

BLACKROCK CREDIT ALLOCATION INCOME TRUST II
Form SC 13G
January 26, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No.3) *

Blackrock Preferred Income Strategies Fund
(Name of Issuer)

Common Stock
(Title and Class of Securities)

09255H105
(CUSIP Number)

December 31, 2009
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this
Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's
initial filing on this form with respect to the subject class of securities, and
for any subsequent amendment containing information which would alter
disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed
to be "filed" for the purpose of Section 18 of the Securities Exchange Act of
1934 ("Act") or otherwise subject to the liabilities of that section of the Act
but shall be subject to all other provisions of the Act (however, see the
Notes).

CUSIP No.

09255H105

Page 2

1 NAMES OF REPORTING PERSONS

Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST II - Form SC 13G

Spectrum Asset Management, Inc

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

- (a)
- (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Connecticut

| | | | |
|---|---|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER | 0 |
| | 6 | SHARED VOTING POWER | 2,606,300 |
| | 7 | SOLE DISPOSITIVE POWER | 0 |
| | 8 | SHARED DISPOSITIVE POWER | 2,606,300 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,606,300

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.41

12 TYPE OF REPORTING PERSON (See Instructions)

IA

CUSIP No.

09255H105

Page 3

1 NAMES OF REPORTING PERSONS

Principal Financial Group, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST II - Form SC 13G

(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | | |
|---|---|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 5 | SOLE VOTING POWER | 0 |
| | 6 | SHARED VOTING POWER | 2,606,300 |
| | 7 | SOLE DISPOSITIVE POWER | 0 |
| | 8 | SHARED DISPOSITIVE POWER | 2,606,300 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,606,300

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.41

12 TYPE OF REPORTING PERSON (See Instructions)

HC

CUSIP No.

09255H105

Page 4

Item 1(a). Name of Issuer:

Blackrock Preferred Income Strategies Fund

Item 1(b). Address of Issuer's Principal Executive Offices:

P O Box 9011
Princeton, NJ 08543-9011

Item 2(a). Name of Person Filing:

Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST II - Form SC 13G

Spectrum Asset Management, Inc.
Principal Financial Group, Inc.

Item 2(b). Address of Principal Business Office, or, if None, Residence:

Spectrum Asset Management, Inc.
2 High Ridge Park
Stamford, CT 06905

Principal Financial Group, Inc.
711 High Street
Des Moines, IA 50392-0088

Item 2(c). Citizenship:

Spectrum Asset Management, Inc. - State of Connecticut
Principal Financial Group, Inc. - State of Delaware

Item 2(d). Title of Class of Securities:

Common Stock

Item 2(e). CUSIP Numbers:

09255H105

Item 3. If this statement is filed pursuant to section 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Securities Exchange Act of 1934.
- (e) An investment adviser in accordance with section 240.13d-1(b)(1)(ii)(E)
- (g) A parent holding company or control person in accordance with section 240.13d-1(b)(1)(ii)(G)

Item 4. Ownership:

(a) Amount Beneficially Owned

2,606,300 Shares Common Stock presently held by Spectrum Asset Management, Inc.

2,606,300 Shares Common Stock presently held by Principal Financial Group, Inc.

CUSIP No.

09255H105

Page 5

(b) Percent of Class

6.41 Spectrum Asset Management, Inc.

6.41 Principal Financial Group, Inc.

(c) Number of shares as to which the person has:

(i) Sole Power to Vote or Direct the Vote

0 Spectrum Asset Management, Inc.

0 Principal Financial Group, Inc.

(ii) Shared Power to Vote or Direct the Vote

2,606,300 Shares Common Stock presently held by Spectrum Asset Management, Inc.

Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST II - Form SC 13G

2,606,300 Shares Common Stock presently held by Principal Financial Group, Inc.

(iii) Sole Power to Dispose or to Direct the Disposition of

0 Spectrum Asset Management, Inc.
0 Principal Financial Group, Inc.

(iv) Shared Power to Dispose or to Direct the Disposition of

2,606,300 Shares Common Stock presently held by Spectrum Asset Management, Inc.

2,606,300 Shares Common Stock presently held by Principal Financial Group, Inc.

Item 5. Ownership of Five Percent or Less of a Class:

[]

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Persons other than the reporting persons have a right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such securities. The interest of no such person having such an interest relates to more than five percent of the class.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

See Exhibit attached

CUSIP No.

09255H105

Page 6

Item 8. Identification and Classification of Members of the Group

N/A

Item 9. Notice of Dissolution of Group

N/A

Item 10(a). Certification

By signing below I certify, to the best of my knowledge and belief, the securities referred to above were not acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Edgar Filing: BLACKROCK CREDIT ALLOCATION INCOME TRUST II - Form SC 13G

Spectrum Asset Management, Inc.

By /s/ Mark A. Lieb
Mark A. Lieb, Chief Financial Officer

Principal Financial Group, Inc.

By /s/ Joyce N. Hoffman
Joyce N. Hoffman, Senior Vice President and Corporate Secretary

Dated January 21, 2010

EXHIBIT 99.1

Spectrum Asset Management, Inc.

Item 3 Classification:

(a) Broker or dealer registered under Section 15 of the Securities Exchange Act of 1934

(e) Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

Principal Financial Group, Inc.

Item 3 Classification:

(g) A parent holding company or control person in accordance with section 240.13d-1(b)(1)(ii)(G)