BLACKROCK FLOATING RATE INCOME TRUST
Form N-CSR
January 02, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number: 811-21566

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: 10/31/2013

Date of reporting period: 10/31/2013

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Item 1 Report to Stockholders

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OCTOBER 31, 2013

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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Dear Shareholder

Financial markets were volatile as 2012 drew to a close, with investors growing increasingly concerned over the possible implementation of pre-mandated tax increases and spending cuts known as the fiscal cliff. However, a last-minute tax deal averted the potential crisis and allowed markets to get off to a strong start in 2013. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world s major economies, coupled with the absence of negative headlines from Europe, fostered an aura of comfort for investors. Global equities surged, while rising US Treasury yields pressured high quality fixed income assets. (Bond prices fall when yields rise.)

Global economic momentum slowed in February, however, and the pace of the rally moderated. In the months that followed, US stocks outperformed international stocks, as America showed greater stability compared to most other regions. Slow, but positive, growth was sufficient to support corporate earnings, while uncomfortably high unemployment reinforced expectations that the Federal Reserve would keep its asset purchase program intact and interest rates low. International markets experienced higher levels of volatility given a resurgence of political instability in Italy, a severe banking crisis in Cyprus and a generally poor outlook for European economies, many of which were mired in recession. Emerging markets significantly lagged the rest of the world as growth in these economies, particularly in China and Brazil, fell short of expectations.

In May, the Fed Chairman commented on the possibility of beginning to gradually reduce or taper the central bank s asset purchase program before the end of 2013. Investors around the world retreated from higher risk assets in response. Markets rebounded in late June when the tone of the US central bank turned more dovish, and improving economic indicators and better corporate earnings helped extend gains through July.

Markets slumped again in August as investors became wary of looming macro risks. Mixed economic data stirred worries about global growth and uncertainty about when and how much the Fed would scale back on stimulus. Also weighing on investors minds was the escalation of the revolution in Egypt and the civil war in Syria, both of which fueled higher oil prices, an additional headwind for global economic growth.

September was surprisingly positive for investors, thanks to the easing of several key risks. Most important, the Fed defied market expectations with its decision to delay tapering. Additionally, the more hawkish candidate to become the next Fed Chairman, Larry Summers, withdrew from the race. On the geopolitical front, turmoil in Egypt and Syria subsided. In Europe, the re-election of Angela Merkel as Chancellor of Germany was welcomed as a continuation of the status quo. High levels of volatility returned in late September when the Treasury Department warned that the US national debt would breach its statutory maximum soon after Oct. 17. Political brinksmanship led to a partial government shutdown, roiling global financial markets through the first half of October, but the rally quickly resumed with a last-minute compromise to reopen the government and extend the debt ceiling until early 2014.

Though periods of heightened uncertainty drove high levels of market volatility over the past year, riskier asset classes generally outperformed lower-risk investments. Developed market equities generated the highest returns for the 6- and 12-month periods ended Oct. 31, with particular strength coming from US small-cap stocks. Emerging markets posted smaller, albeit positive returns after struggling with slowing growth and weakening currencies in the first half of 2013. Rising interest rates resulted in poor performance for US Treasury bonds and other higher-quality sectors such as tax-exempt municipals and investment grade corporate bonds. High yield bonds, on the other hand, moved higher as income-oriented investors sought meaningful returns in the low-rate environment. Short-term interest rates remained near zero, keeping yields on money market securities near historical lows.

At BlackRock, we believe investors need to think globally and extend their scope across a broader 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 www.blackrock.com for further insight about investing in today s world.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Though periods of heightened uncertainty drove high levels of market volatility over the past year, riskier asset classes generally outperformed lower-risk investments.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2013

	6-month	**12-month**
US large cap equities (S&P 500® Index)	11.14%	27.18%
US small cap equities (Russell 2000® Index)	16.90	36.28
International equities (MSCI Europe, Australasia, Far East Index)	8.53	26.88
Emerging market equities (MSCI Emerging Markets Index)	1.18	6.53
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.03	0.09
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	(6.07)	(4.64)
US investment grade bonds (Barclays US Aggregate Bond Index)	(1.97)	(1.08)
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(3.63)	(1.69)
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	1.50	8.86

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

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Trust Summary as of October 31, 2013

BlackRock Credit Allocation Income Trust

Trust Overview

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

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

Portfolio Management Commentary

On December 10, 2012, the Trust acquired substantially all of the assets and assumed substantially all of the liabilities of BlackRock Credit Allocation Income Trust I, Inc., BlackRock Credit Allocation Income Trust II, Inc. and BlackRock Credit Allocation Income Trust III in exchange for newly issued shares of the Trust in a reorganization transaction. On February 11, 2013, the Trust changed its name from BlackRock Credit Allocation Income Trust IV to BlackRock Credit Allocation Income Trust .

How did the Trust perform?

For the 12-month period ended October 31, 2013, the Trust returned (2.01)% based on market price and 4.86% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of (4.42)% based on market price and 3.27% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

The Trust s heavy exposure to credit sectors had a positive impact on performance as risk assets broadly rallied during the period. In this positive market environment, the Trust s high level of leverage enhanced results. A preference for companies generating cash flows sourced from the US domestic market 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 use of leverage to achieve greater exposure to high yield bonds boosted returns. Additionally, in the investment grade space, security selection within industrials and a preference for bank capital securities aided performance.

While the slow-growth, low-rate environment has been conducive for positive performance in credit sectors, the rapid rise in interest rates during the second quarter of 2013 drove negative returns across fixed income markets broadly. (Bond prices fall as interest rates rise.) Given the Trust s sensitivity to interest rate movements, this interest rate-driven market sell-off hindered performance for the period. Additionally, a small allocation to emerging market securities detracted from results given the recent underperformance of emerging versus developed markets.

Describe recent portfolio activity.

During the 12-month period, the Trust was tactical in rotating in and out of sectors and individual credit names, but overall, did not make major changes to its overall positioning. While it became clear that the US Federal Reserve is moving to closer to reducing the scale of its asset purchase program, the slow-growth paradigm in the United States has yet to prove sufficient to warrant a major change in central bank monetary policy and, as a result, credit sectors have been well supported. In this scenario where corporate funding is cheap and re-levering is a reality, the Trust remained focused on bottom-up security selection within industrials given the event-driven headline risk for a number of credits in that space.

Describe portfolio positioning at period end.

As of period end, the Trust continued to maintain its allocations to high yield, financials and capital securities. The Trust continued to favor financials over industrials given the rising event risk in the industrial space. Additionally, the Trust retained a bias toward companies with US-sourced cash flows while minimizing exposure to emerging markets.

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

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BlackRock Credit Allocation Income Trust

Trust Information	
Symbol on New York Stock Exchange (NYSE)	BTZ
Initial Offering Date	December 27, 2006
Current Distribution Rate on Closing Market Price as of October 31, 2013 ($12.97)[1]	7.45%
Current Monthly Distribution per Common Share[2]	$0.0805
Current Annualized Distribution per Common Share[2]	$0.9660
Economic Leverage as of October 31, 2013[3]	33%

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

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

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

Market Price and Net Asset Value Per Share Summary

	10/31/13	10/31/12	Change	High	Low
Market Price	$12.97	$14.23	(8.85)%	$14.44	$12.13
Net Asset Value	$14.99	$15.37	(2.47)%	$15.77	$14.45

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

Overview of the Trust s Long-Term Investments

Portfolio Composition	10/31/13	10/31/12
Corporate Bonds	84%	80%
Preferred Securities	14	16
Municipal Bonds	1	1
Asset-Backed Securities	1	1
US Treasury Obligations		2

Credit Quality Allocation[4]	10/31/13	10/31/12
AAA/Aaa[5]		3%
AA/Aa	1%	2
A	16	25

BBB/Baa	43	39
BB/Ba	24	18
B	13	10
CCC/Caa		1
Not Rated	3	2

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

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

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Trust Summary as of October 31, 2013

BlackRock Floating Rate Income Trust

Trust Overview

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

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

Portfolio Management Commentary

How did the Trust perform?

For the 12-month period ended October 31, 2013, the Trust returned 0.60% based on market price and 9.37% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 2.92% based on market price and 9.12% based on NAV. All returns reflect reinvestment of dividends. The Trust moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection in the technology and gaming sectors contributed positively to results, as did the Trust s tactical allocation to fixed-rate high yield corporate bonds, which outperformed floating rate loan interests (i.e., bank loans) over the period. The Trust s preference for non-US loan credits versus emerging market sovereign bonds proved beneficial as emerging market debt declined over the period.

Conversely, security selection in the electric and media non-cable sectors detracted from performance. Notably, the Trust s larger media non-cable issuer positions underperformed lower-rated and/or distressed issuers within the sector.

Describe recent portfolio activity.

During the 12-month period, the Trust added to positions in the gaming and technology sectors. The Trust maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust sought issuers with attractive risk-reward characteristics and superior fundamentals, while limiting exposure to lower-rated portions of the market where the investment advisor believes there is a general risk-reward imbalance. As the average loan traded at or just above par during the period (leaving little or no potential for price appreciation), the Trust placed an emphasis on investing in strong companies that are better positioned to pay their debts despite the slow growth environment.

The bank loan market was strong in 2012 and continued to rally in 2013 with much of the upswing attributable to record inflows from investors seeking to reduce interest rate risk in their fixed income portfolios. Despite the positive market environment, the Trust did not deviate from its core investment style, which is centered on improving the yield characteristics of an investor s portfolio while seeking to minimize exposure to macro risks.

Describe portfolio positioning at period end.

At period end, the Trust held 83% of its total portfolio in floating rate loan interests and 13% in corporate bonds, with the remainder invested in a mix of asset-backed securities and common stocks. The Trust s highest-conviction holdings included Caesars Entertainment Operating Co., Inc. (gaming), Hilton Worldwide Finance LLC (lodging) and Alliance Boots Holdings Ltd. (retailers). The Trust ended the period with leverage at 30% of its total managed assets.

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BlackRock Floating Rate Income Trust

Trust Information	
Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Current Distribution Rate on Closing Market Price as of October 31, 2013 ($14.12)[1]	6.16%
Current Monthly Distribution per Common Share[2]	$0.0725
Current Annualized Distribution per Common Share[2]	$0.8700
Economic Leverage as of October 31, 2013[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 tax return of capital. Past performance does not guarantee future results.

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

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

Market Price and Net Asset Value Per Share Summary

	10/31/13	**10/31/12**	**Change**	**High**	**Low**
Market Price	$14.12	$15.07	(6.30)%	$16.37	$13.90
Net Asset Value	$14.79	$14.52	1.86%	$14.93	$14.45

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	**10/31/13**	**10/31/12**
Floating Rate Loan Interests	83%	80%
Corporate Bonds	13	16
Asset-Backed Securities	3	2
Common Stocks	1	1
Foreign Agency Obligations		1

Credit Quality Allocation[4]	**10/31/13**	**10/31/12**
BBB/Baa	10%	19%
BB/Ba	21	36
B	67	42

CCC/Caa		2
Not Rated	2	1

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

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Trust Summary as of October 31, 2013

BlackRock Multi-Sector Income Trust

Trust Overview

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

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

Portfolio Management Commentary

How did the Trust perform?

For the period beginning with the Trust s commencement date of February 27, 2013 through October 31, 2013, the Trust returned (10.66)% based on market price and 4.04% based on NAV. For the period February 28, 2013 through October 31, 2013, the closed-end Lipper General Bond Funds category posted an average return of (5.19)% based on market price and 1.31% based on NAV. All returns reflect reinvestment of dividends. The Trust ended the period trading at a discount to NAV, which 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 contributor to the Trust s positive performance was its exposure to non-agency residential mortgage-backed securities (MBS), with notable strength from positions in subprime mortgages. The Trust also benefited from income generated by its holdings in the high yield and investment grade sectors. Additional positive performance came from the Trust s positions in securitized debt sectors, including asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS).

After interest rates initially spiked in June in response to comments from the US Federal Reserve (Fed) regarding the possibility of gradually reducing the central bank s asset purchase program (a process known as tapering) before the end of 2013, the lack of price recovery in corporate bonds was the main detractor from performance, as the Trust only benefited from the income component (coupons) of these bonds.

Describe recent portfolio activity.

The Trust began the period investing the proceeds of its offering in high yield corporate bonds, non-agency MBS and securitized debt, including ABS and CMBS, as well as investment grade credit.

Given its focus on spread sectors, the Trust increased its allocations in ABS and CMBS, and to a lesser extent, in investment grade credit, to take advantage of attractive prices resulting from the initial drop in bond prices in June. In addition, favorable supply/demand dynamics helped support these sectors during the second half of the period. This sector positioning was particularly helpful in the aftermath of the Fed s September decision to delay tapering its stimulus program and the Trust further increased exposure to high yield and securitized assets, particularly ABS, in the ensuing risk-asset rally.

Throughout the eight-month period, the Trust maintained a high level of leverage in order to maximize its income generation potential. Given the low yield environment earlier in 2013, the Trust s distribution yield declined over the period as maturing higher-yielding securities were replaced with lower-yielding issuance.

Describe portfolio positioning at period end.

In light of the Fed refraining from tapering stimulus at its September 2013 meeting and economic data that is only slowly improving, as of period end, the Trust was positioned to benefit from the continuation of a positive market environment for risk assets in which spread sectors perform well. Accordingly, the Trust ended the period with high exposure to spread sectors such as high yield credit, as well as ABS and investment grade credit.

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BlackRock Multi-Sector Income Trust

Trust Information	
Symbol on NYSE	BIT
Initial Offering Date	February 27, 2013
Current Distribution Rate on Closing Market Price as of October 31, 2013 ($17.04)[1]	8.22%
Current Monthly Distribution per Common Share[2]	$0.1167
Current Annualized Distribution per Common Share[2]	$1.4004
Economic Leverage as of October 31, 2013[3]	43%

1 Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the 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 tax return of capital or net realized gain.

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

Market Price and Net Asset Value Per Share Summary

	10/31/13	2/27/13[4]	Change	High	Low
Market Price	$17.04	$20.00	(14.80)%	$20.50	$15.51
Net Asset Value	$18.95	$19.10	(0.79)%	$19.81	$18.00

Market Price and Net Asset Value History Since Inception

4 Commencement of operations.

Overview of the Trust s Long-Term Investments

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

Credit Quality Allocation[5]	**10/31/13**
AA/Aa	1%
A	3
BBB/Baa	23
BB/Ba	33
B	31
CCC/Caa	6
Not Rated	3

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

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The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act), the Trusts are permitted to issue senior securities representing indebtedness up to 33 $^{1}/_{3}$% of their total managed assets (each Trust s net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of October 31, 2013, the Trusts had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

	Percent of Economic Leverage
BTZ	33%
BGT	30%
BIT	43%

Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 4 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts ability to use a derivative financial instrument successfully depends on the investment advisor s ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments October 31, 2013

BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

Asset-Backed Securities		**Par (000)**		**Value**
321 Henderson Receivables I LLC, Series 2012-1A, Class A, 4.21%, 2/16/65 (b)	USD	2,805	$	2,919,637
Atrium CDO Corp., Series 5A, Class A4, 0.65%, 7/20/20 (a)(b)		9,000		8,505,000
SLM Student Loan Trust, Series 2004-B, Class A2, 0.45%, 6/15/21 (a)		4,153		4,086,906
Total Asset-Backed Securities 1.0%				15,511,543

Corporate Bonds				
Aerospace & Defense 0.5%				
Bombardier, Inc., 4.25%, 1/15/16 (b)		1,390		1,449,075
Huntington Ingalls Industries, Inc.:				
6.88%, 3/15/18		1,430		1,539,038
7.13%, 3/15/21		2,000		2,167,500
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17		3,418		3,725,620
				8,881,233
Airlines 0.7%				
Continental Airlines Pass-Through Trust:				
Series 2009-2, Class B, 9.25%, 11/10/18		3,339		3,681,354
Series 2012-3, Class C, 6.13%, 4/29/18		2,040		2,096,100
Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 1/02/23		3,582		3,940,307
Virgin Australia 2013-1B Trust, 6.00%, 10/23/20 (b)		1,950		1,970,121
				11,687,882
Auto Components 1.4%				
Delphi Corp.:				
6.13%, 5/15/21		870		957,000
5.00%, 2/15/23		4,600		4,830,000
Ford Motor Co., 7.45%, 7/16/31		3,660		4,567,526
Icahn Enterprises LP/Icahn Enterprises Finance Corp., 8.00%, 1/15/18		9,200		9,648,500
Schaeffler Finance BV, 4.75%, 5/15/21 (b)		2,470		2,463,825
				22,466,851
Automobiles 0.2%				
General Motors Co. (b):				
4.88%, 10/02/23		1,875		1,898,438
6.25%, 10/02/43		940		977,600
				2,876,038
Beverages 0.2%				
Silgan Holdings, Inc., 5.50%, 2/01/22 (b)		3,004		2,988,980
Building Products 0.5%				
Building Materials Corp. of America (b):				
7.00%, 2/15/20		1,430		1,537,250
6.75%, 5/01/21		3,600		3,915,000
Cemex SAB de CV, 5.88%, 3/25/19 (b)		440		430,650
Momentive Performance Materials, Inc., 8.88%, 10/15/20		1,030		1,089,225

Corporate Bonds		**Par (000)**		**Value**
Building Products (concluded)				
Texas Industries, Inc., 9.25%, 8/15/20	USD	1,342	$	1,482,910

		8,455,035
Capital Markets 4.5%		
Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)	10,000	11,457,570
Blackstone Holdings Finance Co. LLC, 4.75%, 2/15/23 (b)(c)	2,800	2,962,767
The Goldman Sachs Group, Inc. (c):		
6.25%, 9/01/17	625	722,980
6.15%, 4/01/18	1,650	1,912,340
7.50%, 2/15/19	5,165	6,342,067
5.25%, 7/27/21	1,175	1,296,929
5.75%, 1/24/22	5,500	6,236,890
6.25%, 2/01/41	15,000	17,360,910
KCG Holdings, Inc., 8.25%, 6/15/18 (b)	773	786,527
Morgan Stanley (c):		
5.63%, 9/23/19	6,770	7,725,247
5.75%, 1/25/21	5,495	6,291,517
5.50%, 7/28/21	2,695	3,033,190
UBS AG (c):		
5.88%, 7/15/16	3,450	3,845,463
Series 001, 2.25%, 1/28/14	3,170	3,184,208
		73,158,605
Chemicals 3.0%		
Ashland, Inc., 3.88%, 4/15/18		