20 | | 150 | 165,375 |

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| | | | |
|---|-----|-------|-----------|
| 5.15%, 3/15/34 | | 110 | 100,925 |
| 4.95%, 6/01/43 (d) | | 325 | 278,687 |
| Chemours Co.: | | | |
| 6.63%, 5/15/23 (d) | | 235 | 233,825 |
| 7.00%, 5/15/25 | | 66 | 65,769 |
| Huntsman International LLC, 4.88%, 11/15/20 | | 180 | 185,850 |
| Ineos Finance PLC, 4.00%, 5/01/23 | EUR | 115 | 129,108 |
| Inovyn Finance PLC, 6.25%, 5/15/21 | | 100 | 114,643 |
| Momentive Performance Materials, Inc., 3.88%, 10/24/21 (d) | USD | 1,300 | 1,264,250 |
| Montichem Holdco 3 SA, 5.25%, 6/15/21 | EUR | 109 | 121,784 |
| NOVA Chemicals Corp., 5.25%, 8/01/23 (c) | USD | 145 | 150,075 |
| Platform Specialty Products Corp. (c)(d): | | | |
| 10.38%, 5/01/21 | | 65 | 72,150 |
| 6.50%, 2/01/22 | | 1,427 | 1,455,540 |
| PQ Corp., 6.75%, 11/15/22 (c)(d) | | 355 | 384,287 |
| PSPC Escrow Corp., 6.00%, 2/01/23 | EUR | 153 | 170,161 |
| Tronox Finance LLC, 6.38%, 8/15/20 | USD | 94 | 90,358 |
| Versum Materials, Inc., 5.50%, 9/30/24 (c) | | 140 | 145,600 |
| WR Grace & Co-Conn (c): | | | |
| 5.13%, 10/01/21 | | 165 | 173,044 |
| 5.63%, 10/01/24 (d) | | 300 | 316,125 |
| | | | 6,950,968 |
| Commercial Services & Supplies 1.4% | | | |
| ADT Corp.: | | | |
| 3.50%, 7/15/22 | | 541 | 511,245 |
| 4.13%, 6/15/23 | | 86 | 82,023 |
| 4.88%, 7/15/32 (c) | | 266 | 214,130 |
| Advanced Disposal Services, Inc., | | | |
| 5.63%, 11/15/24 (c) | | 267 | 271,673 |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (c)(d) | | 5,000 | 5,743,750 |
| Bilbao Luxembourg SA, (10.50% Cash or 11.25% PIK), 10.50%, 12/01/18 (g) | EUR | 100 | 110,573 |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (c)(d) | USD | 782 | 811,325 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Commercial Services & Supplies (continued) | | | |
| Iron Mountain, Inc., 6.00%, 10/01/20 (c)(d) | USD | 435 | \$ 455,663 |
| Mobile Mini, Inc., 5.88%, 7/01/24 (d) | | 515 | 536,887 |
| Park Aerospace Holdings Ltd., 5.25%, 8/15/22 (c)(h) | | 285 | 292,125 |
| Ritchie Bros Auctioneers, Inc., 5.38%, 1/15/25 (c) | | 221 | 225,696 |
| Silk Bidco AS, 7.50%, 2/01/22 | EUR | 108 | 124,481 |
| United Rentals North America, Inc.: | | | |
| 7.63%, 4/15/22 | USD | 52 | 54,470 |
| 5.75%, 11/15/24 (d) | | 450 | 475,312 |
| 5.88%, 9/15/26 | | 90 | 93,488 |
| | | | 10,002,841 |
| Communications Equipment 0.4% | | | |
| Alcatel-Lucent USA, Inc., 6.45%, 3/15/29 (d) | | 1,335 | 1,392,271 |
| CommScope Technologies Finance LLC, 6.00%, 6/15/25 (c)(d) | | 20 | 21,313 |
| CommScope, Inc., 5.00%, 6/15/21 (c) | | 170 | 174,462 |
| Nokia OYJ, 6.63%, 5/15/39 (d) | | 245 | 256,618 |
| Zayo Group LLC/Zayo Capital, Inc.: | | | |
| 6.38%, 5/15/25 (d) | | 1,037 | 1,097,281 |
| 5.75%, 1/15/27 (c) | | 252 | 257,998 |
| | | | 3,199,943 |
| Construction & Engineering 0.3% | | | |
| Aeropuerto Internacional de Tocumen SA, 5.63%, 5/18/36 (c) | | 808 | 850,420 |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (c)(d) | | 620 | 612,250 |
| Engility Corp., 8.88%, 9/01/24 (c) | | 298 | 318,860 |
| | | | 1,781,530 |
| Construction Materials 0.5% | | | |
| American Tire Distributors, Inc., | | | |
| 10.25%, 3/01/22 (c)(d) | | 295 | 286,887 |
| Beacon Roofing Supply, Inc., 6.38%, 10/01/23 (d) | | 353 | 378,592 |
| HD Supply, Inc. (c)(d): | | | |
| 5.25%, 12/15/21 | | 1,265 | 1,332,994 |
| 5.75%, 4/15/24 | | 884 | 930,410 |
| LKQ Italia Bondco SpA, 3.88%, 4/01/24 | EUR | 202 | 230,161 |
| PulteGroup, Inc.: | | | |
| 5.50%, 3/01/26 | USD | 213 | 217,793 |
| 6.00%, 2/15/35 | | 48 | 46,320 |
| Rexel SA, 3.50%, 6/15/23 | EUR | 223 | 250,346 |
| | | | 3,673,503 |
| Corporate Bonds | | | |
| Consumer Discretionary 0.0% | | | |
| The Nielsen Co. Luxembourg SARL, | | | |
| 5.00%, 2/01/25 (c) | USD | 208 | \$ 206,700 |
| Silversea Cruise Finance Ltd., 7.25%, 2/01/25 (c) | | 113 | 116,131 |
| | | | 322,831 |
| Consumer Finance 0.8% | | | |
| Ally Financial, Inc., 8.00%, 11/01/31 (d) | | 3,475 | 4,126,562 |
| Navient Corp.: | | | |
| 5.00%, 10/26/20 (d) | | 370 | 367,225 |
| 6.63%, 7/26/21 | | 173 | 176,027 |
| 5.50%, 1/25/23 | | 162 | 152,888 |
| 7.25%, 9/25/23 | | 306 | 308,295 |
| 6.13%, 3/25/24 | | 132 | 124,905 |
| 5.88%, 10/25/24 | | 138 | 127,305 |
| 5.63%, 8/01/33 | | 105 | 83,213 |

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| | | | |
|---|-----|-------|-----------|
| OneMain Financial Holdings LLC (c): | | | |
| 6.75%, 12/15/19 | | 186 | 192,975 |
| 7.25%, 12/15/21 | | 130 | 132,763 |
| | | | 5,792,158 |
| Containers & Packaging 1.4% | | | |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc.: | | | |
| 6.75%, 1/31/21 (c)(d) | | 630 | 651,262 |
| 4.25%, 1/15/22 | EUR | 200 | 222,355 |
| 6.75%, 5/15/24 | | 156 | 183,348 |
| Ardagh Packaging Finance PLC/Ardagh MP Holdings USA, Inc. (c): | | | |
| 6.25%, 1/31/19 | USD | 403 | 410,456 |
| 4.63%, 5/15/23 | | 252 | 254,363 |
| 7.25%, 5/15/24 (d) | | 1,809 | 1,937,891 |
| Bahia Sul Holdings GmbH, 5.75%, 7/14/26 (c) | | 354 | 354,460 |
| Ball Corp., 5.00%, 3/15/22 (d) | | 440 | 462,000 |
| Crown European Holdings SA: | | | |
| 4.00%, 7/15/22 | EUR | 103 | 122,224 |
| 3.38%, 5/15/25 | | 154 | 168,944 |
| Flex Acquisition Co., Inc., 6.88%, 1/15/25 (c) | USD | 174 | 176,893 |
| JH-Holding Finance SA, 8.25%, 12/01/22 (g) | EUR | 102 | 118,361 |
| Reynolds Group Issuer, Inc.: | | | |
| 5.75%, 10/15/20 (d) | USD | 590 | 607,452 |
| 8.25%, 2/15/21 | | 413 | 425,215 |
| 4.52%, 7/15/21 (b)(c)(d) | | 866 | 890,897 |
| 5.13%, 7/15/23 (c) | | 194 | 198,404 |
| 7.00%, 7/15/24 (c)(d) | | 839 | 893,954 |
| Sappi Papier Holding GmbH, 4.00%, 4/01/23 | EUR | 200 | 227,774 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Containers & Packaging (continued) | | | |
| Sealed Air Corp.: | | | |
| 4.88%, 12/01/22 (c)(d) | USD | 100 | \$ 103,125 |
| 4.50%, 9/15/23 | EUR | 100 | 119,690 |
| 6.88%, 7/15/33 (c) | USD | 44 | 46,200 |
| Signode Industrial Group Lux SA/Signode Industrial Group US, Inc., 6.38%, 5/01/22 (c)(d) | | 598 | 606,970 |
| Suzano Trading Ltd., 5.88%, 1/23/21 (c) | | 583 | 616,523 |
| Verallia Packaging SASU, 5.13%, 8/01/22 | EUR | 100 | 114,562 |
| | | | 9,913,323 |
| Diversified Consumer Services 0.4% | | | |
| APX Group, Inc.: | | | |
| 6.38%, 12/01/19 | USD | 265 | 273,612 |
| 8.75%, 12/01/20 | | 360 | 373,500 |
| 7.88%, 12/01/22 | | 144 | 156,240 |
| 7.88%, 12/01/22 (c)(h) | | 230 | 249,550 |
| Prime Security Services Borrower LLC/Prime Finance, Inc., 9.25%, 5/15/23 (c)(d) | | 1,515 | 1,641,881 |
| Service Corp. International, 5.38%, 5/15/24 (d) | | 215 | 225,213 |
| Tereos Finance Groupe I SA, 4.13%, 6/16/23 | EUR | 100 | 111,998 |
| | | | 3,031,994 |
| Diversified Financial Services 1.1% | | | |
| AerCap Ireland Capital Ltd./AerCap Global Aviation Trust, 3.95%, 2/01/22 (d) | | | |
| | USD | 1,750 | 1,782,830 |
| Aircastle Ltd., 6.25%, 12/01/19 (d) | | 784 | 850,640 |
| Deutsche Bank AG, 4.25%, 10/14/21 (c)(d) | | 1,150 | 1,156,664 |
| FBM Finance, Inc., 8.25%, 8/15/21 (c) | | 130 | 138,775 |
| Ford Motor Credit Co. LLC, 4.39%, 1/08/26 (d) | | 1,250 | 1,258,531 |
| Garfunkelux Holdco 3 SA, 8.50%, 11/01/22 | GBP | 100 | 129,197 |
| General Motors Financial Co., Inc., 4.25%, 5/15/23 (d) | USD | 326 | 334,052 |
| Hexion 2 US Finance Corp., 10.38%, 2/01/22 (c)(h) | | 190 | 193,800 |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (c)(d) | | 845 | 853,450 |
| Mercury Bondco PLC, (8.25% Cash, 9.00% PIK), 8.25%, 5/30/21 (g) | EUR | 358 | 408,554 |
| UniCredit SpA: | | | |
| 6.95%, 10/31/22 | | 270 | 333,383 |
| | | | 7,676,586 |
| Corporate Bonds | | | |
| Diversified Financial Services (continued) | | | |
| UniCredit SpA (continued): | | | |
| 5.75%, 10/28/25 (b) | EUR | 207 | \$ 236,710 |
| | | | 7,676,586 |
| Diversified Telecommunication Services 2.6% | | | |
| AT&T, Inc., 4.75%, 5/15/46 (d) | | | |
| | USD | 2,545 | 2,324,646 |
| CenturyLink, Inc.: | | | |
| 6.45%, 6/15/21 (d) | | 771 | 819,187 |
| Series U, 7.65%, 3/15/42 | | 174 | 158,231 |
| Series Y, 7.50%, 4/01/24 | | 190 | 201,162 |
| Cincinnati Bell, Inc., 7.00%, 7/15/24 (c)(d) | | 798 | 842,887 |
| Consolidated Communications, Inc., 6.50%, 10/01/22 | | 113 | 113,282 |
| Frontier Communications Corp.: | | | |
| 7.13%, 3/15/19 | | 380 | 404,700 |
| 8.50%, 4/15/20 | | 130 | 138,528 |
| 7.13%, 1/15/23 (d) | | 65 | 58,175 |
| 7.63%, 4/15/24 (d) | | 650 | 573,625 |
| 6.88%, 1/15/25 (d) | | 1,205 | 1,010,694 |
| 11.00%, 9/15/25 | | 435 | 439,894 |
| Level 3 Financing, Inc.: | | | |
| 5.38%, 8/15/22 | | 140 | 144,550 |
| 5.63%, 2/01/23 (d) | | 105 | 107,363 |
| 5.13%, 5/01/23 (d) | | 360 | 362,700 |
| 5.38%, 1/15/24 (d) | | 294 | 297,307 |

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| | | | |
|--|-----|-------|------------|
| 5.38%, 5/01/25 (d) | | 420 | 428,665 |
| 5.25%, 3/15/26 (c) | | 186 | 185,302 |
| OTE PLC, 3.50%, 7/09/20 | EUR | 200 | 217,256 |
| SBA Communications Corp., 4.88%, 9/01/24 (c)(d) | USD | 309 | 301,615 |
| Telecom Italia Capital SA: | | | |
| 6.38%, 11/15/33 | | 91 | 91,824 |
| 6.00%, 9/30/34 (d) | | 834 | 821,490 |
| Telecom Italia Finance SA, 7.75%, 1/24/33 | EUR | 81 | 111,803 |
| Telecom Italia SpA: | | | |
| 3.25%, 1/16/23 | | 273 | 306,875 |
| 3.63%, 1/19/24 | | 146 | 165,642 |
| Verizon Communications, Inc., 6.55%, 9/15/43 (d) | USD | 6,500 | 8,016,983 |
| Windstream Corp., 7.75%, 10/01/21 | | 31 | 31,627 |
| Windstream Services LLC, 7.50%, 6/01/22 | | 94 | 90,945 |
| | | | 18,766,958 |
| Electric Utilities 0.7% | | | |
| AES Corp., 4.88%, 5/15/23 (d) | | 350 | 348,250 |
| Baltimore Gas & Electric Co., 3.50%, 8/15/46 (d) | | 500 | 454,554 |
| Duke Energy Corp., 4.80%, 12/15/45 (d) | | 1,500 | 1,591,650 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

7

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Electric Utilities (continued) | | | |
| Pampa Energia SA, 7.50%, 1/24/27 (c) | USD | 758 | \$ 750,389 |
| Southern Co., 4.40%, 7/01/46 (d) | | 1,000 | 989,543 |
| Virginia Electric & Power Co., Series A, 6.00%, 5/15/37 (d) | | 750 | 927,568 |
| | | | 5,061,954 |
| Electrical Equipment 0.1% | | | |
| Areva SA, 4.88%, 9/23/24 | EUR | 100 | 111,128 |
| Belden, Inc., 5.50%, 4/15/23 | | 111 | 127,457 |
| Trionista TopCo GmbH, 6.88%, 4/30/21 | | 213 | 241,430 |
| | | | 480,015 |
| Electronic Equipment, Instruments & Components 0.2% | | | |
| CDW LLC/CDW Finance Corp.: | | | |
| 6.00%, 8/15/22 (d) | USD | 770 | 812,350 |
| 5.00%, 9/01/23 (d) | | 550 | 561,000 |
| 5.50%, 12/01/24 | | 28 | 29,155 |
| SESI LLC, 7.13%, 12/15/21 | | 60 | 61,575 |
| | | | 1,464,080 |
| Energy Equipment & Services 0.8% | | | |
| EnSCO PLC: | | | |
| 4.50%, 10/01/24 | | 207 | 185,265 |
| 5.20%, 3/15/25 | | 45 | 40,725 |
| Gates Global LLC/Gates Global Co., | | | |
| 6.00%, 7/15/22 (c)(d) | | 659 | 649,939 |
| Genesis Energy LP/Genesis Energy Finance Corp., 6.75%, 8/01/22 | | | |
| | | 150 | 158,625 |
| Halliburton Co., 3.80%, 11/15/25 (d) | | 750 | 762,839 |
| Noble Holding International Ltd., 4.63%, 3/01/21 | | 12 | 11,460 |
| Pattern Energy Group, Inc., 5.88%, 2/01/24 (c) | | 163 | 166,260 |
| Pioneer Energy Services Corp., 6.13%, 3/15/22 | | 325 | 296,563 |
| Precision Drilling Corp., 6.50%, 12/15/21 | | 120 | 123,300 |
| Transocean, Inc.: | | | |
| 6.00%, 3/15/18 | | 330 | 337,012 |
| 7.38%, 4/15/18 | | 35 | 35,963 |
| 5.55%, 10/15/22 (d) | | 722 | 657,020 |
| 9.00%, 7/15/23 (c)(d) | | 1,206 | 1,283,636 |
| Trinidad Drilling, Ltd., 6.63%, 2/15/25 (c)(h) | | 282 | 288,345 |
| Weatherford International Ltd.: | | | |
| 7.75%, 6/15/21 | | 307 | 316,977 |
| 9.88%, 2/15/24 (c) | | 273 | 294,840 |
| | | | 5,644,469 |
| Corporate Bonds | | | |
| Energy Equipment & Services (continued) | | | |
| Weatherford International, Ltd., 8.25%, 6/15/23 | USD | 35 | \$ 35,700 |
| | | | 5,644,469 |
| Environmental, Maintenance, & Security Service 0.1% | | | |
| Befesa Zinc SAU Via Zinc Capital SA, 8.88%, 5/15/18 | EUR | 100 | 110,379 |
| Tervita Escrow Corp., 7.63%, 12/01/21 (c) | USD | 472 | 489,700 |
| | | | 600,079 |
| Food & Staples Retailing 0.9% | | | |
| Albertsons Cos. LLC/Safeway, Inc./New Albertsons, Inc./Albertsons LLC (c): | | | |
| 6.63%, 6/15/24 | | 254 | 264,719 |
| 5.75%, 3/15/25 (d) | | 347 | 344,831 |
| B&M European Value Retail SA, 4.13%, 2/01/22 (h) | GBP | 100 | 128,120 |
| Casino Guichard Perrachon SA: | | | |
| 5.98%, 5/26/21 | EUR | 200 | 254,715 |
| 4.56%, 1/25/23 | | 200 | 241,714 |

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| | | | |
|---|-----|-------|-----------|
| CVS Health Corp., 5.13%, 7/20/45 (d) | USD | 750 | 824,873 |
| Dollar Tree, Inc., 5.75%, 3/01/23 (d) | | 2,510 | 2,658,090 |
| Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp., 5.88%, 1/15/24 | | 75 | 79,298 |
| Rite Aid Corp.: | | | |
| 6.75%, 6/15/21 (d) | | 329 | 342,160 |
| 6.13%, 4/01/23 (c)(d) | | 181 | 188,466 |
| 7.70%, 2/15/27 | | 359 | 430,800 |
| Tesco PLC, 6.00%, 12/14/29 | GBP | 50 | 68,837 |
| Walgreens Boots Alliance, Inc., 4.80%, 11/18/44 (d) | USD | 750 | 763,671 |
| | | | 6,590,294 |
| Food Products 0.8% | | | |
| Acosta, Inc., 7.75%, 10/01/22 (c)(d) | | 370 | 324,675 |
| Aramark Services, Inc.: | | | |
| 5.13%, 1/15/24 (c) | | 27 | 28,057 |
| 5.13%, 1/15/24 (d) | | 483 | 501,914 |
| 4.75%, 6/01/26 (c)(d) | | 252 | 250,992 |
| Arcor SAIC, 6.00%, 7/06/23 (c) | | 470 | 491,150 |
| Darling Global Finance BV, 4.75%, 5/30/22 | EUR | 107 | 122,726 |
| FAGE International SA/FAGE USA Dairy Industry, Inc., 5.63%, 8/15/26 (c) | USD | 200 | 202,624 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|-----------|
| Corporate Bonds | | | |
| Food Products (continued) | | | |
| JBS USA LLC/JBS USA Finance, Inc. (c): | | | |
| 7.25%, 6/01/21 | USD | 40 | \$ 41,320 |
| 5.88%, 7/15/24 | | 169 | 174,493 |
| 5.75%, 6/15/25 | | 558 | 572,787 |
| Marfrig Holdings Europe BV, 8.00%, 6/08/23 (c)(d) | | 486 | 512,122 |
| Minerva Luxembourg SA, 6.50%, 9/20/26 (c) | | 286 | 284,213 |
| Post Holdings, Inc. (c): | | | |
| 6.75%, 12/01/21 | | 120 | 127,200 |
| 7.75%, 3/15/24 (d) | | 721 | 798,060 |
| 8.00%, 7/15/25 | | 419 | 471,375 |
| 5.00%, 8/15/26 (d) | | 238 | 230,115 |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (c)(d) | | 307 | 320,480 |
| TreeHouse Foods, Inc., 6.00%, 2/15/24 (c)(d) | | 159 | 166,751 |
| WhiteWave Foods Co., 5.38%, 10/01/22 (d) | | 211 | 229,463 |
| | | | 5,850,517 |
| Health Care Equipment & Supplies 0.5% | | | |
| Crimson Merger Sub, Inc., 6.63%, 5/15/22 (c)(d) | | 641 | 580,105 |
| DJO Finco, Inc./DJO Finance LLC/DJO Finance Corp., 8.13%, 6/15/21 (c)(d) | | 1,127 | 974,855 |
| IDH Finance PLC, 6.25%, 8/15/22 | GBP | 100 | 117,183 |
| Mallinckrodt International Finance SA/Mallinckrodt CB LLC (c): | | | |
| 5.63%, 10/15/23 (d) | USD | 342 | 303,097 |
| 5.50%, 4/15/25 | | 380 | 327,275 |
| Medtronic, Inc., 4.50%, 3/15/42 (d) | | 1,000 | 1,044,078 |
| Teleflex, Inc.: | | | |
| 3.88%, 8/01/17 (i) | | 110 | 299,406 |
| 4.88%, 6/01/26 | | 63 | 62,685 |
| | | | 3,708,684 |
| Health Care Providers & Services 2.8% | | | |
| Acadia Healthcare Co., Inc.: | | | |
| 5.63%, 2/15/23 (d) | | 524 | 531,860 |
| 6.50%, 3/01/24 | | 69 | 71,674 |
| Aetna, Inc., 4.38%, 6/15/46 | | 600 | 601,447 |
| Alere, Inc., 6.38%, 7/01/23 (c) | | 265 | 268,147 |
| Amsurg Corp., 5.63%, 7/15/22 (d) | | 810 | 834,300 |
| Centene Corp.: | | | |
| 5.63%, 2/15/21 (d) | | 403 | 423,069 |
| 4.75%, 5/15/22 (d) | | 487 | 494,305 |
| 6.13%, 2/15/24 | | 40 | 42,500 |
| Corporate Bonds | | | |
| Health Care Providers & Services (continued) | | | |
| CHS/Community Health Systems, Inc.: | | | |
| 8.00%, 11/15/19 | USD | 87 | \$ 77,430 |
| 6.88%, 2/01/22 (d) | | 471 | 342,653 |
| DaVita HealthCare Partners, Inc.: | | | |
| 5.13%, 7/15/24 (d) | | 657 | 648,787 |
| 5.00%, 5/01/25 | | 7 | 6,832 |
| Envision Healthcare Corp., 5.13%, 7/01/22 (c)(d) | | 205 | 208,588 |
| HCA, Inc.: | | | |
| 6.50%, 2/15/20 (d) | | 1,103 | 1,205,027 |
| 7.50%, 2/15/22 (d) | | 800 | 910,000 |
| 5.88%, 3/15/22 (d) | | 124 | 134,695 |
| 4.75%, 5/01/23 | | 56 | 58,030 |
| 5.88%, 5/01/23 | | 90 | 95,850 |
| 5.00%, 3/15/24 (d) | | 645 | 671,606 |
| 5.38%, 2/01/25 (d) | | 562 | 573,240 |
| 5.25%, 4/15/25 (d) | | 1,220 | 1,284,050 |
| 5.88%, 2/15/26 (d) | | 508 | 528,320 |

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| | | |
|---|-------|------------|
| 5.25%, 6/15/26 (d) | 520 | 542,100 |
| 4.50%, 2/15/27 (d) | 511 | 503,974 |
| HealthSouth Corp.: | | |
| 5.75%, 11/01/24 (d) | 501 | 509,141 |
| 5.75%, 9/15/25 (d) | 126 | 126,315 |
| 2.00%, 12/01/43 (i) | 375 | 425,859 |
| Hologic, Inc.: | | |
| 5.25%, 7/15/22 (c)(d) | 417 | 434,722 |
| Series 2012, 2.00%, 3/01/42 (e)(i) | 153 | 209,036 |
| MEDNAX, Inc., 5.25%, 12/01/23 (c)(d) | 239 | 246,768 |
| MPH Acquisition Holdings LLC, 7.13%, 6/01/24 (c) | 847 | 898,879 |
| New Amethyst Corp., 6.25%, 12/01/24 (c) | 131 | 137,878 |
| RegionalCare Hospital Partners Holdings, Inc., 8.25%, 5/01/23 (c) | 350 | 361,375 |
| Surgery Center Holdings, Inc., 8.88%, 4/15/21 (c) | 82 | 88,765 |
| Tenet Healthcare Corp.: | | |
| 6.00%, 10/01/20 (d) | 1,150 | 1,213,250 |
| 7.50%, 1/01/22 (c) | 165 | 176,963 |
| 8.13%, 4/01/22 (d) | 1,294 | 1,306,940 |
| 6.75%, 6/15/23 (d) | 974 | 920,430 |
| Thermo Fisher Scientific, Inc., 2.95%, 9/19/26 (d) | 1,000 | 945,214 |
| UnitedHealth Group, Inc., 4.38%, 3/15/42 (d) | 750 | 768,399 |
| | | 19,828,418 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|----------------------|--------------|
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure 3.9% | | | |
| Boyd Gaming Corp., 6.88%, 5/15/23 | USD | 290 | \$ 311,402 |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property, 8.00%, 10/01/20 (d) | | 1,840 | 1,920,500 |
| CPUK Finance Ltd., 7.00%, 2/28/42 | GBP | 168 | 223,507 |
| Enterprise Inns PLC, 6.00%, 10/06/23 | | 3,320 | 4,344,096 |
| ESH Hospitality, Inc., 5.25%, 5/01/25 (c)(d) | USD | 334 | 335,252 |
| International Game Technology PLC, 4.75%, 2/15/23 | EUR | 107 | 126,335 |
| Jacobs Entertainment, Inc., 7.88%, 2/01/24 (c)(h) | USD | 79 | 81,271 |
| KFC Holding Co/Pizza Hut Holdings LLC/Taco Bell of America LLC (c): | | | |
| 5.00%, 6/01/24 | | 45 | 45,844 |
| 5.25%, 6/01/26 | | 159 | 160,854 |
| McDonald's Corp., 3.70%, 1/30/26 (d) | | 750 | 760,679 |
| MGM Resorts International: | | | |
| 8.63%, 2/01/19 | | 84 | 93,240 |
| 6.75%, 10/01/20 (d) | | 118 | 130,685 |
| 6.63%, 12/15/21 (d) | | 1,550 | 1,728,250 |
| 7.75%, 3/15/22 | | 10 | 11,647 |
| 4.63%, 9/01/26 (d) | | 146 | 141,438 |
| MGP Escrow Issuer LLC/MGP Escrow Co-Issuer, Inc., 5.63%, 5/01/24 (c)(d) | | 1,397 | 1,458,119 |
| New Red Finance, Inc., 6.00%, 4/01/22 (c)(d) | | 1,130 | 1,177,370 |
| PortAventura Entertainment Barcelona BV, 7.25%, 12/01/20 | EUR | 208 | 233,181 |
| RHP Hotel Properties LP/RHP Finance Corp., 5.00%, 4/15/21 (d) | USD | 460 | 469,200 |
| Sabre GBLB, Inc., 5.25%, 11/15/23 (c)(d) | | 317 | 320,963 |
| Scientific Games International, Inc.: | | | |
| 7.00%, 1/01/22 (c)(d) | | 185 | 197,719 |
| 10.00%, 12/01/22 | | 905 | 927,281 |
| Six Flags Entertainment Corp. (c): | | | |
| 5.25%, 1/15/21 (d) | | 310 | 318,525 |
| 4.88%, 7/31/24 | | 97 | 96,273 |
| Station Casinos LLC, 7.50%, 3/01/21 (d) | | 1,085 | 1,128,400 |
| Thomas Cook Group PLC, 6.25%, 6/15/22 | EUR | 100 | 111,577 |
| Unique Pub Finance Co. PLC: | | | |
| Series A3, 6.54%, 3/30/21 | GBP | 1,874 | 2,539,585 |
| Series M, 7.40%, 3/28/24 | | 6,400 | 8,533,816 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Hotels, Restaurants & Leisure (continued) | | | |
| Vue International Bidco PLC, 7.88%, 7/15/20 | GBP | 117 | \$ 152,926 |
| Yum! Brands, Inc., 3.88%, 11/01/23 | USD | 110 | 107,250 |
| | | | 28,187,185 |
| Household Durables 0.8% | | | |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (c)(d) | | 750 | 761,250 |
| CalAtlantic Group, Inc.: | | | |
| 8.38%, 1/15/21 | | 144 | 167,760 |
| 5.38%, 10/01/22 | | 6 | 6,218 |
| 5.25%, 6/01/26 | | 10 | 9,925 |
| Century Communities, Inc., 6.88%, 5/15/22 (d) | | 830 | 856,975 |
| Lennar Corp.: | | | |
| 4.50%, 11/15/19 (d) | | 320 | 332,000 |
| 4.75%, 4/01/21 | | 42 | 43,575 |
| 4.13%, 1/15/22 | | 139 | 140,175 |
| 4.75%, 11/15/22 | | 210 | 215,382 |
| 4.88%, 12/15/23 (d) | | 146 | 148,555 |
| 4.75%, 5/30/25 (d) | | 410 | 413,075 |
| Mattamy Group Corp., 6.88%, 12/15/23 (c) | | 123 | 126,690 |
| Newell Brands, Inc., 4.20%, 4/01/26 (d) | | 1,000 | 1,035,858 |
| PulteGroup, Inc., 6.38%, 5/15/33 (d) | | 469 | 470,172 |
| Riverbed Technology, Inc., 8.88%, 3/01/23 (c) | | 180 | 191,250 |
| Standard Pacific Corp., 5.88%, 11/15/24 | | 35 | 36,400 |

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| | | |
|--|-----|-----------|
| Tempur Sealy International, Inc., 5.50%, 6/15/26 | 45 | 44,325 |
| TRI Pointe Group, Inc.: | | |
| 4.38%, 6/15/19 (d) | 225 | 228,937 |
| 4.88%, 7/01/21 | 210 | 215,250 |
| 5.88%, 6/15/24 (d) | 140 | 144,900 |
| William Lyon Homes ,Inc., 5.88%, 1/31/25 (c) | 141 | 140,119 |
| | | 5,728,791 |
| Household Products 0.3% | | |
| ACCO Brands Corp., 5.25%, 12/15/24 (c) | 202 | 203,283 |
| Prestige Brands, Inc., 6.38%, 3/01/24 (c) | 176 | 183,480 |
| Spectrum Brands, Inc. (d): | | |
| 6.63%, 11/15/22 | 710 | 752,600 |
| 6.13%, 12/15/24 | 681 | 720,157 |
| | | 1,859,520 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Independent Power and Renewable Electricity Producers 0.5% | | | |
| Calpine Corp. (d): | | | |
| 6.00%, 1/15/22 (c) | USD | 64 | \$ 66,960 |
| 5.38%, 1/15/23 | | 240 | 236,400 |
| 5.88%, 1/15/24 (c) | | 240 | 251,400 |
| Dynegy, Inc.: | | | |
| 6.75%, 11/01/19 (d) | | 925 | 949,281 |
| 7.38%, 11/01/22 | | 30 | 29,625 |
| 7.63%, 11/01/24 | | 140 | 133,350 |
| 8.00%, 1/15/25 (c) | | 26 | 24,960 |
| NRG Energy, Inc.: | | | |
| 7.88%, 5/15/21 | | 82 | 85,075 |
| 6.63%, 3/15/23 | | 45 | 46,350 |
| 7.25%, 5/15/26 (c) | | 233 | 243,776 |
| 6.63%, 1/15/27 (c)(d) | | 641 | 636,193 |
| NRG Yield Operating LLC, 5.38%, 8/15/24 (d) | | 130 | 132,600 |
| QEP Resources, Inc., 5.38%, 10/01/22 (d) | | 694 | 700,940 |
| TerraForm Power Operating LLC, 6.38%, 2/01/23 (c)(e) | | 90 | 92,475 |
| | | | 3,629,385 |
| Industrial Conglomerates 0.2% | | | |
| Cortes NP Acquisition Corp., 9.25%, 10/15/24 (c) | | 357 | 377,303 |
| General Electric Co., 4.13%, 10/09/42 (d) | | 750 | 764,319 |
| | | | 1,141,622 |
| Insurance 1.7% | | | |
| Allstate Corp., 5.75%, 8/15/53 (b)(d) | | 2,000 | 2,107,500 |
| American International Group, Inc., 4.80%, 7/10/45 (d) | | 500 | 509,155 |
| Aon PLC, 3.88%, 12/15/25 (d) | | 1,280 | 1,308,885 |
| Assicurazioni Generali SpA (b): | | | |
| 7.75%, 12/12/42 | EUR | 100 | 127,032 |
| 5.50%, 10/27/47 | | 100 | 111,683 |
| Groupama SA, 6.00%, 1/23/27 | | 100 | 110,732 |
| HUB International Ltd. (c): | | | |
| 9.25%, 2/15/21 | USD | 195 | 201,581 |
| 7.88%, 10/01/21 (d) | | 738 | 773,055 |
| Prudential Financial, Inc., 5.63%, 6/15/43 (b)(d) | | 6,000 | 6,322,500 |
| Wayne Merger Sub LLC, 8.25%, 8/01/23 (c)(d) | | 705 | 744,656 |
| | | | 12,316,779 |
| Internet Software & Services 0.2% | | | |
| Equinix, Inc. (d): | | | |
| 4.88%, 4/01/20 | | 144 | 147,960 |
| 5.88%, 1/15/26 | | 389 | 413,312 |
| | | | 1,376,449 |
| Corporate Bonds | | | |
| Internet Software & Services (continued) | | | |
| Netflix, Inc.: | | | |
| 5.50%, 2/15/22 | USD | 15 | \$ 16,069 |
| 5.75%, 3/01/24 (d) | | 368 | 396,060 |
| 5.88%, 2/15/25 | | 26 | 28,210 |
| 4.38%, 11/15/26 (c) | | 382 | 374,838 |
| | | | 1,376,449 |
| IT Services 0.9% | | | |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (c)(d) | | 287 | 298,480 |
| Fidelity National Information Services, Inc., 3.00%, 8/15/26 (d) | | 1,000 | 941,041 |
| First Data Corp. (c)(d): | | | |
| 7.00%, 12/01/23 | | 1,673 | 1,774,216 |
| 5.75%, 1/15/24 | | 2,908 | 2,998,875 |

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| | | | |
|---|-----|-------|-----------|
| Western Digital Corp., 10.50%, 4/01/24 (c) | | 287 | 337,943 |
| | | | 6,350,555 |
| Machinery 0.2% | | | |
| Gardner Denver, Inc., 6.88%, 8/15/21 (c) | | 155 | 154,612 |
| Navistar International Corp., 8.25%, 11/01/21 | | 55 | 55,550 |
| SPX FLOW, Inc. (c): | | | |
| 5.63%, 8/15/24 | | 330 | 336,600 |
| 5.88%, 8/15/26 | | 175 | 179,375 |
| Terex Corp., 5.63%, 2/01/25 (c) | | 354 | 361,540 |
| Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 6.38%, 5/01/22 | EUR | 142 | 163,805 |
| | | | 1,251,482 |
| Media 7.4% | | | |
| Adria Bidco BV, 7.88%, 11/15/20 | | 100 | 113,029 |
| Altice Financing SA: | | | |
| 5.25%, 2/15/23 | | 108 | 123,599 |
| 7.50%, 5/15/26 (c)(d) | USD | 1,291 | 1,362,005 |
| Altice Luxembourg SA, 6.25%, 2/15/25 | EUR | 100 | 113,294 |
| Altice US Finance I Corp. (c): | | | |
| 5.38%, 7/15/23 (d) | USD | 980 | 1,020,425 |
| 5.50%, 5/15/26 | | 288 | 295,200 |
| AMC Networks, Inc.: | | | |
| 4.75%, 12/15/22 (d) | | 344 | 350,880 |
| 5.00%, 4/01/24 | | 161 | 164,220 |
| Bharti Airtel International Netherlands BV, 5.13%, 3/11/23 | | 1,500 | 1,572,261 |
| Cablevision SA, 6.50%, 6/15/21 (c) | | 389 | 400,670 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

11

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Media (continued) | | | |
| Cablevision Systems Corp.: | | | |
| 8.63%, 9/15/17 | USD | 126 | \$ 130,647 |
| 7.75%, 4/15/18 (d) | | 517 | 544,142 |
| 8.00%, 4/15/20 | | 286 | 316,087 |
| CBS Radio, Inc., 7.25%, 11/01/24 (c) | | 264 | 275,054 |
| CCO Holdings LLC/CCO Holdings Capital Corp.: | | | |
| 5.25%, 9/30/22 (d) | | 560 | 579,723 |
| 5.13%, 2/15/23 (d) | | 709 | 735,587 |
| 5.13%, 5/01/23 (c)(d) | | 719 | 745,962 |
| 5.75%, 2/15/26 (c)(d) | | 233 | 246,907 |
| 5.50%, 5/01/26 (c)(d) | | 470 | 492,325 |
| 5.13%, 5/01/27 (c)(h) | | 372 | 378,975 |
| 5.88%, 5/01/27 (c)(d) | | 808 | 857,240 |
| Cellnex Telecom SA, 2.38%, 1/16/24 | EUR | 100 | 106,712 |
| Cequel Communications Holdings I LLC/Cequel Capital Corp. (c): | | | |
| 6.38%, 9/15/20 | USD | 145 | 148,988 |
| 5.13%, 12/15/21 | | 62 | 62,853 |
| 5.13%, 12/15/21 (d) | | 715 | 723,937 |
| 7.75%, 7/15/25 (d) | | 1,630 | 1,803,187 |
| Charter Communications Operating LLC/Charter Communications Operating Capital, 6.48%, 10/23/45 (d) | | 3,000 | 3,410,244 |
| Clear Channel International BV, 8.75%, 12/15/20 (c)(d) | | 508 | 541,020 |
| Clear Channel Worldwide Holdings, Inc.: | | | |
| 6.50%, 11/15/22 (d) | | 3,013 | 3,145,572 |
| 6.50%, 11/15/22 | | 185 | 186,665 |
| Series B, 7.63%, 3/15/20 (d) | | 884 | 886,210 |
| Columbus Cable Barbados Ltd., 7.38%, 3/30/21 (c)(d) | | 1,195 | 1,269,687 |
| Comcast Corp., 4.60%, 8/15/45 (d) | | 1,750 | 1,795,157 |
| CSC Holdings LLC (d): | | | |
| 10.13%, 1/15/23 (c) | | 1,388 | 1,609,219 |
| 5.25%, 6/01/24 | | 921 | 925,605 |
| 6.63%, 10/15/25 (c) | | 350 | 381,937 |
| 10.88%, 10/15/25 (c) | | 933 | 1,110,270 |
| Discovery Communications LLC, 4.95%, 5/15/42 (d) | | 400 | 363,771 |
| DISH DBS Corp. (d): | | | |
| 6.75%, 6/01/21 | | 430 | 461,983 |
| 5.88%, 7/15/22 | | 287 | 298,336 |
| 5.88%, 11/15/24 | | 158 | 159,778 |
| 7.75%, 7/01/26 | | 1,220 | 1,365,644 |
| DISH Network Corp., 3.38%, 8/15/26 (c)(i) | | 293 | 342,261 |
| Corporate Bonds | | | |
| Media (continued) | | | |
| eircom Finance DAC, 4.50%, 5/31/22 | EUR | 100 | \$ 112,549 |
| GTT Escrow Corp., 7.88%, 12/31/24 (c) | USD | 87 | 91,133 |
| Hughes Satellite Systems Corp. (c)(d): | | | |
| 5.25%, 8/01/26 | | 484 | 484,000 |
| 6.63%, 8/01/26 | | 201 | 207,533 |
| iHeartCommunications, Inc.: | | | |
| 9.00%, 12/15/19 | | 474 | 396,679 |
| 10.63%, 3/15/23 | | 1,256 | 989,100 |
| Intelsat Jackson Holdings SA: | | | |
| 7.25%, 4/01/19 | | 585 | 502,734 |
| 7.25%, 10/15/20 | | 125 | 98,125 |
| 5.50%, 8/01/23 (d) | | 867 | 606,900 |
| Interpublic Group of Cos., Inc., 4.20%, 4/15/24 (d) | | 1,000 | 1,027,302 |
| LG Finance Co. Corp., 5.88%, 11/01/24 (c) | | 101 | 102,768 |
| LGE HoldCo VI BV, 7.13%, 5/15/24 | EUR | 177 | 217,583 |
| McGraw-Hill Global Education Holdings LLC/McGraw-Hill Global Education Finance, 7.88%, 5/15/24 (c) | USD | 101 | 93,551 |
| MDC Partners, Inc., 6.50%, 5/01/24 (c)(d) | | 438 | 381,060 |

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| | | | |
|--|-----|-------|-----------|
| Midcontinent Communications / Midcontinent Finance Corp. (c): | | | |
| 6.25%, 8/01/21 (d) | | 250 | 260,312 |
| 6.88%, 8/15/23 | | 138 | 148,178 |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (c)(d) | | | |
| | | 629 | 634,504 |
| National CineMedia LLC, 5.75%, 8/15/26 | | | |
| | | 98 | 99,715 |
| Nexstar Escrow Corp., 5.63%, 8/01/24 (c) | | | |
| | | 267 | 266,666 |
| Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (c)(d) | | | |
| | | 355 | 362,544 |
| Numericable Group SA, 5.38%, 5/15/22 | | | |
| | EUR | 116 | 130,607 |
| Outfront Media Capital LLC/Outfront Media Capital Corp. (d): | | | |
| 5.25%, 2/15/22 | USD | 102 | 105,570 |
| 5.63%, 2/15/24 | | 202 | 210,837 |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (c)(d) | | | |
| | | 350 | 372,312 |
| SFR Group SA (c)(d): | | | |
| 6.00%, 5/15/22 | | 1,492 | 1,534,895 |
| 7.38%, 5/01/26 | | 2,171 | 2,227,989 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|------------|
| Corporate Bonds | | | |
| Media (continued) | | | |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (c)(d) | USD | 704 | \$ 714,560 |
| Telesat Canada/Telesat LLC, 8.88%, 11/15/24 (c) | | 199 | 213,427 |
| Time Warner, Inc.: | | | |
| 4.65%, 6/01/44 | | 111 | 106,533 |
| 4.85%, 7/15/45 (d) | | 389 | 380,650 |
| Tribune Media Co., 5.88%, 7/15/22 (d) | | 1,013 | 1,023,130 |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH: | | | |
| 4.00%, 1/15/25 | EUR | 117 | 131,034 |
| 5.00%, 1/15/25 (c) | USD | 200 | 203,000 |
| 3.50%, 1/15/27 | EUR | 188 | 200,835 |
| 6.25%, 1/15/29 | | 100 | 121,109 |
| Univision Communications, Inc. (c)(d): | | | |
| 5.13%, 5/15/23 | USD | 1,174 | 1,165,923 |
| 5.13%, 2/15/25 | | 800 | 763,504 |
| UPCB Finance IV Ltd., 4.00%, 1/15/27 | EUR | 114 | 123,304 |
| Virgin Media Finance PLC, 5.75%, 1/15/25 (c)(d) | USD | 850 | 862,750 |
| Virgin Media Receivables Financing Notes I DAC, 5.50%, 9/15/24 | GBP | 100 | 127,077 |
| Virgin Media Secured Finance PLC: | | | |
| 5.50%, 8/15/26 (c) | USD | 200 | 203,000 |
| 4.88%, 1/15/27 | GBP | 130 | 161,905 |
| 6.25%, 3/28/29 | | 175 | 233,029 |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (c)(d) | USD | 980 | 1,019,200 |
| Wind Acquisition Finance SA: | | | |
| 7.00%, 4/23/21 | EUR | 122 | 137,152 |
| 7.38%, 4/23/21 (c)(d) | USD | 1,130 | 1,175,087 |
| | | | 52,648,623 |
| Metals & Mining 3.3% | | | |
| Alcoa Nederland Holding BV, 7.00%, 9/30/26 (c) | | 200 | 219,000 |
| Alcoa, Inc.: | | | |
| 5.87%, 2/23/22 (d) | | 900 | 966,510 |
| 5.13%, 10/01/24 | | 405 | 420,127 |
| 5.90%, 2/01/27 | | 120 | 127,824 |
| Anglo American Capital PLC: | | | |
| 4.45%, 9/27/20 (c) | | 100 | 103,500 |
| 4.13%, 4/15/21 (c) | | 200 | 203,000 |
| 3.50%, 3/28/22 | EUR | 100 | 116,856 |
| 4.13%, 9/27/22 (c)(d) | USD | 400 | 403,560 |
| 3.25%, 4/03/23 | EUR | 100 | 115,061 |
| 4.88%, 5/14/25 (c) | USD | 200 | 202,500 |
| ArcelorMittal: | | | |
| 7.25%, 2/25/22 | | 24 | 27,060 |
| Corporate Bonds | | | |
| Metals & Mining (continued) | | | |
| ArcelorMittal (continued): | | | |
| 8.00%, 10/15/39 | USD | 108 | \$ 120,150 |
| 7.75%, 3/01/41 | | 352 | 382,800 |
| BHP Billiton Finance USA, Ltd., 4.13%, 2/24/42 (d) | | 250 | 248,283 |
| Cliffs Natural Resources, Inc., 8.25%, 3/31/20 (c) | | 230 | 248,975 |
| Constellium NV (c)(d): | | | |
| 8.00%, 1/15/23 | | 1,500 | 1,582,500 |
| 5.75%, 5/15/24 | | 500 | 481,250 |
| First Quantum Minerals Ltd., 7.00%, 2/15/21 (c)(d) | | 680 | 697,000 |
| Freeport-McMoRan, Inc.: | | | |
| 2.30%, 11/14/17 | | 322 | 321,597 |
| 2.38%, 3/15/18 | | 2,868 | 2,859,396 |
| 3.10%, 3/15/20 | | 1,330 | 1,320,025 |
| 4.00%, 11/14/21 | | 276 | 269,100 |
| 3.55%, 3/01/22 | | 696 | 650,760 |

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| | | |
|--|-------|-----------|
| 3.88%, 3/15/23 | 1,668 | 1,538,730 |
| 5.40%, 11/14/34 | 140 | 122,282 |
| 5.45%, 3/15/43 | 1,386 | 1,191,960 |
| Grinding Media, Inc. / MC Grinding Media Canada, Inc., 7.38%, 12/15/23 (c) | 215 | 227,094 |
| Joseph T Ryerson & Son, Inc., 11.00%, 5/15/22 (c) | 192 | 213,965 |
| Kaiser Aluminum Corp., 5.88%, 5/15/24 | 124 | 129,890 |
| Kinross Gold Corp., 5.95%, 3/15/24 | 50 | 52,462 |
| Novelis Corp. (c)(d): | | |
| 6.25%, 8/15/24 | 1,024 | 1,077,760 |
| 5.88%, 9/30/26 | 1,191 | 1,208,865 |
| Rio Tinto Finance USA Ltd., 4.75%, 3/22/42 (d) | 400 | 433,247 |
| Steel Dynamics, Inc.: | | |
| 5.13%, 10/01/21 (d) | 970 | 1,003,950 |
| 5.25%, 4/15/23 (d) | 525 | 546,656 |
| 5.00%, 12/15/26 (c) | 15 | 15,262 |
| Teck Resources Ltd.: | | |
| 3.00%, 3/01/19 (d) | 240 | 241,200 |
| 3.75%, 2/01/23 (d) | 648 | 629,370 |
| 8.50%, 6/01/24 (c) | 418 | 486,447 |
| 6.13%, 10/01/35 | 102 | 104,295 |
| 6.00%, 8/15/40 (d) | 686 | 687,715 |
| 6.25%, 7/15/41 | 88 | 90,420 |
| 5.20%, 3/01/42 (d) | 673 | 625,890 |
| 5.40%, 2/01/43 | 181 | 170,140 |
| United States Steel Corp., 8.38%, 7/01/21 (c)(d) | 357 | 396,270 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Metals & Mining (continued) | | | |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (c)(d) | USD | 442 | \$ 457,046 |
| | | | 23,737,750 |
| Multi-Utilities 0.1% | | | |
| NGL Energy Partners LP/NGL Energy Finance Corp.: | | | |
| 5.13%, 7/15/19 | | 150 | 150,000 |
| 6.88%, 10/15/21 | | 240 | 247,200 |
| 7.50%, 11/01/23 (c) | | 225 | 236,813 |
| | | | 634,013 |
| Multiline Retail 0.1% | | | |
| Neiman Marcus Group Ltd., 8.00%, 10/15/21 (c)(d) | | 329 | 203,158 |
| Target Corp., 4.00%, 7/01/42 (d) | | 300 | 292,260 |
| | | | 495,418 |
| Oil, Gas & Consumable Fuels 9.9% | | | |
| Alta Mesa Holdings LP / Alta Mesa Finance Services Corp., 7.88%, 12/15/24 (c) | | | |
| | | 139 | 149,425 |
| Anadarko Petroleum Corp., 4.50%, 7/15/44 (d) | | | |
| | | 500 | 482,556 |
| Antero Midstream Partners LP/Antero Midstream Finance Corp., 5.38%, 9/15/24 (c) | | | |
| | | 65 | 66,463 |
| Antero Resources Corp.: | | | |
| 5.13%, 12/01/22 | | 92 | 92,690 |
| 5.63%, 6/01/23 | | 88 | 89,760 |
| Apache Corp., 4.75%, 4/15/43 (d) | | | |
| | | 800 | 818,426 |
| California Resources Corp., 8.00%, 12/15/22 (c)(d) | | | |
| | | 575 | 511,750 |
| Callon Petroleum Co., 6.13%, 10/01/24 (c) | | | |
| | | 248 | 262,570 |
| Carrizo Oil & Gas, Inc., 6.25%, 4/15/23 (d) | | | |
| | | 690 | 708,112 |
| Cenovus Energy, Inc.: | | | |
| 5.70%, 10/15/19 | | 51 | 55,093 |
| 5.20%, 9/15/43 | | 25 | 24,587 |
| Cheniere Corpus Christi Holdings LLC (c): | | | |
| 7.00%, 6/30/24 (d) | | 698 | 779,142 |
| 5.88%, 3/31/25 | | 819 | 866,092 |
| Chesapeake Energy Corp.: | | | |
| 4.27%, 4/15/19 (b) | | 642 | 640,395 |
| 6.63%, 8/15/20 | | 239 | 240,195 |
| 6.88%, 11/15/20 | | 224 | 224,000 |
| 4.88%, 4/15/22 (d) | | 520 | 483,600 |
| 8.00%, 12/15/22 (c) | | 60 | 64,050 |
| 8.00%, 1/15/25 (c) | | 377 | 386,189 |
| 5.50%, 9/15/26 (c)(i) | | 200 | 213,125 |
| | | | 725,000 |
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| ConocoPhillips Co., 4.95%, 3/15/26 (d) | USD | 700 | \$ 768,928 |
| CONSOL Energy, Inc.: | | | |
| 5.88%, 4/15/22 (d) | | 3,210 | 3,105,675 |
| 8.00%, 4/01/23 | | 76 | 77,900 |
| Continental Resources, Inc.: | | | |
| 5.00%, 9/15/22 | | 9 | 9,180 |
| 4.50%, 4/15/23 (d) | | 228 | 225,150 |
| 3.80%, 6/01/24 (d) | | 549 | 512,629 |
| 4.90%, 6/01/44 (d) | | 310 | 272,800 |
| Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp.: | | | |
| 6.00%, 12/15/20 | | 35 | 36,050 |
| 6.25%, 4/01/23 | | 35 | 36,138 |
| CrownRock LP/CrownRock Finance, Inc. (c): | | | |
| 7.13%, 4/15/21 (d) | | 961 | 1,001,842 |
| 7.75%, 2/15/23 | | 160 | 173,400 |
| DCP Midstream LLC (c): | | | |
| 4.75%, 9/30/21 | | 160 | 163,200 |

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| | | |
|---|-------|-----------|
| 6.45%, 11/03/36 | 213 | 217,260 |
| 6.75%, 9/15/37 | 278 | 289,120 |
| Denbury Resources, Inc.: | | |
| 9.00%, 5/15/21 (c)(d) | 625 | 682,812 |
| 5.50%, 5/01/22 (d) | 508 | 435,610 |
| 4.63%, 7/15/23 | 48 | 38,340 |
| Diamondback Energy, Inc., 5.38%, 5/31/25 (c) | 242 | 249,865 |
| Energy Transfer Equity LP (d): | | |
| 5.88%, 1/15/24 | 940 | 1,003,450 |
| 5.50%, 6/01/27 | 415 | 429,525 |
| Energy Transfer Partners LP: | | |
| 6.13%, 12/15/45 (d) | 500 | 545,171 |
| 5.30%, 4/15/47 | 350 | 344,521 |
| EnSCO Jersey Finance, Ltd., 3.00%, 1/31/24 (c)(i) | 601 | 656,592 |
| EnSCO PLC, 8.00%, 1/31/24 (c) | 92 | 95,457 |
| Enterprise Products Operating LLC, 3.75%, 2/15/25 (d) | 1,250 | 1,267,041 |
| EP Energy LLC/Everest Acquisition Finance, Inc.: | | |
| 9.38%, 5/01/20 | 370 | 370,000 |
| 8.00%, 11/29/24 (c) | 304 | 328,320 |
| Extraction Oil & Gas Holdings LLC/Extraction Finance Corp., 7.88%, 7/15/21 (c)(d) | 380 | 406,600 |
| Genesis Energy LP/Genesis Energy Finance Corp.: | | |
| 6.00%, 5/15/23 | 59 | 60,623 |
| 5.63%, 6/15/24 | 449 | 452,368 |
| GNL Quintero SA: | | |
| 4.63%, 7/31/29 (c)(d) | 286 | 286,972 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|----------------------|--------------|
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| GNL Quintero SA (continued): | | | |
| 4.63%, 7/31/29 | USD | 279 | \$ 279,949 |
| Great Western Petroleum LLC/Great Western Finance, Inc., 9.00%, 9/30/21 (c) | | 381 | 403,860 |
| Gulfport Energy Corp.: | | | |
| 6.63%, 5/01/23 | | 84 | 87,780 |
| 6.00%, 10/15/24 (c)(d) | | 368 | 374,900 |
| 6.38%, 5/15/25 (c)(d) | | 240 | 246,000 |
| Halcon Resources Corp., 8.63%, 2/01/20 (c) | | 295 | 308,275 |
| Hess Corp., 4.30%, 4/01/27 (d) | | 750 | 751,246 |
| Hilcorp Energy I LP/Hilcorp Finance Co., 5.75%, 10/01/25 (c) | | 197 | 198,724 |
| Kinder Morgan Energy Partners LP, 4.25%, 9/01/24 (d) | | 2,500 | 2,555,205 |
| Matador Resources Co.: | | | |
| 6.88%, 4/15/23 | | 460 | 485,300 |
| 6.88%, 4/15/23 (c)(d) | | 531 | 560,205 |
| MEG Energy Corp. (c): | | | |
| 6.50%, 3/15/21 (d) | | 2,036 | 2,090,361 |
| 7.00%, 3/31/24 | | 65 | 61,100 |
| 6.50%, 1/15/25 | | 1,012 | 1,022,120 |
| MPLX LP, 4.88%, 6/01/25 (d) | | 790 | 828,261 |
| Murphy Oil Corp.: | | | |
| 6.88%, 8/15/24 (d) | | 288 | 308,880 |
| 6.13%, 12/01/42 | | 80 | 76,000 |
| Nabors Industries, Inc. (c): | | | |
| 5.50%, 1/15/23 (d) | | 196 | 204,820 |
| 0.75%, 1/15/24 (i) | | 472 | 476,130 |
| Newfield Exploration Co., 5.63%, 7/01/24 | | 15 | 15,788 |
| NGPL PipeCo LLC (c): | | | |
| 7.12%, 12/15/17 (d) | | 1,167 | 1,202,010 |
| 7.77%, 12/15/37 | | 705 | 779,025 |
| Noble Energy, Inc., 5.63%, 5/01/21 (d) | | 1,700 | 1,764,112 |
| Noble Holding International, Ltd., 7.75%, 1/15/24 | | 772 | 767,175 |
| Oasis Petroleum, Inc.: | | | |
| 6.50%, 11/01/21 | | 450 | 460,125 |
| 6.88%, 3/15/22 (d) | | 490 | 502,250 |
| 6.88%, 1/15/23 | | 115 | 117,731 |
| 2.63%, 9/15/23 (i) | | 120 | 159,900 |
| ONEOK, Inc.: | | | |
| 4.25%, 2/01/22 | | 80 | 81,600 |
| 7.50%, 9/01/23 (d) | | 377 | 438,263 |
| Paramount Resources Ltd., 6.88%, 6/30/23 (c)(d) | | 1,235 | 1,321,450 |
| Parsley Energy LLC/Parsley Finance Corp. (c): | | | |
| 6.25%, 6/01/24 | | 201 | 216,075 |
| 5.38%, 1/15/25 | | 136 | 139,400 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| PDC Energy, Inc., 6.13%, 9/15/24 (c) | USD | 220 | \$ 229,900 |
| Pertamina Persero PT, 5.63%, 5/20/43 (c)(d) | | 2,000 | 1,895,344 |
| Petrobras Argentina SA, 7.38%, 7/21/23 (c)(d) | | 895 | 908,425 |
| Petrobras Global Finance BV: | | | |
| 4.88%, 3/17/20 | | 171 | 174,249 |
| 8.38%, 5/23/21 (d) | | 1,718 | 1,915,570 |
| 8.75%, 5/23/26 | | 193 | 217,395 |
| 7.38%, 1/17/27 | | 404 | 419,433 |
| Petrobras International Finance Co.: | | | |
| 5.75%, 1/20/20 | | 171 | 178,097 |
| 5.38%, 1/27/21 (d) | | 1,872 | 1,884,262 |
| Petroleos Mexicanos: | | | |
| 5.38%, 3/13/22 (c) | | 47 | 47,914 |
| 4.63%, 9/21/23 | | 309 | 301,275 |
| 6.50%, 3/13/27 (c) | | 601 | 618,098 |

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| | | |
|---|-------|-----------|
| Precision Drilling Corp., 7.75%, 12/15/23 (c) | 90 | 97,200 |
| QEP Resources, Inc.: | | |
| 6.88%, 3/01/21 | 176 | 186,120 |
| 5.25%, 5/01/23 | 40 | 39,800 |
| Raizen Fuels Finance SA, 5.30%, 1/20/27 (c) | 543 | 541,914 |
| Range Resources Corp. (c): | | |
| 5.88%, 7/01/22 (d) | 579 | 606,502 |
| 5.00%, 8/15/22 (d) | 91 | 91,546 |
| 5.00%, 3/15/23 | 280 | 277,900 |
| Resolute Energy Corp., 8.50%, 5/01/20 | 282 | 287,640 |
| Rockies Express Pipeline LLC (c)(d): | | |
| 5.63%, 4/15/20 | 875 | 927,500 |
| 6.88%, 4/15/40 | 596 | 612,390 |
| Rowan Cos., Inc.: | | |
| 4.88%, 6/01/22 | 85 | 80,856 |
| 7.38%, 6/15/25 | 543 | 567,435 |
| RSP Permian, Inc.: | | |
| 6.63%, 10/01/22 | 290 | 306,313 |
| 5.25%, 1/15/25 (c) | 178 | 182,005 |
| Sabine Pass Liquefaction LLC: | | |
| 5.63%, 2/01/21 | 100 | 108,000 |
| 5.63%, 4/15/23 (d) | 1,775 | 1,925,875 |
| 5.75%, 5/15/24 | 10 | 10,888 |
| 5.63%, 3/01/25 (d) | 176 | 191,180 |
| 5.88%, 6/30/26 (c)(d) | 120 | 133,050 |
| Sanchez Energy Corp. (d): | | |
| 7.75%, 6/15/21 | 536 | 546,720 |
| 6.13%, 1/15/23 | 943 | 905,280 |
| SESI LLC, 6.38%, 5/01/19 | 110 | 110,413 |
| Seven Generations Energy Ltd. (c): | | |
| 8.25%, 5/15/20 (d) | 196 | 208,005 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|----------------------|--------------|
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| Seven Generations Energy Ltd. (c) (continued): | | | |
| 6.75%, 5/01/23 | USD | 59 | \$ 63,130 |
| Shell International Finance BV, 4.38%, 5/11/45 (d) | | 450 | 457,516 |
| SM Energy Co.: | | | |
| 6.50%, 11/15/21 | | 100 | 103,125 |
| 6.13%, 11/15/22 (d) | | 27 | 27,878 |
| 5.00%, 1/15/24 | | 5 | 4,763 |
| 5.63%, 6/01/25 (d) | | 495 | 482,625 |
| 6.75%, 9/15/26 | | 165 | 171,600 |
| Southwestern Energy Co.: | | | |
| 5.80%, 1/23/20 (d) | | 1,169 | 1,206,992 |
| 4.10%, 3/15/22 | | 191 | 177,153 |
| 6.70%, 1/23/25 | | 65 | 65,325 |
| Suncor Energy, Inc., 6.50%, 6/15/38 (d) | | 800 | 1,024,782 |
| Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. (c): | | | |
| 5.50%, 9/15/24 (d) | | 490 | 497,350 |
| 5.13%, 2/01/25 | | 155 | 160,425 |
| 5.38%, 2/01/27 | | 130 | 134,713 |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp.: | | | |
| 6.38%, 8/01/22 | | 95 | 98,230 |
| 5.25%, 5/01/23 | | 16 | 16,400 |
| 6.75%, 3/15/24 | | 82 | 89,585 |
| Tesoro Corp. (c)(d): | | | |
| 4.75%, 12/15/23 | | 527 | 541,492 |
| 5.13%, 12/15/26 | | 736 | 767,280 |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp., 6.13%, 10/15/21 | | 44 | 46,035 |
| Weatherford International LLC, 6.80%, 6/15/37 | | 30 | 25,725 |
| Weatherford International Ltd.: | | | |
| 4.50%, 4/15/22 | | 107 | 95,230 |
| 6.50%, 8/01/36 | | 85 | 72,038 |
| 7.00%, 3/15/38 | | 94 | 81,310 |
| 5.95%, 4/15/42 | | 83 | 64,922 |
| Whiting Petroleum Corp.: | | | |
| 5.00%, 3/15/19 (d) | | 851 | 865,892 |
| 6.25%, 4/01/23 | | 10 | 10,100 |
| WildHorse Resource Development Corp., 6.88%, 2/01/25 (c)(h) | | 281 | 279,946 |
| Williams Cos., Inc.: | | | |
| 3.70%, 1/15/23 | | 63 | 61,898 |
| 5.75%, 6/24/44 (d) | | 1,137 | 1,151,212 |
| Williams Partners LP, 4.50%, 11/15/23 (d) | | 1,750 | 1,840,347 |
| | | Par (000) | Value |
| Corporate Bonds | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| WPX Energy, Inc.: | | | |
| 7.50%, 8/01/20 | USD | 80 | \$ 86,800 |
| 6.00%, 1/15/22 | | 247 | 256,880 |
| 8.25%, 8/01/23 | | 215 | 244,563 |
| 5.25%, 9/15/24 (d) | | 435 | 428,340 |
| YPF SA: | | | |
| 8.50%, 3/23/21 | | 83 | 89,951 |
| 8.50%, 3/23/21 (c) | | 193 | 209,164 |
| 8.50%, 7/28/25 | | 97 | 102,074 |
| | | | 70,822,064 |
| Paper & Forest Products 0.1% | | | |
| Mercer International, Inc., 6.50%, 2/01/24 (c) | | 94 | 94,940 |
| Pfleiderer GmbH, 7.88%, 8/01/19 | EUR | 168 | 188,592 |
| Unifrax I LLC/Unifrax Holding Co., 7.50%, 2/15/19 (c)(d) | USD | 390 | 390,000 |

673,532

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| Pharmaceuticals 2.0% | | |
|---|---------|-----------|
| AbbVie, Inc. (d): | | |
| 3.20%, 5/14/26 | 775 | 734,459 |
| 4.45%, 5/14/46 | 1,000 | 936,818 |
| Actavis Funding SCS (d): | | |
| 3.80%, 3/15/25 | 1,000 | 998,190 |
| 4.75%, 3/15/45 | 500 | 493,078 |
| DPx Holdings BV, 7.50%, 2/01/22 (c) | 135 | 143,100 |
| Endo Finance LLC/Endo Finco, Inc. (c)(d): | | |
| 5.38%, 1/15/23 | 620 | 519,250 |
| 6.00%, 7/15/23 | 459 | 391,298 |
| Forest Laboratories LLC, 5.00%, 12/15/21 (c)(d) | 718 | 776,720 |
| Grifols Worldwide Operations Ltd., 5.25%, 4/01/22 (d) | 314 | 325,850 |
| inVentiv Group Holdings, Inc./inVentiv Health, Inc./inVentiv Health Clinical, Inc., | | |
| 7.50%, 10/01/24 (c) | 444 | 465,090 |
| Jaguar Holding Co. II/Pharmaceutical Product Development LLC, 6.38%, 8/01/23 (c)(d) | 1,166 | 1,235,960 |
| Mylan NV, 3.95%, 6/15/26 (c)(d) | 1,000 | 946,588 |
| NBTY, Inc., 7.63%, 5/15/21 (c)(d) | 733 | 767,818 |
| Shire Acquisitions Investments Ireland DAC, 3.20%, 9/23/26 (d) | 300 | 281,685 |
| Synlab Bondco PLC, 6.25%, 7/01/22 | EUR 145 | 170,294 |
| Synlab Unsecured Bondco PLC, 8.25%, 7/01/23 | 100 | 119,267 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Pharmaceuticals (continued) | | | |
| Tennessee Merger Sub, Inc., 6.38%, 2/01/25 (c)(h) | USD | 831 | \$ 816,457 |
| Teva Pharmaceutical Finance Netherlands III BV, 3.15%, 10/01/26 (d) | | 500 | 453,277 |
| Valeant Pharmaceuticals International, Inc. (c): | | | |
| 6.75%, 8/15/18 (d) | | 1,517 | 1,496,141 |
| 5.38%, 3/15/20 | | 55 | 47,300 |
| 6.75%, 8/15/21 | | 1,276 | 1,078,220 |
| 5.63%, 12/01/21 (d) | | 839 | 662,810 |
| 5.88%, 5/15/23 | | 67 | 51,004 |
| 6.13%, 4/15/25 | | 216 | 161,730 |
| | | | 14,072,404 |
| Producer Durables: Miscellaneous 0.0% | | | |
| Genesys Telecommunications Laboratories, Inc./Greeneden Lux 3 Sarl, 10.00%, 11/30/24 (c) | | 210 | 226,800 |
| Real Estate Investment Trusts (REITs) 0.2% | | | |
| American Tower Corp., 3.38%, 10/15/26 | | 250 | 237,182 |
| ATF Netherlands BV, 2.13%, 3/13/23 | EUR | 100 | 106,804 |
| Hilton Domestic Operating Co., Inc., 4.25%, 9/01/24 (c) | USD | 204 | 200,175 |
| MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc., 4.50%, 9/01/26 (c) | | 533 | 510,347 |
| Starwood Property Trust, Inc., 5.00%, 12/15/21 (c) | | 278 | 282,517 |
| | | | 1,337,025 |
| Real Estate Management & Development 1.1% | | | |
| Lai Sun International Finance 2012 Ltd., 5.70%, 1/18/18 | | 2,000 | 2,029,428 |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (c)(d) | | 4,360 | 4,063,869 |
| Realogy Group LLC/Realogy Co-Issuer Corp. (c)(d): | | | |
| 4.50%, 4/15/19 | | 205 | 211,662 |
| 5.25%, 12/01/21 | | 495 | 509,850 |
| 4.88%, 6/01/23 | | 1,125 | 1,096,875 |
| | | | 7,911,684 |
| Road & Rail 1.2% | | | |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc. (c): | | | |
| 5.13%, 6/01/22 (d) | | 850 | 826,625 |
| 6.38%, 4/01/24 | | 30 | 29,475 |
| 5.25%, 3/15/25 (d) | | 725 | 663,375 |
| | | | 8,532,387 |
| Corporate Bonds | | | |
| Road & Rail (continued) | | | |
| Avis Budget Finance PLC, 4.13%, 11/15/24 | EUR | 100 | \$ 105,035 |
| Burlington Northern Santa Fe LLC, 4.38%, 9/01/42 (d) | USD | 500 | 518,641 |
| Herc Rentals, Inc. (c): | | | |
| 7.50%, 6/01/22 | | 106 | 114,480 |
| 7.75%, 6/01/24 | | 10 | 10,825 |
| Hertz Corp.: | | | |
| 4.25%, 4/01/18 (d) | | 400 | 400,000 |
| 5.88%, 10/15/20 | | 175 | 165,375 |
| 7.38%, 1/15/21 (d) | | 85 | 82,238 |
| 5.50%, 10/15/24 (c) | | 305 | 256,200 |
| Lima Metro Line 2 Finance Ltd., 5.88%, 7/05/34 (c)(d) | | 4,000 | 4,245,000 |
| Penske Automotive Group, Inc., 5.38%, 12/01/24 (d) | | 613 | 616,065 |
| Union Pacific Corp., 4.05%, 11/15/45 (d) | | 500 | 499,053 |
| | | | 8,532,387 |
| Semiconductors & Semiconductor Equipment 1.1% | | | |
| Advanced Micro Devices, Inc., 7.50%, 8/15/22 | | 89 | 97,789 |
| Analog Devices, Inc., 3.50%, 12/05/26 (d) | | 320 | 314,982 |
| Broadcom Corp./Broadcom Cayman Finance Ltd., 3.88%, 1/15/27 (c) | | 2,600 | 2,580,172 |

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| | | |
|--|-----|-----------|
| Microchip Technology, Inc., 2.13%, 12/15/37 (i) | 75 | 211,453 |
| Micron Technology, Inc.: | | |
| 5.25%, 8/01/23 (c)(d) | 343 | 343,857 |
| 5.50%, 2/01/25 | 40 | 40,200 |
| 5.63%, 1/15/26 (c) | 82 | 82,123 |
| Series G, 3.00%, 11/15/43 (i) | 860 | 879,887 |
| Microsemi Corp., 9.13%, 4/15/23 (c) | 41 | 47,560 |
| NXP BV/NXP Funding LLC (c): | | |
| 4.13%, 6/15/20 (d) | 760 | 786,600 |
| 4.13%, 6/01/21 | 203 | 209,577 |
| 4.63%, 6/15/22 (d) | 410 | 431,525 |
| 3.88%, 9/01/22 | 200 | 203,250 |
| 4.63%, 6/01/23 | 224 | 236,880 |
| QUALCOMM, Inc., 4.65%, 5/20/35 (d) | 400 | 411,499 |
| Sensata Technologies BV, 5.00%, 10/01/25 (c) | 15 | 14,993 |
| Sensata Technologies UK Financing Co. PLC, 6.25%, 2/15/26 (c)(d) | 540 | 579,150 |
| Xilinx, Inc., 2.63%, 6/15/17 (i) | 65 | 131,341 |
| | | 7,602,838 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Corporate Bonds | | | |
| Software 1.5% | | | |
| ACI Worldwide, Inc., 6.38%, 8/15/20 (c)(d) | USD | 580 | \$ 597,516 |
| BMC Software Finance, Inc., 8.13%, 7/15/21 (c)(d) | | 882 | 851,130 |
| Inception Merger Sub, Inc./Rackspace Hosting, Inc., 8.63%, 11/15/24 (c)(d) | | 609 | 631,837 |
| Infinity Acquisition LLC/Infinity Acquisition Finance Corp., 7.25%, 8/01/22 (c) | | 51 | 44,753 |
| Infor US, Inc., 6.50%, 5/15/22 (d) | | 1,857 | 1,905,746 |
| Informatica LLC, 7.13%, 7/15/23 (c)(d) | | 516 | 496,650 |
| JDA Escrow LLC/JDA Bond Finance, Inc., 7.38%, 10/15/24 (c) | | 209 | 219,450 |
| Microsoft Corp., 3.70%, 8/08/46 (d) | | 1,750 | 1,600,979 |
| Nuance Communications, Inc. (c): | | | |
| 5.38%, 8/15/20 (d) | | 47 | 48,175 |
| 6.00%, 7/01/24 | | 220 | 224,950 |
| 5.63%, 12/15/26 | | 121 | 120,849 |
| Oracle Corp., 4.00%, 7/15/46 (d) | | 1,500 | 1,407,663 |
| PTC, Inc., 6.00%, 5/15/24 | | 119 | 126,731 |
| Solera LLC/Solera Finance, Inc., 10.50%, 3/01/24 (c)(d) | | 1,020 | 1,160,250 |
| SS&C Technologies Holdings, Inc., 5.88%, 7/15/23 (d) | | 584 | 607,360 |
| TIBCO Software, Inc., 11.38%, 12/01/21 (c) | | 742 | 816,200 |
| Veritas US, Inc./Veritas Bermuda Ltd., 7.50%, 2/01/23 | EUR | 100 | 101,516 |
| | | | 10,961,755 |
| Specialty Retail 0.4% | | | |
| Asbury Automotive Group, Inc., 6.00%, 12/15/24 (d) | USD | 740 | 756,650 |
| JC Penney Corp., Inc.: | | | |
| 6.38%, 10/15/36 | | 119 | 96,093 |
| 7.40%, 4/01/37 | | 261 | 223,807 |
| L Brands, Inc., 6.88%, 11/01/35 (d) | | 384 | 374,400 |
| Lowe's Cos., Inc., 4.65%, 4/15/42 (d) | | 400 | 424,718 |
| Penske Automotive Group, Inc., 5.50%, 5/15/26 | | 212 | 210,940 |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22 (d) | | 427 | 441,731 |
| THOM Europe SAS, 7.38%, 7/15/19 | EUR | 100 | 112,835 |
| | | | 2,641,174 |
| Technology Hardware, Storage & Peripherals 0.5% | | | |
| Apple, Inc., 4.65%, 2/23/46 (d) | USD | 1,500 | 1,578,723 |
| Corporate Bonds | | | |
| Technology Hardware, Storage & Peripherals (continued) | | | |
| Diamond 1 Finance Corp./Diamond 2 Finance Corp. (c): | | | |
| 4.42%, 6/15/21 | USD | 145 | \$ 150,908 |
| 7.13%, 6/15/24 (d) | | 774 | 847,436 |
| 6.02%, 6/15/26 | | 170 | 183,546 |
| 8.35%, 7/15/46 | | 150 | 187,289 |
| Western Digital Corp., 7.38%, 4/01/23 (c)(d) | | 495 | 544,500 |
| | | | 3,492,402 |
| Textiles, Apparel & Luxury Goods 0.0% | | | |
| BiSoho SAS, 5.88%, 5/01/23 | EUR | 100 | 116,180 |
| Hanesbrands, Inc., 4.63%, 5/15/24 (c) | USD | 59 | 58,410 |
| Springs Industries, Inc., 6.25%, 6/01/21 | | 59 | 61,065 |
| | | | 235,655 |
| Thriffs & Mortgage Finance 0.1% | | | |
| Jerrold Finco PLC, 6.25%, 9/15/21 | GBP | 100 | 129,700 |
| MGIC Investment Corp., 5.75%, 8/15/23 | USD | 181 | 189,145 |
| Radian Group, Inc., 5.25%, 6/15/20 (d) | | 390 | 407,550 |

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| | | |
|---|---------|-----------|
| | | 726,395 |
| Tobacco 0.3% | | |
| Altria Group, Inc., 4.50%, 5/02/43 (d) | 750 | 756,887 |
| Philip Morris International, Inc., 4.38%, 11/15/41 (d) | 900 | 892,792 |
| Reynolds American, Inc., 5.85%, 8/15/45 (d) | 715 | 830,760 |
| | | 2,480,439 |
| Trading Companies & Distributors 0.4% | | |
| Doric Nimrod Air Alpha Ltd. Pass-Through Trust (c): | | |
| Series 2012-1, Class B, 6.50%, 5/30/21 | 359 | 369,473 |
| Series 2013-1, Class A, 5.25%, 5/30/25 (d) | 2,182 | 2,274,871 |
| | | 2,644,344 |
| Transportation Infrastructure 0.2% | | |
| CEVA Group PLC, 7.00%, 3/01/21 (c)(d) | 510 | 441,150 |
| CMA CGM SA, 7.75%, 1/15/21 | EUR 100 | 101,203 |
| Empresa de Transporte de Pasajeros Metro SA, 5.00%, 1/25/47 (c) | USD 264 | 263,670 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|--------------|-------------|
| Corporate Bonds | | | |
| Transportation Infrastructure (continued) | | | |
| Penske Truck Leasing Co. LP/PTL Finance Corp., 3.40%, 11/15/26 (c)(d) | USD | 390 | \$ 373,690 |
| Transurban Finance Co., 4.13%, 2/02/26 (c)(d) | | 520 | 529,731 |
| | | | 1,709,444 |
| Utilities 0.2% | | | |
| AES Panama SRL, 6.00%, 6/25/22 (c) | | 291 | 300,167 |
| ContourGlobal Power Holdings SA, 5.13%, 6/15/21 | EUR | 100 | 113,833 |
| Emera US Finance LP, 4.75%, 6/15/46 | USD | 200 | 203,250 |
| Generacion Mediterraneo SA/Generacion Frias SA/Central Termica Roca SA, 9.63%, 7/27/23 (c) | | 967 | 1,015,350 |
| | | | 1,632,600 |
| Wireless Telecommunication Services 3.1% | | | |
| Communications Sales & Leasing, Inc./CSL Capital LLC: | | | |
| 6.00%, 4/15/23 (c) | | 77 | 80,850 |
| 8.25%, 10/15/23 (d) | | 1,069 | 1,159,865 |
| 7.13%, 12/15/24 (c)(d) | | 429 | 436,507 |
| Digicel Group Ltd. (c): | | | |
| 8.25%, 9/30/20 | | 295 | 261,444 |
| 7.13%, 4/01/22 | | 294 | 235,071 |
| Digicel Ltd., 6.00%, 4/15/21 (c)(d) | | 5,000 | 4,661,500 |
| GEO Group, Inc.: | | | |
| 5.13%, 4/01/23 (d) | | 553 | 543,322 |
| 5.88%, 10/15/24 | | 57 | 57,499 |
| 6.00%, 4/15/26 | | 71 | 71,533 |
| Radiate Holdco LLC/Radiate Finance, Inc., 6.63%, 2/15/25 (c)(h) | | 319 | 318,202 |
| Softbank Corp., 4.50%, 4/15/20 (c)(d) | | 1,500 | 1,537,500 |
| Sprint Capital Corp.: | | | |
| 6.90%, 5/01/19 | | 155 | 165,463 |
| 6.88%, 11/15/28 (d) | | 2,084 | 2,146,520 |
| Sprint Communications, Inc.: | | | |
| 9.00%, 11/15/18 (c)(d) | | 2,486 | 2,722,170 |
| 7.00%, 3/01/20 (c) | | 270 | 293,287 |
| 7.00%, 8/15/20 (d) | | 240 | 256,800 |
| Sprint Corp.: | | | |
| 7.25%, 9/15/21 | | 115 | 123,223 |
| 7.88%, 9/15/23 (d) | | 1,526 | 1,667,155 |
| 7.13%, 6/15/24 (d) | | 1,444 | 1,508,980 |
| 7.63%, 2/15/25 | | 70 | 75,031 |
| T-Mobile USA, Inc.: | | | |
| 6.63%, 4/28/21 (d) | | 250 | 260,625 |
| | | | 21,814,690 |
| Corporate Bonds | | | |
| Wireless Telecommunication Services (continued) | | | |
| T-Mobile USA, Inc. (continued): | | | |
| 6.73%, 4/28/22 (d) | USD | 945 | \$ 982,800 |
| 6.00%, 3/01/23 | | 40 | 42,300 |
| 6.84%, 4/28/23 (d) | | 610 | 651,175 |
| 6.50%, 1/15/24 (d) | | 440 | 474,144 |
| 6.50%, 1/15/26 | | 260 | 285,675 |
| Trust F/1401, 6.95%, 1/30/44 | | 752 | 686,200 |
| Wind Acquisition Finance SA, 4.00%, 7/15/20 | EUR | 100 | 109,849 |
| | | | 479,051,304 |
| Total Corporate Bonds - 67.0% | | | |
| Floating Rate Loan Interests (b) | | | |
| Air Freight & Logistics 0.0% | | | |
| CEVA Group PLC, Synthetic LOC, 11.38%, 3/19/21 | USD | 29 | 25,394 |

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| | | |
|---|---------|------------|
| CEVA Intercompany BV, Dutch Term Loan, 3.78%, 3/19/21 | 30 | 26,142 |
| CEVA Logistics Canada ULC, Canadian Term Loan, 4.75%, 3/19/21 | 5 | 3,949 |
| CEVA Logistics US Holdings, Inc., Term Loan, 4.75%, 3/19/21 | 43 | 37,229 |
| | | 92,714 |
| Auto Components 0.1% | | |
| Gates Global, Inc., Term Loan B, 4.25%, 7/06/21 | 455 | 453,713 |
| Building Products 0.0% | | |
| Wilsonart LLC, 2016 Term Loan, 5.02%, 12/19/23 | 242 | 243,754 |
| Chemicals 0.0% | | |
| Atotech B.V., 2017 Term Loan B1, 6.50%, 1/31/24 | 142 | 142,710 |
| Chemours Co., Term Loan B, 6.50%, 5/12/22 | 26 | 25,727 |
| MacDermid, Inc., Term Loan B5, 4.00%, 6/07/20 | 108 | 109,040 |
| | | 277,477 |
| Commercial Services & Supplies 0.1% | | |
| Advanced Disposal Services, Inc., Term Loan B3, 3.50%, 11/10/23 | USD 285 | \$ 287,976 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | Par (000) | Value |
|--|--------------|------------|
| Floating Rate Loan Interests | | |
| Commercial Services & Supplies (continued) | | |
| Brand Energy & Infrastructure Services, Inc., Term Loan B, 4.76%, 11/26/20 | USD 207 | \$ 206,862 |
| | | 494,838 |
| Containers & Packaging 0.1% | | |
| Flex Acquisition Company, Inc., 1st Lien Term Loan, 7.40%, 12/29/23 | 552 | 556,488 |
| Diversified Financial Services 0.7 % | | |
| Aviron Capital LLC, Term Loan, 5.25%, 10/31/17 | 11,081 | 4,266,266 |
| Lone Star LSPT Future Funding, Mezzanine Term Loan, 4.00%, 9/09/20 | 368 | 368,346 |
| | | 4,634,612 |
| Diversified Telecommunication Services 0.2% | | |
| Consolidated Communications, Inc., Term Loan B2, 3.78%, 10/05/23 | 368 | 370,694 |
| Virgin Media Investment Holdings Ltd., Term Loan I, 5.00%, 1/31/25 | 656 | 659,693 |
| Zayo Group LLC: | | |
| 2017 Delayed Draw Term Loan B3, 5.27%, 1/12/24 | 226 | 227,790 |
| 2017 Term Loan B2, 5.27%, 1/19/24 | 468 | 471,706 |
| | | 1,729,883 |
| Electric Utilities 0.1% | | |
| TEX Operations Co. LLC: | | |
| Exit Term Loan B, 1.88%, 8/04/23 | 454 | 455,538 |
| Exit Term Loan C, 5.00%, 8/04/23 | 95 | 95,058 |
| Vistra Operations Company LLC, 2016 Term Loan B2, 5.00%, 12/14/23 | 354 | 357,540 |
| | | 908,136 |
| Energy Equipment & Services 0.1% | | |
| Weatherford International Ltd., Term Loan, 4.53%, 7/13/20 | 337 | 323,063 |
| Food & Staples Retailing 0.1% | | |
| BJ's Wholesale Club, Inc.: | | |
| 2017 1st Lien Term Loan, 5.00%, 2/03/24 | 231 | 230,351 |
| Floating Rate Loan Interests | | |
| Food & Staples Retailing (continued) | | |
| BJ's Wholesale Club, Inc. (continued): | | |
| 2017 2nd Lien Term Loan, 4.79%, 2/03/25 | USD 158 | \$ 159,580 |
| | | 389,931 |
| Health Care Equipment & Supplies 0.2% | | |
| Alere, Inc., 2015 Term Loan B, 4.09%, 6/18/22 | 326 | 325,831 |
| DJO Finance LLC, 2015 Term Loan, 5.25%, 6/08/20 | 413 | 402,112 |
| Immucor, Inc., Refinancing Term Loan B2, 4.25%, 8/17/18 | 459 | 447,637 |
| Mallinckrodt International Finance SA, Term Loan B, 4.25%, 3/19/21 | 110 | 110,000 |
| | | 1,285,580 |
| Health Care Providers & Services 0.2% | | |
| Community Health Systems, Inc.: | | |
| Term Loan G, 6.54%, 12/31/19 | 96 | 91,052 |
| Term Loan H, 6.54%, 1/27/21 | 51 | 48,198 |
| inVentiv Health, Inc., 2016 Term Loan B, 6.95%, 11/09/23 | 385 | 388,207 |
| MPH Acquisition Holdings LLC, 2016 Term Loan B, 9.25%, 6/07/23 | 169 | 171,546 |
| Team Health, Inc., 1st Lien Term Loan, 4.70%, 2/06/24 | 408 | 407,237 |
| Vizient, Inc., 2016 Term Loan B, 5.50%, 2/13/23 | 113 | 114,599 |
| | | 1,220,839 |
| Hotels, Restaurants & Leisure 3.2% | | |

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| | | |
|---|-------|------------|
| Amaya Holdings BV, 1st Lien Term Loan, 4.25%, 8/01/21 | 313 | 314,155 |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 3.52%, 10/11/20 | 3,314 | 3,342,780 |
| Four Seasons Holdings Inc., 1st Lien Term Loan, 4.25%, 11/30/23 | 47 | 47,573 |
| Hilton Ft. Lauderdale, Mezzanine Term Loan 5, 3.78%, 8/04/19 | 6,500 | 6,305,000 |
| Hilton Los Cabos, B-Note, 4.25%, 9/18/18 | 5,375 | 5,294,375 |
| Hilton Orlando, Mezzanine A3, 3.75%, 7/09/19 | 7,250 | 7,250,000 |
| | | 22,553,883 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|------------|
| Floating Rate Loan Interests | | | |
| Industrial Conglomerates 0.1% | | | |
| Cortes NP Acquisition Corp., Term Loan B, 8.50%, 11/30/23 | USD | 838 | \$ 841,687 |
| Insurance 0.1% | | | |
| Alliant Holdings I, Inc., 2015 Term Loan B, 4.50%, 8/12/22 | | 136 | 136,562 |
| AssuredPartners, Inc., 2016 Term Loan B, 5.00%, 10/21/22 | | 193 | 195,276 |
| Sedgwick Claims Management Services, Inc., 1st Lien Term Loan, 5.00%, 3/01/21 | | 471 | 472,478 |
| | | | 804,316 |
| IT Services 0.0% | | | |
| TKC Holdings, Inc., 2017 Term Loan, 1.00%, 2/01/23 | | 272 | 272,680 |
| Machinery 0.1% | | | |
| Signode Industrial Group US, Inc., Term Loan B, 5.00%, 5/01/21 | | 164 | 165,301 |
| Silver II US Holdings LLC, Term Loan, 4.25%, 12/13/19 | | 482 | 456,273 |
| | | | 621,574 |
| Media 0.3% | | | |
| iHeartCommunications, Inc., Term Loan D, 4.00%, 1/30/19 | | 1,169 | 968,285 |
| Intelsat Jackson Holdings SA, Term Loan B2, 8.95%, 6/30/19 | | 1,245 | 1,224,330 |
| Ziggo Secured Finance Partnership, Term Loan E, 5.50%, 4/23/25 | | 263 | 263,521 |
| | | | 2,456,136 |
| Metals & Mining 0.0% | | | |
| FMG Resources August 2006 Property Ltd., Term Loan B, 4.25%, 6/30/19 | | 198 | 199,041 |
| Multiline Retail 0.0% | | | |
| Neiman Marcus Group, Inc., 2020 Term Loan, 4.66% - 5.25%, 10/25/20 | | 330 | 272,378 |
| Oil, Gas & Consumable Fuels 0.5% | | | |
| California Resources Corp.: | | | |
| Second Out Term Loan, 5.50%, 12/31/21 | | 850 | 955,732 |
| Term Loan A, 7.00%, 10/01/19 | | 613 | 596,480 |
| Chesapeake Energy Corp., Term Loan, 6.54%, 8/23/21 | | 1,674 | 1,830,703 |
| Energy Transfer Equity, L.P., 2017 Term Loan B, 1.00%, 2/02/24 | | 305 | 304,720 |
| Floating Rate Loan Interests | | | |
| Oil, Gas & Consumable Fuels (continued) | | | |
| MEG Energy Corp., 2017 Term Loan B, 4.25%, 12/31/23 | USD | 165 | \$ 165,595 |
| | | | 3,853,230 |
| Pharmaceuticals 0.2% | | | |
| DPx Holdings BV, 2014 Incremental Term Loan, 6.04%, 3/11/21 | | 280 | 281,794 |
| Jaguar Holding Co. II, 2015 Term Loan B, 5.00%, 8/18/22 | | 478 | 480,488 |
| NBTY, Inc., Term Loan B, 9.51%, 5/05/23 | | 176 | 177,161 |
| Valeant Pharmaceuticals International, Inc.: | | | |
| Series A3 Tranche A, 3.75%, 10/20/18 | | 75 | 74,476 |
| Series C2 Term Loan B, 4.00%, 12/11/19 | | 40 | 40,102 |
| Series D2 Term Loan B, 4.00%, 2/13/19 | | 25 | 24,863 |
| Series E Term Loan B, 4.00%, 8/05/20 | | 300 | 300,866 |
| | | | 1,379,750 |
| Professional Services 0.1% | | | |
| Advantage Sales & Marketing, Inc., 2014 1st Lien Term Loan, 4.25%, 7/23/21 | | 298 | 295,947 |
| Information Resources, Inc., 1st Lien Term Loan, 6.70%, 1/18/24 | | 86 | 86,753 |
| | | | 382,700 |
| Semiconductors & Semiconductor Equipment 0.0% | | | |
| Microsemi Corp., 2015 Term Loan B, 5.00%, 1/15/23 | | 46 | 45,884 |
| Software 0.4% | | | |
| BMC Software Finance, Inc., Term Loan, 4.76%, 9/10/20 | | 801 | 799,165 |
| Kronos Incorporated: | | | |
| 1st Lien Term Loan, 3.75%, 11/01/23 | | 639 | 645,793 |
| 2nd Lien Term Loan, 4.75%, 11/01/24 | | 624 | 643,452 |

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| | | |
|--|-----|-----------|
| Optiv Security, Inc., 1st Lien Term Loan, 4.50%, 2/01/24 | 244 | 245,322 |
| RP Crown Parent, LLC, 2016 Term Loan B, 3.77%, 10/12/23 | 198 | 199,386 |
| Tibco Software Inc., 2017 Term Loan B, 4.50%, 12/04/20 | 602 | 606,169 |
| | | 3,139,287 |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Floating Rate Loan Interests | | | |
| Specialty Retail 0.0% | | | |
| Leslie's Poolmart, Inc., 2016 Term Loan, 4.00%, 8/16/23 | USD | 42 | \$ 42,530 |
| Textiles, Apparel & Luxury Goods 0.0% | | | |
| Ascend Performance Materials LLC, Term Loan B, 5.25%, 8/12/22 | | 312 | 313,891 |
| Wireless Telecommunication Services 0.1% | | | |
| Radiate Holdco LLC, 1st Lien Term Loan, 4.75%, 2/01/24 | | 312 | 314,290 |
| Total Floating Rate Loan Interests 7.0% | | | 50,104,285 |
| Foreign Agency Obligations | | | |
| Argentina Bonar Bonds: | | | |
| 21.78%, 3/28/17 (b) | ARS | 13,744 | 863,826 |
| 9.00%, 11/29/18 | USD | 144 | 159,578 |
| Argentine Bonos del Tesoro: | | | |
| 22.75%, 3/05/18 | ARS | 9,149 | 594,171 |
| 21.20%, 9/19/18 | | 18,297 | 1,195,865 |
| 18.20%, 10/03/21 | | 176 | 11,738 |
| 16.00%, 10/17/23 | | 1,975 | 129,463 |
| 15.50%, 10/17/26 | | 70 | 4,807 |
| Argentine Republic Government International Bond: | | | |
| 6.25%, 4/22/19 (c)(d) | USD | 6,334 | 6,691,871 |
| 6.88%, 4/22/21 | | 150 | 159,525 |
| 5.83%, 12/31/33 (b) | ARS | 54 | 24,783 |
| 7.82%, 12/31/33 | EUR | 701 | 764,761 |
| 7.63%, 4/22/46 (c)(d) | USD | 2,767 | 2,735,180 |
| Brazil Notas do Tesouro Nacional Series B, 6.00%, 5/15/21 | BRL | 1,400 | 1,339,004 |
| Brazilian Government International Bond, 5.00%, 1/27/45 (d) | USD | 595 | 508,725 |
| Cyprus Government International Bond, 4.63%, 2/03/20 (c) | EUR | 2,950 | 3,449,923 |
| Development Bank of Mongolia LLC, 5.75%, 3/21/17 | USD | 800 | 785,200 |
| Dominican Republic International Bond, 5.95%, 1/25/27 (c) | | 937 | 937,000 |
| Egypt Government International Bond, 6.13%, 1/31/22 (c) | | 1,218 | 1,228,950 |
| Iceland Government International Bond, 5.88%, 5/11/22 | | 3,415 | 3,848,562 |
| Mexican Udibonos, 3.50%, 12/14/17 | MXN | 1,655 | 80,941 |
| Portugal Government International Bond, 5.13%, 10/15/24 (c) | USD | 5,430 | 5,247,378 |
| Republic of Argentina: | | | |
| 3.88%, 1/15/22 | EUR | 172 | 180,107 |
| 5.63%, 1/26/22 (c) | USD | 5,314 | 5,324,628 |
| 7.50%, 4/22/26 (c)(d) | | 3,437 | 3,588,228 |
| 6.88%, 1/26/27 (c) | | 871 | 862,290 |
| Foreign Agency Obligations | | | |
| Republic of Poland Government Bond: | | | |
| 1.75%, 7/25/21 | PLN | 9,038 | \$ 2,145,586 |
| 2.25%, 4/25/22 | | 7,850 | 1,874,340 |
| Russian Federal Bond - OFZ: | | | |
| 7.50%, 8/18/21 | RUB | 57,993 | 947,189 |
| 8.15%, 2/03/27 | | 63,092 | 1,059,313 |
| 7.05%, 1/19/28 | | 63,442 | 974,489 |
| Slovenia Government International Bond, 5.85%, 5/10/23 (c) | USD | 766 | 869,871 |
| Sri Lanka Government International Bond, 5.88%, 7/25/22 | | 3,000 | 3,005,496 |
| Turkey Government Bond, 10.60%, 2/11/26 | TRY | 5,034 | 1,326,826 |
| Turkey Government International Bond, 4.88%, 4/16/43 | USD | 2,314 | 1,886,812 |
| YPF SA, 8.88%, 12/19/18 (c) | | 1,495 | 1,641,211 |
| Total Foreign Agency Obligations 7.9% | | | 56,447,637 |
| Non-Agency Mortgage-Backed Securities | | | |
| Collateralized Mortgage Obligations 21.7% | | | |
| American Home Mortgage Assets Trust, Series 2006-5, Class A1, 1.52%, 11/25/46 (b) | | 6,153 | 3,175,840 |

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| | | |
|--|--------|------------|
| CHL Mortgage Pass-Through Trust: | | |
| Series 2006-3, Class 1A1, 1.01%, 3/25/36 (b) | 12,607 | 10,129,381 |
| Series 2007-J2, Class 2A1, 1.42%, 7/25/37 (b) | 5,175 | 2,584,929 |
| Series 2007-J2, Class 2A8, 6.00%, 7/25/37 | 2,858 | 2,180,622 |
| Citigroup Mortgage Loan Trust, | | |
| Series 2006-AR7, Class 2A3A, 3.11%, 11/25/36 (b) | 7,228 | 5,540,952 |
| Countrywide Alternative Loan Trust: | | |
| Series 2005-61, Class 2A1, 1.05%, 12/25/35 (b) | 3,586 | 3,168,359 |
| Series 2005-9CB, Class 1A3, 1.22%, 5/25/35 (b) | 4,298 | 3,484,891 |
| Series 2006-40T1, Class 2A5, 1.17%, 12/25/36 (b) | 2,818 | 820,016 |
| Series 2006-7CB, Class 2A1, 6.50%, 5/25/36 | 3,289 | 2,276,834 |
| Series 2006-J7, Class 2A1, 2.10%, 11/20/36 (b) | 7,275 | 4,350,405 |
| Series 2006-J8, Class A5, 6.00%, 2/25/37 | 2,291 | 1,578,635 |
| Series 2006-OA14, Class 3A1, 1.45%, 11/25/46 (b) | 11,374 | 9,535,373 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | | Par (000) | Value |
|--|-----|----------------------|--------------|
| Non-Agency Mortgage-Backed Securities | | | |
| Collateralized Mortgage Obligations (continued) | | | |
| Countrywide Alternative Loan Trust (continued): | | | |
| Series 2006-OA16, Class A2, 0.96%, 10/25/46 (b) | USD | 7,499 | \$ 6,410,496 |
| Series 2006-OA18, Class A1, 0.89%, 12/25/46 (b) | | 4,595 | 4,066,002 |
| Series 2006-OA22, Class A1, 0.93%, 2/25/47 (b) | | 4,240 | 3,582,141 |
| Series 2006-OA6, Class 1A1A, 0.98%, 7/25/46 (b) | | 8,353 | 6,150,007 |
| Series 2006-OA8, Class 1A1, 0.96%, 7/25/46 (b) | | 3,338 | 2,766,371 |
| Series 2007-12T1, Class A22, 5.75%, 6/25/37 (d) | | 6,101 | 4,504,599 |
| Series 2007-12T1, Class A5, 6.00%, 6/25/37 | | 2,961 | 2,234,476 |
| Series 2007-22, Class 2A16, 6.50%, 9/25/37 | | 10,751 | 7,641,034 |
| Series 2007-23CB, Class A1, 6.00%, 9/25/37 | | 8,685 | 7,097,255 |
| Series 2007-4CB, Class 1A3, 1.12%, 4/25/37 (b) | | 5,395 | 4,105,925 |
| Series 2007-OA2, Class 1A1, 1.44%, 3/25/47 (b) | | 5,680 | 3,921,899 |
| Countrywide Home Loan Mortgage Pass-Through Trust, Series 2006-OA5, Class 3A1, 0.97%, 4/25/46 (b) | | 10,168 | 8,799,382 |
| Fannie Mae (b): | | | |
| Series 2016-C06, 5.02%, 4/25/29 | | 545 | 578,579 |
| Series 2016-C07, Class 2M2, 5.12%, 4/25/29 | | 3,455 | 3,647,624 |
| Fannie Mae Connecticut Avenue Securities, Class 1M2 (b): | | | |
| Series 2014-C02, 3.37%, 5/25/24 | | 7,872 | 7,900,111 |
| Series 2014-C03, 3.77%, 7/25/24 | | 5,950 | 6,071,763 |
| Freddie Mac Mortgage-Backed Securities, | | | |
| Series 4480, Class ZX, 4.00%, 11/15/44 (d) | | 4,794 | 4,954,116 |
| Morgan Stanley Re-REMIC Trust, | | | |
| Series 2010-R5, Class 7B, 1.16%, 5/26/37 (c)(e) | | 15,477 | 10,446,956 |
| Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 2006-AF1, Class 1A2, 6.16%, 5/25/36 (b) | | 9,009 | 3,930,229 |
| Residential Asset Securitization Trust, | | | |
| Series 2006-A8, Class 2A5, 1.37%, 8/25/36 (b) | | 7,465 | 2,435,480 |
| | | Par (000) | Value |
| Non-Agency Mortgage-Backed Securities | | | |
| Collateralized Mortgage Obligations (continued) | | | |
| WaMu Mortgage Pass-Through Certificates, Series 2007-OA4, Class 1A, 1.37%, 5/25/47 (b) | USD | 5,471 | \$ 4,865,599 |
| | | | 154,936,281 |
| Commercial Mortgage-Backed Securities 5.9% | | | |
| Bank of America Merrill Lynch Commercial Mortgage Securities Trust, | | | |
| Series 2013-DSMZ, Class M, 6.46%, 9/15/18 (b)(c) | | 7,500 | 7,148,250 |
| CD Commercial Mortgage Trust, | | | |
| Series 2007-CD5, Class C, 6.12%, 11/15/44 (b) | | 3,372 | 3,345,916 |
| CDGJ Commercial Mortgage Trust, | | | |
| Series 2014-BXCH, Class EPA, 5.02%, 12/15/27 (b)(c) | | 4,599 | 4,627,378 |
| CG-CCRE Commercial Mortgage Trust, | | | |
| Series 2014-FL1, Class E, 5.35%, 6/15/31 (b)(c) | | 1,931 | 1,927,887 |
| Commercial Mortgage Pass-Through Certificates (b)(c): | | | |
| Series 2014-FL5, Class HFL1, 4.02%, 7/15/31 | | 6,057 | 5,856,379 |
| Series 2014-LC15, Class D, 4.94%, 4/10/47 (d) | | 1,330 | 1,107,941 |
| Series 2014-PAT, Class E, 3.92%, 8/13/27 | | 1,000 | 997,516 |
| Series 2014-PAT, Class F, 3.21%, 8/13/27 | | 3,000 | 2,902,544 |
| Series 2014-PAT, Class G, 2.36%, 8/13/27 | | 2,000 | 1,802,770 |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class B, 4.88%, 7/15/37 | | 1,062 | 1,060,494 |

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GAHR Commercial Mortgage Trust:

Series 2015-NRF, Class GFX,
3.38%, 12/15/34 (b)(c)

2,500 2,398,350

Great Wolf Trust (b)(c):

Series 2015-WFMZ, Class M, 7.76%, 5/15/32

3,300 3,261,384

Series 2015-WOLF, Class F, 5.77%, 5/15/34

1,080 1,061,061

Madison Avenue Trust,

Series 2013-650M, Class E,
4.03%, 10/12/32 (b)(c)

5,000 4,951,704

42,449,574

Total Non-Agency Mortgage-Backed Securities 27.6%

197,385,855

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Preferred Securities

| | | Par (000) | Value |
|---|-----|--------------|--------------|
| Capital Trusts | | | |
| Banks 4.2% | | | |
| Banco Bilbao Vizcaya Argentaria SA, 8.88% (b)(j) | USD | 200 | \$ 233,172 |
| Banco Nacional de Comercio Exterior SNC, 3.80% (b)(c) | | 583 | 555,307 |
| Banco Santander SA, 6.25% (b)(j) | | 200 | 205,379 |
| Bank of Ireland, 7.38% (b)(j) | | 200 | 221,945 |
| BNP Paribas SA, 7.20% (b)(c)(d)(j) | | 4,000 | 4,335,000 |
| Capital One Financial Corp., Series E, 5.55% (b)(d)(j) | | 3,500 | 3,569,580 |
| Citigroup, Inc. (b)(d)(j): | | | |
| 5.90% | | 2,250 | 2,327,625 |
| 5.95% | | 3,700 | 3,763,825 |
| Series R, 6.13% | | 1,170 | 1,229,085 |
| Cooperatieve Rabobank UA, 6.63% (b)(j) | | 200 | 231,343 |
| DNB Bank ASA, Series, 6.50% (b)(j) | | 200 | 205,754 |
| Fifth Third Bancorp, Series J, 4.90% (b)(d)(j) | | 3,000 | 2,898,750 |
| Intesa Sanpaolo SpA, 7.00% (b)(j) | | 234 | 247,235 |
| Wells Fargo & Co. (b)(d)(j): | | | |
| Series S, 5.90% | | 8,800 | 9,048,160 |
| Series U, 5.88% | | 770 | 818,606 |
| | | | 29,890,766 |
| Capital Markets 1.2% | | | |
| Goldman Sachs Group, Inc., Series L, 5.70% (b)(d)(j) | | 967 | 998,089 |
| Morgan Stanley, Series H, 5.45% (b)(d)(j) | | 5,007 | 5,082,105 |
| State Street Corp., Series F, 5.25% (b)(d)(j) | | 1,875 | 1,938,281 |
| UBS Group AG, 5.75% (b)(j) | | 200 | 230,743 |
| | | | 8,249,218 |
| Chemicals 0.0% | | | |
| Lanxess AG, 4.50% (b) | | 50 | 56,283 |
| Solvay Finance SA, 5.12% (b)(j) | | 100 | 116,664 |
| | | | 172,947 |
| Diversified Financial Services 5.6% | | | |
| Bank of America Corp.(b)(d)(j): | | | |
| Series AA, 6.10% | | 2,865 | 2,986,763 |
| Series U, 5.20% | | 1,750 | 1,717,188 |
| Series V, 5.13% | | 705 | 705,881 |
| Series X, 6.25% | | 6,175 | 6,446,700 |
| Bank of New York Mellon Corp., Series D, 4.50% (b)(d)(j) | | 6,067 | 5,551,972 |
| Barclays PLC, 7.88% (b)(j) | | 200 | 205,500 |
| HBOS Capital Funding LP, 6.85% (j) | | 100 | 101,425 |
| | | Par (000) | Value |
| Capital Trusts | | | |
| Diversified Financial Services (continued) | | | |
| JPMorgan Chase & Co.: | | | |
| Series Q, 5.15% (b)(d)(j) | USD | 5,500 | \$ 5,383,125 |
| Series V, 5.00% (b)(d)(j) | | 3,830 | 3,834,787 |
| Macquarie Bank Ltd., 10.25% (b) | | 10,000 | 10,237,380 |
| Royal Bank of Scotland Group PLC, 8.63% (b)(j) | | 200 | 206,500 |
| Societe Generale SA (b)(c)(j): | | | |
| 6.00% (d) | | 3,000 | 2,782,500 |
| 7.38% | | 200 | 200,370 |
| | | | 40,360,091 |
| Diversified Telecommunication Services 0.1% | | | |

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| | | |
|---|-------|------------|
| Telefonica Europe BV (b)(j): | | |
| 3.75% | 100 | 106,061 |
| 4.20% | 300 | 333,565 |
| | | 439,626 |
| Electric Utilities 1.0% | | |
| Electricite de France SA, 5.25% (b)(c)(d)(j) | 7,500 | 7,153,125 |
| Enel SpA (b): | | |
| 6.50% | 102 | 118,505 |
| 7.75% | 100 | 138,150 |
| Gas Natural Fenosa Finance BV, 4.13% (b)(j) | 100 | 109,569 |
| | | 7,519,349 |
| Industrial Conglomerates 0.9% | | |
| General Electric Co., Series D, 5.00% (b)(d)(j) | 5,921 | 6,157,840 |
| Insurance 0.2% | | |
| Voya Financial, Inc., 5.65% (b)(d) | 1,090 | 1,095,450 |
| Oil, Gas & Consumable Fuels 0.0% | | |
| DCP Midstream LLC, 5.85% (b)(c) | 50 | 44,875 |
| TOTAL SA, 3.88% (b)(j) | 100 | 113,622 |
| | | 158,497 |
| Total Capital Trust 13.2% | | 94,043,784 |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

| | Shares | Value |
|--|-----------|------------------|
| Preferred Stocks | | |
| Banks 0.3% | | |
| Citigroup, Inc., Series K, 6.88% (b)(j) | 75,000 | \$ 2,085,750 |
| Capital Markets 1.9% | | |
| Goldman Sachs Group, Inc., Series J, 5.50% (b)(j) | 395,017 | 10,116,385 |
| Morgan Stanley, 6.88% (b)(j) | 100,000 | 2,754,000 |
| SCE Trust III, 5.75% (b)(j) | 23,730 | 620,777 |
| | | 13,491,162 |
| Diversified Financial Services 0.3% | | |
| Morgan Stanley, Series K, 5.85% (b)(j) | 89,329 | 2,243,945 |
| Real Estate Investment Trusts (REITs) 1.9% | | |
| Firststar Realty LLC, 8.88% (c)(j) | 10,000 | 12,250,000 |
| SunTrust Real Estate Investment Corp., 9.00% (c)(j) | 15 | 1,688,513 |
| | | 13,938,513 |
| Total Preferred Stocks 4.4% | | 31,759,370 |
| Total Preferred Securities 17.6% | | 125,803,154 |
| Warrants 0.0% | | |
| Diversified Financial Services 0.0% | | |
| Aviron Capital LLC (Expires 10/27/17) (k) | 10 | |
| Total Long-Term Investments | | |
| (Cost \$1,133,637,907) 158.5% | | \$ 1,133,036,707 |
| Short-Term Securities | | |
| BlackRock Liquidity Funds, T-Fund, Institutional Class, 0.40% (l)(m) | 3,838,673 | 3,838,673 |
| Total Short-Term Securities | | |
| (Cost \$3,838,673) 0.5% | | 3,838,673 |
| Options Purchased | | |
| (Cost \$230,032) 0.0% | | 303,248 |
| Total Investments Before Options Written | | |
| (Cost \$1,137,706,612*) 159.0% | | 1,137,178,628 |
| Options Written | | |
| (Premiums Received \$127,085) (0.0)% | | (91,049) |
| Total Investments, Net of Options Written | | |
| (Cost \$1,137,579,527) 159.0% | | 1,137,087,579 |
| Liabilities in Excess of Other Assets (59.0)% | | (422,108,332) |
| Net Assets 100.0% | | \$ 714,979,247 |

* As of January 31, 2017, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

| | |
|-------------------------------|------------------|
| Tax cost | \$ 1,123,032,253 |
| Gross unrealized appreciation | \$ 34,664,467 |

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| | |
|-------------------------------|---------------|
| Gross unrealized depreciation | (20,518,092) |
| Net unrealized appreciation | \$ 14,146,375 |

Notes to Schedule of Investments

- (a) Restricted security as to resale, excluding 144A securities. As of period end, the Trust held restricted securities with a current value of \$561 and an original cost of \$8,635, which was less than 0.05% of its net assets.
- (b) Variable rate security. Rate as of period end.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (d) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
- (e) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (f) Amount is less than \$500.
- (g) Payment-in-kind security which may pay interest/dividends in additional par/shares and/or in cash. Rates shown are the current rate and possible payment rates.
- (h) When-issued security.
- (i) Convertible security.
- (j) Perpetual security with no stated maturity date.
- (k) All or a portion of security is held by a wholly owned subsidiary.

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(l) During the period ended January 31, 2017, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliate | Shares Held at October 31, 2016 | Net Activity | Shares Held at January 31, 2017 | Value at January 31, 2017 | Income | Net Realized Gain (Loss) | Change in Unrealized Appreciation (Depreciation) |
|---|---------------------------------------|-----------------|---------------------------------------|---------------------------------|----------|--------------------------------|--|
| BlackRock Liquidity Funds, T-Fund, Institutional Class | 6,322,410 | (2,483,737) | 3,838,673 | \$ 3,838,673 | \$ 2,688 | \$ 35 | |

(m) Current yield as of period end.

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

Reverse Repurchase Agreements

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------|------------------|---------------|-------------------------------|------------|--|---|---|
| RBC Capital Markets, LLC | 1.00% | 5/02/16 | Open | \$ 464,800 | \$ 468,325 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/04/16 | Open | 120,085 | 120,989 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 5/04/16 | Open | 784,550 | 790,751 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/05/16 | Open | 638,000 | 642,750 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/05/16 | Open | 451,000 | 454,357 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/06/16 | Open | 813,400 | 819,131 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.75% | 5/09/16 | Open | 425,685 | 428,044 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/09/16 | Open | 379,500 | 382,164 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/09/16 | Open | 211,185 | 212,667 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/10/16 | Open | 270,400 | 272,298 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/10/16 | Open | 135,548 | 136,495 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/10/16 | Open | 562,238 | 566,169 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/10/16 | Open | 620,400 | 624,967 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 1.00% | 5/16/16 | Open | \$ 1,747,655 | \$ 1,760,277 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/17/16 | Open | 595,875 | 600,357 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.90% | 5/24/16 | Open | 215,000 | 216,349 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/25/16 | Open | 346,768 | 349,195 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 5/25/16 | Open | 371,900 | 374,483 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 5/26/16 | Open | 236,931 | 238,595 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 6/01/16 | Open | 354,750 | 357,025 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.90% | 6/07/16 | Open | 63,550 | 63,930 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.90% | 6/07/16 | Open | 478,800 | 481,637 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 6/29/16 | Open | 170,150 | 171,171 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.00% | 7/07/16 | Open | 234,000 | 235,352 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 7/08/16 | Open | 181,770 | 182,749 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 7/13/16 | Open | 128,296 | 128,977 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 7/19/16 | Open | 342,336 | 344,115 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 8/02/16 | Open | 324,675 | 326,226 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 8/02/16 | Open | 2,140,789 | 2,151,672 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 8/19/16 | Open | 494,998 | 497,114 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 8/19/16 | Open | 971,800 | 976,173 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 8/19/16 | Open | 507,000 | 509,282 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 8/19/16 | Open | 312,405 | 313,811 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 8/19/16 | Open | 759,720 | 763,139 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.10% | 8/19/16 | Open | 1,020,305 | 1,025,356 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 9/13/16 | Open | 154,400 | 154,966 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 9/19/16 | Open | 476,138 | 477,924 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 9/29/16 | Open | 511,406 | 513,093 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/04/16 | Open | 105,210 | 105,540 | Corporate Bonds | Open/Demand |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| Deutsche Bank Securities, Inc. | 1.10% | 10/07/16 | Open | \$ 853,230 | \$ 856,280 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.75% | 10/11/16 | Open | 43,593 | 43,693 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 10/13/16 | Open | 61,843 | 62,036 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/13/16 | Open | 172,480 | 172,993 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.10% | 10/14/16 | Open | 619,650 | 621,657 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 515,000 | 515,961 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,473,750 | 1,476,501 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 511,250 | 512,204 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 955,000 | 956,783 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 623,750 | 624,914 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 609,000 | 610,137 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,462,500 | 1,465,230 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,503,750 | 1,506,557 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,072,500 | 1,074,502 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,087,500 | 1,089,530 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 1,080,000 | 1,082,016 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 992,500 | 994,353 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 513,750 | 514,709 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/19/16 | Open | 950,000 | 951,740 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 436,838 | 438,175 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 415,188 | 416,459 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 270,570 | 271,399 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 383,625 | 384,800 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 605,625 | 607,480 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 1,461,250 | 1,465,725 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/19/16 | Open | 387,500 | 388,687 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | \$ 304,500 | \$ 305,058 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 947,250 | 948,985 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 465,750 | 466,603 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 375,000 | 375,687 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 817,500 | 818,997 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 756,000 | 757,384 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 990,000 | 991,813 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 252,500 | 252,962 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 967,500 | 969,272 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 793,125 | 794,577 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 415,000 | 415,760 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 1,010,000 | 1,011,849 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 543,750 | 544,746 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 450,000 | 450,824 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 783,750 | 785,185 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 376,500 | 377,189 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 1,275,000 | 1,277,335 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 745,938 | 747,303 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 716,250 | 717,562 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 759,375 | 760,766 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 950,625 | 952,366 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 982,500 | 984,299 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 1,234,375 | 1,236,635 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 1,022,500 | 1,024,372 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 536,250 | 537,232 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 751,875 | 753,252 | Corporate Bonds | Open/Demand |

BLACKROCK MULTI-SECTOR INCOME TRUST

JANUARY 31, 2017

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | \$ 503,750 | \$ 504,672 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 860,625 | 862,201 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 473,625 | 474,492 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 791,250 | 792,699 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 420,000 | 420,769 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 537,500 | 538,484 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 930,000 | 931,703 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 755,625 | 757,009 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 263,900 | 264,383 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/20/16 | Open | 1,030,000 | 1,031,886 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/20/16 | Open | 160,950 | 161,375 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.05% | 10/20/16 | Open | 249,120 | 249,868 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 10/21/16 | Open | 162,000 | 162,473 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/21/16 | Open | 874,650 | 877,055 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 10/25/16 | Open | 446,000 | 446,769 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/25/16 | Open | 480,700 | 481,930 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/25/16 | Open | 399,840 | 400,863 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/25/16 | Open | 364,000 | 364,932 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/25/16 | Open | 344,715 | 345,597 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 10/25/16 | Open | 423,300 | 424,384 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/25/16 | Open | 435,000 | 436,172 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/25/16 | Open | 394,050 | 395,112 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/25/16 | Open | 409,640 | 410,744 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/25/16 | Open | 360,500 | 361,471 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/25/16 | Open | 350,470 | 351,414 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/26/16 | Open | 1,569,048 | 1,573,232 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 1.00% | 10/27/16 | Open | \$ 114,400 | \$ 114,696 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/27/16 | Open | 1,201,420 | 1,204,524 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 10/28/16 | Open | 132,525 | 132,864 | Corporate Bonds | Open/Demand |
| HSBC Securities (USA), Inc. | 0.95% | 11/03/16 | Open | 546,000 | 547,239 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 11/04/16 | Open | 358,620 | 359,424 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 11/07/16 | Open | 770,800 | 772,509 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/09/16 | Open | 675,000 | 676,709 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 488,000 | 489,294 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 482,000 | 483,278 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 474,000 | 475,257 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 538,000 | 539,426 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 547,000 | 548,450 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 587,000 | 588,556 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 615,000 | 616,631 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 479,000 | 480,270 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/10/16 | Open | 476,000 | 477,262 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.90% | 11/10/16 | Open | 528,885 | 529,916 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 11/10/16 | Open | 411,750 | 412,598 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 11/10/16 | Open | 871,080 | 872,967 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 11/10/16 | Open | 86,625 | 86,813 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.75% | 11/14/16 | Open | 212,245 | 212,585 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 11/14/16 | Open | 336,000 | 336,683 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/16/16 | Open | 849,920 | 852,018 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/16/16 | Open | 892,355 | 894,557 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/17/16 | Open | 932,000 | 934,263 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.15% | 11/17/16 | Open | 1,062,000 | 1,064,578 | Corporate Bonds | Open/Demand |

BLACKROCK MULTI-SECTOR INCOME TRUST

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Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|------------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 1.00% | 11/18/16 | Open | \$ 183,888 | \$ 184,250 | Corporate Bonds | Open/Demand |
| Credit Suisse Securities (USA) LLC | 0.50% | 11/21/16 | Open | 1,452,500 | 1,451,068 | | Open/Demand |
| RBC Capital Markets, LLC | 0.64% | 11/22/16 | Open | 271,700 | 272,028 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/23/16 | Open | 757,000 | 758,699 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/23/16 | Open | 960,000 | 962,155 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 11/29/16 | Open | 180,600 | 180,895 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/30/16 | Open | 448,000 | 448,905 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 11/30/16 | Open | 725,000 | 726,465 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.75% | 12/07/16 | Open | 2,774,638 | 2,778,861 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 12/07/16 | Open | 744,625 | 746,007 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.00% | 12/07/16 | Open | 284,610 | 285,037 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 0.95% | 12/12/16 | Open | 312,960 | 313,373 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/14/16 | Open | 765,922 | 767,372 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 0.90% | 12/15/16 | Open | 1,350,000 | 1,351,586 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.00% | 12/15/16 | Open | 3,483,300 | 3,487,848 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.20% | 12/15/16 | Open | 4,606,250 | 4,613,466 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.25% | 12/15/16 | Open | 5,902,500 | 5,912,133 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 240,938 | 241,409 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 649,440 | 650,712 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 766,838 | 768,339 | Corporate Bonds | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 2,019,375 | 2,023,330 | Capital Trusts | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 960,563 | 962,444 | Capital Trusts | Open/Demand |
| Barclays Capital, Inc. | 1.50% | 12/15/16 | Open | 935,900 | 937,733 | Corporate Bonds | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.50% | 12/15/16 | Open | 2,788,266 | 2,793,727 | Foreign Agency Obligations | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.50% | 12/15/16 | Open | 2,092,544 | 2,096,642 | Foreign Agency Obligations | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.50% | 12/15/16 | Open | 385,263 | 386,017 | Foreign Agency Obligations | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.50% | 12/15/16 | Open | 400,950 | 401,735 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/15/16 | Open | 71,000 | 71,126 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/15/16 | Open | 515,000 | 515,913 | Corporate Bonds | Open/Demand |
| HSBC Securities (USA), Inc. | 1.00% | 12/15/16 | Open | 2,753,000 | 2,756,594 | Capital Trusts | Open/Demand |
| HSBC Securities (USA), Inc. | 1.00% | 12/15/16 | Open | 3,406,000 | 3,410,447 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|--|---|
| HSBC Securities (USA), Inc. | 1.30% | 12/15/16 | Open | \$ 1,203,000 | \$ 1,205,042 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.00% | 12/16/16 | Open | 5,018,750 | 5,024,884 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.00% | 12/16/16 | Open | 4,000,000 | 4,004,889 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.00% | 12/16/16 | Open | 6,928,125 | 6,936,593 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.00% | 12/16/16 | Open | 8,250,000 | 8,260,083 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.00% | 12/16/16 | Open | 5,287,500 | 5,293,963 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 124,000 | 124,189 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 9,612,500 | 9,627,186 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 4,771,613 | 4,778,902 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,035,450 | 1,037,032 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,549,125 | 1,551,492 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 637,050 | 638,023 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 734,700 | 735,822 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 537,225 | 538,046 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 853,875 | 855,180 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 435,256 | 435,921 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 286,750 | 287,188 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,051,986 | 1,053,593 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 695,400 | 696,462 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 19,910 | 19,940 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 471,170 | 471,890 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 4,050,000 | 4,056,188 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 4,090,000 | 4,096,249 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 2,493,750 | 2,497,560 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 4,048,875 | 4,055,061 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 3,062,500 | 3,067,179 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 3,438,950 | 3,444,204 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 3,209,750 | 3,214,654 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 2,553,750 | 2,557,652 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 706,160 | 707,239 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 92,055 | 92,196 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 752,188 | 753,337 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 217,273 | 217,604 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 326,630 | 327,129 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,163,661 | 1,165,439 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 808,860 | 810,096 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 432,150 | 432,810 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 544,635 | 545,467 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 418,500 | 419,139 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,866,150 | 1,869,001 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 2,141,703 | 2,144,975 | Corporate Bonds | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 836,455 | 837,733 | Capital Trusts | Open/Demand |
| UBS Securities LLC | 1.25% | 12/16/16 | Open | 1,568,875 | 1,571,272 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.11% | 12/19/16 | Open | 7,730,000 | 7,740,249 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | 378,000 | 378,659 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | 214,000 | 214,373 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | 1,566,000 | 1,568,731 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|------------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | \$ 663,000 | \$ 664,156 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | 1,158,000 | 1,160,019 | Corporate Bonds | Open/Demand |
| BNP Paribas Securities Corp. | 1.46% | 12/19/16 | Open | 727,000 | 728,268 | Corporate Bonds | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.00% | 12/19/16 | Open | 802,424 | 803,360 | Corporate Bonds | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.55% | 12/19/16 | Open | 532,988 | 533,951 | Corporate Bonds | Open/Demand |
| Credit Suisse Securities (USA) LLC | 1.55% | 12/19/16 | Open | 723,531 | 724,840 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.04% | 12/19/16 | Open | 496,600 | 497,217 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 212,875 | 213,223 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 316,725 | 317,255 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 488,000 | 488,816 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 276,920 | 277,383 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 817,225 | 818,592 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 208,250 | 208,598 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 187,790 | 188,104 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 1,293,750 | 1,295,913 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 319,800 | 320,335 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 426,720 | 427,434 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 82,250 | 82,388 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 47,450 | 47,529 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 445,050 | 445,794 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 126,325 | 126,536 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 432,450 | 433,173 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 125,400 | 125,610 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 242,875 | 243,281 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 258,000 | 258,431 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 58,500 | 58,598 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | \$ 195,383 | \$ 195,709 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 306,175 | 306,687 | Corporate Bonds | Open/Demand |
| RBC Capital Markets, LLC | 1.40% | 12/19/16 | Open | 345,425 | 346,003 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 12/20/16 | Open | 2,430,000 | 2,432,977 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 12/20/16 | Open | 1,892,250 | 1,894,568 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 12/20/16 | Open | 1,742,000 | 1,744,134 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.05% | 12/20/16 | Open | 1,944,000 | 1,946,381 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 345,000 | 345,584 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 757,000 | 758,281 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 750,000 | 751,269 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 73,000 | 73,123 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 128,000 | 128,217 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 298,000 | 298,504 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 572,000 | 572,968 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,405,000 | 1,407,377 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,089,000 | 1,090,842 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,425,000 | 2,429,102 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,969,000 | 1,972,331 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 696,281 | 697,458 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 296,000 | 296,501 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,167,000 | 2,170,666 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,038,000 | 2,041,448 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,574,776 | 2,579,131 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,160,196 | 1,162,158 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 5,529,000 | 5,538,353 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,038,000 | 2,041,448 | Corporate Bonds | Open/Demand |

Consolidated Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse Repurchase Agreements (continued)

| Counterparty | Interest Rate | Trade Date | Maturity Date ¹ | Face Value | Face Value Including Accrued Interest | Type of Non-Cash Underlying Collateral | Remaining Contractual Maturity of the Agreements ¹ |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|--|---|
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | \$ 348,000 | \$ 348,589 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,564,000 | 1,566,646 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,297,000 | 2,300,886 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,018,000 | 2,021,414 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 97,000 | 97,164 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 795,000 | 796,345 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 206,000 | 206,348 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 548,000 | 548,927 | Corporate Bonds | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,496,000 | 1,498,531 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 2,534,625 | 2,538,913 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | 1.45% | 12/20/16 | Open | 1,820,000 | 1,823,079 | Capital Trusts | Open/Demand |
| Deutsche Bank Securities, Inc. | | | | | | | |