

BLACKROCK FLOATING RATE INCOME TRUST
Form N-CSR
January 05, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-21566

Name of Fund: BlackRock Floating Rate Income Trust (BGT)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Floating
Rate Income Trust, 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 10/31/2014

Date of reporting period: 10/31/2014

Item 1 Report to Stockholders

ANNUAL REPORT

BlackRock Credit Allocation Income Trust (BTZ)

BlackRock Floating Rate Income Trust (BGT)

BlackRock Multi-Sector Income Trust (BIT)

Not FDIC Insured May Lose Value No Bank Guarantee

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Shareholder Letter

Dear Shareholder,

The final months of 2013 were generally positive for most risk assets such as equities and high yield bonds even as investors were grappling with uncertainty as to when and by how much the U.S. Federal Reserve would begin to gradually reduce (or taper) its asset purchase programs. Higher quality bonds and emerging market investments, however, struggled as Fed tapering became increasingly imminent. When the central bank ultimately announced its tapering plans in mid-December, equity investors reacted positively, as this action signaled the Fed's perception of real improvement in the economy.

Most asset classes moved higher in the first half of 2014 despite the pull back in Fed stimulus. The year got off to a rocky start, however, as a number of developing economies showed signs of stress and U.S. economic data weakened. Equities declined in January while bond markets found renewed strength from investors seeking relatively safer assets. Although these headwinds persisted, equities were back on the rise in February as investors were assuaged by increasing evidence that the soft patch in U.S. data was temporary and weather-related, and forecasts pointed to growth picking up later in the year.

In the months that followed, interest rates trended lower and bond prices climbed higher in the modest growth environment. Financial markets exhibited a remarkably low level of volatility despite rising tensions in Russia and Ukraine and signs of decelerating growth in China. Equity markets were resilient as investors focused on signs of improvement in the U.S. recovery, stronger corporate earnings, increased merger-and-acquisition activity and, perhaps most importantly, reassurance from the Fed that no changes to short-term interest rates were on the horizon.

In the ongoing low-yield environment, income-seeking investors moved into equities, pushing major indices to record levels. However, as stock prices continued to rise, investors became wary of high valuations and began shedding the stocks that had experienced significant price appreciation in 2013, particularly growth and momentum names. The broad rotation into cheaper valuations resulted in the strongest performers of 2013 struggling most in 2014, and vice versa. Especially hard hit were U.S. small cap and European stocks, where earnings growth had not kept pace with market gains. In contrast, emerging markets benefited from the trend after having suffered heavy selling pressure in early 2014.

Volatility ticked up in the middle of the summer. Markets came under pressure in July as geopolitical turmoil intensified in Gaza, Iraq and Ukraine and financial troubles boiled over in Argentina and Portugal. Investors regained some confidence in August, allowing markets to rebound briefly amid renewed comfort that the Fed would continue to keep rates low and hopes that the European Central Bank would increase stimulus. However, markets swiftly reversed in September as improving U.S. economic indicators raised concerns that the Fed would increase short-term interest rates sooner than previously anticipated. Global credit markets tightened as the U.S. dollar strengthened, ultimately putting a strain on investor flows. High valuations combined with impending rate hikes stoked increasing volatility in financial markets. Escalating geopolitical risks further fueled the fire. The U.S. renewed its involvement in Iraq and the European Union imposed additional sanctions against Russia, while Scottish voters contemplated separating from the United Kingdom.

U.S. risk assets made a comeback in October while other developed markets continued their descent. This divergence in market performance moved in tandem with economic momentum and central bank policy. As the U.S. economy continued to strengthen, the need for monetary policy accommodation diminished. Meanwhile, economies in other parts of the developed world decelerated and central banks in Europe and Japan implemented aggressive measures to stimulate growth.

U.S. large cap stocks were the strongest performers for the six- and 12-month periods ended October 31, 2014. U.S. small caps experienced significantly higher volatility than large caps, but nonetheless generated positive returns. International developed market equities broadly declined while emerging markets posted modest gains. Most fixed income assets produced positive results as rates generally fell. Tax-exempt municipal bonds benefited from a favorable supply-and-demand environment. Short-term interest rates remained near zero, keeping yields on money market securities close to historic lows.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to move freely as market conditions change over time. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

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Rob Kapito

President, BlackRock Advisors, LLC

U.S. financial markets generally outperformed other parts of the world given stronger economic growth and corporate earnings, the continuation of low interest rates and the appeal of relative stability amid rising geopolitical uncertainty.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2014

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	8.22%	17.27%
U.S. small cap equities (Russell 2000® Index)	4.83	8.06
International equities (MSCI Europe, Australasia, Far East Index)	(4.83)	(0.60)
Emerging market equities (MSCI Emerging Markets Index)	3.74	0.64
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.02	0.05
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	4.29	5.21
U.S. investment-grade bonds (Barclays U.S. Aggregate Bond Index)	2.35	4.14
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.54	7.94
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	1.05	5.82

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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Trust Summary as of October 31, 2014

BlackRock Credit Allocation Income Trust

Trust Overview

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

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

Portfolio Management Commentary

How did the Trust perform?

For the 12-month period ended October 31, 2014, the Trust returned 12.18% based on market price and 10.11% based on NAV. For the same period, the closed-end Lipper Corporate BBB-Rated Debt Trusts (Leveraged) category posted an average return of 7.60% based on market price and 7.97% based on NAV. All returns reflect reinvestment of dividends and/or distributions. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Trust's favorable view on credit (corporate debt) prompted the Trust to maintain leverage near the high end of the permissible range, which aided performance at a time of positive market performance. A preference for companies generating cash flows sourced from the U.S. market also proved beneficial, as did holding large allocations to the higher-yielding credit sectors such as high yield bonds, subordinated financials and lower-quality investment grade bonds. The Trust's security selection in the industrials sector, along with its preference for capital trust securities in the financial sector, helped performance within the investment grade space. A yield curve-flattening bias further aided performance in March of 2014, as longer-term rates declined more than short-term rates.

There were no material detractors from the Trust's performance during the period.

Describe recent portfolio activity.

The Trust's allocations to investment grade credit, high yield bonds and bank capital securities stayed largely unchanged based on the investment advisor's continued positive outlook for corporate credit. Within the investment grade space, the Trust continued to favor financials and capital trust securities over industrials given the rising event risk in the industrial sector. The Trust modestly reduced leverage and tactically adjusted its duration positioning during the period. The Trust also looked for opportunities to increase its liquidity and overall credit quality where appropriate.

Describe portfolio positioning at period end.

As of period end, the Trust maintained its allocations to high yield debt and financials, with a preference for capital trust securities, and it retained a bias toward companies with U.S.-sourced cash flows.

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The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Trust Information

Symbol on New York Stock Exchange (NYSE)	BTZ
Initial Offering Date	December 27, 2006
Current Distribution Rate on Closing Market Price as of October 31, 2014 (\$13.54) ¹	7.13%
Current Monthly Distribution per Common Share ²	\$0.0805
Current Annualized Distribution per Common Share ²	\$0.9660
Economic Leverage as of October 31, 2014 ³	31%

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

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

BlackRock Credit Allocation Income Trust

Market Price and Net Asset Value Per Share Summary

	10/31/14	10/31/13	Change	High	Low
Market Price	\$13.54	\$12.97	4.39%	\$13.83	\$12.51
Net Asset Value	\$15.36	\$14.99	2.47%	\$15.64	\$14.75

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

Overview of the Trust's Long-Term Investments

Portfolio Composition	10/31/14	10/31/13
Corporate Bonds	78%	84%
Preferred Securities	16	14
Asset-Backed Securities	3	1
U.S. Treasury Obligations	1	
Municipal Bonds	1	1
Foreign Agency Obligations	1	
Credit Quality Allocation ¹	10/31/14	10/31/13 ²
AAA/Aaa ³	2%	
AA/Aa	2	3%
A	17	17
BBB/Baa	45	44
BB/Ba	21	21
B	9	12
CCC/Caa	2	1
N/R	2	2

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

² Information has been revised to conform to current year presentation.

³ Includes U.S. Government Sponsored Agency Securities and/or U.S. Treasury Obligations, which were deemed AAA by the investment advisor.

Trust Summary as of October 31, 2014

BlackRock Floating Rate Income Trust

Trust Overview

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

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

Portfolio Management Commentary**How did the Trust perform?**

For the 12-month period ended October 31, 2014, the Trust returned (0.89)% based on market price and 4.60% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (2.08)% based on market price and 4.07% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Exposure to floating rate loan interests (i.e. bank loans) rated in the B- and CCC quality range contributed positively to results. On an industry level, positioning in the gaming, retailers and wirelines sectors aided performance. Tactical exposure to fixed rate high yield corporate bonds also helped results given the outperformance of the asset class relative to bank loans during the period.

Conversely, positioning in loan assets within the electric utility and media & entertainment sectors detracted from performance. Exposure to credit default swaps on individual names within the gaming sector also dampened returns.

Describe recent portfolio activity.

Throughout the 12-month period, the Trust maintained its focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust modestly decreased its exposure to fixed-coupon high yield bonds and modestly increased its exposure to CCC-rated loans during the period. Loan prices declined towards the end of the period, presenting improved risk/reward profiles and more attractive entry points for purchases. The Trust continued to concentrate its investments in strong companies with stable cash flows and backed by high quality assets.

Describe portfolio positioning at period end.

At period end, the Trust held 93% of its total portfolio in floating rate loan interests (bank loans), with the remainder in corporate bonds, common stocks and convertible bonds. The Trust's highest-conviction holdings included Level 3 Financing, Inc., Reynolds Group Issuer, Inc. and Alliance Boots Holdings Ltd.

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Trust Information	
Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Current Distribution Rate on Closing Market Price as of October 31, 2014 (\$13.18) ¹	5.95%
Current Monthly Distribution per Common Share ²	\$0.0653
Current Annualized Distribution per Common Share ²	\$0.7836
Economic Leverage as of October 31, 2014 ³	30%

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

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

³ Represents bank borrowings outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

Market Price and Net Asset Value Per Share Summary

	10/31/14	10/31/13	Change	High	Low
Market Price	\$ 13.18	\$ 14.12	(6.66)%	\$ 14.47	\$ 13.06
Net Asset Value	\$ 14.57	\$ 14.79	(1.49)%	\$ 14.92	\$ 14.29

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

Overview of the Trust's Long-Term Investments

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

Portfolio Composition	10/31/14	10/31/13
Floating Rate Loan Interests	93%	83%
Corporate Bonds	4	13
Asset-Backed Securities	2	3
Common Stocks	1	1

Credit Quality Allocation ¹	10/31/14	10/31/13 ²
BBB/Baa	7%	7%
BB/Ba	38	36
B	43	49
CCC/Caa	4	3
N/R	8	5

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

² Information has been revised to conform to current year presentation.

Trust Summary as of October 31, 2014

BlackRock Multi-Sector Income Trust

Trust Overview

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

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

Portfolio Management Commentary**How did the Trust perform?**

For the 12-month period ended October 31, 2014, the Trust returned 12.91% based on market price and 13.40% based on NAV. For the same period, the closed-end Lipper General Bond Funds category posted an average return of 8.97% based on market price and 9.49% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened slightly during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The largest contributions to the Trust's positive performance came from exposure to high yield corporate bonds and asset-backed securities (ABS), in particular positions in home equity ABS. The Trust's holdings in non-agency mortgage-backed securities (MBS) and capital securities also contributed to returns. Other positive contributions came from the Trust's positions in commercial mortgage-backed securities (CMBS) and exposure to non-U.S. dollar securities.

The main detractor from the Trust's performance was its modest use of derivative strategies, in particular interest rate futures.

Describe recent portfolio activity.

To help balance the Trust's inherent bias towards a longer duration (sensitivity to interest rate movements) and significant concentration in high yield corporate bonds, the allocation to non-agency MBS and CMBS was increased during the second half of the reporting period. This was based on continued improvement in the real estate market and favorable supply/demand dynamics, particularly within the CMBS sector.

The Trust maintained a high level of leverage throughout the period in order to maximize its income generation potential. Given the low yield environment over the period, the Trust's distribution yield remained stable.

Describe portfolio positioning at period end.

As of period end, the Trust was positioned to benefit from a continuation of a positive market environment for risk assets, with a high exposure to spread sectors such as high yield debt, as well as non-agency MBS and asset-backed securities.

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Trust Information

Symbol on NYSE	BIT
Initial Offering Date	February 27, 2013
Current Distribution Rate on Closing Market Price as of October 31, 2014 (\$17.79) ¹	7.87%
Current Monthly Distribution per Common Share ²	\$0.1167
Current Annualized Distribution per Common Share ²	\$1.4004
Economic Leverage as of October 31, 2014 ³	48%

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

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

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 10.

Market Price and Net Asset Value Per Share Summary

	10/31/14	10/31/13	Change	High	Low
Market Price	\$ 17.79	\$ 17.04	4.40%	\$ 18.67	\$ 16.39
Net Asset Value	\$ 19.87	\$ 18.95	4.85%	\$ 20.35	\$ 18.81

Market Price and Net Asset Value History Since Inception

¹ Commencement of operations.

Overview of the Trust's Long-Term Investments

Portfolio Composition	10/31/14	10/31/13
Corporate Bonds	35%	42%
Non-Agency Mortgage-Backed Securities	29	25
Asset-Backed Securities	16	18
Preferred Securities	14	9
Floating Rate Loan Interests	5	5
Foreign Agency Obligations	1	1

Credit Quality Allocation ¹	10/31/14	10/31/13 ²
AAA/Aaa		1%
AA/Aa		1
A	3%	4
BBB/Baa	18	18
BB/Ba	25	23
B	17	20
CCC/Caa	21	22
CC/Ca	5	2
D		2
N/R	11	7

¹ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

² Information has been revised to conform to current year presentation.

The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which will be based on short-term interest rates, will normally be lower than the income earned by a Trust on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of each Trust (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Trust's shareholders will benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Trust's capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Trust's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by the Trust with the proceeds from leverage earn income based on longer-term interest rates. In this case, the Trust's financing cost of leverage is significantly lower than the income earned on the Trust's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares (Common Shareholders) are the beneficiaries of the incremental net income.

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Trust's return on assets purchased with leverage proceeds, income to shareholders will be lower than if the Trust had not used leverage. Furthermore, the value of the Trust's portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Trust's obligations under its leverage arrangement generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Trust's NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Trust's intended leveraging strategy will be successful.

Leverage also will generally cause greater changes in the Trusts' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the net asset value and market price of a Trust's shares than if the Trust were not leveraged. In addition, the Trust may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Trust to incur losses. The use of leverage may limit the Trust's ability to invest in certain types of securities or use certain types of hedging strategies. The Trust will incur expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shares.

Each Trust may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act), each Trust is permitted to issue debt up to 33 1/3% of their total managed assets. A Trust may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Trust may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

If a Trust segregates or designates on its books and records cash or liquid assets having values not less than the value of the Trust's obligations under the reverse repurchase agreement (including accrued interest), then such transaction will not be considered a senior security and will not be subject to the foregoing limitations and requirements under the 1940 Act.

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on

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the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower distributions paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trust's investments in these instruments are discussed in detail in the Notes to Financial Statements.

Schedule of Investments October 31, 2014

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Asset-Backed Securities (a)			
ACAS CLO Ltd., Series 2014-1A, Class C, 3.13%, 7/18/26 (b)	USD	750	\$ 712,343
Adams Mill CLO Ltd., Series 2014-1A, Class D1, 3.70%, 7/15/26 (b)		1,250	1,182,875
ALM XIV Ltd., Series 2014-14A (b):			
Class B, 3.18%, 7/28/26		5,000	4,807,082
Class C, 3.68%, 7/28/26		5,000	4,596,620
Apidos CLO XVII, Series 2014-17A, Class B, 3.08%, 4/17/26 (b)		1,000	961,730
Apidos CLO XVIII, Series 2014-18A, Class C, 3.88%, 7/22/26 (b)		1,800	1,687,645
Atlas Senior Loan Fund V Ltd., Series 2014-1A (b):			
Class C, 3.25%, 7/16/26		1,000	956,238
Class D, 3.70%, 7/16/26		2,000	1,800,025
Atlas Senior Loan Fund VI Ltd., Series 2014-6A, Class D, 3.96%, 10/15/26 (b)		3,000	2,737,938
Atrium CDO Corp., Series 5A, Class A4, 0.62%, 7/20/20 (b)		9,000	8,599,601
Babson CLO Ltd., Series 2014-3A (b)(c):			
Class C1, 3.23%, 1/15/26		1,500	1,461,750
Class D1, 3.73%, 1/15/26		1,000	941,400
Battalion CLO VII Ltd., Series 2014-7A, Class C, 4.13%, 10/17/26 (b)(c)		1,000	943,100
Benefit Street Partners CLO V Ltd., Series 2014-VA, Class D, 3.55%, 10/20/26 (b)			
		1,500	1,413,750
BlueMountain CLO Ltd., Series 2011-1A, Class D, 4.23%, 8/16/22 (b)		2,000	1,994,817
CIFC Funding Ltd., Series 2014-3A (b):			
Class C1, 2.95%, 7/22/26		1,500	1,425,287
Class D, 3.55%, 7/22/26		1,400	1,271,262
Dryden 34 Senior Loan Fund, Series 2014-34A, Class C, 3.09%, 10/15/26 (b)		750	722,444
Galaxy CLO Ltd., Series 2014-18A, Class C1, 3.23%, 10/15/26 (b)		1,750	1,696,280
GoldenTree Loan Opportunities IX Ltd., Series 2014-9A, Class D, 3.82%, 10/29/26 (b)(c)			
		1,000	942,500
Jamestown CLO Ltd., Series 2014-4A, Class C, 3.73%, 7/15/26 (b)		3,250	2,999,614
Limerock CLO III LLC, Series 2014-3A, Class C, 3.83%, 10/20/26 (b)(c)		1,000	935,625
Madison Park Funding Ltd. (b):			
Series 2012-10A, Class D, 4.48%, 1/20/25		3,000	2,975,959
Series 2012-8AR, Class CR, 3.03%, 4/22/22		1,350	1,339,902
Series 2012-8AR, Class DR, 4.08%, 4/22/22		1,500	1,472,820
Series 2014-14A, Class D, 3.83%, 7/20/26		2,000	1,891,185
Octagon Investment Partners XX Ltd., Series 2014-1A (b):			
Class C, 3.04%, 8/12/26		1,000	953,133
Class D, 3.89%, 8/12/26		900	838,933
Octagon Loan Funding Ltd., Series 2014-1A, Class D, 3.85%, 11/18/26 (b)		1,500	1,397,489
OZLM VII Ltd., Series 2014-7A, Class C, 3.86%, 7/17/26 (b)		1,500	1,377,170
OZLM VIII Ltd., Series 2014-8A (b):			
Class B, 3.28%, 10/17/26		900	863,970
Class C, 3.78%, 10/17/26		850	775,429
Regatta IV Funding Ltd., Series 2014-1A (b):			
Class C, 3.18%, 7/25/26		1,500	1,442,005
Class D, 3.77%, 7/25/26		1,000	913,614
Asset-Backed Securities (a)			
Regatta V Funding Ltd., Series 2014-1A (b)(c):			
Class B, 3.23%, 10/25/26	USD	1,000	\$ 967,820
Class C, 3.68%, 10/25/26		1,000	925,390
Silver Spring CLO Ltd., Series 2014-1A, Class D, 3.72%, 10/15/26 (b)		750	677,334
SLM Student Loan Trust, Series 2004-B, Class A2, 0.43%, 6/15/21		2,973	2,957,725
Symphony CLO XV Ltd., Series 2014-15A (b)(c):			
Class C, 3.43%, 10/17/26		1,500	1,456,800
Class D, 3.98%, 10/17/26		1,000	941,300

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Venture CLO Ltd. (b):		
Series 2013-13A, Class D, 3.78%, 6/10/25	800	734,539
Series 2014-18A, Class C, 3.39%, 10/15/26	800	771,429
Voya CLO Ltd., Series 2014-3A, Class C, 3.83%, 7/25/26 (b)	1,250	1,166,949
WhiteHorse IX Ltd., Series 2014-9A, Class C, 2.92%, 7/17/26 (b)	1,500	1,406,728
Total Asset-Backed Securities 4.4%		73,037,549

Corporate Bonds

Aerospace & Defense 0.7%		
B/E Aerospace, Inc., 5.25%, 4/01/22	1,306	1,452,925
Huntington Ingalls Industries, Inc.:		
6.88%, 3/15/18	1,430	1,494,350
7.13%, 3/15/21	2,000	2,150,000
LSB Industries, Inc., 7.75%, 8/01/19	315	336,168
TransDigm, Inc.:		
6.00%, 7/15/22	4,585	4,636,581
6.50%, 7/15/24	2,140	2,204,200