

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 52<sup>nd</sup> 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](http://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<br>(Russell 2000® Index)   | 4.83    | 8.06     |
| International equities<br>(MSCI Europe, Australasia,<br>Far East Index)                        | (4.83)  | (0.60)   |
| Emerging market equities (MSCI Emerging<br>Markets Index)                                      | 3.74    | 0.64     |
| 3-month Treasury bills<br>(BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)                | 0.02    | 0.05     |
| U.S. Treasury securities<br>(BofA Merrill Lynch 10-Year U.S. Treasury Index)                   | 4.29    | 5.21     |
| U.S. investment-grade<br>bonds (Barclays<br>U.S. Aggregate Bond Index)                         | 2.35    | 4.14     |
| Tax-exempt municipal<br>bonds (S&P Municipal<br>Bond Index)                                    | 3.54    | 7.94     |
| U.S. high yield bonds<br><br>(Barclays U.S.<br>Corporate High Yield 2%<br>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) <sup>1</sup> | 7.13%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.0805          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.9660          |
| Economic Leverage as of October 31, 2014 <sup>3</sup>   | 31%               |

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 <sup>1</sup> | 10/31/14 | 10/31/13 <sup>2</sup> |
| AAA/Aaa <sup>3</sup>                   | 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                     |

<sup>1</sup> 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.

<sup>2</sup> Information has been revised to conform to current year presentation.

<sup>3</sup> 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) <sup>1</sup> | 5.95%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.0653        |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$0.7836        |
| Economic Leverage as of October 31, 2014 <sup>3</sup>   | 30%             |

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 <sup>1</sup> | 10/31/14 | 10/31/13 <sup>2</sup> |
|--|----------|-----------------------|
| BBB/Baa                                | 7%       | 7%                    |
| BB/Ba                                  | 38       | 36                    |
| B                                      | 43       | 49                    |
| CCC/Caa                                | 4        | 3                     |
| N/R                                    | 8        | 5                     |

<sup>1</sup> 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.

<sup>2</sup> 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) <sup>1</sup> | 7.87%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                      | \$0.1167          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                   | \$1.4004          |
| Economic Leverage as of October 31, 2014 <sup>3</sup>   | 48%               |

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>1</sup> 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 <sup>1</sup> | 10/31/14 | 10/31/13 <sup>2</sup> |
|--|----------|-----------------------|
| 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                     |

<sup>1</sup> 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.

<sup>2</sup> 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<br>(000) | Value      |
|--|-----|--------------|------------|
| <b>Asset-Backed Securities (a)</b>   |     |              |            |
| 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,<br>4.13%, 10/17/26 (b)(c)                   |     | 1,000        | 943,100    |
| Benefit Street Partners CLO V Ltd.,<br>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.,<br>Series 2014-9A, Class D,<br>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.,<br>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    |
| <b>Asset-Backed Securities (a)</b>   |     |              |            |
| 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         |
| <b>Total Asset-Backed Securities 4.4%</b>                       |       | <b>73,037,549</b> |

### Corporate Bonds

|                                      |       |           |
|--------------------------------------|-------|-----------|
| <b>Aerospace &amp; Defense 0.7%</b>  |       |           |
| 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 |

12,274,224

### Air Freight & Logistics 0.1%

|   |       |           |
|---|-------|-----------|
| XPO Logistics, Inc., 7.88%, 9/01/19 (b) | 1,115 | 1,167,963 |
|---|-------|-----------|

### Airlines 0.9%

|  |       |           |
|--|-------|-----------|
| Continental Airlines Pass-Through Trust:                                     |       |           |
| Series 2009-2, Class B, 9.25%, 11/10/18                                      | 2,755 | 3,113,017 |
| Series 2012-3, Class C, 6.13%, 4/29/18                                       | 2,040 | 2,152,200 |
| Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 7/02/24 | 3,357 | 3,877,502 |
| United Airlines Pass-Through Trust, Series 2014-1, Class B, 4.75%, 10/11/23  | 4,200 | 4,184,250 |
| Virgin Australia Trust, Series 2013-1, Class B, 6.00%, 4/23/22 (b)           | 1,694 | 1,753,488 |

15,080,457

### Auto Components 1.4%

|   |       |           |
|---|-------|-----------|
| Delphi Corp., 6.13%, 5/15/21                          | 870   | 946,125   |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.: |       |           |
| 3.50%, 3/15/17  | 265   | 263,675   |
| 4.88%, 3/15/19  | 3,950 | 4,019,125 |
| 6.00%, 8/01/20  | 3,108 | 3,263,400 |
| 5.88%, 2/01/22  | 3,816 | 3,920,940 |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b)             | 2,470 | 2,463,825 |
| Schaeffler Holding Finance BV (b)(d):                 |       |           |
| 6.25%, (6.25% Cash) 11/15/19                          | 1,112 | 1,150,920 |
| 6.75%, (6.75% Cash) 11/15/22                          | 2,417 | 2,568,063 |

### Portfolio Abbreviations

|              |                                  |               |                                |              |   |
|--------------|----------------------------------|---------------|--------------------------------|--------------|---|
| <b>ADS</b>   | American Depositary Shares       | <b>COP</b>    | Certificates of Participation  | <b>OTC</b>   | Over-the-Counter                        |
| <b>ARB</b>   | Airport Revenue Bonds            | <b>DIP</b>    | Debtor-In-Possession           | <b>PIK</b>   | Payment-In-Kind                         |
| <b>ARC</b>   | Auction Rate Certificates        | <b>EUR</b>    | Euro                           | <b>RB</b>    | Revenue Bonds                           |
| <b>BRL</b>   | Brazilian Real                   | <b>GBP</b>    | British Pound                  | <b>REMIC</b> | Real Estate Mortgage Investment Conduit |
| <b>BROIS</b> | Brazilian Overnight Indexed Swap | <b>LIBOR</b>  | London Interbank Offered Rate  | <b>USD</b>   | U.S. Dollar                             |
| <b>CAD</b>   | Canadian Dollar                  | <b>MXIBOR</b> | Mexican Interbank Offered Rate | <b>ZAR</b>   | South African Rand                      |
| <b>CLO</b>   | Collateralized Loan Obligation   | <b>MXN</b>    | Mexican Peso                   |              |   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Auto Components (concluded)</b>                                      |     |              |              |
| TRW Automotive, Inc. (b):   |     |              |              |
| 4.50%, 3/01/21  | USD | 2,400        | \$ 2,412,000 |
| 4.45%, 12/01/23   |     | 2,600        | 2,600,000    |
|   |     |              | 23,608,073   |
| <b>Automobiles 0.6%</b>   |     |              |              |
| Chrysler Group LLC/CG Co-Issuer, Inc., 8.25%, 6/15/21                   |     |              |              |
|   |     | 2,272        | 2,538,960    |
| Ford Motor Co., 7.45%, 7/16/31  |     |              |              |
|   |     | 3,660        | 4,901,907    |
| General Motors Co.:   |     |              |              |
| 4.88%, 10/02/23   |     | 1,875        | 2,008,594    |
| 6.25%, 10/02/43   |     | 940          | 1,118,600    |
|   |     |              | 10,568,061   |
| <b>Banks 5.4%</b>   |     |              |              |
| Associated Banc-Corp, 5.13%, 3/28/16 (e)                                |     |              |              |
|   |     | 7,430        | 7,825,521    |
| CIT Group, Inc.:  |     |              |              |
| 4.25%, 8/15/17  |     | 4,600        | 4,726,500    |
| 5.25%, 3/15/18  |     | 4,030        | 4,251,650    |
| 6.63%, 4/01/18 (b)  |     | 335          | 366,825      |
| 5.50%, 2/15/19 (b)  |     | 5,147        | 5,491,206    |
| City National Corp., 5.25%, 9/15/20 (e)                                 |     |              |              |
|   |     | 2,900        | 3,230,295    |
| Cooperatieve Centrale Raiffeisen-Boerenleenbank BA, 3.95%, 11/09/22 (e) |     |              |              |
|   |     | 3,775        | 3,837,299    |
| Credit Suisse AG, 6.50%, 8/08/23 (b)                                    |     |              |              |
|   |     | 12,000       | 13,230,000   |
| Credit Suisse Group AG, 7.50% (a)(b)(f)                                 |     |              |              |
|   |     | 3,250        | 3,454,100    |
| Discover Bank, 8.70%, 11/18/19  |     |              |              |
|   |     | 748          | 928,940      |
| Fifth Third Bancorp, 5.10% (a)(f)                                       |     |              |              |
|   |     | 5,000        | 4,725,000    |
| HSBC Finance Corp., 6.68%, 1/15/21 (e)                                  |     |              |              |
|   |     | 5,150        | 6,069,187    |
| Regions Financial Corp., 5.75%, 6/15/15                                 |     |              |              |
|   |     | 6,110        | 6,284,251    |
| Royal Bank of Scotland Group PLC, 6.00%, 12/19/23                       |     |              |              |
|   |     | 10,080       | 10,848,802   |
| Santander Holdings USA, Inc., 3.00%, 9/24/15                            |     |              |              |
|   |     | 3,750        | 3,813,304    |
| Wells Fargo & Co. (e):  |     |              |              |
| 3.45%, 2/13/23  |     | 2,325        | 2,321,608    |
| 4.13%, 8/15/23  |     | 4,000        | 4,172,008    |
| 5.61%, 1/15/44  |     | 4,119        | 4,718,595    |
|   |     |              | 90,295,091   |
| <b>Building Products 0.3%</b>   |     |              |              |
| Building Materials Corp. of America (b):                                |     |              |              |
| 6.75%, 5/01/21  |     | 2,700        | 2,895,750    |
| 5.38%, 11/15/24 (c)   |     | 1,965        | 1,969,913    |
|   |     |              | 4,865,663    |
| <b>Cable Television Services 0.1%</b>                                   |     |              |              |
| SBA Communications Corp., 4.88%, 7/15/22 (b)                            |     |              |              |
|   |     | 1,445        | 1,423,144    |
| <b>Capital Markets 2.9%</b>   |     |              |              |
| The Goldman Sachs Group, Inc. (e):                                      |     |              |              |
| 6.25%, 9/01/17  |     | 625          | 700,564      |
| 7.50%, 2/15/19  |     | 5,165        | 6,167,191    |
| 5.25%, 7/27/21  |     | 1,175        | 1,309,922    |
| 5.75%, 1/24/22  |     | 5,500        | 6,336,176    |
| 6.25%, 2/01/41  |     | 15,000       | 18,587,355   |
| Morgan Stanley (e):   |     |              |              |
| 5.63%, 9/23/19  |     | 6,770        | 7,668,880    |
| 5.50%, 7/28/21  |     | 2,695        | 3,072,780    |
| UBS AG, 5.88%, 7/15/16 (e)  |     |              |              |
|   |     | 3,450        | 3,721,163    |
|   |     |              | 47,564,031   |

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### Chemicals 1.9%

|  |       |           |
|--|-------|-----------|
| Ashland, Inc., 3.88%, 4/15/18  | 1,745 | 1,773,356 |
| Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holding BV, 7.38%, 5/01/21 (b) | 617   | 667,903   |
| Axiall Corp., 4.88%, 5/15/23   | 367   | 355,990   |
| Basell Finance Co. BV, 8.10%, 3/15/27 (b)  | 6,000 | 8,044,020 |

|  | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|----------------------|--------------|
|--|----------------------|--------------|

### Corporate Bonds

#### Chemicals (concluded)

|   |           |              |
|---|-----------|--------------|
| Celanese US Holdings LLC, 5.88%, 6/15/21          | USD 2,615 | \$ 2,837,275 |
| CF Industries, Inc., 5.38%, 3/15/44               | 2,500     | 2,659,200    |
| Chemtura Corp., 5.75%, 7/15/21                    | 632       | 630,420      |
| Eagle Spinco, Inc., 4.63%, 2/15/21                | 2,370     | 2,298,900    |
| Huntsman International LLC:<br>4.88%, 11/15/20    | 775       | 780,812      |
| 8.63%, 3/15/21                                    | 2,000     | 2,180,000    |
| 5.13%, 11/15/22 (b)(c)                            | 2,495     | 2,510,594    |
| Ineos Finance PLC, 8.38%, 2/15/19 (b)             | 255       | 273,488      |
| NOVA Chemicals Corp. (b):<br>5.25%, 8/01/23       | 2,277     | 2,379,465    |
| 5.00%, 5/01/25                                    | 905       | 934,412      |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 | 3,275     | 3,419,100    |

31,744,935

### Commercial Services & Supplies 3.0%

|   |        |            |
|---|--------|------------|
| ADS Waste Holdings, Inc., 8.25%, 10/01/20                         | 1,003  | 1,050,642  |
| Aviation Capital Group Corp. (b):<br>7.13%, 10/15/20 (e)          | 31,000 | 35,632,578 |
| 6.75%, 4/06/21  | 7,850  | 8,949,000  |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b) | 591    | 588,784    |
| Covanta Holding Corp., 6.38%, 10/01/22                            | 2,245  | 2,390,925  |
| Mobile Mini, Inc., 7.88%, 12/01/20                                | 930    | 1,002,075  |

49,614,004

### Communications Equipment 0.8%

|  |       |           |
|--|-------|-----------|
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 | 8,695 | 9,021,062 |
| CommScope, Inc. (b):<br>5.00%, 6/15/21               | 527   | 525,683   |
| 5.50%, 6/15/24                                       | 564   | 570,345   |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20    | 2,400 | 2,562,000 |

12,679,090

### Construction & Engineering 0.3%

|   |       |           |
|---|-------|-----------|
| AECOM Technology Corp. (b):<br>5.75%, 10/15/22                    | 473   | 497,833   |
| 5.88%, 10/15/24   | 2,311 | 2,443,882 |
| BlueLine Rental Finance Corp.,<br>7.00%, 2/01/19 (b)              | 413   | 434,683   |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b) | 673   | 694,872   |
| Weekley Homes LLC/Weekley Finance Corp., 6.00%, 2/01/23           | 825   | 808,500   |

4,879,770

### Construction Materials 1.1%

|  |       |           |
|--|-------|-----------|
| Allegion US Holding Co., Inc., 5.75%, 10/01/21 | 1,907 | 1,997,583 |
| HD Supply, Inc.:<br>8.13%, 4/15/19             | 7,300 | 7,884,000 |
| 11.00%, 4/15/20                                | 2,740 | 3,144,150 |
| 7.50%, 7/15/20                                 | 2,905 | 3,093,825 |
| Vulcan Materials Co., 7.00%, 6/15/18           | 1,380 | 1,535,250 |

17,654,808

### Consumer Finance 3.4%

|   |       |           |
|---|-------|-----------|
| Ally Financial, Inc.:<br>8.30%, 2/12/15 | 5,290 | 5,375,963 |
| 8.00%, 11/01/31                         | 6,078 | 7,734,771 |

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|   |        |            |
|---|--------|------------|
| Capital One Bank USA NA, 3.38%, 2/15/23 (e)     | 11,610 | 11,497,894 |
| Countrywide Financial Corp., 6.25%, 5/15/16 (e) | 8,069  | 8,667,994  |
| Discover Financial Services, 3.85%, 11/21/22    | 3,252  | 3,290,165  |
| Experian Finance PLC, 2.38%, 6/15/17 (b)(e)     | 2,550  | 2,593,531  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value        |
|--|-----|--------------|--------------|
| <b>Corporate Bonds</b>   |     |              |              |
| <b>Consumer Finance (concluded)</b>  |     |              |              |
| Navient Corp.:   |     |              |              |
| 3.88%, 9/10/15   | USD | 5,000        | \$ 5,050,000 |
| 6.25%, 1/25/16   |     | 11,620       | 12,084,800   |
|  |     |              | 56,295,118   |
| <b>Containers &amp; Packaging 1.2%</b>                                     |     |              |              |
| Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc., 6.25%, 1/31/19 (b) |     | 906          | 912,795      |
| Ball Corp., 6.75%, 9/15/20   |     | 7,360        | 7,709,600    |
| Beverage Packaging Holdings Luxembourg II SA, 5.63%, 12/15/16 (b)          |     | 3,944        | 3,953,860    |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21        |     | 3,128        | 3,292,220    |
| Pactiv LLC, 7.95%, 12/15/25  |     | 163          | 170,742      |
| Sealed Air Corp. (b):  |     |              |              |
| 6.50%, 12/01/20  |     | 2,330        | 2,563,000    |
| 8.38%, 9/15/21   |     | 700          | 792,750      |
|  |     |              | 19,394,967   |
| <b>Diversified Consumer Services 0.3%</b>                                  |     |              |              |
| Service Corp. International, 4.50%, 11/15/20                               |     | 4,382        | 4,294,360    |
| <b>Diversified Financial Services 10.1%</b>                                |     |              |              |
| Aircastle Ltd., 6.25%, 12/01/19  |     | 3,937        | 4,192,905    |
| Bank of America Corp. (e):   |     |              |              |
| 3.75%, 7/12/16   |     | 5,525        | 5,767,415    |
| 5.00%, 5/13/21   |     | 17,100       | 18,930,743   |
| 5.70%, 1/24/22   |     | 2,590        | 2,981,794    |
| 4.00%, 4/01/24   |     | 6,975        | 7,207,058    |
| Bank of America NA, 5.30%, 3/15/17 (e)                                     |     | 13,440       | 14,573,274   |
| Barclays PLC, 4.38%, 9/11/24   |     | 2,100        | 2,037,105    |
| Citigroup, Inc. (e):   |     |              |              |
| 4.45%, 1/10/17   |     | 4,800        | 5,109,672    |
| 8.50%, 5/22/19   |     | 464          | 582,190      |
| 6.68%, 9/13/43   |     | 4,125        | 5,245,156    |
| Ford Motor Credit Co. LLC:   |     |              |              |
| 8.00%, 12/15/16  |     | 4,000        | 4,533,240    |
| 5.88%, 8/02/21   |     | 9,420        | 10,887,269   |
| General Motors Financial Co., Inc.:  |     |              |              |
| 6.75%, 6/01/18   |     | 1,700        | 1,931,625    |
| 4.38%, 9/25/21   |     | 2,260        | 2,367,576    |
| 4.25%, 5/15/23   |     | 1,681        | 1,731,430    |
| ING Bank NV, 5.00%, 6/09/21 (b)(e)   |     | 8,000        | 9,028,232    |
| Intesa Sanpaolo SpA, 3.13%, 1/15/16  |     | 5,450        | 5,564,483    |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)             |     | 2,105        | 2,094,475    |
| Jefferies Group LLC, 5.13%, 1/20/23  |     | 1,850        | 1,960,419    |
| LeasePlan Corp. NV, 3.00%, 10/23/17 (b)(e)                                 |     | 6,775        | 6,974,083    |
| Leucadia National Corp., 5.50%, 10/18/23                                   |     | 4,000        | 4,189,888    |
| Lloyds Banking Group PLC, 4.50%, 11/04/24 (c)                              |     | 6,875        | 6,880,521    |
| Moody s Corp., 6.06%, 9/07/17  |     | 20,000       | 20,965,760   |
| Resparcs Funding LP I, 8.00% (f)(g)(h)                                     |     | 4,000        | 1,520,000    |
| Reynolds Group Issuer, Inc.:   |     |              |              |
| 9.00%, 4/15/19   |     | 370          | 386,650      |
| 7.88%, 8/15/19   |     | 2,480        | 2,656,700    |
| 9.88%, 8/15/19   |     | 493          | 535,521      |
| 5.75%, 10/15/20  |     | 4,620        | 4,804,800    |
| 6.88%, 2/15/21   |     | 105          | 111,563      |
| 8.25%, 2/15/21   |     | 1,836        | 1,973,700    |
| Royal Bank of Scotland Group PLC:  |     |              |              |
| 6.13%, 12/15/22  |     | 425          | 460,070      |
| 6.10%, 6/10/23   |     | 2,500        | 2,702,840    |
| 5.13%, 5/28/24   |     | 5,250        | 5,319,174    |



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166,207,331

|  |     | Par<br>(000) | Value         |
|--|-----|--------------|---------------|
| <b>Corporate Bonds</b>   |     |              |               |
| <b>Diversified Telecommunication Services 5.5%</b>             |     |              |               |
| AT&T, Inc.:  |     |              |               |
| 6.30%, 1/15/38 (e)   | USD | 12,000       | \$ 14,500,044 |
| 4.30%, 12/15/42  |     | 265          | 247,158       |
| 4.35%, 6/15/45   |     | 367          | 342,557       |
| CenturyLink, Inc.:   |     |              |               |
| 5.63%, 4/01/20   |     | 1,375        | 1,457,500     |
| 6.45%, 6/15/21   |     | 285          | 312,075       |
| Frontier Communications Corp.:                                 |     |              |               |
| 6.25%, 9/15/21   |     | 980          | 1,012,463     |
| 7.63%, 4/15/24   |     | 2,400        | 2,580,000     |
| Level 3 Financing, Inc.:                                       |     |              |               |
| 8.13%, 7/01/19   |     | 11,171       | 11,952,970    |
| 8.63%, 7/15/20   |     | 2,240        | 2,464,000     |
| Telefonica Emisiones SAU, 3.19%, 4/27/18                       |     | 6,550        | 6,798,664     |
| Verizon Communications, Inc. (e):                              |     |              |               |
| 5.15%, 9/15/23   |     | 8,775        | 9,827,017     |
| 6.40%, 9/15/33   |     | 9,475        | 11,541,157    |
| 7.35%, 4/01/39   |     | 7,825        | 10,549,642    |
| 6.55%, 9/15/43   |     | 13,225       | 16,671,514    |
| Windstream Corp.:  |     |              |               |
| 7.75%, 10/15/20  |     | 430          | 457,950       |
| 6.38%, 8/01/23   |     | 80           | 80,600        |
|  |     |              | 90,795,311    |
| <b>Electric Utilities 3.8%</b>                                 |     |              |               |
| CMS Energy Corp., 5.05%, 3/15/22                               |     |              |               |
|  |     | 9,900        | 11,092,386    |
| Duke Energy Corp., 3.55%, 9/15/21 (e)                          |     |              |               |
|  |     | 3,650        | 3,799,077     |
| Great Plains Energy, Inc., 5.29%, 6/15/22 (i)                  |     |              |               |
|  |     | 5,550        | 6,377,144     |
| Midland Cogeneration Venture LP, 5.25%, 3/15/25 (b)            |     |              |               |
|  |     | 4,935        | 5,089,742     |
| Mirant Mid-Atlantic Pass-Through Trust:                        |     |              |               |
| Series B, 9.13%, 6/30/17                                       |     |              |               |
|  |     | 1,039        | 1,117,000     |
| Series C, 10.06%, 12/30/28                                     |     |              |               |
|  |     | 1,568        | 1,724,404     |
| NiSource Finance Corp., 6.80%, 1/15/19                         |     |              |               |
|  |     | 3,075        | 3,634,788     |
| Oncor Electric Delivery Co. LLC (e):                           |     |              |               |
| 4.10%, 6/01/22   |     |              |               |
|  |     | 4,150        | 4,462,943     |
| 5.30%, 6/01/42   |     |              |               |
|  |     | 2,750        | 3,291,689     |
| Progress Energy, Inc., 7.00%, 10/30/31 (e)                     |     |              |               |
|  |     | 12,000       | 16,085,436    |
| Puget Energy, Inc.:  |     |              |               |
| 6.00%, 9/01/21   |     |              |               |
|  |     | 275          | 319,301       |
| 5.63%, 7/15/22   |     |              |               |
|  |     | 5,550        | 6,408,047     |
|  |     |              | 63,401,957    |
| <b>Electrical Equipment 0.1%</b>                               |     |              |               |
| GrafTech International Ltd., 6.38%, 11/15/20                   |     |              |               |
|  |     | 2,385        | 2,224,251     |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b> |     |              |               |
| Jabil Circuit, Inc., 8.25%, 3/15/18                            |     |              |               |
|  |     | 2,600        | 3,009,500     |
| Nielsen Finance LLC/Nielsen Finance Co., 5.00%, 4/15/22 (b)    |     |              |               |
|  |     | 475          | 482,125       |
| Sanmina Corp., 4.38%, 6/01/19 (b)                              |     |              |               |
|  |     | 1,415        | 1,416,769     |
| WireCo WorldGroup, Inc., 9.50%, 5/15/17                        |     |              |               |
|  |     | 1,605        | 1,637,100     |
|  |     |              | 6,545,494     |
| <b>Energy Equipment &amp; Services 1.5%</b>                    |     |              |               |
| Atwood Oceanics, Inc., 6.50%, 2/01/20                          |     |              |               |
|  |     | 375          | 376,875       |
| Energy Transfer Partners LP, 5.20%, 2/01/22                    |     |              |               |
|  |     | 10,200       | 11,160,881    |
| EnSCO PLC, 4.50%, 10/01/24                                     |     |              |               |
|  |     | 2,930        | 2,967,319     |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 |     |              |               |
|  |     | 293          | 294,465       |
| Transocean, Inc.:  |     |              |               |
| 2.50%, 10/15/17  |     |              |               |
|  |     | 1,300        | 1,284,386     |
| 6.50%, 11/15/20  |     |              |               |
|  |     | 3,795        | 3,903,480     |
| 6.38%, 12/15/21  |     |              |               |
|  |     | 4,655        | 4,891,739     |

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6.80%, 3/15/38

720

674,460

25,553,605

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## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Food &amp; Staples Retailing 0.7%</b>                                    |     |              |              |
| HJ Heinz Finance Co., 7.13%, 8/01/39 (b)                                    | USD | 4,415        | \$ 4,889,612 |
| Rite Aid Corp., 6.75%, 6/15/21  |     | 1,170        | 1,248,975    |
| Wal-Mart Stores, Inc., 5.25%, 9/01/35 (e)                                   |     | 5,150        | 6,085,508    |
|   |     |              | 12,224,095   |
| <b>Food Products 1.6%</b>   |     |              |              |
| Barry Callebaut Services NV, 5.50%, 6/15/23 (b)                             |     | 2,600        | 2,730,260    |
| Kellogg Co., Series B, 7.45%, 4/01/31 (e)                                   |     | 5,000        | 6,552,850    |
| Kraft Foods Group, Inc., 5.00%, 6/04/42                                     |     | 5,000        | 5,334,610    |
| Mondelez International, Inc.:   |     |              |              |
| 6.50%, 8/11/17  |     | 4,450        | 5,020,428    |
| 6.13%, 8/23/18  |     | 4,840        | 5,587,068    |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (b)                                  |     | 715          | 757,900      |
|   |     |              | 25,983,116   |
| <b>Gas Utilities 0.2%</b>   |     |              |              |
| Targa Resources Partners LP/Targa Resources Partners Finance Corp.:         |     |              |              |
| 7.88%, 10/15/18   |     | 2,355        | 2,455,088    |
| 6.88%, 2/01/21  |     | 1,265        | 1,359,875    |
|   |     |              | 3,814,963    |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>                            |     |              |              |
| Teleflex, Inc., 6.88%, 6/01/19  |     | 1,660        | 1,780,350    |
| <b>Health Care Providers &amp; Services 3.8%</b>                            |     |              |              |
| Acadia Healthcare Co., Inc., 5.13%, 7/01/22                                 |     | 435          | 431,738      |
| Amsurg Corp., 5.63%, 7/15/22 (b)  |     | 1,856        | 1,923,048    |
| Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., 7.75%, 2/15/19 |     | 1,550        | 1,627,500    |
| CHS/Community Health Systems, Inc.:   |     |              |              |
| 5.13%, 8/15/18  |     | 1,620        | 1,684,800    |
| 6.88%, 2/01/22  |     | 1,111        | 1,197,102    |
| DaVita HealthCare Partners, Inc., 5.13%, 7/15/24                            |     | 1,990        | 2,029,800    |
| HCA Holdings, Inc., 7.75%, 5/15/21  |     | 4,549        | 4,901,547    |
| HCA, Inc.:  |     |              |              |
| 3.75%, 3/15/19  |     | 4,364        | 4,374,910    |
| 6.50%, 2/15/20  |     | 10,421       | 11,632,441   |
| 5.88%, 3/15/22  |     | 340          | 373,150      |
| 4.75%, 5/01/23  |     | 676          | 686,985      |
| Tenet Healthcare Corp.:   |     |              |              |
| 6.25%, 11/01/18   |     | 736          | 799,480      |
| 4.75%, 6/01/20  |     | 1,450        | 1,482,625    |
| 6.00%, 10/01/20   |     | 3,645        | 3,918,375    |
| 4.50%, 4/01/21  |     | 73           | 73,183       |
| 4.38%, 10/01/21   |     | 7,335        | 7,289,156    |
| 8.13%, 4/01/22  |     | 4,907        | 5,624,649    |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (e)                                |     | 10,000       | 13,707,510   |
|   |     |              | 63,757,999   |
| <b>Health Care Technology 0.4%</b>  |     |              |              |
| Amgen, Inc., 5.15%, 11/15/41 (e)  |     | 6,500        | 6,971,198    |
| <b>Hotels, Restaurants &amp; Leisure 0.6%</b>                               |     |              |              |
| Caesars Entertainment Operating Co., Inc., 9.00%, 2/15/20                   |     | 5,243        | 3,939,375    |
| CDW LLC/CDW Finance Corp., 6.00%, 8/15/22                                   |     | 1,380        | 1,455,900    |
| New Red Finance, Inc., 6.00%, 4/01/22 (b)                                   |     | 2,215        | 2,245,456    |
| Six Flags Entertainment Corp.,  |     |              |              |
| 5.25%, 1/15/21 (b)  |     | 1,718        | 1,726,590    |
|   |     |              | 9,367,321    |

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|   |     |              |              |
|---|-----|--------------|--------------|
| <b>Household Durables 1.3%</b>  |     |              |              |
| Beazer Homes USA, Inc., 6.63%, 4/15/18  |     | 2,330        | 2,429,025    |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b) |     | 1,647        | 1,749,938    |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (b)   |     | 3,675        | 3,867,937    |
|   |     | <b>Par</b>   | <b>Value</b> |
|   |     | <b>(000)</b> |              |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Household Durables (concluded)</b>   |     |              |              |
| KB Home, 7.25%, 6/15/18   | USD | 1,990        | \$ 2,154,175 |
| Standard Pacific Corp., 8.38%, 1/15/21  |     | 3,015        | 3,520,012    |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)             |     | 1,537        | 1,547,959    |
| United Rentals North America, Inc.:   |     |              |              |
| 7.38%, 5/15/20  |     | 2,025        | 2,197,125    |
| 7.63%, 4/15/22  |     | 1,853        | 2,066,095    |
| Tri Pointe Holdings, Inc. (b):  |     |              |              |
| 4.38%, 6/15/19  |     | 920          | 915,400      |
| 5.88%, 6/15/24  |     | 625          | 637,500      |
|   |     |              | 21,085,166   |
| <b>Household Products 0.1%</b>  |     |              |              |
| Spectrum Brands, Inc.:  |     |              |              |
| 6.38%, 11/15/20   |     | 810          | 858,600      |
| 6.63%, 11/15/22   |     | 1,110        | 1,190,475    |
|   |     |              | 2,049,075    |
| <b>Independent Power and Renewable Electricity Producers 0.7%</b>                           |     |              |              |
| Baytex Energy Corp. (b):  |     |              |              |
| 5.13%, 6/01/21  |     | 435          | 424,125      |
| 5.63%, 6/01/24  |     | 155          | 149,575      |
| Calpine Corp.:  |     |              |              |
| 6.00%, 1/15/22 (b)  |     | 878          | 946,045      |
| 5.38%, 1/15/23  |     | 2,333        | 2,356,330    |
| 5.88%, 1/15/24 (b)  |     | 823          | 884,725      |
| 5.75%, 1/15/25  |     | 1,770        | 1,792,125    |
| Dynegy Finance I, Inc./Dynegy Finance II, Inc., 6.75%, 11/01/19 (b)                         |     | 2,195        | 2,271,825    |
| NRG REMA LLC, 9.68%, 7/02/26  |     | 1,130        | 1,220,400    |
| QEP Resources, Inc., 5.38%, 10/01/22  |     | 1,927        | 1,898,095    |
|   |     |              | 11,943,245   |
| <b>Insurance 5.8%</b>   |     |              |              |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b)                      |     |              |              |
|   |     | 1,204        | 1,240,120    |
| American International Group, Inc., 6.40%, 12/15/20 (e)                                     |     | 8,710        | 10,401,046   |
| Aon Corp., 5.00%, 9/30/20 (e)   |     | 7,700        | 8,638,468    |
| Aon PLC, 4.25%, 12/12/42 (e)  |     | 6,500        | 6,036,069    |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (b)                                       |     | 3,400        | 3,874,946    |
| Genworth Holdings, Inc., 7.63%, 9/24/21   |     | 2,880        | 3,510,467    |
| Manulife Financial Corp., 4.90%, 9/17/20 (e)  |     | 10,425       | 11,454,312   |
| MPL 2 Acquisition Canco, Inc.,  |     |              |              |
| 9.88%, 8/15/18 (b)  |     | 1,455        | 1,560,488    |
| The Northwestern Mutual Life Insurance Co., 6.06%, 3/30/40 (b)(e)                           |     | 12,000       | 14,904,924   |
| Principal Financial Group, Inc., 8.88%, 5/15/19 (e)   |     | 2,825        | 3,584,668    |
| Prudential Financial, Inc., 6.63%, 12/01/37 (e)   |     | 10,000       | 12,842,540   |
| XLIT Ltd., 5.75%, 10/01/21 (e)  |     | 10,085       | 11,589,884   |
| ZFS Finance USA Trust II, 6.45%, 12/15/65 (a)(b)(e)   |     | 6,800        | 7,242,000    |
|   |     |              | 96,879,932   |
| <b>IT Services 1.4%</b>   |     |              |              |
| Ceridian LLC, 8.88%, 7/15/19 (b)  |     |              |              |
|   |     | 12,085       | 13,353,925   |
| Ceridian LLC/Comdata, Inc.,   |     |              |              |
| 8.13%, 11/15/17 (b)   |     | 1,455        | 1,455,000    |
| Epicor Software Corp., 8.63%, 5/01/19   |     | 2,400        | 2,553,000    |
| First Data Corp. (b):   |     |              |              |
| 7.38%, 6/15/19  |     | 2,905        | 3,079,300    |
| 6.75%, 11/01/20   |     | 1,768        | 1,891,760    |
| 8.25%, 1/15/21  |     | 250          | 271,250      |
|   |     |              | 22,604,235   |

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## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000)         | Value         |
|---|-----|----------------------|---------------|
| <b>Corporate Bonds</b>  |     |                      |               |
| <b>Life Sciences Tools &amp; Services 0.8%</b>  |     |                      |               |
| Life Technologies Corp., 6.00%, 3/01/20 (e)   | USD | 12,000               | \$ 13,854,768 |
| <b>Media 6.4%</b>   |     |                      |               |
| 21st Century Fox America, Inc., 6.15%, 3/01/37 (e)                                      |     | 9,575                | 11,691,898    |
| A&E Television Networks LLC, 3.11%, 8/22/19   |     | 5,000                | 5,022,500     |
| AMC Networks, Inc.:   |     |                      |               |
| 7.75%, 7/15/21  |     | 1,330                | 1,449,700     |
| 4.75%, 12/15/22   |     | 685                  | 679,862       |
| CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corp. (b):                |     |                      |               |
| 5.25%, 2/15/22  |     | 249                  | 257,093       |
| 5.63%, 2/15/24  |     | 122                  | 127,185       |
| CCOH Safari LLC (c):  |     |                      |               |
| 5.50%, 12/01/22   |     | 2,093                | 2,113,930     |
| 5.75%, 12/01/24   |     | 3,075                | 3,092,297     |
| Cinemark USA, Inc., 5.13%, 12/15/22   |     | 349                  | 349,000       |
| Clear Channel Worldwide Holdings, Inc., 6.50%, 11/15/22                                 |     | 10,205               | 10,548,385    |
| COX Communications, Inc.,   |     |                      |               |
| 8.38%, 3/01/39 (b)(e)   |     | 5,000                | 7,149,145     |
| CSC Holdings LLC, 8.63%, 2/15/19  |     | 4,005                | 4,700,869     |
| DIRECTV Holdings LLC/DIRECTV Financing Co., Inc., 5.00%, 3/01/21 (e)                    |     | 8,575                | 9,441,478     |
| Gray Television, Inc., 7.50%, 10/01/20  |     | 713                  | 745,976       |
| Grupo Televisa SAB, 5.00%, 5/13/45  |     | 3,345                | 3,328,944     |
| Intelsat Jackson Holdings SA:   |     |                      |               |
| 7.25%, 4/01/19  |     | 710                  | 745,500       |
| 5.50%, 8/01/23  |     | 2,909                | 2,916,272     |
| The Interpublic Group of Cos., Inc., 3.75%, 2/15/23                                     |     | 6,025                | 6,001,430     |
| Level 3 Escrow II, Inc., 5.38%, 8/15/22 (b)   |     | 2,250                | 2,289,375     |
| Live Nation Entertainment, Inc., 7.00%, 9/01/20 (b)                                     |     | 463                  | 491,938       |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b) |     | 1,471                | 1,507,775     |
| Numericable Group SA, 6.00%, 5/15/22 (b)  |     | 9,000                | 9,202,500     |
| Sinclair Television Group, Inc.,  |     |                      |               |
| 5.63%, 8/01/24 (b)  |     | 657                  | 648,788       |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (b)   |     | 2,300                | 2,287,062     |
| Time Warner Cable, Inc., 6.55%, 5/01/37   |     | 3,519                | 4,428,000     |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH (b):                                |     |                      |               |
| 7.50%, 3/15/19  |     | 3,530                | 3,715,325     |
| 5.50%, 1/15/23  |     | 1,000                | 1,042,500     |
| Univision Communications, Inc.,   |     |                      |               |
| 5.13%, 5/15/23 (b)  |     | 4,793                | 5,056,615     |
| Virgin Media Secured Finance PLC, 5.38%, 4/15/21 (b)                                    |     | 1,394                | 1,446,275     |
| VTR Finance BV, 6.88%, 1/15/24 (b)  |     | 4,020                | 4,221,000     |
|   |     |                      | 106,698,617   |
| <b>Metals &amp; Mining 2.9%</b>   |     |                      |               |
| Alcoa, Inc., 5.13%, 10/01/24  |     | 2,451                | 2,587,562     |
| AngloGold Ashanti Holdings PLC, 5.13%, 8/01/22  |     | 5,000                | 4,737,770     |
| ArcelorMittal, 6.13%, 6/01/18   |     | 2,575                | 2,755,250     |
| Commercial Metals Co., 4.88%, 5/15/23   |     | 2,194                | 2,139,150     |
| Constellium NV:   |     |                      |               |
| 4.63%, 5/15/21  | EUR | 490                  | 607,903       |
| 5.75%, 5/15/24 (b)  | USD | 1,178                | 1,166,220     |
| Freeport-McMoRan Corp., 7.13%, 11/01/27   |     | 8,500                | 10,084,596    |
| Freeport-McMoRan, Inc. (e):   |     |                      |               |
| 3.55%, 3/01/22  |     | 4,700                | 4,593,005     |
| 3.88%, 3/15/23  |     | 8,900                | 8,796,386     |
| Novelis, Inc., 8.75%, 12/15/20  |     | 3,285                | 3,584,756     |
| Peabody Energy Corp., 6.50%, 9/15/20  |     | 1,020                | 971,550       |
|   |     | <b>Par<br/>(000)</b> | <b>Value</b>  |
| <b>Corporate Bonds</b>  |     |                      |               |
| <b>Metals &amp; Mining (concluded)</b>  |     |                      |               |

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|  |     |        |              |
|--|-----|--------|--------------|
| Steel Dynamics, Inc.:                              |     |        |              |
| 5.13%, 10/01/21 (b)                                | USD | 1,105  | \$ 1,143,675 |
| 6.38%, 8/15/22                                     |     | 1,430  | 1,555,125    |
| 5.25%, 4/15/23                                     |     | 163    | 171,150      |
| Wise Metals Group LLC/Wise Alloys Finance Corp.,   |     |        |              |
| 8.75%, 12/15/18 (b)                                |     | 2,785  | 3,007,800    |
|  |     |        | 47,901,898   |
| <b>Multi-Utilities 1.9%</b>                        |     |        |              |
| CenterPoint Energy, Inc.:                          |     |        |              |
| 5.95%, 2/01/17 (e)                                 |     | 9,000  | 9,923,796    |
| 6.50%, 5/01/18                                     |     | 9,675  | 11,132,084   |
| Dominion Resources, Inc., 8.88%, 1/15/19 (e)       |     |        |              |
|  |     | 8,000  | 10,075,328   |
|  |     |        | 31,131,208   |
| <b>Multiline Retail 0.4%</b>                       |     |        |              |
| Dollar General Corp., 3.25%, 4/15/23               |     |        |              |
|  |     | 2,500  | 2,244,825    |
| Dufry Finance SCA, 5.50%, 10/15/20 (b)             |     |        |              |
|  |     | 3,460  | 3,529,546    |
|  |     |        | 5,774,371    |
| <b>Offshore Drilling &amp; Other Services 0.0%</b> |     |        |              |
| Sensata Technologies BV, 5.63%, 11/01/24 (b)       |     |        |              |
|  |     | 695    | 733,659      |
| <b>Oil, Gas &amp; Consumable Fuels 17.0%</b>       |     |        |              |
| Access Midstream Partners LP/ACMP Finance Corp.:   |     |        |              |
| 5.88%, 4/15/21                                     |     | 2,657  | 2,809,777    |
| 6.13%, 7/15/22                                     |     | 1,668  | 1,813,950    |
| 4.88%, 5/15/23                                     |     | 343    | 358,435      |
| Anadarko Petroleum Corp., 6.38%, 9/15/17           |     |        |              |
|  |     | 75     | 84,674       |
| Antero Resources Finance Corp.,                    |     |        |              |
| 5.38%, 11/01/21                                    |     | 649    | 658,735      |
| Athlon Holdings LP/Athlon Finance Corp.,           |     |        |              |
| 7.38%, 4/15/21                                     |     | 656    | 718,320      |
| Berry Petroleum Co., 6.38%, 9/15/22                |     |        |              |
|  |     | 3,207  | 2,982,510    |
| Bonanza Creek Energy, Inc.:                        |     |        |              |
| 6.75%, 4/15/21                                     |     | 1,145  | 1,147,863    |
| 5.75%, 2/01/23                                     |     | 1,555  | 1,485,025    |
| California Resources Corp., 6.00%, 11/15/24 (b)    |     |        |              |
|  |     | 2,345  | 2,391,900    |
| Chesapeake Energy Corp.:                           |     |        |              |
| 6.63%, 8/15/20                                     |     | 3,171  | 3,575,302    |
| 6.88%, 11/15/20                                    |     | 493    | 563,253      |
| 6.13%, 2/15/21                                     |     | 1,857  | 2,061,270    |
| 5.75%, 3/15/23                                     |     | 1,974  | 2,161,530    |
| Cimarex Energy Co., 4.38%, 6/01/24                 |     |        |              |
|  |     | 527    | 535,564      |
| Concho Resources, Inc.:                            |     |        |              |
| 5.50%, 10/01/22                                    |     | 226    | 238,430      |
| 5.50%, 4/01/23                                     |     | 1,995  | 2,109,712    |
| CONSOL Energy, Inc., 5.88%, 4/15/22 (b)            |     |        |              |
|  |     | 6,131  | 6,222,965    |
| Continental Resources, Inc.:                       |     |        |              |
| 5.00%, 9/15/22                                     |     | 11,232 | 11,905,920   |
| 4.50%, 4/15/23                                     |     | 469    | 491,270      |
| DCP Midstream LLC, 4.75%, 9/30/21 (b)              |     |        |              |
|  |     | 1,074  | 1,156,537    |
| DCP Midstream Operating LP, 3.88%, 3/15/23         |     |        |              |
|  |     | 2,690  | 2,692,776    |
| Denbury Resources, Inc.:                           |     |        |              |
| 5.50%, 5/01/22                                     |     | 845    | 832,325      |
| 4.63%, 7/15/23                                     |     | 1,727  | 1,595,316    |
| El Paso LLC:                                       |     |        |              |
| 7.80%, 8/01/31                                     |     | 197    | 242,310      |
| 7.75%, 1/15/32                                     |     | 4,586  | 5,732,500    |
| El Paso Natural Gas Co. LLC, 8.63%, 1/15/22        |     |        |              |
|  |     | 2,345  | 3,011,953    |
| El Paso Pipeline Partners Operating Co. LLC,       |     |        |              |
| 6.50%, 4/01/20                                     |     | 5,075  | 5,805,658    |
| Enbridge Energy Partners LP, 9.88%, 3/01/19        |     |        |              |
|  |     | 6,000  | 7,762,188    |
| Energy Transfer Equity LP, 5.88%, 1/15/24          |     |        |              |
|  |     | 3,913  | 4,108,650    |
| Energy XXI Gulf Coast, Inc.:                       |     |        |              |
| 7.75%, 6/15/19                                     |     | 616    | 554,400      |
| 6.88%, 3/15/24 (b)                                 |     | 449    | 354,710      |

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## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|  |     | Par<br>(000) | Value         |
|--|-----|--------------|---------------|
| <b>Corporate Bonds</b>   |     |              |               |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>   |     |              |               |
| Enterprise Products Operating LLC,<br>Series N, 6.50%, 1/31/19 (e)                         | USD | 12,000       | \$ 14,044,596 |
| EP Energy LLC/Everest Acquisition Finance, Inc.,<br>Series WI, 6.88%, 5/01/19              |     | 2,693        | 2,800,720     |
| Hilcorp Energy I LP/Hilcorp Finance Co.,<br>5.00%, 12/01/24 (b)                            |     | 5,105        | 4,900,800     |
| Kinder Morgan Energy Partners LP:<br>6.85%, 2/15/20 (e)                                    |     | 12,000       | 14,124,384    |
| 4.25%, 9/01/24   |     | 2,170        | 2,160,459     |
| 5.40%, 9/01/44   |     | 3,615        | 3,541,109     |
| Kinder Morgan, Inc. (b):<br>5.00%, 2/15/21   |     | 496          | 523,280       |
| 5.63%, 11/15/23  |     | 504          | 554,400       |
| Kodiak Oil & Gas Corp., 5.50%, 2/01/22   |     | 540          | 550,800       |
| Laredo Petroleum, Inc., 7.38%, 5/01/22   |     | 231          | 240,240       |
| Linn Energy LLC/Linn Energy Finance Corp.:<br>6.25%, 11/01/19                              |     | 1,047        | 963,240       |
| 8.63%, 4/15/20   |     | 1,797        | 1,801,493     |
| 7.75%, 2/01/21   |     | 475          | 465,500       |
| Marathon Petroleum Corp., 3.50%, 3/01/16   |     | 4,600        | 4,747,844     |
| MarkWest Energy Partners LP/MarkWest Energy Finance Corp., 6.25%, 6/15/22                  |     | 1,369        | 1,475,098     |
| MEG Energy Corp. (b):<br>6.50%, 3/15/21  |     | 3,839        | 3,800,610     |
| 7.00%, 3/31/24   |     | 3,598        | 3,615,990     |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21          |     | 885          | 857,344       |
| Midcontinent Express Pipeline LLC,<br>6.70%, 9/15/19 (b)                                   |     | 3,500        | 3,898,125     |
| Nexen, Inc., 6.40%, 5/15/37 (e)  |     | 4,615        | 5,749,713     |
| NGPL PipeCo LLC, 9.63%, 6/01/19 (b)  |     | 902          | 960,630       |
| Oasis Petroleum, Inc.:<br>7.25%, 2/01/19   |     | 915          | 942,450       |
| 6.50%, 11/01/21  |     | 1,025        | 1,050,625     |
| ONEOK Partners LP, 8.63%, 3/01/19 (e)  |     | 10,000       | 12,383,420    |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)  |     | 1,537        | 1,374,654     |
| PDC Energy, Inc., 7.75%, 10/15/22  |     | 1,225        | 1,286,520     |
| Peabody Energy Corp.:<br>6.00%, 11/15/18   |     | 2,527        | 2,444,872     |
| 6.25%, 11/15/21 (e)  |     | 1,483        | 1,404,216     |
| Penn Virginia Resource Partners LP/Penn Virginia Resource Finance Corp. II, 8.38%, 6/01/20 |     | 2,221        | 2,454,205     |
| Petrobras International Finance Co. SA (e):<br>3.88%, 1/27/16                              |     | 12,550       | 12,792,817    |
| 5.38%, 1/27/21   |     | 3,385        | 3,465,766     |
| Petroleos Mexicanos (e):<br>3.50%, 1/30/23   |     | 5,000        | 4,839,500     |
| 4.88%, 1/18/24   |     | 2,000        | 2,115,000     |
| Petroleum Geo-Services ASA,<br>7.38%, 12/15/18 (b)   |     | 3,980        | 3,860,600     |
| Pioneer Natural Resources Co., 6.88%, 5/01/18  |     | 1,665        | 1,908,809     |
| Premier Oil PLC, 5.11%, 6/09/18  |     | 11,500       | 11,931,250    |
| Range Resources Corp.:<br>6.75%, 8/01/20   |     | 1,760        | 1,861,200     |
| 5.00%, 8/15/22   |     | 32           | 33,560        |
| 5.00%, 3/15/23   |     | 75           | 78,375        |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23                   |     | 4,351        | 4,318,367     |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b)                     |     | 704          | 688,160       |
| Rockies Express Pipeline LLC,<br>6.88%, 4/15/40 (b)  |     | 580          | 643,800       |
| Rosetta Resources, Inc., 5.63%, 5/01/21  |     | 3,448        | 3,344,560     |
| RSP Permian, Inc., 6.63%, 10/01/22 (b)   |     | 789          | 786,870       |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Ruby Pipeline LLC, 6.00%, 4/01/22 (b)   |     | 10,000       | 11,086,680   |
| Sabine Pass Liquefaction LLC (b):   |     |              |              |
| 5.63%, 4/15/23  |     | 7,393        | 7,651,755    |
| 5.75%, 5/15/24  |     | 2,869        | 2,965,829    |
|   |     | <b>Par</b>   |              |
| <b>Corporate Bonds</b>  |     | <b>(000)</b> | <b>Value</b> |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                            |     |              |              |
| Sabine Pass LNG LP, 7.50%, 11/30/16   | USD | 5,965        | \$ 6,397,462 |
| Sanchez Energy Corp., 6.13%, 1/15/23 (b)                                      |     | 1,141        | 1,086,803    |
| SandRidge Energy, Inc.:   |     |              |              |
| 8.75%, 1/15/20  |     | 114          | 105,450      |
| 7.50%, 2/15/23  |     | 1,291        | 1,148,990    |
| Seventy Seven Energy, Inc., 6.50%, 7/15/22 (b)                                |     | 526          | 494,440      |
| SM Energy Co., 6.50%, 1/01/23   |     | 322          | 332,465      |
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21  |     | 1,614        | 1,751,190    |
| Tesoro Logistics LP/Tesoro Logistics Finance Corp.,                           |     |              |              |
| 6.25%, 10/15/22 (b)   |     | 1,519        | 1,572,165    |
| Ultra Petroleum Corp., 5.75%, 12/15/18 (b)                                    |     | 293          | 290,070      |
| Western Gas Partners LP, 5.38%, 6/01/21                                       |     | 5,125        | 5,728,976    |
| Whiting Petroleum Corp.:  |     |              |              |
| 5.00%, 3/15/19  |     | 3,550        | 3,674,250    |
| 5.75%, 3/15/21  |     | 2,341        | 2,469,755    |
| The Williams Cos., Inc.:  |     |              |              |
| 3.70%, 1/15/23  |     | 5,000        | 4,703,585    |
| 4.55%, 6/24/24  |     | 830          | 813,161      |
| 8.75%, 3/15/32  |     | 2,478        | 3,156,028    |
| 5.75%, 6/24/44  |     | 685          | 654,023      |
| WPX Energy, Inc., 5.25%, 9/15/24  |     | 856          | 834,600      |
|   |     |              | 282,869,376  |
| <b>Paper &amp; Forest Products 2.3%</b>                                       |     |              |              |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b)                                |     | 1,473        | 1,524,555    |
| Clearwater Paper Corp., 4.50%, 2/01/23  |     | 532          | 518,700      |
| International Paper Co. (e):  |     |              |              |
| 7.50%, 8/15/21  |     | 9,675        | 12,104,189   |
| 8.70%, 6/15/38  |     | 4,000        | 5,897,640    |
| 7.30%, 11/15/39   |     | 10,000       | 13,106,760   |
| Louisiana-Pacific Corp., 7.50%, 6/01/20                                       |     | 2,130        | 2,279,100    |
| Mercer International, Inc., 9.50%, 12/01/17                                   |     | 2,900        | 3,045,000    |
|   |     |              | 38,475,944   |
| <b>Pharmaceuticals 2.4%</b>   |     |              |              |
| AbbVie, Inc., 2.90%, 11/06/22 (e)   |     | 5,675        | 5,520,413    |
| Endo Finance LLC/Endo Finco, Inc. (b):  |     |              |              |
| 7.00%, 12/15/20   |     | 241          | 254,255      |
| 7.25%, 1/15/22  |     | 499          | 532,683      |
| Forest Laboratories, Inc. (b):  |     |              |              |
| 4.38%, 2/01/19  |     | 2,924        | 3,062,770    |
| 5.00%, 12/15/21   |     | 1,631        | 1,747,703    |
| Grifols Worldwide Operations, Ltd., 5.25%, 4/01/22 (b)                        |     | 1,613        | 1,653,325    |
| Mallinckrodt International Finance SA, 5.75%, 8/01/22 (b)                     |     | 2,130        | 2,231,175    |
| Merck & Co., Inc., 6.50%, 12/01/33 (e)  |     | 6,420        | 8,841,598    |
| Mylan, Inc., 6.00%, 11/15/18 (b)  |     | 3,250        | 3,348,296    |
| Salix Pharmaceuticals, Ltd., 6.00%, 1/15/21 (b)                               |     | 697          | 754,503      |
| Valeant Pharmaceuticals International (b):                                    |     |              |              |
| 6.75%, 8/15/18  |     | 6,955        | 7,398,381    |
| 6.38%, 10/15/20   |     | 2,355        | 2,416,819    |
| 5.63%, 12/01/21   |     | 1,615        | 1,598,850    |
|   |     |              | 39,360,771   |
| <b>Professional Services 0.5%</b>   |     |              |              |
| Ceridian HCM Holding, Inc., 11.00%, 3/15/21 (b)                               |     | 2,158        | 2,433,145    |
| The Dun & Bradstreet Corp., 3.25%, 12/01/17                                   |     | 5,750        | 5,962,100    |
|   |     |              | 8,395,245    |
| <b>Real Estate Investment Trusts (REITs) 2.9%</b>                             |     |              |              |
| ARC Properties Operating Partnership LP/Clark Acquisition LLC, 4.60%, 2/06/24 |     | 5,000        | 4,863,785    |
|   |     | 10,000       | 11,703,130   |

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AvalonBay Communities, Inc.,  
6.10%, 3/15/20 (e)

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## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value        |
|---|--------------|--------------|
| <b>Corporate Bonds</b>  |              |              |
| <b>Real Estate Investment Trusts (REITs) (concluded)</b>      |              |              |
| DDR Corp.:  |              |              |
| 4.75%, 4/15/18  | USD 2,140    | \$ 2,313,486 |
| 7.88%, 9/01/20  | 2,650        | 3,289,967    |
| ERP Operating LP, 5.75%, 6/15/17 (e)                          | 10,000       | 11,118,650   |
| Felcor Lodging LP, 5.63%, 3/01/23                             | 999          | 996,502      |
| HCP, Inc., 5.38%, 2/01/21 (e)                                 | 3,450        | 3,856,996    |
| Host Hotels & Resorts LP, Series D, 3.75%, 10/15/23           | 3,600        | 3,564,871    |
| iStar Financial, Inc.:  |              |              |
| 4.00%, 11/01/17   | 825          | 817,163      |
| 5.00%, 7/01/19  | 580          | 577,100      |
| Rayonier AM Products, Inc., 5.50%, 6/01/24 (b)                | 128          | 120,960      |
| UDR, Inc., 4.25%, 6/01/18                                     | 5,225        | 5,611,258    |
|   |              | 48,833,868   |
| <b>Real Estate Management &amp; Development 0.7%</b>          |              |              |
| Lennar Corp., 4.75%, 11/15/22                                 | 1,805        | 1,777,925    |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (b)(e)   | 4,485        | 4,477,824    |
| Realogy Corp., 7.63%, 1/15/20 (b)(e)                          | 2,085        | 2,262,225    |
| Realogy Group LLC/Realogy Co-Issuer Corp., 4.50%, 4/15/19 (b) | 1,147        | 1,149,868    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19        | 1,625        | 1,730,625    |
|   |              | 11,398,467   |
| <b>Road &amp; Rail 1.5%</b>                                   |              |              |
| The Hertz Corp.:  |              |              |
| 4.25%, 4/01/18  | 983          | 983,000      |
| 6.75%, 4/15/19  | 1,167        | 1,216,597    |
| 5.88%, 10/15/20   | 925          | 931,938      |
| 7.38%, 1/15/21  | 310          | 327,825      |
| Norfolk Southern Corp., 6.00%, 3/15/05 (e)                    | 17,200       | 21,009,473   |
|   |              | 24,468,833   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.7%</b>      |              |              |
| KLA-Tencor Corp., 6.90%, 5/01/18 (e)                          | 5,515        | 6,385,212    |
| Micron Technology, Inc., 5.50%, 2/01/25 (b)                   | 3,590        | 3,634,875    |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (b)                    | 1,655        | 1,746,025    |
|   |              | 11,766,112   |
| <b>Software 0.4%</b>  |              |              |
| Infor US, Inc., 9.38%, 4/01/19                                | 2,190        | 2,381,625    |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)               | 4,435        | 4,457,175    |
|   |              | 6,838,800    |
| <b>Specialty Retail 1.0%</b>                                  |              |              |
| AutoNation, Inc., 6.75%, 4/15/18                              | 6,125        | 6,959,654    |
| L Brands, Inc., 7.00%, 5/01/20                                | 3,050        | 3,461,750    |
| QVC, Inc., 7.38%, 10/15/20 (b)                                | 355          | 375,412      |
| VF Corp., 5.95%, 11/01/17 (e)                                 | 5,000        | 5,686,880    |
|   |              | 16,483,696   |
| <b>Textiles Apparel &amp; Shoes 0.1%</b>                      |              |              |
| Springs Industries, Inc., 6.25%, 6/01/21                      | 1,674        | 1,642,613    |
| <b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>              |              |              |
| The William Carter Co., 5.25%, 8/15/21                        | 1,406        | 1,448,180    |
| <b>Thrifths &amp; Mortgage Finance 0.1%</b>                   |              |              |
| Radian Group, Inc., 5.50%, 6/01/19                            | 1,378        | 1,412,450    |
| <b>Tobacco 2.0%</b>   |              |              |
| Altria Group, Inc., 10.20%, 2/06/39 (e)                       | 13,392       | 22,943,563   |

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|  |     |              |               |
|--|-----|--------------|---------------|
| Lorillard Tobacco Co., 3.50%, 8/04/16  |     | 8,375        | 8,684,732     |
| Reynolds American, Inc.:   |     |              |               |
| 3.25%, 11/01/22  |     | 970          | 947,272       |
| 4.85%, 9/15/23   |     | 1,120        | 1,207,733     |
|  |     |              | 33,783,300    |
|  |     | <b>Par</b>   | <b>Value</b>  |
|  |     | <b>(000)</b> |               |
| <b>Corporate Bonds</b>   |     |              |               |
| <b>Trading Companies &amp; Distributors 0.4%</b>   |     |              |               |
| Doric Nimrod Air Alpha 2013-1 Pass-Through Trust (b):  |     |              |               |
| 6.13%, 11/30/21  | USD | 3,713        | \$ 3,954,463  |
| 5.25%, 5/30/25   |     | 2,871        | 3,021,680     |
|  |     |              | 6,976,143     |
| <b>Transportation Infrastructure 0.9%</b>  |     |              |               |
| CEVA Group PLC (b):  |     |              |               |
| 4.00%, 5/01/18   |     | 3,310        | 3,061,750     |
| 7.00%, 3/01/21   |     | 1,067        | 1,037,658     |
| Penske Truck Leasing Co. LP/PTL Finance Corp., 4.88%, 7/11/22 (b)                              |     | 10,500       | 11,361,882    |
|  |     |              | 15,461,290    |
| <b>Wireless Telecommunication Services 5.4%</b>  |     |              |               |
| America Movil SAB de CV (e):   |     |              |               |
| 2.38%, 9/08/16   |     | 12,495       | 12,792,256    |
| 3.13%, 7/16/22   |     | 1,275        | 1,253,185     |
| American Tower Corp.:  |     |              |               |
| 4.50%, 1/15/18   |     | 6,500        | 6,938,100     |
| 5.05%, 9/01/20   |     | 500          | 544,915       |
| 5.90%, 11/01/21 (e)  |     | 3,770        | 4,249,480     |
| Crown Castle International Corp., 5.25%, 1/15/23   |     | 1,880        | 1,924,650     |
| Crown Castle Towers LLC (b):   |     |              |               |
| 5.50%, 1/15/37   |     | 4,000        | 4,255,472     |
| 4.17%, 8/15/37   |     | 3,000        | 3,148,170     |
| 6.11%, 1/15/40   |     | 4,555        | 5,262,688     |
| Digicel Group Ltd. (b):  |     |              |               |
| 8.25%, 9/30/20   |     | 2,615        | 2,732,675     |
| 7.13%, 4/01/22   |     | 825          | 829,125       |
| Digicel Ltd., 6.00%, 4/15/21 (b)   |     | 1,285        | 1,297,850     |
| SBA Tower Trust, 5.10%, 4/15/42 (b)  |     | 13,975       | 14,817,720    |
| Sprint Communications, Inc. (b):   |     |              |               |
| 9.00%, 11/15/18  |     | 5,290        | 6,222,362     |
| 7.00%, 3/01/20   |     | 9,302        | 10,376,381    |
| Sprint Corp. (b):  |     |              |               |
| 7.88%, 9/15/23   |     | 1,815        | 1,964,737     |
| 7.13%, 6/15/24   |     | 1,625        | 1,669,688     |
| T-Mobile USA, Inc.:  |     |              |               |
| 6.63%, 4/28/21   |     | 2,680        | 2,824,050     |
| 6.73%, 4/28/22   |     | 2,495        | 2,638,462     |
| 6.00%, 3/01/23   |     | 580          | 597,400       |
| 6.84%, 4/28/23   |     | 1,405        | 1,485,788     |
| 6.38%, 3/01/25   |     | 1,845        | 1,895,738     |
|  |     |              | 89,720,892    |
| <b>Total Corporate Bonds 113.3%</b>  |     |              | 1,882,022,904 |
| <b>Foreign Agency Obligations</b>  |     |              |               |
| Brazilian Government International Bond, 5.00%, 1/27/45  |     | 5,000        | 4,900,000     |
| Indonesia Government International Bond, 5.88%, 1/15/24 (b)                                    |     | 4,400        | 5,005,000     |
| Mexico Government International Bond, 4.75%, 3/08/44   |     | 2,300        | 2,335,650     |
| <b>Total Foreign Agency Obligations 0.7%</b>   |     |              | 12,240,650    |
| <b>Municipal Bonds</b>   |     |              |               |
| City of Chicago Illinois, Refunding ARB, O Hare International Airport, General 3rd Lien, Build |     |              |               |
| America Bonds, Series B, 6.85%, 1/01/38  |     | 5,000        | 5,612,150     |

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|   |        |                   |
|---|--------|-------------------|
| Metropolitan Transportation Authority, RB, Build America Bonds, Series B-1, 6.55%, 11/15/31 | 10,000 | 12,791,100        |
| <b>Total Municipal Bonds 1.1%</b>   |        | <b>18,403,250</b> |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par<br>(000) | Value             |
|---|--------------|-------------------|
| <b>U.S. Government Sponsored Agency Securities</b>          |              |                   |
| <b>Agency Obligations 0.2%</b>                              |              |                   |
| Fannie Mae, 0.00%, 10/09/19 (e)(j)                          | USD 3,945    | \$ 3,536,314      |
| <b>U.S. Treasury Obligations</b>                            |              |                   |
| U.S. Treasury Bond, 3.38%, 5/15/44 (e)                      | 8,650        | 9,176,430         |
| U.S. Treasury Notes (e):                                    |              |                   |
| 1.50%, 5/31/19  | 1,898        | 1,894,441         |
| 1.63%, 6/30/19  | 750          | 752,402           |
| 1.63%, 7/31/19  | 1,235        | 1,237,991         |
| 2.38%, 8/15/24  | 9,315        | 9,351,385         |
| <b>Total U.S. Treasury Obligations 1.3%</b>                 |              | <b>22,412,649</b> |
| <b>Preferred Securities</b>                                 |              |                   |
| <b>Capital Trusts</b>                                       |              |                   |
| <b>Banks 2.8%</b>   |              |                   |
| BNP Paribas SA, 7.20% (a)(b)(e)(f)                          | 5,000        | 5,765,650         |
| Credit Agricole SA, 8.38% (a)(b)(f)                         | 5,000        | 5,793,750         |
| Fifth Third Bancorp, Series J, 4.90% (a)(f)                 | 2,035        | 2,001,626         |
| HSBC Capital Funding LP, 10.18% (a)(b)(e)(f)                | 11,835       | 17,663,737        |
| HSBC Holdings PLC, 5.63% (a)(f)                             | 4,655        | 4,730,644         |
| M&T Capital Trust II, 8.28%, 6/01/27                        | 4,540        | 4,622,542         |
| Nordea Bank AB, 6.13% (a)(b)(f)                             | 5,540        | 5,551,634         |
| Wells Fargo & Co., Series S, 5.90% (a)(f)                   | 1,090        | 1,120,629         |
|   |              | 47,250,212        |
| <b>Capital Markets 1.6%</b>                                 |              |                   |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (a)(e)           | 3,000        | 3,232,500         |
| The Goldman Sachs Group, Inc.,<br>Series L, 5.70% (a)(e)(f) | 2,950        | 3,016,375         |
| Morgan Stanley, Series H, 5.45% (a)(f)                      | 2,200        | 2,210,314         |
| State Street Capital Trust IV, 1.23%, 6/15/37 (a)           | 20,845       | 17,770,362        |
|   |              | 26,229,551        |
| <b>Diversified Financial Services 3.7%</b>                  |              |                   |
| Bank of America Corp. (a)(f):                               |              |                   |
| Series K, 8.00%   | 2,420        | 2,604,525         |
| Series U, 5.20%   | 6,685        | 6,200,337         |
| Barclays PLC, 6.63% (a)(f)                                  | 4,885        | 4,674,945         |
| Citigroup, Inc., 5.90% (a)(f)                               | 2,210        | 2,198,950         |
| General Electric Capital Corp. (a)(e)(f):                   |              |                   |
| Series B, 6.25%   | 9,100        | 9,953,489         |
| Series C, 5.25%   | 1,200        | 1,203,000         |
| JPMorgan Chase & Co. (a)(f)                                 |              |                   |
| Series 1, 7.90%   | 3,650        | 3,955,688         |
| Series Q, 5.15%   | 4,000        | 3,790,000         |
| Series R, 6.00%   | 14,130       | 14,006,362        |
| Series S, 6.75%   | 7,775        | 8,191,740         |
| Societe Generale SA, 6.00% (a)(b)(f)                        | 4,470        | 4,212,975         |
|   |              | 60,992,011        |
| <b>Electric Utilities 0.5%</b>                              |              |                   |
| PPL Capital Funding, Inc., Series A,<br>6.70%, 3/30/67 (a)  | 8,300        | 8,414,125         |
| <b>Insurance 7.3%</b>                                       |              |                   |

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|   |     |               |              |
|---|-----|---------------|--------------|
| ACE Capital Trust II, 9.70%, 4/01/30 (e)                                    |     | 7,000         | 10,290,000   |
| AIG Life Holdings, Inc., 8.50%, 7/01/30                                     |     | 500           | 658,750      |
| The Allstate Corp., 6.50%, 5/15/67 (a)                                      |     | 10,400        | 11,511,500   |
| American International Group, Inc.,<br>8.18%, 5/15/68 (a)                   |     | 3,755         | 5,097,413    |
| AXA SA (a)(b)(f):   |     |               |              |
| 6.38%   |     | 4,900         | 5,282,837    |
| 6.46%   |     | 6,000         | 6,266,280    |
|   |     | <b>Par</b>    | <b>Value</b> |
|   |     | <b>(000)</b>  |              |
| <b>Capital Trusts</b>   |     |               |              |
| <b>Insurance (concluded)</b>  |     |               |              |
| Bank One Capital III, 8.75%, 9/01/30 (e)                                    | USD | 2,000         | \$ 2,815,712 |
| The Chubb Corp., 6.38%, 3/29/67 (a)(e)                                      |     | 7,400         | 8,066,000    |
| Equitable of Iowa Cos. Capital Trust II, Series B, 8.42%, 4/01/27           |     | 5,000         | 5,920,854    |
| Farmers Exchange Capital II, 6.15%, 11/01/53 (a)(b)                         |     | 4,890         | 5,347,015    |
| Great-West Life & Annuity Insurance Capital LP II, 7.15%, 5/16/46 (a)(b)(e) |     | 500           | 517,500      |
| Hartford Financial Services Group, Inc., 8.13%, 6/15/68 (a)                 |     | 5,050         | 5,858,000    |
| ING US, Inc., 5.65%, 5/15/53 (a)  |     | 4,750         | 4,750,000    |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)                          |     | 8,325         | 12,799,687   |
| MetLife, Inc., 6.40%, 12/15/36 (e)  |     | 9,775         | 10,984,656   |
| Prudential Financial, Inc., 5.88%, 9/15/42 (a)                              |     | 6,100         | 6,466,000    |
| Reinsurance Group of America, Inc., 6.75%, 12/15/65 (a)                     |     | 12,000        | 12,240,000   |
| Swiss Re Capital I LP, 6.85% (a)(b)(f)                                      |     | 4,450         | 4,672,500    |
| XL Group PLC, Series E, 6.50% (a)(f)  |     | 1,920         | 1,842,240    |
|   |     |               | 121,386,944  |
| <b>Multi-Utilities 0.3%</b>   |     |               |              |
| Dominion Resources, Inc., 7.50%, 6/30/66 (a)                                |     | 4,400         | 4,662,667    |
| <b>Oil, Gas &amp; Consumable Fuels 1.3%</b>                                 |     |               |              |
| Enterprise Products Operating LLC: (a)                                      |     |               |              |
| 7.00%, 6/01/67  |     | 2,500         | 2,628,125    |
| Series A, 8.38%, 8/01/66  |     | 9,325         | 10,187,562   |
| TransCanada PipeLines Ltd.,<br>6.35%, 5/15/67 (a)                           |     | 9,400         | 9,494,000    |
|   |     |               | 22,309,687   |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                           |     |               |              |
| Sovereign Real Estate Investment Trust, 12.00% (b)                          |     | 7             | 9,342,683    |
| <b>Road &amp; Rail 0.4%</b>   |     |               |              |
| BNSF Funding Trust I, 6.61%, 12/15/55 (a)                                   |     | 6,125         | 6,838,618    |
| <b>Total Capital Trusts 18.5%</b>   |     |               | 307,426,498  |
| <b>Preferred Stocks</b>   |     |               |              |
|   |     | <b>Shares</b> |              |
| <b>Banks 0.9%</b>   |     |               |              |
| Wells Fargo & Co., 5.85% (a)  |     | 550,500       | 14,290,980   |
| <b>Capital Markets 0.6%</b>   |     |               |              |
| The Goldman Sachs Group, Inc.,<br>Series J, 5.50% (a)                       |     | 162,450       | 3,887,429    |
| SCE Trust III, 5.75% (a)  |     | 31,650        | 855,816      |
| State Street Corp., Series D, 5.90% (a)                                     |     | 220,495       | 5,754,919    |
|   |     |               | 10,498,164   |
| <b>Consumer Finance 0.0%</b>  |     |               |              |
| Ally Financial, Inc., Series A, 8.50% (a)                                   |     | 24,509        | 648,999      |
| <b>Diversified Financial Services 0.8%</b>                                  |     |               |              |
| Citigroup, Inc., Series K, 6.88% (a)  |     | 488,320       | 13,067,443   |
| <b>Electric Utilities 0.1%</b>  |     |               |              |
| Entergy Louisiana LLC, 5.25%  |     | 90,000        | 2,250,000    |
| <b>Insurance 0.2%</b>   |     |               |              |
| The Allstate Corp., Series E, 6.63%   |     | 125,000       | 3,292,500    |
| <b>Machinery 0.1%</b>   |     |               |              |
| Stanley Black & Decker, Inc., 6.25% (k)                                     |     | 11,107        | 1,288,745    |
| <b>Media 0.4%</b>   |     |               |              |
| NBCUniversal Enterprise, Inc., 5.25% (b)(f)                                 |     | 5,600         | 5,833,481    |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                           |     |               |              |
| Ventas Realty LP/Ventas Capital Corp., 5.45%                                |     | 75,000        | 1,847,250    |



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|                                       |        |           |
|---------------------------------------|--------|-----------|
| Vornado Realty Trust, Series K, 5.70% | 50,000 | 1,229,500 |
|                                       |        | 3,076,750 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust  
(BTZ)

(Percentages shown are based on Net Assets)

|   | Shares    | Value            |
|---|-----------|------------------|
| <b>Preferred Stocks</b>   |           |                  |
| <b>Wireless Telecommunication Services 1.2%</b>                               |           |                  |
| Centaur Funding Corp., 9.08% (b)  | 15,143    | \$ 19,004,465    |
| <b>Total Preferred Stocks 4.5%</b>  |           | 73,251,527       |
| <b>Trust Preferred 0.6%</b>   |           |                  |
| <b>Diversified Financial Services 0.6%</b>                                    |           |                  |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (a)                            | 353,111   | 9,287,236        |
| <b>Total Preferred Securities 23.6%</b>                                       |           | 389,965,261      |
| <b>Total Long-Term Investments</b>  |           | 2,401,618,577    |
| (Cost \$2,249,859,560) 144.6%   |           |                  |
| <b>Short-Term Securities</b>  |           |                  |
| <b>BlackRock Liquidity Funds, TempFund, Institutional Class, 0.07% (l)(m)</b> |           |                  |
|   | 4,283,291 | \$ 4,283,291     |
| <b>Total Short-Term Securities</b>  |           | 4,283,291        |
| (Cost \$4,283,291) 0.3%   |           |                  |
| <b>Options Purchased</b>  |           |                  |
| (Cost \$8,179,455) 0.2%   |           | 3,369,343        |
| <b>Total Investments Before Options Written</b>                               |           | 2,409,271,211    |
| (Cost \$2,262,322,306) 145.1%   |           |                  |
| <b>Options Written</b>  |           |                  |
| (Premiums Received \$7,454,970) (0.1)%  |           | (2,444,259)      |
| <b>Total Investments, Net of Options Written</b>                              |           | 2,406,826,952    |
| (Cost \$2,254,867,336) 145.0%   |           |                  |
| <b>Liabilities in Excess of Other Assets (45.0)%</b>                          |           | (746,384,987)    |
| <b>Net Assets 100.0%</b>  |           | \$ 1,660,441,965 |

## Notes to Schedule of Investments

(a) Variable rate security. Rate shown is as of report date.

(b) 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.

(c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                           | Value        | Unrealized Appreciation |
|--|--------------|-------------------------|
| Bank of America N.A.                   | \$ 4,283,700 |                         |
| Citigroup Global Markets, Inc.         | \$ 1,893,210 |                         |
| Credit Suisse Securities (USA) LLC     | \$ 935,625   |                         |
| Deutsche Bank Securities, Inc.         | \$ 1,969,913 | \$ 4,912                |
| J.P. Morgan Securities LLC             | \$ 2,510,594 | \$ 15,594               |
| Morgan Stanley & Co. International PLC | \$ 2,403,150 |                         |

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- (d) Represents a 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.
  
- (e) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
  
- (f) Security is perpetual in nature and has no stated maturity date.
  
- (g) Non-income producing security.
  
- (h) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
  
- (i) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
  
- (j) Zero-coupon bond.
  
- (k) Convertible security.
  
- (l) Investments in issuers considered to be an affiliate of the Trust during the year ended October 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| <b>Affiliate</b>   | <b>Shares Held<br/>at October 31,<br/>2013</b> | <b>Net<br/>Activity</b> | <b>Shares Held<br/>at October 31,<br/>2014</b> | <b>Income</b> |
|--|--|-------------------------|--|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 3,999,467                                      | 283,824                 | 4,283,291                                      | \$ 2,660      |

- (m) Represents the current yield as of report date.

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

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value    | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|---------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.35%         | 1/29/13    | Open                       | \$ 14,670,000 | \$ 14,761,423                         |
| Credit Suisse Securities (USA) LLC | 0.35%         | 3/28/13    | Open                       | 10,309,437    | 10,367,872                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 10,825,000    | 10,885,725                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 7,353,912     | 7,395,166                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 8,703,625     | 8,752,450                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 1,143,000     | 1,149,412                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 7,339,594     | 7,380,767                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 2,639,763     | 2,654,571                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 15,710,962    | 15,799,097                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 6,912,937     | 6,951,717                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 5,351,062     | 5,381,080                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 1,252,295     | 1,259,320                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 7,590,500     | 7,633,081                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,747,562     | 3,768,585                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,633,656     | 3,654,040                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 860,781       | 865,610                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 4,077,375     | 4,100,248                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 8,587,500     | 8,635,673                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,567,375     | 3,587,387                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 11,181,744    | 11,244,470                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 2,285,625     | 2,298,447                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 2,915,000     | 2,931,352                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 6,173,719     | 6,208,352                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 20,623,680    | 20,739,373                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 12,448,144    | 12,517,974                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,007,500     | 3,024,371                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 5,154,000     | 5,182,913                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 837,900       | 842,600                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 872,969       | 877,866                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 2,880,000     | 2,896,156                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,664,406     | 3,684,963                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 8,018,569     | 8,063,551                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 597,400       | 600,751                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 3,695,812     | 3,716,545                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 476,875       | 479,550                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 4,197,375     | 4,220,921                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open                       | 532,125       | 535,110                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/23/13    | Open                       | 7,076,875     | 7,115,198                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 8/23/13    | Open                       | 2,055,000     | 2,063,691                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 10/22/13   | Open                       | 17,741,250    | 17,805,759                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 10/22/13   | Open                       | 16,593,750    | 16,654,087                            |
| UBS Securities LLC                 | 0.32%         | 2/05/14    | Open                       | 956,709       | 958,997                               |
| UBS Securities LLC                 | 0.33%         | 2/10/14    | Open                       | 6,197,000     | 6,211,940                             |
| Barclays Capital, Inc.             | 0.35%         | 2/28/14    | Open                       | 7,944,000     | 7,962,999                             |
| BNP Paribas Securities Corp.       | 0.34%         | 3/17/14    | Open                       | 9,813,000     | 9,834,223                             |
| Deutsche Bank Securities, Inc.     | 0.16%         | 4/16/14    | Open                       | 3,400,000     | 3,402,001                             |
| UBS Securities LLC                 | 0.30%         | 5/08/14    | Open                       | 9,646,000     | 9,660,228                             |
| UBS Securities LLC                 | (0.50)%       | 5/13/14    | Open                       | 2,016,000     | 2,011,212                             |
| UBS Securities LLC                 | 0.32%         | 5/13/14    | Open                       | 8,649,000     | 8,662,146                             |
| UBS Securities LLC                 | 0.32%         | 5/13/14    | Open                       | 2,182,000     | 2,185,317                             |
| UBS Securities LLC                 | 0.32%         | 5/13/14    | Open                       | 7,149,000     | 7,159,866                             |
| UBS Securities LLC                 | 0.34%         | 5/13/14    | Open                       | 1,256,000     | 1,258,028                             |
| UBS Securities LLC                 | 0.34%         | 5/13/14    | Open                       | 10,604,000    | 10,621,125                            |

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|                    |       |         |      |            |            |
|--------------------|-------|---------|------|------------|------------|
| UBS Securities LLC | 0.34% | 5/13/14 | Open | 683,000    | 684,103    |
| UBS Securities LLC | 0.34% | 5/13/14 | Open | 5,229,000  | 5,237,445  |
| UBS Securities LLC | 0.34% | 5/13/14 | Open | 4,668,000  | 4,675,539  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 10,880,000 | 10,898,088 |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 6,046,000  | 6,056,051  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 1,115,000  | 1,116,854  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 6,061,000  | 6,071,076  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 5,546,000  | 5,555,220  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 3,255,000  | 3,260,411  |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 23,285,000 | 23,323,711 |
| UBS Securities LLC | 0.35% | 5/13/14 | Open | 11,160,000 | 11,178,554 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows (concluded):

| Counterparty                                | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|---|---------------|------------|----------------------------|--------------|---------------------------------------|
| Barclays Capital, Inc.                      | 0.35%         | 5/14/14    | Open                       | \$ 6,234,000 | \$ 6,247,247                          |
| Barclays Capital, Inc.                      | 0.35%         | 5/14/14    | Open                       | 1,213,000    | 1,216,322                             |
| Barclays Capital, Inc.                      | 0.35%         | 5/14/14    | Open                       | 2,791,000    | 2,798,908                             |
| Barclays Capital, Inc.                      | 0.35%         | 5/14/14    | Open                       | 11,233,000   | 11,264,296                            |
| Deutsche Bank Securities, Inc.              | 0.40%         | 5/27/14    | Open                       | 6,792,000    | 6,803,924                             |
| RBC Capital Markets, LLC                    | 0.34%         | 5/28/14    | Open                       | 6,960,000    | 6,970,320                             |
| RBC Capital Markets, LLC                    | 0.34%         | 5/30/14    | Open                       | 3,510,000    | 3,515,138                             |
| Barclays Capital, Inc.                      | (1.75)%       | 6/25/14    | Open                       | 1,319,870    | 1,311,593                             |
| RBC Capital Markets, LLC                    | 0.34%         | 6/26/14    | Open                       | 13,680,000   | 13,696,538                            |
| RBC Capital Markets, LLC                    | 0.34%         | 6/30/14    | Open                       | 4,664,400    | 4,669,863                             |
| RBC Capital Markets, LLC                    | 0.34%         | 6/30/14    | Open                       | 3,324,750    | 3,328,644                             |
| Barclays Capital, Inc.                      | 0.40%         | 7/01/14    | Open                       | 10,010,000   | 10,023,680                            |
| BNP Paribas Securities Corp.                | 0.34%         | 7/07/14    | Open                       | 8,155,000    | 8,163,934                             |
| BNP Paribas Securities Corp.                | 0.34%         | 7/07/14    | Open                       | 12,217,000   | 12,230,384                            |
| BNP Paribas Securities Corp.                | 0.35%         | 7/07/14    | Open                       | 5,672,000    | 5,678,397                             |
| Deutsche Bank Securities, Inc.              | 0.10%         | 7/22/14    | Open                       | 349,563      | 349,662                               |
| BNP Paribas Securities Corp.                | 0.07%         | 7/28/14    | Open                       | 1,886,138    | 1,886,490                             |
| HSBC Securities (USA), Inc.                 | 0.40%         | 7/31/14    | Open                       | 11,957,143   | 11,969,499                            |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 0.15%         | 7/31/14    | Open                       | 8,833,813    | 8,837,236                             |
| Deutsche Bank Securities, Inc.              | 0.42%         | 8/04/14    | Open                       | 5,936,000    | 5,942,164                             |
| Deutsche Bank Securities, Inc.              | 0.40%         | 8/08/14    | Open                       | 1,119,000    | 1,120,020                             |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | (0.30)%       | 8/08/14    | Open                       | 1,235,000    | 1,234,156                             |
| BNP Paribas Securities Corp.                | 0.34%         | 8/12/14    | Open                       | 5,675,000    | 5,679,341                             |
| BNP Paribas Securities Corp.                | 0.38%         | 8/12/14    | Open                       | 4,625,000    | 4,628,954                             |
| BNP Paribas Securities Corp.                | 0.38%         | 8/12/14    | Open                       | 2,035,000    | 2,036,740                             |
| RBC Capital Markets, LLC                    | (1.00)%       | 8/22/14    | Open                       | 2,817,250    | 2,811,694                             |
| RBC Capital Markets, LLC                    | 0.34%         | 9/11/14    | Open                       | 10,797,300   | 10,802,501                            |
| RBC Capital Markets, LLC                    | 0.09%         | 9/18/14    | Open                       | 5,092,688    | 5,093,248                             |
| BNP Paribas Securities Corp.                | 0.35%         | 9/23/14    | Open                       | 5,162,000    | 5,163,957                             |
| BNP Paribas Securities Corp.                | 0.35%         | 9/23/14    | Open                       | 4,782,000    | 4,783,813                             |
| RBC Capital Markets, LLC                    | 0.34%         | 9/30/14    | Open                       | 10,459,250   | 10,462,411                            |
| Deutsche Bank Securities, Inc.              | 0.42%         | 10/02/14   | Open                       | 4,517,000    | 4,518,528                             |
| Deutsche Bank Securities, Inc.              | 0.42%         | 10/02/14   | Open                       | 2,848,000    | 2,848,964                             |
| Barclays Capital, Inc.                      | 0.40%         | 10/07/14   | Open                       | 13,545,000   | 13,548,763                            |
| BNP Paribas Securities Corp.                | 0.35%         | 10/07/14   | Open                       | 11,991,000   | 11,993,914                            |
| BNP Paribas Securities Corp.                | 0.35%         | 10/07/14   | Open                       | 7,463,000    | 7,464,814                             |
| Credit Suisse Securities (USA) LLC          | 0.20%         | 10/07/14   | Open                       | 8,277,000    | 8,278,150                             |
| Credit Suisse Securities (USA) LLC          | 0.35%         | 10/07/14   | Open                       | 4,347,500    | 4,348,557                             |
| Deutsche Bank Securities, Inc.              | 0.42%         | 10/08/14   | Open                       | 3,985,000    | 3,986,116                             |
| BNP Paribas Securities Corp.                | 0.10%         | 10/28/14   | Open                       | 3,332,000    | 3,332,028                             |
| BNP Paribas Securities Corp.                | 0.33%         | 10/28/14   | Open                       | 5,630,000    | 5,630,155                             |
| BNP Paribas Securities Corp.                | 0.33%         | 10/28/14   | Open                       | 5,381,000    | 5,381,148                             |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 9,428,000    | 9,428,267                             |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 11,100,000   | 11,100,315                            |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 15,615,000   | 15,615,442                            |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 5,034,000    | 5,034,143                             |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 3,288,000    | 3,288,093                             |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 2,966,000    | 2,966,084                             |
| BNP Paribas Securities Corp.                | 0.34%         | 10/28/14   | Open                       | 6,361,000    | 6,361,180                             |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 734,000      | 734,227                               |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 9,152,000    | 9,152,231                             |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 2,514,000    | 2,514,236                             |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 4,668,000    | 4,668,240                             |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 4,956,000    | 4,956,244                             |
| Barclays Capital, Inc.                      | 0.35%         | 10/29/14   | Open                       | 4,995,000    | 4,995,248                             |

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|                          |       |          |      |                       |                       |
|--------------------------|-------|----------|------|-----------------------|-----------------------|
| Barclays Capital, Inc.   | 0.35% | 10/29/14 | Open | 5,182,000             | 5,182,253             |
| RBC Capital Markets, LLC | 0.34% | 10/30/14 | Open | 3,480,000             | 3,480,033             |
| RBC Capital Markets, LLC | 0.34% | 10/30/14 | Open | 3,389,025             | 3,389,057             |
| RBC Capital Markets, LLC | 0.34% | 10/30/14 | Open | 8,162,000             | 8,162,077             |
| <b>Total</b>             |       |          |      | <b>\$ 757,925,453</b> | <b>\$ 759,751,939</b> |

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Financial futures contracts outstanding as of October 31, 2014 were as follows:

| Contracts Purchased (Sold) | Issue                         | Exchange               | Expiration    | Notional Value  | Unrealized Appreciation (Depreciation) |
|----------------------------|-------------------------------|------------------------|---------------|-----------------|--|
| (1,350)                    | 90-Day Euro-Dollar            | Chicago Mercantile     | March 2016    | USD 333,871,875 | \$ (778,342)                           |
| (283)                      | Ultra Long U.S. Treasury Bond | Chicago Board of Trade | December 2014 | USD 44,377,938  | 119,028                                |
| (64)                       | Long U.S. Treasury Bond       | Chicago Board of Trade | December 2014 | USD 9,030,000   | 235,926                                |
| 168                        | 2-Year U.S. Treasury Note     | Chicago Board of Trade | December 2014 | USD 36,886,500  | 108,026                                |
| 652                        | 10-Year U.S. Treasury Note    | Chicago Board of Trade | December 2014 | USD 82,386,313  | (189,900)                              |
| 1,347                      | 5-Year U.S. Treasury Note     | Chicago Board of Trade | December 2014 | USD 160,871,790 | 929,909                                |
| <b>Total</b>               |                               |                        |               |                 | \$ 424,647                             |

Exchange-traded options purchased as of October 31, 2014 were as follows:

| Description        | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------|----------|--------------|-----------------|-----------|--------------|
| 90-Day Euro-Dollar | Put      | USD 98.00    | 12/14/15        | 1,698     | \$ 106,125   |
| 90-Day Euro-Dollar | Put      | USD 99.00    | 12/14/15        | 1,698     | 689,812      |
| <b>Total</b>       |          |              |                 |           | \$ 795,937   |

OTC interest rate swaptions purchased as of October 31, 2014 were as follows:

| Description               | Counterparty             | Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value |
|---------------------------|--------------------------|----------|---------------|---------------------------|---------------------|-----------------|-----------------------|--------------|
| 5-Year Interest Rate Swap | JPMorgan Chase Bank N.A. | Put      | 4.50%         | Pay                       | 3-month LIBOR       | 8/07/18         | USD 203,300           | \$ 2,573,406 |

Exchange-traded options written as of October 31, 2014 were as follows:

| Description        | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------|----------|--------------|-----------------|-----------|--------------|
| 90-Day Euro-Dollar | Put      | USD 98.50    | 12/14/15        | 3,396     | \$ (530,625) |

OTC interest rate swaptions written as of October 31, 2014 were as follows:

| Description               | Counterparty             | Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value   |
|---------------------------|--------------------------|----------|---------------|---------------------------|---------------------|-----------------|-----------------------|----------------|
| 5-Year Interest Rate Swap | JPMorgan Chase Bank N.A. | Put      | 6.00%         | Receive                   | 3-month LIBOR       | 8/07/18         | USD 406,600           | \$ (1,913,634) |



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Centrally cleared interest rate swaps outstanding as of October 31, 2014 were as follows:

| Fixed Rate         | Floating Rate | Clearinghouse      | Effective Date | Expiration Date | Notional Amount (000) | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|--------------------|----------------|-----------------|-----------------------|--|
| 1.45% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 10/28/18        | USD 13,800            | \$ 18,314                              |
| 1.50% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 11/30/18        | USD 10,700            | 7,293                                  |
| 1.78% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 1/17/19         | USD 22,900            | (217,704)                              |
| 2.21% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 10/18/20        | USD 65,000            | (926,871)                              |
| 2.79% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 10/11/23        | USD 68,000            | (2,337,123)                            |
| 2.79% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 11/18/23        | USD 10,600            | (355,037)                              |
| 3.03% <sup>1</sup> | 3-month LIBOR | Chicago Mercantile | N/A            | 1/08/24         | USD 10,900            | (579,680)                              |
| <b>Total</b>       |               |                    |                |                 |                       | \$ (4,390,808)                         |

<sup>1</sup> Trust pays the fixed rate and receives the floating rate.

OTC credit default swaps buy protection outstanding as of October 31, 2014 were as follows:

| Issuer                 | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Market Value | Premiums Paid (Received) | Unrealized Depreciation |
|------------------------|----------------|-----------------------------|-----------------|-----------------------|--------------|--------------------------|-------------------------|
| Southwest Airlines Co. | 1.00%          | Goldman Sachs Bank USA      | 12/20/16        | USD 2,535             | \$ (44,546)  | \$ 51,583                | \$ (96,129)             |
| Southwest Airlines Co. | 1.00%          | Goldman Sachs International | 12/20/16        | USD 1,465             | (25,743)     | 29,811                   | (55,554)                |
| Southwest Airlines Co. | 1.00%          | Royal Bank of Scotland PLC  | 12/20/16        | USD 4,000             | (70,330)     | 88,521                   | (158,851)               |
| STMicro Electronics    | 1.00%          | Barclays Bank PLC           | 6/20/17         | EUR 1,500             | (8,716)      | 32,491                   | (41,207)                |
| General Dynamic Corp.  | 1.00%          | Credit Suisse International | 9/20/17         | USD 5,585             | (140,057)    | (80,104)                 | (59,953)                |
| Lockheed Martin Corp.  | 1.00%          | Credit Suisse International | 9/20/17         | USD 5,585             | (145,133)    | (27,873)                 | (117,260)               |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

OTC credit default swaps buy protection outstanding as of October 31, 2014 were as follows (concluded):

| Issuer                 | Pay Fixed Rate | Counterparty                | Expiration Date | Notional Amount (000) | Market Value   | Premiums Paid (Received) | Unrealized Depreciation |
|------------------------|----------------|-----------------------------|-----------------|-----------------------|----------------|--------------------------|-------------------------|
| Northrop Grumman Corp. | 1.00%          | Credit Suisse International | 9/20/17         | USD 4,715             | \$ (122,592)   | \$ (62,215)              | \$ (60,377)             |
| Raytheon Co.           | 1.00%          | Credit Suisse International | 9/20/17         | USD 4,715             | (121,659)      | (66,271)                 | (55,388)                |
| Humana, Inc.           | 1.00%          | Goldman Sachs Bank USA      | 9/20/17         | USD 4,500             | (94,592)       | 42,792                   | (137,384)               |
| Humana, Inc.           | 1.00%          | Goldman Sachs International | 9/20/17         | USD 2,800             | (58,857)       | 26,626                   | (85,483)                |
| Cigna Corp.            | 1.00%          | Goldman Sachs Bank USA      | 9/20/17         | USD 4,500             | (111,054)      | (6,218)                  | (104,836)               |
| Cigna Corp.            | 1.00%          | Goldman Sachs International | 9/20/17         | USD 2,800             | (69,100)       | (3,869)                  | (65,231)                |
| YUM! Brands, Inc.      | 1.00%          | Deutsche Bank AG            | 3/20/19         | USD 20,000            | (493,299)      | (327,708)                | (165,591)               |
| Citigroup, Inc.        | 1.00%          | Deutsche Bank AG            | 3/20/19         | USD 16,700            | (281,372)      | (62,490)                 | (218,882)               |
| Kohl's Corp.           | 1.00%          | JPMorgan Chase Bank N.A.    | 6/20/19         | USD 5,345             | 3,809          | 99,169                   | (95,360)                |
| <b>Total</b>           |                |                             |                 |                       | \$ (1,783,241) | \$ (265,755)             | \$ (1,517,486)          |

OTC credit default swaps sold protection outstanding as of October 31, 2014 were as follows:

| Issuer                    | Receive Fixed Rate | Counterparty                        | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Market Value | Premiums Paid (Received) | Unrealized Appreciation (Depreciation) |
|---------------------------|--------------------|-------------------------------------|-----------------|----------------------------|------------------------------------|--------------|--------------------------|--|
| Anadarko Petroleum Corp.  | 1.00%              | Credit Suisse International         | 6/20/17         | BBB                        | USD 2,425                          | \$ 36,354    | \$ (63,939)              | \$ 100,293                             |
| Anadarko Petroleum Corp.  | 1.00%              | Morgan Stanley Capital Services LLC | 6/20/17         | BBB                        | USD 10                             | 150          | (291)                    | 441                                    |
| Anadarko Petroleum Corp.  | 1.00%              | UBS AG                              | 6/20/17         | BBB                        | USD 994                            | 14,901       | (28,507)                 | 43,408                                 |
| Comcast Corp.             | 1.00%              | Credit Suisse International         | 9/20/17         | A-                         | USD 12,200                         | 293,551      | 30,345                   | 263,206                                |
| United Health Group, Inc. | 1.00%              | Goldman Sachs Bank USA              | 9/20/17         | A+                         | USD 4,500                          | 108,679      | (6,191)                  | 114,870                                |
| United Health Group, Inc. | 1.00%              | Goldman Sachs International         | 9/20/17         | A+                         | USD 2,800                          | 67,622       | (3,853)                  | 71,475                                 |
| WellPoint, Inc.           | 1.00%              | Goldman Sachs Bank USA              | 9/20/17         | A-                         | USD 4,500                          | 102,938      | (24,609)                 | 127,547                                |
| WellPoint, Inc.           | 1.00%              | Goldman Sachs International         | 9/20/17         | A-                         | USD 2,800                          | 64,050       | (15,312)                 | 79,362                                 |
| MetLife, Inc.             | 1.00%              | Deutsche Bank AG                    | 3/20/18         | A-                         | USD 3,025                          | 57,140       | (83,014)                 | 140,154                                |
| Bank of America Corp.     | 1.00%              | Deutsche Bank AG                    | 3/20/19         | A-                         | USD 16,700                         | 270,936      | 111,420                  | 159,516                                |
| Valero Energy Corporation | 1.00%              | Citibank N.A.                       | 9/20/19         | BBB                        | USD 24                             | 104          | 200                      | (96)                                   |
| Valero Energy Corporation | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 40                             | 173          | 184                      | (11)                                   |
| Valero Energy Corporation | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 3                              | 13           | 13                       |  |
| Valero Energy Corporation | 1.00%              | Barclays Bank PLC                   | 9/20/19         | BBB                        | USD 110                            | 480          | 457                      | 23                                     |
| Devon Energy Corp.        | 1.00%              | BNP Paribas S.A.                    | 12/20/19        | BBB+                       | USD 13,014                         | 24,607       |                          | 24,607                                 |
| Devon Energy Corp.        | 1.00%              | BNP Paribas S.A.                    | 12/20/19        | BBB+                       | USD 190                            | 360          | 276                      | 84                                     |
| <b>Total</b>              |                    |                                     |                 |                            |                                    | \$ 1,042,058 | \$ (82,821)              | \$ 1,124,879                           |

<sup>1</sup> Using Standard & Poor's (S&P's) rating of the issuer.<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority

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to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2014:

|   | Level 1       | Level 2          | Level 3       | Total            |
|---|---------------|------------------|---------------|------------------|
| <b>Assets:</b>                              |               |                  |               |                  |
| Investments:                                |               |                  |               |                  |
| Long-Term Investments:                      |               |                  |               |                  |
| Asset-Backed Securities                     |               | \$ 67,107,199    | \$ 5,930,350  | \$ 73,037,549    |
| Corporate Bonds                             |               | 1,860,591,330    | 21,431,574    | 1,882,022,904    |
| Foreign Agency Obligations                  |               | 12,240,650       |               | 12,240,650       |
| Municipal Bonds                             |               | 18,403,250       |               | 18,403,250       |
| U.S. Government Sponsored Agency Securities |               | 3,536,314        |               | 3,536,314        |
| U.S. Treasury Obligations                   |               | 22,412,649       |               | 22,412,649       |
| Preferred Securities                        | \$ 57,700,817 | 332,264,444      |               | 389,965,261      |
| Short-Term Securities                       | 4,283,291     |                  |               | 4,283,291        |
| Options Purchased:                          |               |                  |               |                  |
| Interest rate contracts                     | 795,937       | 2,573,406        |               | 3,369,343        |
| <b>Total</b>                                | \$ 62,780,045 | \$ 2,319,129,242 | \$ 27,361,924 | \$ 2,409,271,211 |

|   | Level 1      | Level 2        | Level 3 | Total          |
|---|--------------|----------------|---------|----------------|
| Derivative Financial Instruments <sup>1</sup> |              |                |         |                |
| <b>Assets:</b>                                |              |                |         |                |
| Credit contracts                              |              | \$ 1,124,986   |         | \$ 1,124,986   |
| Interest rate contracts                       | \$ 1,392,889 | 25,607         |         | 1,418,496      |
| <b>Liabilities:</b>                           |              |                |         |                |
| Credit contracts                              |              | (1,517,593)    |         | (1,517,593)    |
| Interest rate contracts                       | (1,498,867)  | (6,330,049)    |         | (7,828,916)    |
| <b>Total</b>                                  | \$ (105,978) | \$ (6,697,049) |         | \$ (6,803,027) |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts and options written. Swaps and financial futures contracts are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of October 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|   | Level 1      | Level 2          | Level 3 | Total            |
|---|--------------|------------------|---------|------------------|
| <b>Assets:</b>                                  |              |                  |         |                  |
| Foreign currency at value                       | \$ 99        |                  |         | \$ 99            |
| Cash pledged as collateral for OTC derivatives  | 500,000      |                  |         | 500,000          |
| Cash pledged for centrally cleared swaps        | 5,150,000    |                  |         | 5,150,000        |
| Cash pledged for financial futures contracts    | 353,000      |                  |         | 353,000          |
| <b>Liabilities:</b>                             |              |                  |         |                  |
| Bank overdraft                                  |              | \$ (26,363)      |         | (26,363)         |
| Cash received as collateral for OTC derivatives |              | (740,000)        |         | (740,000)        |
| Reverse repurchase agreements                   |              | (759,751,939)    |         | (759,751,939)    |
| <b>Total</b>                                    | \$ 6,003,099 | \$ (760,518,302) |         | \$ (754,515,203) |

There were no transfers between Level 1 and Level 2 during the year ended October 31, 2014.

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the year in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

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|   | Asset-Backed<br>Securities | Corporate<br>Bonds   | Total                |
|---|----------------------------|----------------------|----------------------|
| <b>Assets:</b>  |                            |                      |                      |
| Opening Balance, as of October 31, 2013   | \$ 8,505,000               | \$ 16,746,250        | \$ 25,251,250        |
| Transfers into Level 3  |                            |                      |                      |
| Transfers out of Level 3 <sup>1</sup>   | (8,505,000)                |                      | (8,505,000)          |
| Accrued discounts/premiums  | 906                        |                      | 906                  |
| Net realized gain (loss)  |                            |                      |                      |
| Net change in unrealized appreciation/depreciation <sup>2,3</sup>   | (6,781)                    | 268,361              | 261,580              |
| Purchases   | 5,936,225                  | 4,416,963            | 10,353,188           |
| Sales   |                            |                      |                      |
| <b>Closing Balance, as of October 31, 2014</b>  | <b>\$ 5,930,350</b>        | <b>\$ 21,431,574</b> | <b>\$ 27,361,924</b> |
| Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 <sup>3</sup> | \$ (6,781)                 | \$ 268,361           | \$ 261,580           |

<sup>1</sup> As of October 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$8,505,000 transferred from Level 3 to Level 2 in the disclosure hierarchy.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust (BTZ)

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>3</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

## Consolidated Schedule of Investments October 31, 2014

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

| Common Stocks                              | Shares  | Value     |
|--|---------|-----------|
| <b>Auto Components 0.0%</b>                |         |           |
| Lear Corp.                                 | 402     | \$ 37,185 |
| <b>Construction &amp; Engineering 0.0%</b> |         |           |
| USI United Subcontractors                  | 8,067   | 153,282   |
| <b>Diversified Consumer Services 0.6%</b>  |         |           |
| Cengage Thomson Learning                   | 19,588  | 541,119   |
| Houghton Mifflin Harcourt Co. (a)          | 75,047  | 1,501,690 |
|  |         | 2,042,809 |
| <b>Household Durables 0.0%</b>             |         |           |
| Berkline Benchcraft Equity LLC             | 6,155   |           |
| <b>Paper &amp; Forest Products 0.2%</b>    |         |           |
| Ainsworth Lumber Co. Ltd. (a)              | 220,483 | 508,634   |
| Ainsworth Lumber Co. Ltd. (a)(b)           | 62,685  | 144,608   |
|  |         | 653,242   |
| <b>Total Common Stocks 0.8%</b>            |         | 2,886,518 |

| Asset-Backed Securities   | Par     | Value      |
|---|---------|------------|
|   | (000)   |            |
| <b>ALM Loan Funding, Series 2013-7RA (b)(c):</b>                                      |         |            |
| Class C, 3.68%, 4/24/24   | USD 630 | 588,337    |
| Class D, 5.23%, 4/24/24   | 550     | 499,578    |
| <b>ALM XIV Ltd., Series 2014-14A (b)(c):</b>  |         |            |
| Class B, 3.18%, 7/28/26   | 563     | 540,797    |
| Class C, 3.68%, 7/28/26   | 713     | 655,018    |
| <b>Apidos CDO XI, Series 2012-11A, Class D,</b>                                       |         |            |
| 4.48%, 1/17/23 (b)(c)   | 500     | 490,533    |
| <b>Atlas Senior Loan Fund Ltd., Series 2014-6A, Class D, 3.96%, 10/15/26 (b)(c)</b>   | 525     | 479,139    |
| <b>Atrium CDO Corp., Series 9A, Class D, 3.74%, 2/28/24 (b)(c)</b>                    | 500     | 472,862    |
| <b>Carlyle Global Market Strategies CLO Ltd. (b)(c):</b>                              |         |            |
| Series 2012-4A, Class D, 4.73%, 1/20/25   | 450     | 449,989    |
| Series 2013-1A, Class C, 4.23%, 2/14/25   | 250     | 240,701    |
| <b>Cent CLO 22, Ltd., Series 2014-22A, Class C, 3.98%, 11/07/26 (b)(c)</b>            | 750     | 715,650    |
| <b>Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.23%, 4/20/23 (b)(c)</b>   | 575     | 562,655    |
| <b>ING Investment Management, Series 2012-2A, Class D, 4.78%, 10/15/22 (b)(c)</b>     | 950     | 950,885    |
| <b>Madison Park Funding XI Ltd., Series 2013-11A, Class D, 3.73%, 10/23/25 (b)(c)</b> | 250     | 235,862    |
| <b>North End CLO Ltd., Series 2013-1A, Class D, 3.73%, 7/17/25 (b)(c)</b>             | 500     | 466,391    |
| <b>Octagon Investment Partners XVII Ltd., Series 2013-1A, Class D,</b>                |         |            |
| 3.43%, 10/25/25 (b)(c)  | 750     | 681,886    |
| <b>OZLM Funding Ltd., Series 2012-2A, Class C, 4.58%, 10/30/23 (b)(c)</b>             | 500     | 488,090    |
| <b>Symphony CLO Ltd., Class D (b)(c):</b>   |         |            |
| Series 2012-10A, 5.48%, 7/23/23   | 925     | 926,384    |
| Series 2012-9A, 4.48%, 4/16/22  | 775     | 756,606    |
| <b>Total Asset-Backed Securities 3.0%</b>   |         | 10,201,363 |

**Corporate Bonds**

| Airlines 0.6%  | Par   | Value     |
|--|-------|-----------|
| American Airlines Pass-Through Trust, Series 2013-2, Class C, 6.00%, 1/15/17 (b) | 600   | 618,000   |
| US Airways Pass-Through Trust, Series 2012-2, Class C, 5.45%, 6/03/18            | 1,585 | 1,600,850 |
|  |       | 2,218,850 |

**Corporate Bonds**

| Par | Value     |
|-----|-----------|
|     | 2,218,850 |

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|   |     | (000) |            |
|---|-----|-------|------------|
| <b>Auto Components 0.4%</b>   |     |       |            |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp.:                                   |     |       |            |
| 3.50%, 3/15/17  | USD | 410   | \$ 407,950 |
| 4.88%, 3/15/19  |     | 863   | 878,102    |
|   |     |       | 1,286,052  |
| <b>Capital Markets 0.4%</b>   |     |       |            |
| Blackstone CQP Holdco LP, 9.30%, 3/18/19  |     |       |            |
|   |     | 555   | 560,826    |
| E*Trade Financial Corp., 0.00%, 8/31/19 (b)(d)(e)                                       |     |       |            |
|   |     | 439   | 947,142    |
|   |     |       | 1,507,968  |
| <b>Commercial Services &amp; Supplies 0.2%</b>  |     |       |            |
| Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 2.98%, 12/01/17 (c)               |     |       |            |
|   |     | 179   | 179,233    |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (b)   |     |       |            |
|   |     | 387   | 394,244    |
| United Rentals North America, Inc., 5.75%, 7/15/18                                      |     |       |            |
|   |     | 210   | 219,975    |
|   |     |       | 793,452    |
| <b>Communications Equipment 0.4%</b>  |     |       |            |
| Avaya, Inc., 7.00%, 4/01/19 (b)   |     |       |            |
|   |     | 232   | 227,940    |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20                                       |     |       |            |
|   |     | 1,010 | 1,078,175  |
|   |     |       | 1,306,115  |
| <b>Construction &amp; Engineering 0.1%</b>  |     |       |            |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)                       |     |       |            |
|   |     | 237   | 244,703    |
| <b>Diversified Financial Services 0.3%</b>  |     |       |            |
| Ally Financial, Inc., 2.91%, 7/18/16 (c)  |     |       |            |
|   |     | 875   | 885,671    |
| <b>Diversified Telecommunication Services 0.3%</b>                                      |     |       |            |
| Level 3 Financing, Inc. (b):  |     |       |            |
| 3.82%, 1/15/18 (c)  |     | 607   | 608,517    |
| 6.13%, 1/15/21  |     | 337   | 353,429    |
|   |     |       | 961,946    |
| <b>Energy Equipment &amp; Services 0.2%</b>   |     |       |            |
| Peabody Energy Corp., 6.00%, 11/15/18   |     |       |            |
|   |     | 535   | 517,612    |
| <b>Health Care Providers &amp; Services 0.8%</b>  |     |       |            |
| Care UK Health & Social Care PLC,   |     |       |            |
| 5.56%, 7/15/19 (c)  | GBP | 482   | 717,082    |
| CHS/Community Health Systems, Inc., 6.88%, 2/01/22                                      |     |       |            |
|   | USD | 192   | 206,880    |
| HCA, Inc., 5.88%, 5/01/23   |     |       |            |
|   |     | 225   | 241,875    |
| Tenet Healthcare Corp. (b):   |     |       |            |
| 5.00%, 3/01/19  |     | 850   | 851,062    |
| 5.50%, 3/01/19  |     | 635   | 649,288    |
|   |     |       | 2,666,187  |
| <b>Hotels, Restaurants &amp; Leisure 0.4%</b>   |     |       |            |
| Caesars Entertainment Operating Co., Inc., 9.00%, 2/15/20                               |     |       |            |
|   |     | 1,771 | 1,332,530  |
| <b>Household Durables 0.0%</b>  |     |       |            |
| Berkline/Benchcraft LLC, 1.00%, 11/03/14 (a)(f)   |     |       |            |
|   |     | 400   |            |
| <b>Independent Power and Renewable Electricity Producers 0.3%</b>                       |     |       |            |
| Calpine Corp., 6.00%, 1/15/22 (b)   |     |       |            |
|   |     | 212   | 228,430    |
| Dynege Finance I, Inc./Dynege Finance II, Inc., 6.75%, 11/01/19 (b)                     |     |       |            |
|   |     | 850   | 879,750    |
|   |     |       | 1,108,180  |
| <b>Media 0.2%</b>   |     |       |            |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b) |     |       |            |
|   |     | 248   | 254,200    |
| Numericable Group SA, 6.00%, 5/15/22 (b)  |     |       |            |
|   |     | 512   | 523,520    |
|   |     |       | 777,720    |
| <b>Metals &amp; Mining 0.0%</b>   |     |       |            |
| Novelis, Inc., 8.38%, 12/15/17  |     |       |            |
|   |     | 155   | 161,975    |

See Notes to Financial Statements.





## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|  | Par     | Value             |
|--|---------|-------------------|
|  | (000)   |                   |
| <b>Corporate Bonds</b>   |         |                   |
| <b>Oil, Gas &amp; Consumable Fuels 0.2%</b>                      |         |                   |
| CONSOL Energy, Inc., 5.88%, 4/15/22 (b)                          | USD 380 | \$ 385,700        |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19  | 385     | 400,400           |
|  |         | 786,100           |
| <b>Road &amp; Rail 0.2%</b>                                      |         |                   |
| Florida East Coast Holdings Corp.,<br>6.75%, 5/01/19 (b)         | 535     | 552,056           |
| <b>Wireless Telecommunication Services 0.3%</b>                  |         |                   |
| Digicel Group Ltd., 8.25%, 9/30/20 (b)                           | 830     | 867,350           |
| T-Mobile USA, Inc., 6.13%, 1/15/22                               | 135     | 139,894           |
|  |         | 1,007,244         |
| <b>Total Corporate Bonds 5.3%</b>                                |         | <b>18,114,361</b> |
| <b>Floating Rate Loan Interests (c)</b>                          |         |                   |
| <b>Aerospace &amp; Defense 1.7%</b>                              |         |                   |
| DigitalGlobe, Inc., New Term Loan B,<br>3.75%, 1/31/20           | 1,345   | 1,335,705         |
| TASC, Inc., 2nd Lien Term Loan, 12.00%, 5/30/21                  | 725     | 738,594           |
| Transdigm, Inc.:<br>Term Loan C, 3.75%, 2/28/20                  | 511     | 502,041           |
| Term Loan D, 3.75%, 6/04/21                                      | 524     | 514,413           |
| TransUnion LLC, Term Loan, 4.00%, 4/09/21                        | 2,900   | 2,862,371         |
|  |         | 5,953,124         |
| <b>Air Freight &amp; Logistics 0.5%</b>                          |         |                   |
| CEVA Group PLC, Synthetic LC, 6.50%, 3/19/21                     | 450     | 426,516           |
| CEVA Intercompany BV, Dutch Term Loan,<br>6.50%, 3/19/21         | 472     | 447,532           |
| CEVA Logistics Canada ULC, Canadian Term Loan,<br>6.50%, 3/19/21 | 81      | 77,160            |
| CEVA Logistics US Holdings, Inc., Term Loan,<br>6.50%, 3/19/21   | 651     | 617,286           |
|  |         | 1,568,494         |
| <b>Airlines 0.5%</b>   |         |                   |
| Northwest Airlines, Inc.:<br>2.18%, 3/10/17                      | 395     | 382,656           |
| 1.56%, 9/10/18   | 580     | 551,091           |
| US Airways Group, Inc., New Term Loan B1,<br>3.50%, 5/23/19      | 693     | 676,292           |
|  |         | 1,610,039         |
| <b>Auto Components 4.3%</b>                                      |         |                   |
| Autoparts Holdings Ltd.:<br>1st Lien Term Loan, 6.50%, 7/28/17   | 1,584   | 1,584,812         |
| 2nd Lien Term Loan, 10.50%, 1/29/18                              | 650     | 634,290           |
| Dayco Products LLC, New Term Loan B,<br>5.25%, 12/12/19          | 965     | 961,125           |
| FPC Holdings, Inc., 1st Lien Term Loan,<br>5.25%, 11/19/19       | 898     | 878,780           |
| Gates Global, Inc., Term Loan B,<br>4.25%, 7/05/21               | 5,420   | 5,352,250         |

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|  |     |              |              |
|--|-----|--------------|--------------|
| GPX International Tire Corp., Term Loan (a)(f):<br>12.25%, 3/31/2012   |     | 274          |              |
| PIK, 13.00%, 3/30/2012   |     | 4            |              |
| INA Beteiligungsgesellschaft mbH, Term Loan E,<br>4.25%, 5/15/20       |     | 1,535        | 1,530,211    |
| The Goodyear Tire & Rubber Co., New 2nd Lien Term Loan, 4.75%, 4/30/19 |     | 1,705        | 1,708,734    |
| Transtar Holding Co., 1st Lien Term Loan,<br>5.75%, 10/09/18           |     | 1,282        | 1,273,354    |
|  |     | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (c)</b>                                |     | <b>(000)</b> | <b>Value</b> |
| <b>Auto Components (concluded)</b>                                     |     |              |              |
| UCI International, Inc., New Term Loan B,<br>5.50%, 7/26/17            | USD | 914          | \$ 911,522   |
|  |     |              | 14,835,078   |
| <b>Automobiles 0.3%</b>  |     |              |              |
| <b>Chrysler Group LLC:</b>   |     |              |              |
| 2018 Term Loan B, 3.25%, 12/31/18                                      |     | 502          | 497,073      |
| New Term Loan B, 3.50%, 5/24/17  |     | 522          | 519,256      |
|  |     |              | 1,016,329    |
| <b>Banks 0.3%</b>  |     |              |              |
| <b>Redtop Acquisitions Ltd.:</b>                                       |     |              |              |
| 1st Lien Term Loan, 4.50%, 12/03/20                                    |     | 873          | 869,033      |
| 2nd Lien Term Loan, 8.25%, 6/03/21                                     |     | 184          | 183,612      |
|  |     |              | 1,052,645    |
| <b>Beverages 0.0%</b>  |     |              |              |
| Le-Nature s, Inc., Tranche B Term Loan,<br>10.25%, 3/01/2011 (a)(f)    |     | 1,000        |              |
| <b>Building Products 3.6%</b>  |     |              |              |
| Continental Building Products LLC, 1st Lien Term Loan, 4.00%, 8/28/20  |     | 955          | 926,670      |
| CPG International, Inc., New Term Loan,<br>4.75%, 9/30/20              |     | 2,508        | 2,484,665    |
| GYP Holdings III Corp., 1st Lien Term Loan,<br>4.75%, 4/01/21          |     | 891          | 870,488      |
| Interline Brands, Inc., 2021 Term Loan,<br>4.00%, 3/17/21              |     | 1,065        | 1,039,812    |
| Jeld-Wen, Inc., Term Loan B, 5.25%, 10/15/21                           |     | 1,875        | 1,860,937    |
| Nortek, Inc., New Term Loan, 3.75%, 10/30/20                           |     | 1,277        | 1,251,660    |
| Ply Gem Industries, Inc., Term Loan,<br>4.00%, 2/01/21                 |     | 617          | 604,951      |
| Quikrete Holdings, Inc., 1st Lien Term Loan,<br>4.00%, 9/28/20         |     | 1,053        | 1,042,335    |
| United Subcontractors, Inc., Term Loan,<br>4.24%, 6/30/15              |     | 214          | 203,704      |
| Wilsonart LLC:   |     |              |              |
| Incremental Term Loan B2, 4.00%, 10/31/19                              |     | 511          | 502,617      |
| Term Loan B, 4.00%, 10/31/19   |     | 1,528        | 1,502,320    |
|  |     |              | 12,290,159   |
| <b>Capital Markets 0.5%</b>  |     |              |              |
| <b>Affinion Group, Inc.:</b>   |     |              |              |
| 2nd Lien Term Loan, 8.50%, 10/12/18                                    |     | 635          | 591,079      |
| Term Loan B, 6.75%, 4/30/18  |     | 803          | 776,348      |
| American Capital Holdings, Inc., 2017 Term Loan,<br>3.50%, 8/22/17     |     | 486          | 480,779      |
|  |     |              | 1,848,206    |
| <b>Chemicals 4.7%</b>  |     |              |              |
| Allnex (Luxembourg) & Cy SCA, Term Loan B1,<br>4.50%, 10/03/19         |     | 592          | 587,141      |
| Allnex USA, Inc., Term Loan B2, 4.50%, 10/03/19                        |     | 307          | 304,639      |
| Axalta Coating Systems US Holdings, Inc., Term Loan, 3.75%, 2/01/20    |     | 1,193        | 1,172,401    |
| CeramTec Acquisition Corp., Term Loan B2,<br>4.25%, 8/28/20            |     | 71           | 70,802       |

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|  |       |           |
|--|-------|-----------|
| Chemtura Corp., Term Loan B, 3.50%, 8/27/16            | 356   | 355,127   |
| Chromaflo Technologies Corp.:                          |       |           |
| 1st Lien Term Loan, 4.50%, 12/02/19                    | 695   | 691,276   |
| 2nd Lien Term Loan, 8.25%, 5/30/20                     | 295   | 295,000   |
| Evergreen Acqco 1 LP, New Term Loan,<br>5.00%, 7/09/19 | 1,257 | 1,248,097 |
| INEOS US Finance LLC:                                  |       |           |
| 3 Year Term Loan, 2.15%, 5/04/15                       | 228   | 227,650   |
| 6 Year Term Loan, 3.75%, 5/04/18                       | 521   | 513,892   |

See Notes to Financial Statements.

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## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|   |     | Par   |              |
|---|-----|-------|--------------|
|   |     | (000) | Value        |
| <b>Floating Rate Loan Interests (c)</b>   |     |       |              |
| <b>Chemicals (concluded)</b>  |     |       |              |
| MacDermid, Inc., 1st Lien Term Loan,<br>4.00%, 6/07/20                            | USD | 1,731 | \$ 1,693,061 |
| Minerals Technologies Inc., Term Loan B,<br>4.00%, 5/09/21                        |     | 1,345 | 1,339,242    |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17                                  |     | 1,172 | 1,155,855    |
| OXEA Finance LLC:   |     |       |              |
| 2nd Lien Term Loan, 8.25%, 7/15/20  |     | 845   | 817,538      |
| Term Loan B2, 4.25%, 1/15/20  |     | 1,416 | 1,378,538    |
| Royal Adhesives and Sealants LLC, 1st Lien Term Loan, 5.50%, 7/31/18              |     | 412   | 413,353      |
| Solenis International LP:   |     |       |              |
| 1st Lien Term Loan, 4.25%, 7/31/21  |     | 945   | 930,825      |
| 2nd Lien Term Loan, 7.75%, 7/31/22  |     | 1,055 | 1,031,263    |
| Tata Chemicals North America, Inc., Term Loan B,<br>3.75%, 8/07/20                |     | 351   | 343,551      |
| Tronox Pigments (Netherlands) BV, 2013 Term Loan,<br>4.00%, 3/19/20               |     | 942   | 932,133      |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17   |     | 601   | 596,666      |
|   |     |       | 16,098,050   |
| <b>Commercial Services &amp; Supplies 5.6%</b>                                    |     |       |              |
| ADS Waste Holdings, Inc., Term Loan,<br>3.75%, 10/09/19                           |     | 1,879 | 1,837,614    |
| ARAMARK Corp., Term Loan F, 3.25%, 2/24/21  |     | 530   | 521,886      |
| ARAMARK Services, Inc., Term Loan E, 3.25%, 9/07/19                               |     | 1,698 | 1,672,649    |
| Brand Energy & Infrastructure Services, Inc.,<br>New Term Loan B, 4.75%, 11/26/20 |     | 2,307 | 2,291,228    |
| Catalent Pharma Solutions, Inc.:  |     |       |              |
| New Term Loan, 6.50%, 12/29/17  |     | 44    | 44,071       |
| Term Loan B, 4.50%, 5/20/21   |     | 2,170 | 2,165,050    |
| Connolly Corp.:   |     |       |              |
| 1st Lien Term Loan, 5.00%, 5/14/21  |     | 1,845 | 1,833,841    |
| 2nd Lien Term Loan, 8.00%, 5/14/22  |     | 900   | 896,625      |
| KAR Auction Services, Inc., Term Loan B2,<br>3.50%, 3/11/21                       |     | 825   | 816,874      |
| Koosharem LLC, Exit Term Loan, 7.50%, 5/16/20                                     |     | 1,446 | 1,428,295    |
| Livingston International, Inc.:   |     |       |              |
| 1st Lien Term Loan, 5.00%, 4/16/19  |     | 810   | 779,384      |
| 2nd Lien Term Loan, 9.00%, 4/20/20  |     | 268   | 249,046      |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19                                   |     | 2,812 | 2,780,893    |
| US Ecology, Inc., Term Loan, 3.75%, 6/17/21                                       |     | 574   | 570,219      |
| West Corp., Term Loan B10, 3.25%, 6/30/18   |     | 1,405 | 1,383,328    |
|   |     |       | 19,271,003   |
| <b>Communications Equipment 3.5%</b>  |     |       |              |
| Amaya Holdings BV:  |     |       |              |
| 1st Lien Term Loan, 5.00%, 8/01/21  |     | 510   | 505,645      |
| 2nd Lien Term Loan, 8.00%, 8/01/22  |     | 3,550 | 3,582,553    |
| Applied Systems, Inc.:  |     |       |              |
| 1st Lien Term Loan, 4.25%, 1/25/21  |     | 875   | 865,645      |
| 2nd Lien Term Loan, 7.50%, 1/23/22  |     | 230   | 228,372      |
| Avaya, Inc., Extended Term Loan B3, 4.65%, 10/26/17                               |     | 841   | 813,644      |
| CommScope, Inc., Term Loan B3, 2.73%, 1/21/17                                     |     | 418   | 415,715      |
| Telesat Canada, Term Loan A, 4.37%, 3/24/17                                       | CAD | 2,564 | 2,240,623    |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.00%, 7/02/19                    | USD | 3,272 | 3,241,052    |

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|  |             |              |              |
|--|-------------|--------------|--------------|
|  |             |              | 11,893,249   |
| <b>Construction &amp; Engineering</b>                                  | <b>0.5%</b> |              |              |
| AECOM Technology Corp., Term Loan B, 3.75%, 10/15/21                   |             | 515          | 514,586      |
| BakerCorp International, Inc., Term Loan, 4.25%, 2/14/20               |             | 449          | 434,425      |
| Centaur Acquisition LLC, New 2nd Lien Term Loan, 8.75%, 2/15/20        |             | 745          | 750,587      |
|  |             |              | 1,699,598    |
|  |             | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (c)</b>                                |             | <b>(000)</b> | <b>Value</b> |
| <b>Construction Materials</b>  | <b>1.6%</b> |              |              |
| Filtration Group Corp., 1st Lien Term Loan, 4.50%, 11/21/20            | USD         | 586          | \$ 583,233   |
| HD Supply, Inc., Term Loan B, 4.00%, 6/28/18                           |             | 4,454        | 4,407,139    |
| McJunkin Red Man Corp., New Term Loan, 5.00%, 11/08/19                 |             | 396          | 396,495      |
|  |             |              | 5,386,867    |
| <b>Containers &amp; Packaging</b>                                      | <b>1.0%</b> |              |              |
| Ardagh Holdings USA, Inc., Incremental Term Loan, 4.00%, 12/17/19      |             | 562          | 556,087      |
| Berry Plastics Holding Corp., Term Loan E, 3.75%, 1/06/21              |             | 1,672        | 1,641,349    |
| BWAY Holding Company, Inc., New Term Loan B, 5.50%, 8/14/20            |             | 918          | 921,141      |
| Rexam PLC, 1st Lien Term Loan, 4.25%, 5/02/21                          |             | 474          | 469,074      |
|  |             |              | 3,587,651    |
| <b>Distributors</b>  | <b>1.4%</b> |              |              |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20                        |             | 2,826        | 2,760,509    |
| American Tire Distributors Holdings, Inc., Term Loan B, 5.75%, 6/01/18 |             | 886          | 884,749      |
| Crossmark Holdings, Inc., 1st Lien Term Loan, 4.50%, 12/20/19          |             | 491          | 478,050      |
| VWR Funding, Inc., Term Loan, 3.40%, 4/03/17                           |             | 722          | 714,984      |
|  |             |              | 4,838,292    |
| <b>Diversified Consumer Services</b>                                   | <b>2.7%</b> |              |              |
| Allied Security Holdings LLC:  |             |              |              |
| New 1st Lien Term Loan, 4.25%, 2/12/21                                 |             | 1,757        | 1,734,102    |
| New 2nd Lien Term Loan, 8.00%, 8/13/21                                 |             | 254          | 251,472      |
| Bright Horizons Family Solutions, Inc., Term Loan B, 3.75%, 1/30/20    |             | 1,479        | 1,459,070    |
| Garda World Securities Corp.:  |             |              |              |
| Delayed Draw Term Loan, 4.00%, 11/06/20                                |             | 138          | 133,889      |
| New Term Loan B, 4.00%, 11/06/20                                       |             | 538          | 523,385      |
| Iglo Foods Midco Ltd., Term Loan B, 4.26%, 6/30/20                     | EUR         | 1,020        | 1,249,581    |
| ROC Finance LLC, Term Loan, 5.00%, 6/20/19                             | USD         | 653          | 624,611      |
| ServiceMaster Company, 2014 Term Loan B, 4.25%, 7/01/21                |             | 2,320        | 2,297,287    |
| Weight Watchers International, Inc., Term Loan B2, 4.00%, 4/02/20      |             | 1,231        | 938,828      |
|  |             |              | 9,212,225    |
| <b>Diversified Financial Services</b>                                  | <b>2.6%</b> |              |              |
| AssuredPartners Capital, Inc., 1st Lien Term Loan, 4.50%, 3/31/21      |             | 910          | 903,175      |
| RPI Finance Trust, Term Loan B3, 3.25%, 11/09/18                       |             | 235          | 233,328      |
| SAM Finance Luxembourg Sarl, Term Loan, 4.25%, 12/17/20                |             | 1,563        | 1,556,356    |
| SIG Euro Holdings AG & Co. KG, 2013 Term Loan, 4.25%, 12/02/18         | EUR         | 4,913        | 6,151,460    |
|  |             |              | 8,844,319    |
| <b>Diversified Telecommunication Services</b>                          | <b>4.6%</b> |              |              |
| Consolidated Communications, Inc., New Term Loan B, 4.25%, 12/23/20    | USD         | 1,847        | 1,837,429    |
| Hawaiian Telcom Communications, Inc., Term Loan B, 5.00%, 6/06/19      |             | 1,441        | 1,437,145    |
| Integra Telecom, Inc.:   |             |              |              |
| 2nd Lien Term Loan, 9.75%, 2/22/20                                     |             | 685          | 673,012      |
| Term Loan B, 5.25%, 2/22/19  |             | 1,216        | 1,211,305    |
| Level 3 Financing, Inc.:   |             |              |              |
| 2020 Term Loan B, 4.00%, 1/15/20                                       |             | 4,685        | 4,661,575    |
| Incremental Term Loan B5, 4.50%, 1/31/22                               |             | 2,245        | 2,254,115    |
| New 2019 Term Loan, 4.00%, 8/01/19                                     |             | 902          | 896,082      |
| Syniverse Holdings, Inc., Term Loan B, 4.00%, 4/23/19                  |             | 1,183        | 1,159,905    |

See Notes to Financial Statements.



## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|   |     | Par   |              |
|---|-----|-------|--------------|
|   |     | (000) | Value        |
| <b>Floating Rate Loan Interests (c)</b>                           |     |       |              |
| <b>Diversified Telecommunication Services (concluded)</b>         |     |       |              |
| US Telepacific Corp., New Term Loan B, 5.75%, 2/23/17             | USD | 1,865 | \$ 1,857,579 |
|   |     |       | 15,988,147   |
| <b>Electric Utilities 0.3%</b>                                    |     |       |              |
| American Energy Utica LLC:  |     |       |              |
| 2nd Lien Delayed Draw Term Loan, 11.00%, 9/30/18                  |     | 134   | 133,660      |
| 2nd Lien Term Loan, 5.50%, 9/30/18                                |     | 621   | 639,220      |
| Incremental 2nd Lien Term Loan, 11.00%, 9/30/18                   |     | 132   | 131,825      |
|   |     |       | 904,705      |
| <b>Electrical Equipment 1.5%</b>                                  |     |       |              |
| Southwire Co., Term Loan, 3.25%, 2/10/21                          |     | 612   | 594,332      |
| Texas Competitive Electric Holdings Co. LLC:                      |     |       |              |
| DIP Term Loan, 3.75%, 5/05/16                                     |     | 1,560 | 1,568,248    |
| Extended Term Loan, 4.65%, 10/10/1 (f)                            |     | 4,025 | 2,926,738    |
|   |     |       | 5,089,318    |
| <b>Electronic Equipment, Instruments &amp; Components 0.5%</b>    |     |       |              |
| CDW LLC, Term Loan, 3.25%, 4/29/20                                |     | 1,759 | 1,718,139    |
| <b>Energy Equipment &amp; Services 1.1%</b>                       |     |       |              |
| Dynergy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20              |     | 2,552 | 2,534,510    |
| Exgen Texas Power LLC, Term Loan B, 5.75%, 9/16/21                |     | 211   | 210,517      |
| MEG Energy Corp., Refinancing Term Loan, 3.75%, 3/31/20           |     | 956   | 939,038      |
|   |     |       | 3,684,065    |
| <b>Food &amp; Staples Retailing 1.9%</b>                          |     |       |              |
| Alliance Boots Holdings Ltd., Term Loan B1, 3.48%, 7/09/15        | GBP | 2,435 | 3,889,430    |
| New Albertson's, Inc., Term Loan, 4.75%, 6/27/21                  | USD | 900   | 888,192      |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20                |     | 540   | 542,700      |
| Supervalu, Inc., Refinancing Term Loan B, 4.50%, 3/21/19          |     | 1,079 | 1,064,072    |
|   |     |       | 6,384,394    |
| <b>Food Products 3.3%</b>   |     |       |              |
| CTI Foods Holding Co. LLC, New 1st Lien Term Loan, 4.50%, 6/29/20 |     | 515   | 506,435      |
| Del Monte Foods, Inc., 1st Lien Term Loan, 4.25%, 2/18/21         |     | 1,160 | 1,087,783    |
| Diamond Foods, Inc., New Term Loan, 4.25%, 8/20/18                |     | 1,822 | 1,803,899    |
| Dole Food Co., Inc., New Term Loan B, 4.50%, 11/01/18             |     | 1,459 | 1,452,116    |
| GFA Brands, Inc., New Term Loan B, 4.50%, 7/09/20                 |     | 292   | 286,393      |
| Hearthside Group Holdings LLC, Term Loan, 4.50%, 6/02/21          |     | 1,322 | 1,312,608    |
| Performance Food Group Co., 2nd Lien Term Loan, 6.25%, 11/14/19   |     | 1,013 | 1,009,040    |
| Pinnacle Foods Finance LLC:                                       |     |       |              |
| Incremental Term Loan H, 3.25%, 4/29/20                           |     | 1,036 | 1,016,169    |
| Term Loan G, 3.25%, 4/29/20                                       |     | 995   | 974,988      |
| Reddy Ice Corp.:  |     |       |              |
| 1st Lien Term Loan, 6.75%, 5/01/19                                |     | 1,487 | 1,383,235    |
| 2nd Lien Term Loan, 10.75%, 11/01/19                              |     | 725   | 630,750      |
|   |     |       | 11,463,416   |
| <b>Health Care Equipment &amp; Supplies 5.7%</b>                  |     |       |              |
| Arysta LifeScience Corp., 1st Lien Term Loan, 4.50%, 5/29/20      |     | 1,413 | 1,406,269    |
|   |     |       |              |
| <b>Floating Rate Loan Interests (c)</b>                           |     |       |              |
| <b>Health Care Equipment &amp; Supplies (concluded)</b>           |     |       |              |
|   |     | (000) | Value        |



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|   |     |       |              |
|---|-----|-------|--------------|
| Biomet, Inc., Term Loan B2, 3.65%, 7/25/17                                    | USD | 1,361 | \$ 1,357,008 |
| Capsugel Holdings US, Inc., New Term Loan B, 3.50%, 8/01/18                   |     | 951   | 937,081      |
| DJO Finance LLC, 2017 Term Loan, 4.25%, 9/15/17                               |     | 2,288 | 2,275,055    |
| Fresenius SE & Co. KGaA, Term Loan B:   |     |       |              |
| Incremental, 2.33%, 6/28/19   | EUR | 318   | 397,005      |
| 2.23%, 8/07/19  | USD | 1,351 | 1,346,009    |
| The Hologic, Inc., New Term Loan B, 3.25%, 8/01/19                            |     | 2,186 | 2,172,448    |
| Immucor, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18                       |     | 1,708 | 1,703,910    |
| Kinetic Concepts, Inc., Term Loan E1, 4.00%, 5/04/18                          |     | 317   | 314,031      |
| Leonardo Acquisition Corp., Term Loan, 4.25%, 1/31/21                         |     | 1,423 | 1,403,286    |
| Millennium Laboratories, Inc., Term Loan B, 5.25%, 4/16/21                    |     | 1,596 | 1,595,011    |
| National Vision, Inc.:  |     |       |              |
| 1st Lien Term Loan, 4.00%, 3/12/21  |     | 1,674 | 1,626,226    |
| 2nd Lien Term Loan, 6.75%, 3/11/22  |     | 650   | 615,063      |
| Onex Carestream Finance LP, 2nd Lien Term Loan, 9.50%, 12/07/19               |     | 39    | 38,597       |
| Ortho-Clinical Diagnostics, Inc., Term Loan B, 4.75%, 6/30/21                 |     | 2,444 | 2,416,992    |
|   |     |       | 19,603,991   |
| <b>Health Care Providers &amp; Services 6.8%</b>                              |     |       |              |
| Amedisys, Inc., 2nd Lien Term Loan, 8.50%, 6/25/20                            |     | 900   | 877,500      |
| American Renal Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/20/19             |     | 621   | 609,060      |
| Amsurg Corp., 1st Lien Term Loan B, 3.75%, 7/16/21                            |     | 1,798 | 1,783,544    |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18                      |     | 649   | 649,420      |
| CHG Buyer Corp., New Term Loan, 4.25%, 11/19/19                               |     | 1,050 | 1,041,972    |
| CHS/Community Health Systems, Inc., Term Loan D, 4.25%, 1/27/21               |     | 5,240 | 5,242,024    |
| ConvaTec, Inc., Term Loan, 4.00%, 12/22/16                                    |     | 1,102 | 1,097,679    |
| DaVita HealthCare Partners, Inc., Term Loan B, 3.50%, 6/24/21                 |     | 5,920 | 5,866,230    |
| Envision Acquisition Co. LLC, Term Loan, 5.75%, 11/04/20                      |     | 629   | 628,650      |
| Envision Healthcare Corp., Term Loan, 4.00%, 5/25/18                          |     | 911   | 903,722      |
| Genesis HealthCare Corp., Term Loan B, 10.00%, 9/25/17                        |     | 527   | 542,782      |
| HCA, Inc., Extended Term Loan B4, 2.98%, 5/01/18                              |     | 327   | 325,008      |
| Ikaria, Inc.:   |     |       |              |
| 1st Lien Term Loan, 5.00%, 2/12/21  |     | 174   | 174,345      |
| 2nd Lien Term Loan, 8.75%, 2/14/22  |     | 195   | 194,838      |
| inVentiv Health, Inc., Incremental Term Loan B3, 7.75%, 5/15/18               |     | 240   | 236,741      |
| MPH Acquisition Holdings LLC, Term Loan, 4.00%, 3/31/21                       |     | 1,327 | 1,304,903    |
| National Mentor Holdings, Inc., Term Loan B, 4.75%, 1/31/21                   |     | 692   | 685,976      |
| Surgery Center Holdings, Inc., New 1st Lien Term Loan, 5.25%, 7/09/20         |     | 597   | 596,316      |
| Surgical Care Affiliates, Inc., Class C Incremental Term Loan, 4.00%, 6/29/18 |     | 839   | 828,883      |
|   |     |       | 23,589,593   |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|  | Par       |              |
|--|-----------|--------------|
|  | (000)     | Value        |
| <b>Floating Rate Loan Interests (c)</b>  |           |              |
| <b>Health Care Technology 0.9%</b>   |           |              |
| IMS Health, Inc., New Term Loan, 3.50%, 3/17/21                                  | USD 2,000 | \$ 1,973,531 |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19                                    | 1,167     | 1,156,021    |
|  |           | 3,129,552    |
| <b>Hotels, Restaurants &amp; Leisure 11.9%</b>                                   |           |              |
| Bally Technologies, Inc., Term Loan B, 4.25%, 11/25/20                           | 854       | 850,185      |
| Belmond Interfin Ltd., Term Loan B,<br>4.00%, 3/21/21                            | 1,323     | 1,306,808    |
| Boyd Gaming Corp., Term Loan B, 4.00%, 8/14/20                                   | 688       | 677,738      |
| Bronco Midstream Funding LLC, Term Loan B, 5.00%, 8/17/20                        | 1,859     | 1,849,374    |
| Burger King NEWCO Unlimited Liability Company, 2014 Term Loan B, 4.50%, 10/27/21 | 3,430     | 3,426,501    |
| Caesars Entertainment Operating Co., Inc.:                                       |           |              |
| Extended Term Loan B6, 6.99%, 3/01/17  | 894       | 800,380      |
| Term Loan B7, 9.75%, 1/28/18   | 893       | 824,073      |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/11/20        | 2,335     | 2,223,587    |
| CCM Merger, Inc., New Term Loan B, 4.50%, 8/08/21                                | 1,014     | 1,007,541    |
| Dave & Buster s, Inc., New Term Loan, 4.50%, 7/25/20                             | 410       | 408,820      |
| Diamond Resorts Corp., New Term Loan, 5.50%, 5/09/21                             | 1,421     | 1,417,884    |
| Dunkin Brands, Inc., Term Loan B4,<br>3.25%, 2/07/21                             | 882       | 865,531      |
| Four Seasons Holdings, Inc., 2nd Lien Term Loan, 6.25%, 12/28/20                 | 745       | 746,863      |
| Hilton Worldwide Finance LLC, Term Loan B2,<br>3.50%, 10/26/20                   | 3,349     | 3,313,755    |
| Intrawest ULC, Term Loan, 5.50%, 12/09/20  | 779       | 778,380      |
| La Quinta Intermediate Holdings LLC, Term Loan B,<br>4.00%, 4/14/21              | 5,318     | 5,274,998    |
| Las Vegas Sands LLC, Term Loan B,<br>3.25%, 12/19/20                             | 1,734     | 1,728,139    |
| MGM Resorts International, Term Loan B,<br>3.50%, 12/20/19                       | 2,160     | 2,132,736    |
| Pinnacle Entertainment, Inc., Term Loan B2,<br>3.75%, 8/13/20                    | 1,031     | 1,019,648    |
| Playa Resorts Holding BV, Term Loan B,<br>4.00%, 8/06/19                         | 1,074     | 1,058,038    |
| RHP Hotel Properties LP, Term Loan B,<br>3.75%, 1/15/21                          | 788       | 781,130      |
| Sabre, Inc.:   |           |              |
| Incremental Term Loan, 4.00%, 2/19/19  | 307       | 301,913      |
| Term Loan B, 4.00%, 2/19/19  | 840       | 826,260      |
| Scientific Games International, Inc., 2014 Term Loan B1, 4.25%, 10/18/20         | 937       | 915,726      |
| Station Casinos LLC, Term Loan B,<br>4.25%, 3/02/20                              | 3,376     | 3,335,980    |
| Travelport Finance (Luxembourg) S.a.r.l., 2014 Term Loan B, 6.00%, 9/02/21       | 2,045     | 2,042,444    |
| Twin River Management Group, Inc., New Term Loan B, 5.25%, 7/10/20               | 688       | 684,834      |
| Wendy s International, Inc., New Term Loan B,<br>3.25%, 5/15/19                  | 573       | 568,600      |
|  |           | 41,167,866   |
| <b>Household Products 1.1%</b>   |           |              |
| Bass Pro Group LLC, New Term Loan,<br>3.75%, 11/20/19                            | 1,686     | 1,664,091    |
| Prestige Brands, Inc., New Term Loan,<br>4.13%, 1/31/19                          | 714       | 712,785      |
| Spectrum Brands, Inc.:   |           |              |
| Term Loan A, 3.00%, 9/04/17  | 481       | 477,865      |
| Term Loan C, 3.50%, 9/04/19  | 899       | 889,242      |

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|  |              | 3,743,983    |
|--|--------------|--------------|
|  | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (c)</b>                                  | <b>(000)</b> | <b>Value</b> |
| <b>Independent Power and Renewable Electricity Producers 2.0%</b>        |              |              |
| Calpine Corp., Term Loan B1, 4.00%, 4/01/18                              | USD 2,672    | \$ 2,659,481 |
| Energy Future Intermediate Holding Co LLC, DIP Term Loan, 4.25%, 6/19/16 | 2,370        | 2,364,075    |
| Granite Acquisition Inc.:  |              |              |
| Term Loan B, 5.00%, 10/15/21   | 1,902        | 1,904,560    |
| Term Loan C, 5.00%, 10/15/21   | 84           | 83,800       |
|  |              | 7,011,916    |
| <b>Industrial Conglomerates 0.7%</b>                                     |              |              |
| Sequa Corp., New Term Loan B, 5.25%, 6/19/17                             | 2,558        | 2,431,648    |
| <b>Insurance 2.1%</b>  |              |              |
| Alliant Holdings I, Inc., New Term Loan B, 4.25%, 12/20/19               | 1,103        | 1,096,078    |
| CNO Financial Group, Inc., Term Loan B2, 3.75%, 9/20/18                  | 1,374        | 1,357,477    |
| Cooper Gay Swett & Crawford Ltd.:  |              |              |
| 1st Lien Term Loan, 5.00%, 4/16/20                                       | 1,101        | 990,956      |
| 2nd Lien Term Loan C, 8.25%, 10/16/20                                    | 530          | 445,200      |
| Onex York Acquisition Corp., Term Loan B, 4.75%, 10/01/21                | 1,168        | 1,159,642    |
| Sedgwick, Inc.:  |              |              |
| 1st Lien Term Loan, 3.75%, 3/01/21                                       | 1,169        | 1,134,928    |
| 2nd Lien Term Loan, 6.75%, 2/28/22                                       | 1,230        | 1,193,100    |
|  |              | 7,377,381    |
| <b>Internet Software &amp; Services 2.2%</b>                             |              |              |
| Dealertrack Technologies, Inc., Term Loan B, 3.50%, 2/28/21              | 1,163        | 1,141,295    |
| Go Daddy Operating Co. LLC, New Term Loan B, 4.75%, 5/13/21              | 1,571        | 1,565,564    |
| Interactive Data Corp., 2014 Term Loan, 4.75%, 5/02/21                   | 3,436        | 3,434,369    |
| W3 Co.:  |              |              |
| 1st Lien Term Loan, 5.75%, 3/13/20                                       | 1,074        | 1,062,913    |
| 2nd Lien Term Loan, 9.25%, 9/11/20                                       | 419          | 406,382      |
|  |              | 7,610,523    |
| <b>IT Services 4.5%</b>  |              |              |
| Ceridian LLC:  |              |              |
| Term Loan B1, 4.12%, 5/09/17   | 1,422        | 1,419,704    |
| Term Loan B2, 4.50%, 9/15/20   | 1,047        | 1,037,762    |
| First Data Corp.:  |              |              |
| New 2018 Extended Term Loan, 3.65%, 3/23/18                              | 7,645        | 7,568,338    |
| New 2018 Term Loan, 3.65%, 9/24/18                                       | 730          | 722,700      |
| Genpact International, Inc., Term Loan B, 3.50%, 8/30/19                 | 1,148        | 1,141,088    |
| InfoGroup, Inc., New Term Loan, 7.50%, 5/25/18                           | 314          | 286,613      |
| SunGard Availability Services Capital, Inc., Term Loan B, 6.00%, 3/31/19 | 970          | 863,411      |
| SunGard Data Systems, Inc.:  |              |              |
| Term Loan C, 3.90%, 2/28/17  | 925          | 920,375      |
| Term Loan E, 4.00%, 3/08/20  | 170          | 169,201      |
| Vantiv, LLC, 2014 Term Loan B, 3.75%, 6/13/21                            | 1,232        | 1,221,515    |
|  |              | 15,350,707   |
| <b>Leisure Products 0.4%</b>   |              |              |
| Bauer Performance Sports Ltd., Term Loan B, 4.00%, 4/15/21               | 977          | 968,755      |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19                         | 504          | 500,695      |
|  |              | 1,469,450    |
| <b>Machinery 2.9%</b>  |              |              |
| Alliance Laundry Systems LLC:  |              |              |

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|  |     |         |
|--|-----|---------|
| 2nd Lien Term Loan, 9.50%, 12/10/19    | 286 | 287,080 |
| Refinancing Term Loan, 4.25%, 12/10/18 | 886 | 875,476 |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|  |     | Par   |            |
|--|-----|-------|------------|
|  |     | (000) | Value      |
| <b>Floating Rate Loan Interests (c)</b>                                    |     |       |            |
| <b>Machinery (concluded)</b>   |     |       |            |
| Faenza Acquisition GmbH:   |     |       |            |
| Term Loan B1, 4.25%, 8/31/20   | USD | 717   | \$ 714,064 |
| Term Loan B3, 4.25%, 8/28/20   |     | 216   | 214,958    |
| Gardner Denver, Inc.:  |     |       |            |
| 4.25%, 7/30/20   |     | 1,208 | 1,189,842  |
| 4.75%, 7/30/20   | EUR | 78    | 98,091     |
| Generac Power Systems, Inc., Term Loan B,                                  |     |       |            |
| 3.25%, 5/31/20   | USD | 848   | 829,789    |
| Intelligrated, Inc., 1st Lien Term Loan,                                   |     |       |            |
| 4.50%, 7/30/18   |     | 1,176 | 1,156,918  |
| Mirror Bidco Corp., New Term Loan,   |     |       |            |
| 4.25%, 12/28/19  |     | 1,046 | 1,033,362  |
| Navistar International Corp., Term Loan B,                                 |     |       |            |
| 5.75%, 8/17/17   |     | 549   | 550,311    |
| Rexnord LLC, 1st Lien Term Loan B,   |     |       |            |
| 4.00%, 8/21/20   |     | 1,497 | 1,475,130  |
| Silver II US Holdings LLC, Term Loan,                                      |     |       |            |
| 4.00%, 12/13/19  |     | 870   | 854,029    |
| STS Operating, Inc., Term Loan, 4.75%, 2/21/21                             |     |       |            |
|  |     | 418   | 414,941    |
| Wabash National Corp., Term Loan B,  |     |       |            |
| 4.50%, 5/08/19   |     | 461   | 458,476    |
|  |     |       | 10,152,467 |
| <b>Media 13.4%</b>   |     |       |            |
| Activision Blizzard, Inc., Term Loan B, 3.25%, 10/12/20                    |     |       |            |
|  |     | 1,564 | 1,562,903  |
| Advanstar Communications, Inc., New 2nd Lien Term Loan, 9.50%, 6/06/20     |     |       |            |
|  |     | 685   | 686,712    |
| CBS Outdoor Americas Capital LLC, Term Loan B, 3.00%, 1/31/21              |     |       |            |
|  |     | 455   | 446,582    |
| Cengage Learning Acquisitions, Inc.:                                       |     |       |            |
| 0.00%, 7/03/15 (a)(f)  |     | 1,296 |            |
| 1st Lien Term Loan, 7.00%, 3/31/20   |     | 3,672 | 3,673,386  |
| Charter Communications Operating LLC, Term Loan G, 4.25%, 9/12/21          |     |       |            |
|  |     | 2,505 | 2,520,656  |
| Clear Channel Communications, Inc.:  |     |       |            |
| Term Loan B, 3.80%, 1/29/16  |     | 408   | 404,650    |
| Term Loan D, 6.90%, 1/30/19  |     | 4,332 | 4,083,496  |
| Cumulus Media Holdings, Inc., 2013 Term Loan,                              |     |       |            |
| 4.25%, 12/23/20  |     | 1,095 | 1,082,039  |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                           |     |       |            |
|  |     | 122   | 115,268    |
| Gray Television, Inc., 2014 Term Loan B,                                   |     |       |            |
| 3.75%, 6/10/21   |     | 758   | 747,494    |
| Hemisphere Media Holdings LLC, Term Loan B,                                |     |       |            |
| 5.00%, 7/30/20   |     | 1,210 | 1,199,760  |
| Hubbard Radio LLC, Term Loan B, 4.50%, 4/29/19                             |     |       |            |
|  |     | 807   | 801,429    |
| Intelsat Jackson Holdings SA, Term Loan B2,                                |     |       |            |
| 3.75%, 6/30/19   |     | 2,622 | 2,599,429  |
| Liberty Cablevision of Puerto Rico LLC, 1st Lien Term Loan, 4.50%, 1/07/22 |     |       |            |
|  |     | 910   | 902,611    |
| Lions Gate Entertainment Corp., 2nd Lien Term Loan, 5.00%, 7/17/20         |     |       |            |
|  |     | 390   | 390,975    |
| Live Nation Entertainment, Inc., 2020 Term Loan B1, 3.50%, 8/17/20         |     |       |            |
|  |     | 302   | 300,440    |
| MCC Iowa LLC:  |     |       |            |
| Term Loan I, 2.63%, 6/30/17  |     | 668   | 661,087    |
| Term Loan J, 3.75%, 6/30/21  |     | 324   | 318,414    |
| Media General, Inc., Delayed Draw Term Loan B,                             |     |       |            |
| 4.25%, 7/31/20   |     | 1,016 | 1,007,565  |
| Mediacom Communications Corp., Term Loan F, 2.63%, 3/31/18                 |     |       |            |
|  |     | 507   | 493,815    |
| Mediacom Illinois LLC, Term Loan G, 3.75%, 6/30/21                         |     |       |            |
|  |     | 830   | 817,550    |
| NEP/NCP Holdco, Inc., Incremental Term Loan, 4.25%, 1/22/20                |     |       |            |
|  |     | 1,056 | 1,029,804  |
| Numericable U.S. LLC:  |     |       |            |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Term Loan B1, 4.50%, 5/21/20  |     | 1,357        | 1,359,052    |
| Term Loan B2, 4.50%, 5/21/20  |     | 1,174        | 1,175,766    |
|   |     | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (c)</b>                                       |     | <b>(000)</b> | <b>Value</b> |
| <b>Media (concluded)</b>  |     |              |              |
| Salem Communications Corp., Term Loan B, 4.50%, 3/13/20                       | USD | 1,008        | \$ 991,817   |
| SBA Senior Finance II LLC, Term Loan B1, 3.25%, 3/24/21                       |     | 1,825        | 1,792,020    |
| Sinclair Television Group, Inc., Term Loan B, 3.00%, 4/09/20                  |     | 1,143        | 1,112,831    |
| Tribune Co., 2013 Term Loan, 4.00%, 12/27/20                                  |     | 2,305        | 2,284,398    |
| Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20                  |     | 3,357        | 3,320,273    |
| UPC Financing Partnership, Term Loan AG, 3.76%, 3/31/21                       | EUR | 910          | 1,138,325    |
| Virgin Media Investment Holdings Ltd.:  |     |              |              |
| Term Loan B, 3.50%, 6/07/20   | USD | 815          | 803,003      |
| Term Loan E, 4.25%, 6/30/23   | GBP | 1,105        | 1,753,386    |
| WideOpenWest Finance LLC, Term Loan B, 4.75%, 4/01/19                         | USD | 1,092        | 1,089,964    |
| William Morris Endeavor Entertainment LLC:                                    |     |              |              |
| 1st Lien Term Loan, 5.25%, 5/06/21  |     | 1,066        | 1,048,054    |
| 2nd Lien Term Loan, 8.25%, 5/01/22  |     | 560          | 546,000      |
| Ziggo BV:   |     |              |              |
| Term Loan B1A, 3.25%, 1/15/22   |     | 1,108        | 1,078,191    |
| Term Loan B2A, 3.25%, 1/15/22   |     | 668          | 651,345      |
| Term Loan B3, 2.75%, 1/15/22  |     | 142          | 138,215      |
|   |     |              | 46,128,705   |
| <b>Metals &amp; Mining 1.6%</b>   |     |              |              |
| Ameriforge Group, Inc., 2nd Lien Term Loan, 8.75%, 12/19/20                   |     | 265          | 263,675      |
| API Heat Transfer, Inc., Term Loan, 5.25%, 5/03/19                            |     | 974          | 963,858      |
| FMG Resources (August 2006) Property Ltd., Term Loan B, 3.75%, 6/30/19        |     | 1,222        | 1,190,753    |
| Novelis, Inc., New Term Loan, 3.75%, 3/10/17                                  |     | 1,579        | 1,561,044    |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17                           |     | 1,589        | 1,596,825    |
|   |     |              | 5,576,155    |
| <b>Multiline Retail 1.9%</b>  |     |              |              |
| 99¢ Only Stores, New Term Loan, 4.50%, 1/11/19                                |     | 1,122        | 1,113,646    |
| BJ's Wholesale Club, Inc.:  |     |              |              |
| New 1st Lien Term Loan, 4.50%, 9/26/19  |     | 1,581        | 1,563,637    |
| New 2nd Lien Term Loan, 8.50%, 3/26/20  |     | 375          | 374,610      |
| Hudson's Bay Co., 1st Lien Term Loan, 4.75%, 11/04/20                         |     | 1,045        | 1,045,386    |
| The Neiman Marcus Group, Inc., 2020 Term Loan, 4.25%, 10/25/20                |     | 2,637        | 2,600,949    |
|   |     |              | 6,698,228    |
| <b>Oil, Gas &amp; Consumable Fuels 3.8%</b>                                   |     |              |              |
| American Energy Marcellus LLC, 1st Lien Term Loan, 5.25%, 8/04/20             |     | 565          | 549,389      |
| Arch Coal, Inc., Term Loan B, 6.25%, 5/16/18                                  |     | 1,132        | 997,752      |
| Drillships Financing Holding, Inc., Term Loan B1, 6.00%, 3/31/21              |     | 870          | 829,762      |
| Drillships Ocean Ventures, Inc., Term Loan B, 5.50%, 7/25/21                  |     | 1,401        | 1,342,625    |
| EP Energy LLC/Everest Acquisition Finance, Inc., Term Loan B3, 3.50%, 5/24/18 |     | 1,170        | 1,138,796    |
| Fieldwood Energy LLC:   |     |              |              |
| 1st Lien Term Loan, 3.88%, 9/28/18  |     | 822          | 802,914      |
| 2nd Lien Term Loan, 8.38%, 9/30/20  |     | 360          | 345,827      |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                        |     | 418          | 417,065      |
| Offshore Group Investment Ltd., Term Loan B, 5.75%, 3/28/19                   |     | 67           | 60,190       |
| Panda Patriot LLC, Term Loan B1, 6.75%, 12/19/20                              |     | 865          | 873,650      |
| Panda Temple II Power LLC, New Term Loan B, 7.25%, 4/03/19                    |     | 940          | 952,530      |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|  | Par   |       | Value      |
|--|-------|-------|------------|
|  | (000) |       |            |
| <b>Floating Rate Loan Interests (c)</b>  |       |       |            |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                                     |       |       |            |
| Power Buyer LLC, 2nd Lien Term Loan, 8.25%, 11/06/20                                   | USD   | 285   | \$ 276,450 |
| Samchully Midstream 3 LLC, Term Loan B, 7.00%, 10/14/21                                |       | 1,100 | 1,089,000  |
| Seventy Seven Operating LLC, Term Loan B, 3.75%, 6/25/21                               |       | 162   | 158,265    |
| Southcross Energy Partners LP, 1st Lien Term Loan,<br>5.25%, 8/04/21                   |       | 718   | 719,995    |
| Southcross Holdings Borrower LP, Term Loan B,<br>6.00%, 8/04/21                        |       | 579   | 571,318    |
| TPF II Power LLC, Term Loan B, 5.50%, 10/02/21   |       | 985   | 978,844    |
| WTG Holdings III Corp., 1st Lien Term Loan,<br>4.75%, 1/15/21                          |       | 1,042 | 1,031,704  |
|  |       |       | 13,136,076 |
| <b>Personal Products 0.1%</b>  |       |       |            |
| Prestige Brands, Inc., Term Loan B2,<br>4.50%, 9/03/21                                 |       | 275   | 275,085    |
| <b>Pharmaceuticals 5.4%</b>  |       |       |            |
| Akorn, Inc., Term Loan B, 4.50%, 4/16/21   |       | 1,365 | 1,359,035  |
| Amneal Pharmaceuticals LLC, New Term Loan,<br>4.75%, 11/01/19                          |       | 639   | 632,166    |
| CCC Information Services, Inc., Term Loan,<br>4.00%, 12/20/19                          |       | 511   | 501,959    |
| Endo Luxembourg Finance Co. I Sarl, 2014<br>Term Loan B, 3.25%, 2/28/21                |       | 716   | 707,001    |
| Grifols Worldwide Operations USA, Inc., Term Loan B,<br>3.15%, 2/27/21                 |       | 3,199 | 3,155,931  |
| JLL/Delta Dutch Newco BV, Term Loan,<br>4.25%, 3/11/21                                 |       | 973   | 947,033    |
| Mallinckrodt International Finance SA:<br>Incremental Term Loan B1, 3.50%, 3/19/21     |       | 880   | 872,300    |
| Term Loan B, 3.50%, 3/19/21  |       | 1,413 | 1,398,418  |
| Par Pharmaceutical Cos., Inc., Term Loan B2,<br>4.00%, 9/30/19                         |       | 2,275 | 2,239,105  |
| Pharmaceutical Product Development LLC,<br>New Term Loan B, 4.00%, 12/05/18            |       | 2,587 | 2,566,837  |
| Quintiles Transnational Corp., Term Loan B3,<br>3.75%, 6/08/18                         |       | 1,277 | 1,264,277  |
| Valeant Pharmaceuticals International, Inc.:<br>Series C2 Term Loan B, 3.50%, 12/11/19 |       | 975   | 966,781    |
| Series D2 Term Loan B, 3.50%, 2/13/19  |       | 943   | 934,875    |
| Series E Term Loan B, 3.50%, 8/05/20   |       | 1,158 | 1,148,381  |
|  |       |       | 18,694,099 |
| <b>Professional Services 2.2%</b>  |       |       |            |
| Advantage Sales & Marketing, Inc.:<br>2014 1st Lien Term Loan, 4.25%, 7/23/21          |       | 1,215 | 1,202,978  |
| 2014 2nd Lien Term Loan, 7.50%, 7/25/22  |       | 965   | 957,521    |
| Delayed Draw Term Loan, 4.25%, 7/23/21   |       | 20    | 20,049     |
| Emdeon Business Services LLC, Term Loan B2,<br>3.75%, 11/02/18                         |       | 1,257 | 1,244,744  |
| Intertrust Group Holding BV:<br>2nd Lien Term Loan, 7.15%, 4/16/22                     |       | 725   | 714,582    |
| Term Loan B4, 4.30%, 4/16/21   | EUR   | 1,000 | 1,249,591  |
| SIRVA Worldwide, Inc., Term Loan, 7.50%, 3/27/19                                       | USD   | 1,113 | 1,124,181  |
| Truven Health Analytics, Inc., Term Loan B,<br>4.50%, 6/06/19                          |       | 1,030 | 1,009,336  |

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|  |             |              |              |
|--|-------------|--------------|--------------|
|  |             |              | 7,522,982    |
| <b>Real Estate Management &amp; Development</b>                | <b>1.6%</b> |              |              |
| CityCenter Holdings LLC, Term Loan B, 4.25%, 10/16/20          |             | 1,396        | 1,385,951    |
| DTZ US Borrower LLC:   |             |              |              |
| 1st Lien Term Loan, 5.50%, 10/06/21                            |             | 825          | 824,145      |
| Delayed Draw Term Loan, 5.50%, 10/21/21                        |             | 492          | 491,641      |
|  |             | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (c)</b>                        |             | <b>(000)</b> | <b>Value</b> |
| <b>Real Estate Management &amp; Development (concluded)</b>    |             |              |              |
| Realogy Corp.:   |             |              |              |
| Extended Letter of Credit, 0.27%, 10/10/16                     | USD         | 110          | \$ 107,360   |
| Term Loan B, 3.75%, 3/05/20                                    |             | 2,884        | 2,858,669    |
|  |             |              | 5,667,766    |
| <b>Road &amp; Rail</b>   | <b>1.5%</b> |              |              |
| RAC Finance Ltd.:  |             |              |              |
| Term Loan B, 5.29%, 9/30/18                                    | GBP         | 1,182        | 1,886,010    |
| Term Loan D, 5.26%, 10/29/19                                   |             | 500          | 796,851      |
| Road Infrastructure Investment LLC:                            |             |              |              |
| New 1st Lien Term Loan, 4.25%, 3/31/21                         | USD         | 1,239        | 1,192,321    |
| New 2nd Lien Term Loan, 7.75%, 9/21/21                         |             | 600          | 544,500      |
| The Hertz Corp., Term Loan B2, 3.00%, 3/11/18                  |             | 888          | 865,003      |
|  |             |              | 5,284,685    |
| <b>Semiconductors &amp; Semiconductor Equipment</b>            | <b>1.7%</b> |              |              |
| Avago Technologies Cayman Ltd., Term Loan B, 3.75%, 5/06/21    |             | 3,312        | 3,299,712    |
| Freescale Semiconductor, Inc.:                                 |             |              |              |
| Term Loan B4, 4.25%, 2/28/20                                   |             | 1,392        | 1,371,652    |
| Term Loan B5, 5.00%, 1/15/21                                   |             | 431          | 429,651      |
| NXP BV, Term Loan D, 3.25%, 1/11/20                            |             | 861          | 851,610      |
|  |             |              | 5,952,625    |
| <b>Software</b>  | <b>3.5%</b> |              |              |
| BMC Software Finance, Inc., Term Loan, 5.00%, 9/10/20          |             | 297          | 293,654      |
| GCA Services Group, Inc.:                                      |             |              |              |
| 2nd Lien Term Loan, 9.25%, 10/22/20                            |             | 400          | 399,000      |
| New Term Loan B, 4.25%, 11/01/19                               |             | 1,075        | 1,054,637    |
| Infor US, Inc.:  |             |              |              |
| Term Loan B3, 3.75%, 6/03/20                                   |             | 525          | 517,074      |
| Term Loan B5, 3.75%, 6/03/20                                   |             | 2,644        | 2,606,544    |
| IQOR US, Inc., Term Loan B, 6.00%, 4/01/21                     |             | 542          | 501,556      |
| Kronos Worldwide, Inc., 2014 Term Loan, 4.75%, 2/18/20         |             | 308          | 307,549      |
| Kronos, Inc., 2nd Lien Term Loan, 9.75%, 4/30/20               |             | 1,088        | 1,115,147    |
| Mitchell International, Inc.:                                  |             |              |              |
| New 1st Lien Term Loan, 4.50%, 10/12/20                        |             | 1,355        | 1,342,332    |
| New 2nd Lien Term Loan, 8.50%, 10/11/21                        |             | 1,000        | 995,000      |
| Regit Eins GmbH, 1st Lien Term Loan, 6.00%, 1/08/21            |             | 588          | 574,756      |
| Sophia LP, 2014 Term Loan B, 4.00%, 7/19/18                    |             | 1,948        | 1,926,921    |
| Websense, Inc., 2nd Lien Term Loan, 8.25%, 12/24/20            |             | 300          | 296,751      |
|  |             |              | 11,930,921   |
| <b>Specialty Retail</b>  | <b>4.2%</b> |              |              |
| Academy Ltd., Term Loan, 4.50%, 8/03/18                        |             | 1,257        | 1,250,438    |
| Equinox Holdings, Inc., Repriced Term Loan B, 4.25%, 1/31/20   |             | 804          | 797,311      |
| General Nutrition Centers, Inc., New Term Loan, 3.25%, 3/04/19 |             | 1,566        | 1,526,223    |
| The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18          |             | 70           | 43,464       |
| Jo-Ann Stores, Inc., Term Loan, 4.00%, 3/16/18                 |             | 1,102        | 1,057,718    |
| Leslie's Poolmart, Inc., New Term Loan, 4.25%, 10/16/19        |             | 1,225        | 1,201,259    |
| Michaels Stores, Inc.:   |             |              |              |



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|  |       |           |
|--|-------|-----------|
| Incremental 2014 Term Loan B2,<br>4.00%, 1/28/20               | 1,781 | 1,757,640 |
| Term Loan B, 3.75%, 1/28/20                                    | 899   | 881,932   |
| Party City Holdings, Inc., Term Loan, 4.00%, 7/27/19           | 2,622 | 2,566,240 |
| Petco Animal Supplies, Inc., New Term Loan,<br>4.00%, 11/24/17 | 1,828 | 1,811,040 |
| Things Remembered, Inc., New Term Loan B,<br>8.25%, 5/24/18    | 997   | 947,601   |

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|  | Par     |    | Value              |
|--|---------|----|--------------------|
|  | (000)   |    |                    |
| <b>Floating Rate Loan Interests (c)</b>  |         |    |                    |
| <b>Specialty Retail (concluded)</b>  |         |    |                    |
| Toys R Us-Delaware, Inc.:  |         |    |                    |
| Incremental Term Loan B2, 5.25%, 5/25/18   | USD 114 | \$ | 91,408             |
| Term Loan B3, 5.25%, 5/25/18   | 24      |    | 19,185             |
| Term Loan B4, 9.75%, 3/15/20   | 424     |    | 385,080            |
|  |         |    | 14,336,539         |
| <b>Textiles, Apparel &amp; Luxury Goods 2.2%</b>                                       |         |    |                    |
| ABG Intermediate Holdings 2 LLC, 1st Lien Term Loan, 5.50%, 5/27/21                    | 1,318   |    | 1,308,487          |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18                          | 1,402   |    | 1,356,180          |
| J. Crew Group, Inc., New Term Loan B, 4.00%, 3/05/21                                   | 1,473   |    | 1,420,603          |
| Kate Spade & Co., Term Loan B, 4.00%, 4/09/21  | 1,337   |    | 1,298,221          |
| Nine West Holdings, Inc.:  |         |    |                    |
| Guarantee Term Loan, 6.25%, 1/08/20  | 495     |    | 457,875            |
| Term Loan B, 4.75%, 10/08/19   | 579     |    | 564,809            |
| Polymer Group, Inc., 1st Lien Term Loan, 5.25%, 12/19/19                               | 1,020   |    | 1,019,812          |
|  |         |    | 7,425,987          |
| <b>Thriffs &amp; Mortgage Finance 0.3%</b>   |         |    |                    |
| IG Investment Holdings LLC, 1st Lien Term Loan, 5.25%, 10/31/19                        | 1,184   |    | 1,180,953          |
| <b>Wireless Telecommunication Services 0.8%</b>  |         |    |                    |
| Crown Castle Operating Co., Term Loan B2, 3.00%, 1/31/21                               | 1,211   |    | 1,200,255          |
| LTS Buyer LLC, 1st Lien Term Loan, 4.00%, 4/13/20                                      | 1,610   |    | 1,589,505          |
|  |         |    | 2,789,760          |
| <b>Total Floating Rate Loan Interests 133.9%</b>                                       |         |    | <b>461,477,155</b> |
| <b>Non-Agency Mortgage-Backed Securities 0.2%</b>                                      |         |    |                    |
| <b>Collateralized Mortgage Obligations 0.2%</b>  |         |    |                    |
| Hilton USA Trust, Series 2013-HLT, Class EFX, 5.22%, 11/05/30 (b)(c)                   | 813     |    | 828,289            |
| <b>Other Interests (g)</b>   |         |    |                    |
| <b>Auto Components 0.0%</b>  |         |    |                    |
| Lear Corp. Escrow  | 500     |    | 4,375              |
| <b>Construction Materials 0.0%</b>   |         |    |                    |
| USI Senior Holdings  | 8       |    |                    |
| <b>Diversified Financial Services 0.0%</b>   |         |    |                    |
| J.G. Wentworth LLC Preferred Equity Interests, (Acquired 11/18/13, cost \$837,899) (h) | 12      |    | 136,576            |
| <b>Total Other Interests 0.0%</b>  |         |    | <b>140,951</b>     |
| <b>Warrants (i)</b>  |         |    |                    |
| <b>Chemicals 0.0%</b>  |         |    |                    |
| British Vita Holdings Co. (Non-Expiring)   | 166     |    |                    |
| <b>Media 0.0%</b>  |         |    |                    |
| New Vision Holdings LLC (Expires 12/31/14)   | 22,447  | \$ | 1,214              |
| <b>Software 0.0%</b>   |         |    |                    |
| Bankruptcy Management Solutions, Inc.:   |         |    |                    |
| (Expires 6/28/18)  | 181     |    |                    |

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|   |       |              |
|---|-------|--------------|
| (Expires 6/28/19)   | 195   |              |
| (Expires 6/28/20)   | 292   |              |
| HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant,<br>Expires 6/22/19, Strike Price \$42.27) | 1,501 | 8,274        |
|   |       | 8,274        |
| <b>Total Warrants 0.0%</b>  |       | <b>9,488</b> |

### Investment Companies

|  |       |                    |
|--|-------|--------------------|
| <b>Capital Markets 0.0%</b>            |       |                    |
| Eaton Vance Floating-Rate Income Trust | 34    | 485                |
| Eaton Vance Senior Income Trust        | 8,925 | 57,388             |
| <b>Total Investment Companies 0.0%</b> |       | <b>57,873</b>      |
| <b>Total Long-Term Investments</b>     |       |                    |
| <b>(Cost \$501,369,644) 143.2%</b>     |       | <b>493,715,998</b> |

### Short-Term Securities

|  |           |                       |
|--|-----------|-----------------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.07% (j)(k) | 2,630,534 | 2,630,534             |
| <b>Total Short-Term Securities</b>                                     |           | <b>2,630,534</b>      |
| <b>(Cost \$2,630,534) 0.8%</b>   |           | <b>2,630,534</b>      |
| <b>Options Purchased</b>   |           |                       |
| <b>(Cost \$25,422) 0.0%</b>  |           |                       |
| <b>Total Investments (Cost \$504,025,600) 144.0%</b>                   |           | <b>496,346,532</b>    |
| <b>Liabilities in Excess of Other Assets (44.0)%</b>                   |           | <b>(151,678,929)</b>  |
| <b>Net Assets 100.0%</b>   |           | <b>\$ 344,667,603</b> |

### Notes to Schedule of Investments

(a) Non-income producing security.

(b) 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.

(c) Variable rate security. Rate shown is as of report date.

(d) Zero-coupon bond.

See Notes to Financial Statements.

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

- (e) Convertible security.
- (f) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (g) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (h) Security is held by a wholly owned subsidiary. See Note 1 of the Notes to Financial Statements for details on the wholly owned subsidiary.
- (i) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date, if any.
- (j) Investments in issuers considered to be an affiliate of the Trust during the year ended October 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held at<br>October 31,<br>2013 | Net<br>Activity | Shares Held at<br>October 31,<br>2014 | Income |
|--|---------------------------------------|-----------------|---------------------------------------|--------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 3,378,158                             | (747,624)       | 2,630,534                             | \$ 417 |

- (k) Represents the current yield as of report date.

For Trust compliance purposes, the Trust's industry classifications refer to any 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 advisor. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Forward foreign currency exchange contracts outstanding as of October 31, 2014 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty             | Settlement<br>Date | Unrealized<br>Appreciation/<br>(Depreciation) |
|-----------------------|------------------|--------------------------|--------------------|---|
| GBP 900,000           | USD 1,445,598    | Deutsche Bank AG         | 1/21/15            | \$ (6,771)                                    |
| USD 2,614,839         | CAD 2,937,000    | Barclays Bank PLC        | 1/21/15            | 14,064  |
| USD 12,199,678        | EUR 9,562,000    | JPMorgan Chase Bank N.A. | 1/21/15            | 210,797                                       |
| USD 10,161,494        | GBP 6,373,000    | Barclays Bank PLC        | 1/21/15            | (26,999)                                      |
| <b>Total</b>          |                  |                          |                    | <b>\$ 191,091</b>                             |

OTC options purchased as of October 31, 2014 were as follows:

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| Description                    | Counterparty        | Put/<br>Call | Strike<br>Price | Expiration<br>Date | Contracts | Market<br>Value |
|--------------------------------|---------------------|--------------|-----------------|--------------------|-----------|-----------------|
| Marsico Parent Superholdco LLC | Goldman Sachs & Co. | Call         | USD 942.86      | 12/14/19           | 26        |                 |

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2014:

|  | Level 1             | Level 2               | Level 3              | Total                 |
|--|---------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>                                     |                     |                       |                      |                       |
| Investments:                                       |                     |                       |                      |                       |
| Long-Term Investments:                             |                     |                       |                      |                       |
| Asset-Backed Securities                            |                     | \$ 9,485,713          | \$ 715,650           | \$ 10,201,363         |
| Common Stocks                                      | \$ 2,047,509        | 685,727               | 153,282              | 2,886,518             |
| Corporate Bonds                                    |                     | 17,553,535            | 560,826              | 18,114,361            |
| Floating Rate Loan Interests                       |                     | 424,396,522           | 37,080,633           | 461,477,155           |
| Non-Agency Mortgage-Backed Securities              |                     | 828,289               |                      | 828,289               |
| Other Interests                                    | 136,576             |                       | 4,375                | 140,951               |
| Warrants   |                     | 8,274                 | 1,214                | 9,488                 |
| Investment Companies                               | 57,873              |                       |                      | 57,873                |
| Short-Term Securities                              | 2,630,534           |                       |                      | 2,630,534             |
| <b>Liabilities:</b>                                |                     |                       |                      |                       |
| Unfunded Floating Rate Loan Interests <sup>1</sup> |                     | (25,380)              |                      | (25,380)              |
| <b>Total</b>                                       | <b>\$ 4,872,492</b> | <b>\$ 452,932,680</b> | <b>\$ 38,515,980</b> | <b>\$ 496,321,152</b> |

<sup>1</sup> Unfunded floating rate loan interests are valued at the unrealized appreciation/depreciation on the commitment.

See Notes to Financial Statements.



## Consolidated Schedule of Investments (concluded)

BlackRock Floating Rate Income Trust  
(BGT)

|   | Level 1 | Level 2    | Level 3 | Total      |
|---|---------|------------|---------|------------|
| Derivative Financial Instruments <sup>1</sup> |         |            |         |            |
| <b>Assets:</b>                                |         |            |         |            |
| Foreign currency exchange contracts           |         | \$ 224,861 |         | \$ 224,861 |
| <b>Liabilities:</b>                           |         |            |         |            |
| Foreign currency exchange contracts           |         | (33,770)   |         | (33,770)   |
| <b>Total</b>                                  |         | \$ 191,091 |         | \$ 191,091 |

<sup>1</sup> Derivative financial instruments are forward foreign currency exchange contracts which are valued at the unrealized appreciation/depreciation on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of October 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|                           | Level 1    | Level 2          | Level 3 | Total            |
|---------------------------|------------|------------------|---------|------------------|
| <b>Assets:</b>            |            |                  |         |                  |
| Cash                      | \$ 753,332 |                  |         | \$ 753,332       |
| Foreign currency at value | 6,914      |                  |         | 6,914            |
| <b>Liabilities:</b>       |            |                  |         |                  |
| Bank borrowings payable   |            | \$ (145,000,000) |         | (145,000,000)    |
| <b>Total</b>              | \$ 760,246 | \$ (145,000,000) |         | \$ (144,239,754) |

There were no transfers between Level 1 and Level 2 during the year ended October 31, 2014.

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the year in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|  | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Other Interests | Warrants | Unfunded Floating Rate Loan Interests | Unfunded Floating Rate Loan Interests (Liabilities) | Total         |
|--|-------------------------|---------------|-----------------|------------------------------|-----------------|----------|---------------------------------------|---|---------------|
| <b>Assets:</b>   |                         |               |                 |                              |                 |          |                                       |   |               |
| Opening Balance, as of October 31, 2013  | \$ 14,250,070           | \$ 2,637,960  |                 | \$ 28,839,567                | \$ 1,426,987    | \$ 1,549 | \$ 14,706                             | \$ (903)  | \$ 47,169,936 |
| Transfers into Level 3 <sup>1</sup>  |                         |               |                 | 13,371,068                   |                 |          |                                       |   | 13,371,068    |
| Transfers out of Level 3 <sup>2</sup>  | (8,528,110)             |               |                 | (5,298,290)                  | (524,486)       |          |                                       |   | (14,350,886)  |
| Accrued discounts/premiums   | 17,317                  |               | \$ (155)        | 104,179                      |                 |          |                                       |   | 121,341       |
| Net realized gain (loss)   | 302,683                 | 1,319,724     |                 | 73,638                       | 1,361,239       |          |                                       |   | 3,057,284     |
| Net change in unrealized appreciation/ depreciation <sup>3,4</sup>                               | (289,654)               | (925,933)     | 2,768           | (688,966)                    | (890,625)       | (335)    | (14,706)                              | 903   | (2,806,548)   |
| Purchases  | 715,650                 |               | 558,213         | 16,480,570                   |                 |          |                                       |   | 17,754,433    |
| Sales  | (5,752,306)             | (2,878,469)   |                 | (15,801,133)                 | (1,368,740)     |          |                                       |   | (25,800,648)  |
| <b>Closing Balance, as of October 31, 2014</b>   | \$ 715,650              | \$ 153,282    | \$ 560,826      | \$ 37,080,633                | \$ 4,375        | \$ 1,214 |                                       |   | \$ 38,515,980 |
| Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 | \$ (12)                 | \$ 145,215    | \$ 2,768        | \$ (647,207)                 | \$ 1,875        | \$ (334) |                                       |   | \$ (497,695)  |

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<sup>1</sup> As of October 31, 2013, the Trust used observable inputs in determining the value of certain investments. As of October 31, 2014, the Trust used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$13,371,068 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> As of October 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$14,350,886 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>4</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 is generally due to investments no longer held or categorized as Level 3 at year end. The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information inputs could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.



## Schedule of Investments October 31, 2014

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par          |    | Value        |
|--|--------------|----|--------------|
|  | (000)        |    |              |
| <b>Asset-Backed Securities</b>   |              |    |              |
| ACE Securities Corp. Home Equity Loan Trust, Series 2006-HE1, Class A2D,<br>0.45%, 2/25/36 (a) | USD 6,775    | \$ | 5,910,307    |
| Adirondack Park CLO Ltd., Series 2013-1A (a)(b):   |              |    |              |
| Class D, 3.88%, 4/15/24  | 3,250        |    | 3,064,442    |
| Class E, 4.88%, 4/15/24  | 2,000        |    | 1,783,573    |
| ALM Loan Funding, Series 2013-7RA (a)(b):  |              |    |              |
| Class C, 3.68%, 4/24/24  | 4,000        |    | 3,735,474    |
| Class D, 5.23%, 4/24/24  | 1,000        |    | 908,323      |
| ALM V Ltd., Series 2012-5A, Class C, 4.73%, 2/13/23 (a)(b)                                     | 4,000        |    | 4,003,926    |
| ALM XIV Ltd., Series 2014-14A, Class C, 3.68%, 7/28/26 (a)(b)(c)                               | 3,610        |    | 3,318,760    |
| American Homes 4 Rent, Series 2014-SFR2, Class E, 6.23%, 10/17/36 (b)                          | 2,000        |    | 2,004,388    |
| AMMC CLO XII Ltd., Series 2013-12A,<br>Class D1, 3.98%, 5/10/25 (a)(b)                         | 1,000        |    | 948,370      |
| Apidos CLO XII, Series 2013-12A,<br>Class D, 3.28%, 4/15/25 (a)(b)                             | 1,000        |    | 910,131      |
| Atrium X, Series 10A (a)(b):   |              |    |              |
| Class D, 3.73%, 7/16/25  | 1,000        |    | 944,264      |
| Class E, 4.73%, 7/16/25  | 2,000        |    | 1,784,527    |
| Benefit Street Partners CLO Ltd., Series 2012-IA, Class C, 4.73%, 10/15/23 (a)(b)              | 2,750        |    | 2,737,801    |
| Benefit Street Partners CLO II Ltd., Series 2013-IIA, Class C, 3.73%, 7/15/24 (a)(b)           | 1,750        |    | 1,598,037    |
| Benefit Street Partners CLO V Ltd., Series 2014-VA, Class D, 3.55%, 10/20/26 (a)(b)            | 2,750        |    | 2,591,875    |
| Brookside Mill CLO Ltd., Series 2013-1A, Class D, 3.28%, 4/17/25 (a)(b)                        | 1,250        |    | 1,121,611    |
| C-BASS Trust, Series 2006-CB7, Class A4, 0.31%, 10/25/36 (a)                                   | 10,132       |    | 6,953,564    |
| Carlyle Global Market Strategies CLO Ltd., Class D (a)(b):                                     |              |    |              |
| Series 2012-4A, 4.73%, 1/20/25   | 2,350        |    | 2,349,943    |
| Series 2013-2A, 3.98%, 4/18/25   | 1,250        |    | 1,185,253    |
| Carrington Mortgage Loan Trust, Series 2006-FRE2 (a):  |              |    |              |
| Class A2, 0.27%, 10/25/36  | 7,221        |    | 4,160,042    |
| Class A5, 0.23%, 10/25/36  | 7,657        |    | 4,388,297    |
| Central Park CLO Ltd., Series 2011-1A, Class D, 3.43%, 7/23/22 (a)(b)                          | 2,250        |    | 2,219,540    |
| CIFC Funding Ltd. (a)(b):  |              |    |              |
| Series 2012-1AR, Class B1R, 4.39%, 8/14/24   | 2,000        |    | 1,965,135    |
| Series 2013-2A, Class B1L, 3.83%, 4/21/25  | 1,000        |    | 927,801      |
| Series 2014-3A, Class D, 3.55%, 7/22/26  | 480          |    | 435,861      |
| Citigroup Mortgage Loan Trust, Inc., Series 2005-HE3, Class M2, 0.63%, 9/25/35 (a)             | 4,800        |    | 4,487,822    |
| Countrywide Asset-Backed Certificates, Series 2006-BC5, Class 2A3, 0.32%, 3/25/37 (a)          | 5,410        |    | 4,725,999    |
| Credit Suisse ABS Repackaging Trust, Series 2013-A, Class B, 2.50%, 1/25/30 (b)                | 2,019        |    | 1,944,265    |
| ECP CLO Ltd., Series 2013-5A, Class C, 3.73%, 1/20/25 (a)(b)                                   | 2,500        |    | 2,282,170    |
| Fieldstone Mortgage Investment Trust, Series 2006-3, Class 2A3, 0.31%, 11/25/36 (a)            | 13,300       |    | 7,640,094    |
| Flatiron CLO Ltd., Series 2012-1A, Class C, 4.73%, 10/25/24 (a)(b)                             | 1,375        |    | 1,358,797    |
| Fremont Home Loan Trust, Class 2A3 (a):  |              |    |              |
| Series 2006-A, 0.31%, 5/25/36  | 27,639       |    | 15,975,803   |
| Series 2006-D, 0.30%, 11/25/36   | 25,508       |    | 12,273,241   |
|  | <b>Par</b>   |    |              |
|  | <b>(000)</b> |    | <b>Value</b> |
| <b>Asset-Backed Securities</b>   |              |    |              |
| GoldenTree Loan Opportunities VII Ltd., Series 2013-7A, Class D, 3.53%, 4/25/25 (a)(b)         | USD 1,250    | \$ | 1,169,246    |
| GSAMP Trust (a):   |              |    |              |
| Series 2005-AHL2, Class A2C, 0.39%, 12/25/35   | 6,412        |    | 5,813,376    |
| Series 2006-FM2, Class A2C, 0.30%, 9/25/36   | 13,027       |    | 5,993,101    |
| Series 2007-FM2, Class A2B, 0.24%, 1/25/37   | 9,481        |    | 5,669,026    |
| Halcyon Loan Advisors Funding Ltd., Series 2013-1A, Class C,<br>3.73%, 4/15/25 (a)(b)          | 2,000        |    | 1,838,553    |
| Home Equity Mortgage Loan Asset-Backed Trust, Series 2006-E, Class 2A3, 0.32%, 4/25/37 (a)     | 15,902       |    | 10,297,951   |
| ING IM CLO Ltd., Series 2013-2A, Class C, 3.73%, 4/25/25 (a)(b)                                | 1,000        |    | 933,908      |
| Jamestown CLO I Ltd., Series 2012-1A, Class C, 4.24%, 11/05/24 (a)(b)                          | 2,550        |    | 2,470,092    |
| Jamestown CLO IV Ltd., Series 2014-4A, Class C, 3.73%, 7/15/26 (a)(b)                          | 1,335        |    | 1,232,149    |
| Lehman XS Trust, Series 2007-1, Class 2A1, 5.60%, 2/25/37 (a)                                  | 10,096       |    | 9,266,067    |

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|  |        |                    |
|--|--------|--------------------|
| Madison Park Funding Ltd. (a):   |        |                    |
| Series 2012-10A, Class D, 4.48%, 1/20/25 (b)   | 1,000  | 991,986            |
| Series 2012-8X, Class E, 5.58%, 4/22/22  | 3,000  | 2,886,852          |
| Mastr Asset-Backed Securities Trust (a):   |        |                    |
| Series 2006-HE2, Class A3, 0.30%, 6/25/36  | 13,315 | 7,253,385          |
| Series 2006-WMC2, Class A5, 0.40%, 4/25/36   | 9,692  | 4,529,196          |
| Morgan Stanley IXIS Real Estate Capital Trust, Series 2006-2, Class A3,<br>0.30%, 11/25/36 (a) | 16,426 | 9,383,457          |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C,<br>4.23%, 1/15/24 (a)(b)        | 1,000  | 968,547            |
| Octagon Investment Partners XVI Ltd., Series 2013-1A, Class D,<br>3.58%, 7/17/25 (a)(b)        | 2,250  | 2,069,725          |
| Octagon Investment Partners XXI Ltd., Series 2014-1A, Class C, 3.88%, 11/14/26 (a)(b)          | 1,000  | 951,300            |
| OHA Credit Partners VII Ltd., Series 2012-7A, Class D, 4.23%, 11/20/23 (a)(b)                  | 3,000  | 2,927,937          |
| OZLM Funding IV Ltd., Series 2013-4A, Class C, 3.43%, 7/22/25 (a)(b)                           | 1,250  | 1,129,156          |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.59%, 10/30/23 (a)(b)                             | 2,000  | 1,952,362          |
| Race Point CLO Ltd., Series 2011-5AR, Class ER, 6.23%, 12/15/22 (a)(b)                         | 1,500  | 1,499,912          |
| Renaissance Home Equity Loan Trust, Series 2007-3, Class AF2,<br>7.00%, 9/25/37 (d)            | 4,850  | 3,151,257          |
| Saxon Asset Securities Trust, Series 2007-3, Class 2A3, 0.55%, 9/25/47 (a)                     | 5,000  | 3,352,100          |
| Scholar Funding Trust, Series 2013-A, Class R, 0.00% (b)(e)                                    | (f)    | 4,148,172          |
| Symphony CLO XV Ltd., Series 2014-15A, Class D, 3.98%, 10/17/26 (a)(b)(g)                      | 3,500  | 3,294,550          |
| Tyron Park CLO Ltd., Series 2013-1A (a)(b):  |        |                    |
| Class C, 3.73%, 7/15/25  | 1,250  | 1,166,455          |
| Class D, 4.63%, 7/15/25  | 1,000  | 876,496            |
| WaMu Asset-Backed Certificates Trust, Series 2007-HE3, Class 2A3,<br>0.39%, 5/25/47 (a)        | 11,451 | 7,510,642          |
| <b>Total Asset-Backed Securities 28.5%</b>   |        | <b>217,366,392</b> |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par       |              |
|--|-----------|--------------|
|  | (000)     | Value        |
| <b>Corporate Bonds</b>   |           |              |
| <b>Airlines 5.2%</b>   |           |              |
| Air Canada Pass-Through Trust, Series 2013-1 (b)(c):                           |           |              |
| Class B, 5.38%, 11/15/22   | USD 3,269 | \$ 3,310,264 |
| Class C, 6.63%, 5/15/18  | 761       | 782,384      |
| American Airlines Pass-Through Trust (c):                                      |           |              |
| Series 2013-1, Class C, 6.13%, 7/15/18 (b)                                     | 1,500     | 1,539,375    |
| Series 2013-2, Class A, 4.95%, 7/15/24   | 2,360     | 2,519,215    |
| Series 2013-2, Class B, 5.60%, 1/15/22 (b)                                     | 2,777     | 2,832,876    |
| Series 2013-2, Class C, 6.00%, 1/15/17 (b)                                     | 2,800     | 2,884,000    |
| Continental Airlines Pass-Through Trust (c):                                   |           |              |
| Series 2003-ERJ1, 7.88%, 1/02/20   | 6,828     | 7,292,585    |
| Series 2007-1, Class B, 6.90%, 10/19/23  | 3,451     | 3,658,026    |
| Series 2012-1, Class B, 6.25%, 10/11/21  | 488       | 516,838      |
| Series 2012-3, Class C, 6.13%, 4/29/18   | 678       | 715,290      |
| Delta Air Lines Pass-Through Trust, Class B (c):                               |           |              |
| Series 2007-1, 8.02%, 2/10/24  | 2,346     | 2,720,925    |
| Series 2012-1, 6.88%, 5/07/19 (b)  | 4,485     | 4,978,503    |
| United Airlines Pass-Through Trust, Series 2014-2, Class B, 4.63%, 3/03/24 (c) | 2,750     | 2,667,500    |
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 5/15/23 (c)      | 3,100     | 3,154,250    |
|  |           | 39,572,031   |
| <b>Auto Components 1.2%</b>  |           |              |
| Dana Holding Corp., 6.75%, 2/15/21 (c)   | 1,257     | 1,335,562    |
| Icahn Enterprises LP/Icahn Enterprises Finance Corp. (c):                      |           |              |
| 3.50%, 3/15/17   | 170       | 169,150      |
| 4.88%, 3/15/19   | 2,898     | 2,948,715    |
| 6.00%, 8/01/20   | 2,174     | 2,282,700    |
| 5.88%, 2/01/22   | 1,334     | 1,370,685    |
| Schaeffler Finance BV, 4.75%, 5/15/21 (b)(c)                                   | 1,045     | 1,042,388    |
|  |           | 9,149,200    |
| <b>Automobiles 1.0%</b>  |           |              |
| Chrysler Group LLC/CG Co-Issuer, Inc. (c):                                     |           |              |
| 8.00%, 6/15/19   | 1,212     | 1,298,355    |
| 8.25%, 6/15/21   | 1,003     | 1,120,852    |
| General Motors Co. (c):  |           |              |
| 3.50%, 10/02/18  | 2,669     | 2,749,070    |
| 6.25%, 10/02/43  | 2,194     | 2,610,860    |
|  |           | 7,779,137    |
| <b>Banks 2.5%</b>  |           |              |
| CIT Group, Inc., 5.25%, 3/15/18 (c)  | 9,558     | 10,083,690   |
| Fifth Third Bancorp, 5.10% (a)(c)(h)   | 5,000     | 4,725,000    |
| Sberbank of Russia, 5.25%, 5/23/23 (b)   | 5,000     | 4,395,000    |
|  |           | 19,203,690   |
| <b>Building Products 0.8%</b>  |           |              |
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b)(c)        | 375       | 379,688      |
| Builders FirstSource, Inc., 7.63%, 6/01/21 (b)(c)                              | 1,100     | 1,144,000    |
| Building Materials Corp. of America, 6.75%, 5/01/21 (b)(c)                     | 3,125     | 3,351,562    |
| Cemex SAB de CV, 5.88%, 3/25/19 (b)(c)   | 200       | 207,250      |
| USG Corp., 9.75%, 1/15/18 (c)  | 572       | 659,230      |
|  |           | 5,741,730    |
| <b>Capital Markets 0.8%</b>  |           |              |
| AE-Rotor Holding BV, 4.97%, 3/28/18 (c)  | 2,500     | 2,568,700    |
| American Capital Ltd., 6.50%, 9/15/18 (b)(c)                                   | 700       | 724,500      |

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|  |              |              |
|--|--------------|--------------|
| Credit Suisse Group AG, 7.50% (a)(b)(c)(h)                           | 2,851        | 3,030,043    |
|  |              | 6,323,243    |
| <b>Chemicals 0.5%</b>  |              |              |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20       | 246          | 268,755      |
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>   |              |              |
| <b>Chemicals (concluded)</b>   |              |              |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20 (c)                | USD 3,392    | \$ 3,541,248 |
|  |              | 3,810,003    |
| <b>Commercial Services &amp; Supplies 1.8%</b>                       |              |              |
| ARAMARK Services, Inc., 5.75%, 3/15/20 (c)                           | 672          | 702,240      |
| Aviation Capital Group Corp.,<br>6.75%, 4/06/21 (b)(c)               | 5,000        | 5,700,000    |
| Brand Energy & Infrastructure Services, Inc., 8.50%, 12/01/21 (b)(c) | 406          | 404,477      |
| United Rentals North America, Inc. (c):<br>8.25%, 2/01/21            | 4,204        | 4,582,360    |
| 7.63%, 4/15/22   | 2,440        | 2,720,600    |
|  |              | 14,109,677   |
| <b>Communications Equipment 1.0%</b>                                 |              |              |
| Alcatel-Lucent USA, Inc., 8.88%, 1/01/20 (b)(c)                      | 942          | 1,033,845    |
| Avaya, Inc., 7.00%, 4/01/19 (b)(c)                                   | 691          | 678,908      |
| Zayo Group LLC/Zayo Capital, Inc., 10.13%, 7/01/20 (c)               | 5,000        | 5,550,000    |
|  |              | 7,262,753    |
| <b>Construction &amp; Engineering 0.3%</b>                           |              |              |
| Alam Synergy Property Ltd., 6.95%, 3/27/20 (c)                       | 2,000        | 1,980,000    |
| BlueLine Rental Finance Corp., 7.00%, 2/01/19 (b)(c)                 | 183          | 192,608      |
| Safway Group Holding LLC/Safway Finance Corp., 7.00%, 5/15/18 (b)(c) | 290          | 299,425      |
|  |              | 2,472,033    |
| <b>Construction Materials 1.6%</b>                                   |              |              |
| HD Supply, Inc. (c):<br>8.13%, 4/15/19                               | 2,292        | 2,475,360    |
| 11.00%, 4/15/20  | 2,900        | 3,327,750    |
| 7.50%, 7/15/20   | 6,388        | 6,803,220    |
|  |              | 12,606,330   |
| <b>Distributors 0.1%</b>   |              |              |
| VWR Funding, Inc., 7.25%, 9/15/17 (c)                                | 652          | 684,600      |
| <b>Diversified Consumer Services 0.3%</b>                            |              |              |
| APX Group, Inc. (c):<br>6.38%, 12/01/19                              | 289          | 283,943      |
| 8.75%, 12/01/20  | 1,428        | 1,235,220    |
| Laureate Education, Inc., 9.75%, 9/01/19 (b)(c)                      | 624          | 642,720      |
|  |              | 2,161,883    |
| <b>Diversified Financial Services 3.7%</b>                           |              |              |
| Aircastle Ltd., 6.25%, 12/01/19 (c)                                  | 2,624        | 2,794,560    |
| Ally Financial, Inc., 8.00%, 11/01/31 (c)                            | 9,315        | 11,853,337   |
| DPL, Inc., 6.50%, 10/15/16 (c)                                       | 112          | 119,840      |
| General Motors Financial Co., Inc. (c):<br>3.25%, 5/15/18            | 235          | 240,288      |
| 4.25%, 5/15/23   | 326          | 335,780      |
| Intesa Sanpaolo SpA, 5.02%, 6/26/24 (b)(c)                           | 2,290        | 2,238,049    |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)(c)    | 845          | 840,775      |
| Reynolds Group Issuer, Inc. (c):<br>9.88%, 8/15/19                   | 3,278        | 3,560,728    |
| 5.75%, 10/15/20  | 4,941        | 5,138,640    |
| 8.25%, 2/15/21   | 1,124        | 1,208,300    |
|  |              | 28,330,297   |
| <b>Diversified Telecommunication Services 3.8%</b>                   |              |              |

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|  |     |         |
|--|-----|---------|
| CenturyLink, Inc., Series V, 5.63%, 4/01/20 (c)                                | 834 | 884,040 |
| Cequel Communications Escrow 1 LLC/Cequel Capital Corp., 6.38%, 9/15/20 (b)(c) | 662 | 690,135 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  |     | Par    |              |
|--|-----|--------|--------------|
|  |     | (000)  | Value        |
| <b>Corporate Bonds</b>   |     |        |              |
| <b>Diversified Telecommunication Services (concluded)</b>  |     |        |              |
| Consolidated Communications, Inc., 10.88%, 6/01/20 (c)   | USD | 1,264  | \$ 1,440,960 |
| Level 3 Communications, Inc.,<br>8.88%, 6/01/19 (c)  |     | 1,234  | 1,323,465    |
| Level 3 Financing, Inc., 8.13%, 7/01/19 (c)  |     | 7,722  | 8,262,540    |
| Verizon Communications, Inc.,<br>6.55%, 9/15/43 (b)(c)   |     | 12,500 | 15,757,575   |
| Windstream Corp. (c):  |     |        |              |
| 7.75%, 10/15/20  |     | 450    | 479,250      |
| 6.38%, 8/01/23   |     | 555    | 559,162      |
|  |     |        | 29,397,127   |
| <b>Electric Utilities 0.7%</b>   |     |        |              |
| Star Energy Geothermal Wayang Windu Ltd.,<br>6.13%, 3/27/20 (c)  |     | 5,000  | 5,112,500    |
| <b>Energy Equipment &amp; Services 0.9%</b>  |     |        |              |
| MEG Energy Corp., 6.50%, 3/15/21 (b)(c)  |     | 3,586  | 3,550,140    |
| Peabody Energy Corp. (c):  |     |        |              |
| 6.00%, 11/15/18  |     | 176    | 170,280      |
| 6.25%, 11/15/21  |     | 3,625  | 3,432,422    |
|  |     |        | 7,152,842    |
| <b>Food &amp; Staples Retailing 0.1%</b>   |     |        |              |
| Rite Aid Corp., 6.75%, 6/15/21 (c)   |     | 506    | 540,155      |
| <b>Food Products 0.2%</b>  |     |        |              |
| Barry Callebaut Services NV,<br>5.50%, 6/15/23 (b)   |     | 1,200  | 1,260,120    |
| Smithfield Foods, Inc., 5.88%, 8/01/21 (b)(c)  |     | 307    | 325,420      |
|  |     |        | 1,585,540    |
| <b>Health Care Equipment &amp; Supplies 1.2%</b>   |     |        |              |
| Biomet, Inc. (c):  |     |        |              |
| 6.50%, 8/01/20   |     | 5,795  | 6,200,650    |
| 6.50%, 10/01/20  |     | 2,904  | 3,070,980    |
|  |     |        | 9,271,630    |
| <b>Health Care Providers &amp; Services 4.5%</b>   |     |        |              |
| CHS/Community Health Systems, Inc., 6.88%, 2/01/22   |     | 3,548  | 3,822,970    |
| DaVita HealthCare Partners, Inc.,<br>5.13%, 7/15/24 (c)  |     | 2,500  | 2,550,000    |
| HCA, Inc. (c):   |     |        |              |
| 6.50%, 2/15/20   |     | 10,643 | 11,880,249   |
| 5.88%, 3/15/22   |     | 124    | 136,090      |
| 4.75%, 5/01/23   |     | 161    | 163,616      |
| Hologic, Inc., 6.25%, 8/01/20 (c)  |     | 3,216  | 3,380,820    |
| Tenet Healthcare Corp. (c):  |     |        |              |
| 6.25%, 11/01/18  |     | 6,087  | 6,612,004    |
| 6.00%, 10/01/20  |     | 1,150  | 1,236,250    |
| 8.13%, 4/01/22   |     | 4,137  | 4,742,036    |
|  |     |        | 34,524,035   |
| <b>Hotels, Restaurants &amp; Leisure 3.2%</b>  |     |        |              |
| Caesars Entertainment Operating Co., Inc., 9.00%, 2/15/20  |     | 2,078  | 1,561,395    |
| Caesars Entertainment Resort Properties LLC/Caesars Entertainment Resort Property,<br>8.00%, 10/01/20 (b)(c) |     | 2,773  | 2,689,810    |
| Enterprise Inns PLC, 6.00%, 10/06/23   | GBP | 3,320  | 5,297,728    |
| The Unique Pub Finance Co. PLC:  |     |        |              |

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|  |     |              |              |
|--|-----|--------------|--------------|
| Series A3, 6.54%, 3/30/21  |     | 2,678        | 4,498,870    |
| Series M, 7.40%, 3/28/24   |     | 6,400        | 10,596,416   |
|  |     |              | 24,644,219   |
| <b>Household Durables 0.9%</b>   |     |              |              |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (b)(c)                                | USD | 2,750        | 2,928,750    |
|  |     | <b>Par</b>   |              |
|  |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>   |     |              |              |
| <b>Household Durables (concluded)</b>  |     |              |              |
| Brookfield Residential Properties, Inc./Brookfield Residential US Corp., 6.13%, 7/01/22 (b)(c) | USD | 750          | \$ 796,875   |
| Standard Pacific Corp., 8.38%, 1/15/21 (c)   |     | 2,000        | 2,335,000    |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)(c)             |     | 357          | 359,545      |
| Tri Pointe Holdings, Inc. (b)(c):  |     |              |              |
| 4.38%, 6/15/19   |     | 415          | 412,925      |
| 5.88%, 6/15/24   |     | 280          | 285,600      |
|  |     |              | 7,118,695    |
| <b>Independent Power and Renewable Electricity Producers 1.2%</b>                              |     |              |              |
| Calpine Corp. (c):   |     |              |              |
| 6.00%, 1/15/22 (b)   |     | 254          | 273,685      |
| 5.38%, 1/15/23   |     | 4,000        | 4,040,000    |
| 5.88%, 1/15/24 (b)   |     | 240          | 258,000      |
| NRG Energy, Inc., 7.63%, 1/15/18 (c)   |     | 2,735        | 3,070,037    |
| NRG REMA LLC, 9.68%, 7/02/26 (c)   |     | 1,750        | 1,890,000    |
|  |     |              | 9,531,722    |
| <b>Insurance 1.1%</b>  |     |              |              |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (b)(c)                      |     | 680          | 700,400      |
| Genworth Holdings, Inc., 6.50%, 6/15/34 (c)  |     | 5,500        | 6,327,475    |
| MPL 2 Acquisition Canco, Inc.,   |     |              |              |
| 9.88%, 8/15/18 (b)(c)  |     | 1,400        | 1,501,500    |
|  |     |              | 8,529,375    |
| <b>Internet Software &amp; Services 0.1%</b>   |     |              |              |
| Equinix, Inc., 4.88%, 4/01/20 (c)  |     | 144          | 147,240      |
| VeriSign, Inc., 4.63%, 5/01/23 (c)   |     | 575          | 572,844      |
|  |     |              | 720,084      |
| <b>IT Services 2.3%</b>  |     |              |              |
| Ceridian HCM Holding, Inc.,  |     |              |              |
| 11.00%, 3/15/21 (b)(c)   |     | 742          | 836,605      |
| Ceridian LLC, 8.88%, 7/15/19 (b)(c)  |     | 2,007        | 2,217,735    |
| Epicor Software Corp., 8.63%, 5/01/19 (c)  |     | 425          | 452,094      |
| First Data Corp. (b)(c):   |     |              |              |
| 7.38%, 6/15/19   |     | 5,071        | 5,375,260    |
| 6.75%, 11/01/20  |     | 3,111        | 3,328,770    |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (c)  |     | 5,003        | 5,178,105    |
|  |     |              | 17,388,569   |
| <b>Media 7.4%</b>  |     |              |              |
| Bharti Airtel International Netherlands BV, 5.13%, 3/11/23 (c)                                 |     | 3,000        | 3,168,840    |
| Cablevision Systems Corp., 5.88%, 9/15/22 (c)  |     | 700          | 712,250      |
| CBS Outdoor Americas Capital LLC/CBS Outdoor Americas Capital Corp. (b)(c):                    |     |              |              |
| 5.25%, 2/15/22   |     | 3,117        | 3,218,302    |
| 5.63%, 2/15/24   |     | 94           | 97,995       |
| CCO Holdings LLC/CCO Holdings Capital Corp., 5.13%, 2/15/23 (c)                                |     | 7,029        | 7,011,427    |
| Clear Channel Worldwide Holdings, Inc. (c):  |     |              |              |
| 7.63%, 3/15/20   |     | 5,274        | 5,610,217    |
| 6.50%, 11/15/22  |     | 2,573        | 2,663,055    |
| Columbus International, Inc.,  |     |              |              |
| 7.38%, 3/30/21 (b)(c)  |     | 1,560        | 1,653,600    |
| DISH DBS Corp., 5.13%, 5/01/20 (c)   |     | 5,500        | 5,720,000    |
| Gannett Co., Inc., 6.38%, 10/15/23 (c)   |     | 1,400        | 1,505,000    |
| Gray Television, Inc., 7.50%, 10/01/20 (c)   |     | 891          | 932,209      |
| iHeartCommunications, Inc., 9.00%, 12/15/19 (c)  |     | 700          | 707,438      |
| Inmarsat Finance PLC, 4.88%, 5/15/22 (b)(c)  |     | 1,000        | 1,000,000    |

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|  |       |           |
|--|-------|-----------|
| Intelsat Jackson Holdings SA (c):          |       |           |
| 7.25%, 10/15/20                            | 1,250 | 1,334,375 |
| 5.50%, 8/01/23                             | 2,241 | 2,246,602 |
| Intelsat Luxembourg SA, 6.75%, 6/01/18 (c) | 3,000 | 3,105,000 |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par          |              |
|--|--------------|--------------|
|  | (000)        | Value        |
| <b>Corporate Bonds</b>   |              |              |
| <b>Media (concluded)</b>   |              |              |
| Live Nation Entertainment, Inc.,<br>7.00%, 9/01/20 (b)(c)                                  | USD 199      | \$ 211,438   |
| Midcontinent Communications & Midcontinent Finance Corp., 6.25%, 8/01/21 (b)(c)            | 250          | 255,625      |
| NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., 5.00%, 8/01/18 (b)(c) | 629          | 644,725      |
| Numericable Group SA, 6.00%, 5/15/22 (b)(c)  | 3,000        | 3,067,500    |
| Radio One, Inc., 9.25%, 2/15/20 (b)(c)   | 685          | 679,863      |
| RCN Telecom Services LLC/RCN Capital Corp., 8.50%, 8/15/20 (b)(c)                          | 630          | 659,925      |
| Sirius XM Radio, Inc., 4.25%, 5/15/20 (b)(c)   | 994          | 988,409      |
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)(c)                 | 5,287        | 5,511,697    |
| Univision Communications, Inc., 5.13%, 5/15/23 (b)(c)                                      | 2,093        | 2,208,115    |
| Virgin Media Finance PLC, 6.38%, 4/15/23 (b)(c)  | 805          | 851,288      |
| WaveDivision Escrow LLC/WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)(c)                   | 980          | 1,065,750    |
|  |              | 56,830,645   |
| <b>Metals &amp; Mining 1.6%</b>  |              |              |
| ArcelorMittal, 6.13%, 6/01/18 (c)  | 1,900        | 2,033,000    |
| Commercial Metals Co., 4.88%, 5/15/23 (c)  | 984          | 959,400      |
| Novelis, Inc., 8.75%, 12/15/20 (c)   | 7,164        | 7,817,715    |
| Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75%, 12/15/18 (b)(c)                    | 1,140        | 1,231,200    |
|  |              | 12,041,315   |
| <b>Multiline Retail 0.4%</b>   |              |              |
| Dollar General Corp., 4.13%, 7/15/17 (c)   | 643          | 669,643      |
| Neiman Marcus Group Ltd. (b)(c):<br>8.00%, 10/15/21  | 927          | 988,818      |
| 8.75% (8.75% Cash or 9.50% PIK), 10/15/21 (i)  | 963          | 1,030,410    |
|  |              | 2,688,871    |
| <b>Oil, Gas &amp; Consumable Fuels 2.5%</b>  |              |              |
| Antero Resources Finance Corp.,<br>5.38%, 11/01/21 (c)                                     | 284          | 288,260      |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (c)                                | 254          | 278,130      |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 (c)   | 99           | 99,248       |
| Chesapeake Energy Corp., 5.75%, 3/15/23 (c)  | 1,145        | 1,253,775    |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (b)(c)                                | 383          | 379,170      |
| Kinder Morgan Energy Partners LP (c):<br>6.55%, 9/15/40                                    | 300          | 338,646      |
| 5.00%, 8/15/42   | 1,130        | 1,049,869    |
| 5.00%, 3/01/43   | 570          | 525,800      |
| Kinder Morgan, Inc., 5.63%, 11/15/23 (b)(c)  | 486          | 534,600      |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 (c)      | 334          | 323,562      |
| MIE Holdings Corp., 6.88%, 2/06/18   | 2,000        | 1,970,000    |
| Pacific Drilling SA, 5.38%, 6/01/20 (b)(c)   | 669          | 598,337      |
| Pertamina Persero PT, 5.63%, 5/20/43 (b)(c)  | 2,000        | 1,915,000    |
| Range Resources Corp. (c):<br>5.75%, 6/01/21   | 2,874        | 3,032,070    |
| 5.00%, 8/15/22   | 91           | 95,436       |
| 5.00%, 3/15/23   | 211          | 220,495      |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23 (c)               | 297          | 294,773      |
| RKI Exploration & Production LLC/RKI Finance Corp., 8.50%, 8/01/21 (b)(c)                  | 218          | 213,095      |
| Rosetta Resources, Inc., 5.63%, 5/01/21 (c)  | 3,286        | 3,187,420    |
| Sabine Pass Liquefaction LLC, 6.25%, 3/15/22 (b)(c)  | 752          | 810,280      |
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>   |              |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>   |              |              |

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|  |     |       |            |
|--|-----|-------|------------|
| Summit Midstream Holdings LLC/Summit Midstream Finance Corp., 7.50%, 7/01/21 (c) | USD | 703   | \$ 762,755 |
| Whiting Petroleum Corp., 5.00%, 3/15/19 (c)                                      |     | 878   | 908,730    |
|  |     |       | 19,079,451 |
| <b>Paper &amp; Forest Products 0.1%</b>  |     |       |            |
| Ainsworth Lumber Co. Ltd.,<br>7.50%, 12/15/17 (b)(c)                             |     | 385   | 398,475    |
| <b>Pharmaceuticals 0.9%</b>  |     |       |            |
| Forest Laboratories, Inc., 5.00%, 12/15/21 (b)(c)                                |     | 718   | 769,375    |
| Grifols Worldwide Operations Ltd.,<br>5.25%, 4/01/22 (b)(c)                      |     | 1,094 | 1,121,350  |
| Salix Pharmaceuticals Ltd., 6.00%, 1/15/21 (b)(c)                                |     | 308   | 333,410    |
| Valeant Pharmaceuticals International, Inc. (b)(c):<br>6.75%, 8/15/18            |     | 1,807 | 1,922,196  |
| 6.75%, 8/15/21   |     | 1,276 | 1,317,470  |
| 5.63%, 12/01/21  |     | 1,182 | 1,170,180  |
|  |     |       | 6,633,981  |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                                |     |       |            |
| Felcor Lodging LP, 6.75%, 6/01/19 (c)  |     | 1,261 | 1,311,440  |
| <b>Real Estate Management &amp; Development 4.3%</b>                             |     |       |            |
| Caifu Holdings Ltd., 8.75%, 1/24/20 (c)  |     | 3,000 | 2,890,890  |
| Kaisa Group Holdings Ltd., 10.25%, 1/08/20 (c)                                   |     | 2,000 | 2,079,000  |
| Lai Sun International Finance 2012 Ltd., 5.70%, 1/18/18                          |     | 2,000 | 2,000,800  |
| Northwest Florida Timber Finance LLC, 4.75%, 3/04/29 (b)(c)                      |     | 4,360 | 4,353,024  |
| Punch Taverns Finance B Ltd.:<br>7.37%, 6/30/22                                  | GBP | 3,023 | 5,125,633  |
| Series A6, 5.94%, 9/30/22  |     | 6,346 | 10,227,837 |
| Realogy Corp., 7.63%, 1/15/20 (b)(c)   | USD | 2,454 | 2,662,590  |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19 (c)                       |     | 1,505 | 1,602,825  |
| Sparkle Assets Ltd., 6.88%, 1/30/20  |     | 2,000 | 2,027,600  |
|  |     |       | 32,970,199 |
| <b>Road &amp; Rail 0.5%</b>  |     |       |            |
| The Hertz Corp. (c):<br>4.25%, 4/01/18   |     | 400   | 400,000    |
| 7.38%, 1/15/21   |     | 3,075 | 3,251,813  |
|  |     |       | 3,651,813  |
| <b>Software 0.7%</b>   |     |       |            |
| Infor US, Inc., 9.38%, 4/01/19 (c)   |     | 2,400 | 2,610,000  |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)(c)                               |     | 1,605 | 1,613,025  |
| Sophia LP/Sophia Finance, Inc.,<br>9.75%, 1/15/19 (b)(c)                         |     | 1,220 | 1,308,450  |
|  |     |       | 5,531,475  |
| <b>Specialty Retail 0.2%</b>   |     |       |            |
| Party City Holdings, Inc., 8.88%, 8/01/20 (c)                                    |     | 623   | 675,955    |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22 (c)                       |     | 647   | 689,055    |
|  |     |       | 1,365,010  |
| <b>Technology Hardware, Storage &amp; Peripherals 0.1%</b>                       |     |       |            |
| Pacific Emerald Property Ltd., 9.75%, 7/25/18                                    |     | 1,000 | 1,087,500  |
| <b>Textiles, Apparel &amp; Luxury Goods 0.3%</b>                                 |     |       |            |
| Springs Industries, Inc., 6.25%, 6/01/21 (c)                                     |     | 1,434 | 1,407,113  |
| The William Carter Co., 5.25%, 8/15/21 (c)                                       |     | 604   | 622,120    |
|  |     |       | 2,029,233  |
| <b>Trading Companies &amp; Distributors 0.6%</b>                                 |     |       |            |
| Doric Nimrod Air Alpha 2013-1 Pass-Through Trust, 5.25%, 5/30/25 (b)(c)          |     | 2,871 | 3,021,680  |

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|   | Par          |       | Value        |
|---|--------------|-------|--------------|
|   | (000)        |       |              |
| <b>Corporate Bonds</b>  |              |       |              |
| <b>Trading Companies &amp; Distributors (concluded)</b>   |              |       |              |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class B, 6.50%, 5/30/21 (b)(c) | USD          | 1,160 | \$ 1,226,707 |
|   |              |       | 4,248,387    |
| <b>Wireless Telecommunication Services 4.0%</b>   |              |       |              |
| Crown Castle International Corp., 5.25%, 1/15/23 (c)  |              | 6,565 | 6,720,919    |
| Digicel Ltd., 6.00%, 4/15/21 (b)(c)   |              | 5,000 | 5,050,000    |
| Softbank Corp., 4.50%, 4/15/20 (b)(c)   |              | 1,500 | 1,518,750    |
| Sprint Communications, Inc., 9.00%, 11/15/18 (b)(c)   |              | 8,131 | 9,564,089    |
| Sprint Corp., 7.88%, 9/15/23 (b)(c)   |              | 1,922 | 2,080,565    |
| T-Mobile USA, Inc. (c):   |              |       |              |
| 6.63%, 4/28/21  |              | 3,820 | 4,025,325    |
| 6.73%, 4/28/22  |              | 945   | 999,337      |
| 6.84%, 4/28/23  |              | 610   | 645,075      |
|   |              |       | 30,604,060   |
| <b>Total Corporate Bonds 64.8%</b>  |              |       | 495,194,955  |
| <b>Floating Rate Loan Interests (a)</b>   |              |       |              |
| <b>Aerospace &amp; Defense 0.3%</b>   |              |       |              |
| TransUnion LLC, Term Loan, 4.00%, 4/09/21   |              | 1,935 | 1,909,749    |
| <b>Airlines 0.4%</b>  |              |       |              |
| Delta Air Lines, Inc., 2016 Term Loan B2, 2.40%, 4/18/16  |              | 2,948 | 2,929,078    |
| <b>Auto Components 0.3%</b>   |              |       |              |
| Gates Global, Inc., Term Loan B, 4.25%, 7/05/21   |              | 2,365 | 2,335,437    |
| <b>Chemicals 0.0%</b>   |              |       |              |
| Allnex (Luxembourg) & Cy SCA, Term Loan B1, 4.50%, 10/03/19   |              | 88    | 87,103       |
| Allnex USA, Inc., Term Loan B2, 4.50%, 10/03/19   |              | 46    | 45,194       |
| Tronox Pigments (Netherlands) BV, 2013 Term Loan, 4.00%, 3/19/20                                      |              | 246   | 243,843      |
|   |              |       | 376,140      |
| <b>Commercial Services &amp; Supplies 0.4%</b>  |              |       |              |
| ADS Waste Holdings, Inc., Term Loan, 3.75%, 10/09/19  |              | 639   | 624,415      |
| ARAMARK Services, Inc., Term Loan E, 3.25%, 9/07/19   |              | 437   | 430,110      |
| Spin Holdco, Inc., Term Loan B, 4.25%, 11/14/19   |              | 1,933 | 1,911,771    |
|   |              |       | 2,966,296    |
| <b>Communications Equipment 0.2%</b>  |              |       |              |
| Zayo Group LLC/Zayo Capital, Inc., Term Loan B, 4.00%, 7/02/19  |              | 1,920 | 1,901,730    |
| <b>Construction Materials 0.3%</b>  |              |       |              |
| HD Supply, Inc., Term Loan B, 4.00%, 6/28/18  |              | 2,486 | 2,459,702    |
| <b>Distributors 0.1%</b>  |              |       |              |
| ABC Supply Co., Inc., Term Loan, 3.50%, 4/16/20   |              | 594   | 580,142      |
| <b>Diversified Consumer Services 0.1%</b>   |              |       |              |
| Bright Horizons Family Solutions, Inc., Term Loan B, 3.75%, 1/30/20                                   |              | 491   | 484,741      |
| Weight Watchers International, Inc., Term Loan B2, 4.00%, 4/02/20                                     |              | 493   | 375,531      |
|   |              |       | 860,272      |
| <b>Diversified Telecommunication Services 0.3%</b>  |              |       |              |
| Level 3 Financing, Inc., 2020 Term Loan B, 4.00%, 1/15/20   |              | 2,275 | 2,263,625    |
|   | <b>Par</b>   |       |              |
| <b>Floating Rate Loan Interests (a)</b>   | <b>(000)</b> |       | <b>Value</b> |

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|   |     |       |            |
|---|-----|-------|------------|
| <b>Electronic Equipment, Instruments &amp; Components 0.0%</b>            |     |       |            |
| CDW LLC, Term Loan, 3.25%, 4/29/20  | USD | 296   | \$ 288,693 |
| <b>Energy Equipment &amp; Services 0.2%</b>                               |     |       |            |
| Dynegy Holdings, Inc., Term Loan B2, 4.00%, 4/23/20                       |     | 1,620 | 1,608,374  |
| <b>Food Products 0.2%</b>   |     |       |            |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/29/20                   |     | 1,457 | 1,428,777  |
| <b>Health Care Equipment &amp; Supplies 0.1%</b>                          |     |       |            |
| Immuco, Inc., Refinancing Term Loan B2, 5.00%, 8/17/18                    |     | 737   | 735,261    |
| <b>Health Care Providers &amp; Services 0.1%</b>                          |     |       |            |
| American Renal Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/20/19         |     | 463   | 454,540    |
| <b>Hotels, Restaurants &amp; Leisure 3.3%</b>                             |     |       |            |
| Caesars Entertainment Resort Properties LLC, Term Loan B, 7.00%, 10/11/20 |     | 1,821 | 1,734,310  |
| Hilton Fort Lauderdale, Mezzanine Term Loan 5, 6.15%, 8/04/19             |     | 6,500 | 6,500,000  |
| Hilton Los Cabos, B-Note, 8.16%, 9/18/18                                  |     | 5,375 | 5,375,000  |
| Hilton Orlando, Mezzanine A3, 6.41%, 8/01/16                              |     | 7,250 | 7,250,000  |
| Hilton Worldwide Finance LLC, Term Loan B2, 3.50%, 10/26/20               |     | 2,411 | 2,385,286  |
| MGM Resorts International, Term Loan A, 2.90%, 12/20/17                   |     | 1,228 | 1,214,309  |
| Station Casinos LLC, Term Loan B, 4.25%, 3/02/20                          |     | 954   | 942,610    |
|   |     |       | 25,401,515 |
| <b>Insurance 0.3%</b>   |     |       |            |
| Sedgwick, Inc., 1st Lien Term Loan, 3.75%, 3/01/21                        |     | 1,995 | 1,936,634  |
| <b>IT Services 0.4%</b>   |     |       |            |
| First Data Corp., New 2018 Extended Term Loan, 3.65%, 3/23/18             |     | 3,000 | 2,970,000  |
| SunGard Data Systems, Inc., Term Loan E, 4.00%, 3/08/20                   |     | 227   | 225,602    |
|   |     |       | 3,195,602  |
| <b>Machinery 0.3%</b>   |     |       |            |
| Generac Power Systems, Inc., Term Loan B, 3.25%, 5/31/20                  |     | 903   | 884,007    |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                     |     | 1,178 | 1,156,805  |
|   |     |       | 2,040,812  |
| <b>Media 0.2%</b>   |     |       |            |
| Clear Channel Communications, Inc.:                                       |     |       |            |
| Term Loan B, 3.80%, 1/29/16   |     | 36    | 35,949     |
| Term Loan D, 6.90%, 1/30/19   |     | 675   | 636,395    |
| Univision Communications, Inc., Term Loan C4, 4.00%, 3/01/20              |     | 493   | 487,194    |
| Virgin Media Investment Holdings Ltd., Term Loan B, 3.50%, 6/07/20        |     | 700   | 689,696    |
|   |     |       | 1,849,234  |
| <b>Metals &amp; Mining 0.2%</b>   |     |       |            |
| FMG Resources (August 2006) Property Ltd., Term Loan B, 3.75%, 6/30/19    |     | 1,315 | 1,281,674  |
| <b>Oil, Gas &amp; Consumable Fuels 0.2%</b>                               |     |       |            |
| Offshore Group Investment Ltd., Term Loan B, 5.75%, 3/28/19               |     | 1,182 | 1,069,710  |
| Power Buyer LLC:  |     |       |            |
| 1st Lien Term Loan, 4.25%, 5/06/20  |     | 685   | 668,118    |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  |     | Par          |    | Value        |
|--|-----|--------------|----|--------------|
|  |     | (000)        |    |              |
| <b>Floating Rate Loan Interests (a)</b>                              |     |              |    |              |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                   |     |              |    |              |
| Power Buyer LLC (concluded):   |     |              |    |              |
| Delayed Draw Term Loan, 4.25%, 5/06/20                               | USD | 36           | \$ | 35,585       |
|  |     |              |    | 1,773,413    |
| <b>Pharmaceuticals 0.1%</b>  |     |              |    |              |
| Par Pharmaceutical Cos., Inc., Term Loan B2, 4.00%, 9/30/19          |     | 740          |    | 727,799      |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                    |     |              |    |              |
| BRE Select Holdings LP, Mezzanine Term Loan, 6.80%, 12/15/15         |     | 3,460        |    | 3,494,600    |
| <b>Real Estate Management &amp; Development 0.1%</b>                 |     |              |    |              |
| Realogy Corp., Term Loan B, 3.75%, 3/05/20                           |     | 882          |    | 873,911      |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>             |     |              |    |              |
| Freescale Semiconductor, Inc., Term Loan B4, 4.25%, 2/28/20          |     | 493          |    | 485,318      |
| <b>Specialty Retail 0.1%</b>   |     |              |    |              |
| Party City Holdings, Inc., Term Loan, 4.00%, 7/27/19                 |     | 983          |    | 961,518      |
| SRAM LLC, Term Loan B, 4.00%-5.25%, 4/10/20                          |     | 128          |    | 125,448      |
|  |     |              |    | 1,086,966    |
| <b>Technology Hardware, Storage &amp; Peripherals 0.5%</b>           |     |              |    |              |
| Walton Portland Holdings VI LLC, Mezzanine Term Loan, 7.48%, 7/06/16 |     | 3,750        |    | 3,750,000    |
| <b>Total Floating Rate Loan Interests 9.3%</b>                       |     |              |    | 70,995,294   |
| <b>Foreign Agency Obligations</b>                                    |     |              |    |              |
| Cyprus Government International Bond, 4.63%, 2/03/20 (b)             | EUR | 2,950        |    | 3,493,839    |
| Iceland Government International Bond, 5.88%, 5/11/22 (c)            | USD | 3,415        |    | 3,858,738    |
| Slovenia Government International Bond, 5.85%, 5/10/23 (b)(c)        |     | 766          |    | 859,360      |
| Sri Lanka Government International Bond, 5.88%, 7/25/22 (c)          |     | 3,000        |    | 3,120,000    |
| <b>Total Foreign Agency Obligations 1.5%</b>                         |     |              |    | 11,331,937   |
| <b>Non-Agency Mortgage-Backed Securities</b>                         |     |              |    |              |
| <b>Collateralized Mortgage Obligations 35.3%</b>                     |     |              |    |              |
| Alternative Loan Trust:  |     |              |    |              |
| Series 2005-61, Class 2A1, 0.43%, 12/25/35 (a)                       |     | 4,565        |    | 3,992,510    |
| Series 2005-9CB, Class 1A3, 0.60%, 5/25/35 (a)                       |     | 6,958        |    | 5,789,346    |
| Series 2006-40T1, Class 2A5, 0.55%, 12/25/36 (a)                     |     | 3,660        |    | 1,691,621    |
| Series 2006-7CB, Class 2A1, 6.50%, 5/25/36                           |     | 5,120        |    | 3,516,390    |
| Series 2006-J7, Class 2A1, 2.17%, 11/20/36 (a)                       |     | 11,168       |    | 7,433,665    |
| Series 2006-J8, Class A5, 6.00%, 2/25/37                             |     | 2,961        |    | 2,341,626    |
| Series 2006-OA10, Class 2A1, 0.34%, 8/25/46 (a)                      |     | 10,036       |    | 7,611,763    |
| Series 2006-OA14, Class 3A1, 0.96%, 11/25/46 (a)                     |     | 16,280       |    | 12,070,583   |
| Series 2006-OA16, Class A2, 0.34%, 10/25/46 (a)                      |     | 11,812       |    | 10,006,347   |
| Series 2006-OA18, Class A1, 0.27%, 12/25/46 (a)                      |     | 7,027        |    | 6,072,752    |
| Series 2006-OA22, Class A1, 0.31%, 2/25/47 (a)                       |     | 6,074        |    | 5,313,649    |
|  |     | <b>Par</b>   |    |              |
|  |     | <b>(000)</b> |    | <b>Value</b> |
| <b>Non-Agency Mortgage-Backed Securities</b>                         |     |              |    |              |
| <b>Collateralized Mortgage Obligations (continued)</b>               |     |              |    |              |
| Alternative Loan Trust (concluded):                                  |     |              |    |              |
| Series 2006-OA6, Class 1A1A, 0.36%, 7/25/46 (a)                      | USD | 12,942       | \$ | 9,705,972    |
| Series 2006-OA8, Class 1A1, 0.34%, 7/25/46 (a)                       |     | 4,106        |    | 3,302,056    |
| Series 2007-12T1, Class A22, 5.75%, 6/25/37                          |     | 8,142        |    | 6,830,305    |

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|   |        |            |
|---|--------|------------|
| Series 2007-12T1, Class A5, 6.00%, 6/25/37  | 3,951  | 3,369,349  |
| Series 2007-22, Class 2A16, 6.50%, 9/25/37  | 13,362 | 10,825,125 |
| Series 2007-23CB, Class A1, 6.00%, 9/25/37  | 12,449 | 10,951,262 |
| Series 2007-4CB, Class 1A3, 0.50%, 4/25/37 (a)  | 7,964  | 5,876,686  |
| Series 2007-OA2, Class 1A1, 0.95%, 3/25/47 (a)  | 7,821  | 5,772,809  |
| Series 2007-OA6, Class A1A, 0.29%, 6/25/37 (a)  | 12,313 | 10,454,771 |
| American Home Mortgage Assets Trust, Series 2006-5, Class A1,<br>1.03%, 11/25/46 (a)                    | 7,248  | 3,939,438  |
| American Home Mortgage Investment Trust, Series 2007-1, Class GA1C,<br>0.34%, 5/25/47 (a)               | 5,010  | 3,584,210  |
| Banc of America Funding Trust, Series 2006-G, Class 2A1, 0.38%, 7/20/36 (a)                             | 2,772  | 2,573,976  |
| Bear Stearns ARM Trust, Series 2006-1, Class A1, 2.36%, 2/25/36 (a)                                     | 4,811  | 4,793,742  |
| CHL Mortgage Pass-Through Trust:  |        |            |
| Series 2006-3, Class 1A1, 0.39%, 3/25/36 (a)  | 16,258 | 13,904,366 |
| Series 2007-J2, Class 2A1, 0.80%, 7/25/37 (a)   | 7,206  | 4,936,018  |
| Series 2007-J2, Class 2A8, 6.00%, 7/25/37   | 3,979  | 3,362,014  |
| Citigroup Mortgage Loan Trust:  |        |            |
| Series 2005-9, Class 21A2, 5.50%, 11/25/35  | 6,866  | 6,343,772  |
| Series 2006-AR7, Class 2A3A, 2.45%, 11/25/36 (a)  | 9,709  | 7,926,012  |
| Countrywide Home Loan Mortgage Pass-Through Trust, Series 2006-OA5, Class 3A1,<br>0.35%, 4/25/46 (a)    | 12,928 | 11,288,579 |
| Credit Suisse First Boston Mortgage Trust, Series 2008-2R, Class 1A1,<br>6.00%, 7/25/37 (b)             | 3,869  | 3,369,124  |
| Fannie Mae Connecticut Avenue Securities, Class 1M2 (a):  |        |            |
| Series 2014-C02, 2.75%, 5/25/24   | 10,000 | 8,877,220  |
| Series 2014-C03, 3.15%, 7/25/24   | 15,000 | 13,731,090 |
| GreenPoint Mortgage Funding Trust,<br>Series 2007-AR3, Class A1, 0.37%, 6/25/37 (a)                     | 7,808  | 6,583,791  |
| GSR Mortgage Loan Trust (a):  |        |            |
| Series 2005-AR3, Class 5A1, 2.67%, 5/25/35  | 4,058  | 3,938,085  |
| Series 2005-AR6, Class 2A1, 2.66%, 9/25/35  | 2,802  | 2,810,623  |
| Morgan Stanley Re-REMIC Trust, Series 2010-R5, Class 7B, 0.38%, 5/26/37 (a)(b)                          | 19,883 | 12,440,547 |
| Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 2006-AF1, Class 1A2,<br>6.16%, 5/25/36 (a) | 10,255 | 5,640,342  |
| Residential Asset Securitization Trust, Series 2006-A8, Class 2A5,<br>0.75%, 8/25/36 (a)                | 8,947  | 4,051,933  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par          |       | Value        |
|--|--------------|-------|--------------|
|  | (000)        |       |              |
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |       |              |
| <b>Collateralized Mortgage Obligations (concluded)</b>   |              |       |              |
| Structured Asset Mortgage Investments II Trust, Series 2006-AR1, Class 3A1, 0.38%, 2/25/36 (a)                       | USD          | 4,502 | \$ 3,669,352 |
| WaMu Mortgage Pass-Through Certificates, Class 1A (a):   |              |       |              |
| Series 2006-AR19, 0.85%, 1/25/47   |              | 3,419 | 2,783,671    |
| Series 2007-OA4, 0.88%, 5/25/47  |              | 6,794 | 5,805,550    |
|  |              |       | 269,282,042  |
| <b>Commercial Mortgage-Backed Securities 18.4%</b>   |              |       |              |
| Bank of America Merrill Lynch Commercial Mortgage Securities Trust, Series 2013-DSMZ, Class M, 5.84%, 9/15/18 (a)(b) |              | 7,500 | 7,499,959    |
| BHMS Mortgage Trust, Series 2014-MZ, Class M, 7.37%, 7/05/33 (a)(b)  |              | 2,000 | 2,014,179    |
| CD Commercial Mortgage Trust, Series 2007-CD5, Class C, 6.11%, 11/15/44 (a)  |              | 3,372 | 3,347,610    |
| CG-CCRE Commercial Mortgage Trust, Series 2014-FL1 (a)(b):   |              |       |              |
| Class D, 2.90%, 6/15/31 (c)  |              | 3,000 | 2,983,038    |
| Class E, 4.80%, 6/15/31  |              | 1,931 | 1,920,325    |
| Commercial Mortgage Pass-Through Certificates (a)(b):  |              |       |              |
| Series 2007-C9, Class G, 5.80%, 12/10/49   |              | 5,120 | 5,019,981    |
| Series 2013-FL3, Class MMHP, 3.75%, 10/13/28   |              | 4,000 | 3,999,800    |
| Series 2013-LC13, Class D, 5.05%, 8/10/46  |              | 2,650 | 2,619,289    |
| Series 2014-CR16, Class D, 4.91%, 4/10/47  |              | 2,000 | 1,895,184    |
| Series 2014-KYO, Class F, 3.65%, 6/11/27   |              | 9,000 | 8,980,038    |
| Series 2014-LC15, Class D, 4.94%, 4/10/47  |              | 3,000 | 2,821,839    |
| Series 2014-PAT, Class E, 3.30%, 8/13/27   |              | 1,000 | 990,219      |
| Series 2014-PAT, Class F, 2.59%, 8/13/27   |              | 3,000 | 2,844,375    |
| Series 2014-PAT, Class G, 1.75%, 8/13/27   |              | 2,000 | 1,751,250    |
| Commercial Mortgage Trust, Series 2007-GG11, Class AJ, 6.05%, 12/10/49 (a)   |              | 2,000 | 2,090,604    |
| Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C3, Class B, 4.88%, 7/15/37                        |              | 2,000 | 1,993,818    |
| Del Coronado Trust, Series 2013-HDMZ, Class M, 5.15%, 3/15/18 (a)(b)   |              | 6,000 | 6,013,200    |
| GS Mortgage Securities Trust (a):  |              |       |              |
| Series 2006-GG6, Class AJ, 5.52%, 4/10/38  |              | 5,000 | 5,140,575    |
| Series 2006-GG6, Class C, 5.55%, 4/10/38   |              | 6,480 | 6,490,767    |
| Series 2014-GSFL, Class D, 4.05%, 7/15/31 (b)  |              | 1,325 | 1,321,254    |
| Series 2014-GSFL, Class E, 6.10%, 7/15/31 (b)  |              | 1,000 | 987,395      |
| JPMorgan Chase Commercial Mortgage Securities Trust (a):   |              |       |              |
| Series 2007-CB20, Class AJ, 6.07%, 2/12/51   |              | 4,000 | 4,216,868    |
| Series 2007-CB20, Class B, 6.17%, 2/12/51 (b)  |              | 1,000 | 1,045,213    |
| Series 2014-CBMZ, Class M, 6.38%, 10/15/29 (b)   |              | 4,000 | 4,000,000    |
| Series 2014-DSTY, Class E, 3.80%, 6/10/27 (b)  |              | 5,000 | 4,568,045    |
| LB-UBS Commercial Mortgage Trust:  |              |       |              |
| Series 2006-C4, Class AJ, 5.85%, 6/15/38 (a)   |              | 5,000 | 5,243,325    |
| Series 2007-C1, Class AJ, 5.48%, 2/15/40   |              | 2,000 | 2,081,386    |
| Series 2007-C2, Class AM, 5.49%, 2/15/40 (a)   |              | 5,000 | 5,301,955    |
| Series 2007-C7, Class AJ, 6.25%, 9/15/45 (a)   |              | 5,000 | 5,288,165    |
| Series 2007-C7, Class B, 6.25%, 9/15/45 (a)  |              | 871   | 887,546      |
|  | <b>Par</b>   |       |              |
|  | <b>(000)</b> |       | <b>Value</b> |
| <b>Non-Agency Mortgage-Backed Securities</b>   |              |       |              |
| <b>Commercial Mortgage-Backed Securities (concluded)</b>   |              |       |              |
| London & Regional Debt Securitisation No. 2 PLC, Series 2, Class A, 3.56%, 10/15/15 (a)                              | GBP          | 3,624 | \$ 5,867,411 |
| Hilton USA Trust, Series 2013-HLT, Class EFX, 5.22%, 11/05/30 (a)(b)   | USD          | 5,000 | 5,094,025    |
| Madison Avenue Trust, Series 2013-650M, Class E, 4.03%, 10/12/32 (a)(b)  |              | 5,000 | 4,808,725    |
| New York Mortgage Securitization Trust, Series 2013-1, Class A, 5.40%, 8/27/24 (a)(b)                                |              | 5,000 | 5,025,000    |
| RBSP Resecuritization Trust, Series 2013-5, Class 3A1, 0.51%, 1/26/36 (a)(b)   |              | 2,345 | 2,026,601    |



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|  |              |       |                    |
|--|--------------|-------|--------------------|
| Talisman Finance PLC, Series 6, Class A, 0.26%, 10/22/16 (a)                           | EUR          | 5,209 | 6,361,137          |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class AJ, 5.94%, 2/15/51 (a) | USD          | 6,000 | 6,306,744          |
|  |              |       | 140,846,845        |
| <b>Total Non-Agency Mortgage-Backed Securities</b>                                     | <b>53.7%</b> |       | <b>410,128,887</b> |

### Preferred Securities

#### Capital Trusts

##### Banks 3.9%

|  |  |        |            |
|--|--|--------|------------|
| BNP Paribas SA, 7.20% (a)(b)(c)(h)             |  | 7,500  | 8,648,475  |
| Fifth Third Bancorp, Series J, 4.90% (a)(c)(h) |  | 3,000  | 2,950,800  |
| HSBC Holdings PLC, 5.63% (a)(c)(h)             |  | 3,720  | 3,780,450  |
| Lloyds Bank PLC, 12.00% (a)(b)(c)(h)           |  | 3,500  | 5,066,250  |
| Wachovia Capital Trust III, 5.57% (a)(c)(h)    |  | 10,000 | 9,675,000  |
|  |  |        | 30,120,975 |

##### Capital Markets 1.4%

|  |  |       |            |
|--|--|-------|------------|
| The Bank of New York Mellon Corp., Series D, 4.50% (a)(c)(h) |  | 6,067 | 5,740,899  |
| Credit Suisse Group AG, 6.25% (a)(b)(c)(h)                   |  | 1,035 | 1,006,537  |
| Morgan Stanley, Series H, 5.45% (a)(c)(h)                    |  | 3,644 | 3,661,083  |
|  |  |       | 10,408,519 |

##### Diversified Financial Services 5.9%

|   |  |        |            |
|---|--|--------|------------|
| Bank of America Corp. (a)(c)(h):            |  |        |            |
| Series U, 5.20%                             |  | 1,750  | 1,623,125  |
| Series V, 5.13%                             |  | 7,965  | 7,726,050  |
| Citigroup, Inc. (a)(c)(h):                  |  |        |            |
| 5.90%                                       |  | 2,250  | 2,238,750  |
| Series D, 5.35%                             |  | 3,700  | 3,450,250  |
| General Electric Capital Corp.,             |  |        |            |
| Series B, 6.25% (a)(c)(h)                   |  | 5,000  | 5,468,950  |
| JPMorgan Chase & Co. (a)(c)(h):             |  |        |            |
| Series Q, 5.15%                             |  | 5,500  | 5,211,250  |
| Series V, 5.00%                             |  | 2,500  | 2,459,375  |
| Macquarie Bank Ltd., 10.25%, 6/20/57 (a)(c) |  | 10,000 | 11,300,000 |
| Societe Generale SA, 6.00% (a)(b)(c)(h)     |  | 5,540  | 5,221,450  |
|   |  |        | 44,699,200 |

##### Electric Utilities 1.0%

|  |  |       |           |
|--|--|-------|-----------|
| Electricite de France SA, 5.25% (a)(b)(c)(h) |  | 7,500 | 7,781,250 |
|--|--|-------|-----------|

##### Insurance 8.3%

|   |  |        |            |
|---|--|--------|------------|
| The Allstate Corp., 5.75%, 8/15/53 (a)(c)                 |  | 2,000  | 2,127,500  |
| American International Group, Inc., 8.18%, 5/15/68 (a)(c) |  | 4,500  | 6,108,750  |
| AXA SA, 6.46% (a)(b)(c)(h)                                |  | 10,000 | 10,443,800 |
| Genworth Holdings, Inc.,                                  |  |        |            |
| 6.15%, 11/15/66 (a)(c)                                    |  | 10,000 | 8,550,000  |

See Notes to Financial Statements.

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par        |  | Value         |
|--|------------|--|---------------|
|  | (000)      |  |               |
| <b>Capital Trusts</b>  |            |  |               |
| <b>Insurance (concluded)</b>   |            |  |               |
| Liberty Mutual Group, Inc.,<br>7.80%, 3/07/87 (b)(c)                   | USD 14,000 |  | \$ 16,380,000 |
| Prudential Financial, Inc.,<br>5.63%, 6/15/43 (a)(c)                   | 6,000      |  | 6,225,000     |
| Sompo Japan Insurance, Inc., 5.33%, 3/28/73 (a)(b)(c)                  | 6,000      |  | 6,315,000     |
| Voya Financial, Inc., 5.65%, 5/15/53 (a)(c)                            | 1,090      |  | 1,090,000     |
| XL Group PLC, Series E, 6.50% (a)(c)(h)                                | 6,500      |  | 6,236,750     |
|  |            |  | 63,476,800    |
| <b>Oil, Gas &amp; Consumable Fuels 1.1%</b>                            |            |  |               |
| DCP Midstream LLC, 5.85%, 5/21/43 (a)(b)(c)                            | 5,020      |  | 4,957,250     |
| Enterprise Products Operating LLC, Series A, 8.38%, 8/01/66 (a)(c)     | 3,248      |  | 3,548,440     |
|  |            |  | 8,505,690     |
| <b>Total Capital Trusts 21.6%</b>                                      |            |  | 164,992,434   |
| <b>Preferred Stocks</b>  |            |  |               |
| <b>Aerospace &amp; Defense 0.4%</b>                                    |            |  |               |
| United Technologies Corp., 7.50% (j)                                   | 50,000     |  | 2,918,500     |
| <b>Capital Markets 1.7%</b>  |            |  |               |
| The Goldman Sachs Group, Inc., Series J, 5.50% (a)(h)                  | 395,017    |  | 9,452,757     |
| Morgan Stanley, 6.88% (a)(h)   | 100,000    |  | 2,652,000     |
| SCE Trust III, 5.75% (a)(h)  | 23,730     |  | 641,659       |
|  |            |  | 12,746,416    |
| <b>Diversified Financial Services 0.2%</b>                             |            |  |               |
| Citigroup, Inc., Series K, 6.88% (a)(h)                                | 75,000     |  | 2,007,000     |
| <b>Preferred Stocks</b>  |            |  |               |
| <b>Real Estate Investment Trusts (REITs) 1.9%</b>                      |            |  |               |
| Firststar Realty LLC, 8.88% (b)(h)                                     | 10,000     |  | \$ 12,496,875 |
| SunTrust Real Estate Investment Corp., 9.00% (b)(h)                    | 15         |  | 1,824,665     |
|  |            |  | 14,321,540    |
| <b>Total Preferred Stocks 4.2%</b>                                     |            |  | 31,993,456    |
| <b>Total Preferred Securities 25.8%</b>                                |            |  | 196,985,890   |
| <b>Total Long-Term Investments</b>                                     |            |  |               |
| <b>(Cost \$1,378,595,377) 183.6%</b>                                   |            |  | 1,402,003,355 |
| <b>Short-Term Securities</b>   |            |  |               |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.07% (k)(l) | 18,823,385 |  | 18,823,385    |
| <b>Total Short-Term Securities</b>                                     |            |  |               |
| <b>(Cost \$18,823,385) 2.4%</b>  |            |  | 18,823,385    |
| <b>Options Purchased</b>   |            |  |               |
| <b>(Cost \$18,750) 0.0%</b>  |            |  | 3,750         |
| <b>Total Investments Before Options Written</b>                        |            |  |               |
| <b>(Cost \$1,397,437,512) 186.1%</b>                                   |            |  | 1,420,830,490 |
| <b>Options Written</b>   |            |  |               |
| <b>(Premiums Received \$5,938) (0.0)%</b>                              |            |  | (250)         |
| <b>Total Investments, Net of Options Written</b>                       |            |  |               |
| <b>(Cost \$1,397,431,574) 186.1%</b>                                   |            |  | 1,420,830,240 |
| <b>Liabilities in Excess of Other Assets (86.1)%</b>                   |            |  | (657,470,525) |

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Net Assets 100.0%

\$ 763,359,715

## Notes to Schedule of Investments

- (a) Variable rate security. Rate shown is as of report date.
  
- (b) 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.
  
- (c) All or a portion of security has been pledged as collateral in connection with outstanding reverse repurchase agreements.
  
- (d) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
  
- (e) Zero-coupon bond.
  
- (f) Amount is less than \$500.
  
- (g) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty         | Value        | Unrealized<br>Appreciation<br>(Depreciation) |
|----------------------|--------------|--|
| Bank of America N.A. | \$ 3,294,550 |  |

- (h) Security is perpetual in nature and has no stated maturity date.
  
- (i) Represents a 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.
  
- (j) Convertible security.
  
- (k) Investments in issuers considered to be an affiliate of the Trust during the year ended October 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2013 | Net<br>Activity | Shares Held<br>at October 31,<br>2014 | Income   |
|--|---------------------------------------|-----------------|---------------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 10,668,292                            | 8,155,093       | 18,823,385                            | \$ 6,878 |

- (l) Represents the current yield as of report date.

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See Notes to Financial Statements.

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## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

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

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows:

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value    | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|---------------|---------------------------------------|
| BNP Paribas Securities Corp.   | 0.34%         | 1/14/14    | Open                       | \$ 13,719,000 | \$ 13,756,704                         |
| Barclays Capital, Inc.         | 0.65%         | 2/03/14    | Open                       | 1,869,145     | 1,878,291                             |
| Barclays Capital, Inc.         | 0.60%         | 2/04/14    | Open                       | 4,837,500     | 4,859,269                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 2/06/14    | Open                       | 215,000       | 215,928                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 2/07/14    | Open                       | 288,000       | 289,175                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 2/28/14    | Open                       | 1,502,000     | 1,507,645                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 2/28/14    | Open                       | 1,127,000     | 1,131,236                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 3/03/14    | Open                       | 2,225,000     | 2,234,011                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 3/12/14    | Open                       | 658,000       | 660,481                               |
| Deutsche Bank Securities, Inc. | 0.45%         | 3/20/14    | Open                       | 4,902,000     | 4,915,787                             |
| Deutsche Bank Securities, Inc. | 0.45%         | 3/20/14    | Open                       | 1,414,000     | 1,417,977                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 617,000       | 619,121                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 1,094,000     | 1,097,761                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 5,231,000     | 5,248,982                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 2,250,000     | 2,257,734                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 7,582,500     | 7,608,565                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 5,096,000     | 5,113,517                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 2,376,000     | 2,384,167                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 172,000       | 172,591                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 2,696,000     | 2,705,267                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 4,235,000     | 4,249,558                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 3,082,000     | 3,092,594                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 4,647,000     | 4,662,974                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 3,094,000     | 3,104,636                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 2,454,000     | 2,462,436                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 3,115,000     | 3,125,708                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 2,079,000     | 2,086,147                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 618,000       | 620,124                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 10,343,000    | 10,378,554                            |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 3,044,000     | 3,054,464                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 651,000       | 653,238                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 5,781,000     | 5,800,872                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 4,544,000     | 4,559,620                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 3/20/14    | Open                       | 4,900,000     | 4,916,844                             |
| Barclays Capital, Inc.         | 0.60%         | 4/07/14    | Open                       | 2,885,335     | 2,895,337                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/07/14    | Open                       | 674,880       | 677,142                               |
| Deutsche Bank Securities, Inc. | 0.50%         | 4/21/14    | Open                       | 1,940,000     | 1,945,213                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 603,000       | 604,782                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 4,849,000     | 4,863,333                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 3,345,000     | 3,354,887                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 2,550,000     | 2,557,537                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 3,735,000     | 3,746,040                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 5,704,000     | 5,720,860                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 1,317,000     | 1,320,883                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 1,100,000     | 1,103,251                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 4,230,000     | 4,242,503                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 4/21/14    | Open                       | 2,086,000     | 2,092,166                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 1,483,000     | 1,487,623                             |

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|                                |       |         |      |           |           |
|--------------------------------|-------|---------|------|-----------|-----------|
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 378,000   | 379,178   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 2,533,000 | 2,540,896 |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 667,000   | 669,079   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 348,000   | 349,085   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 667,000   | 669,079   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 653,000   | 655,035   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 626,000   | 627,951   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 4,524,000 | 4,538,102 |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 632,000   | 633,970   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 633,000   | 634,973   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 727,000   | 729,266   |
| Deutsche Bank Securities, Inc. | 0.58% | 4/21/14 | Open | 359,000   | 360,119   |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | \$ 882,000 | \$ 884,749                            |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 588,000    | 589,833                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 1,855,000  | 1,860,782                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 1,515,000  | 1,519,722                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 2,957,000  | 2,966,217                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 297,000    | 297,926                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 435,000    | 436,356                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 652,000    | 654,032                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 4/21/14    | Open                       | 1,309,000  | 1,313,080                             |
| Deutsche Bank Securities, Inc. | 0.40%         | 5/05/14    | Open                       | 4,524,000  | 4,532,998                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 5/05/14    | Open                       | 1,015,000  | 1,017,776                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 5/05/14    | Open                       | 186,000    | 186,509                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 5/05/14    | Open                       | 1,495,000  | 1,499,088                             |
| Barclays Capital, Inc.         | 0.45%         | 5/07/14    | Open                       | 2,528,000  | 2,533,625                             |
| Barclays Capital, Inc.         | 0.55%         | 5/07/14    | Open                       | 3,248,000  | 3,256,833                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/12/14    | Open                       | 1,095,000  | 1,098,157                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 5/13/14    | Open                       | 2,865,000  | 2,872,485                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 5/13/14    | Open                       | 515,000    | 516,419                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 5/13/14    | Open                       | 567,000    | 568,562                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 5/13/14    | Open                       | 702,000    | 703,967                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 5/13/14    | Open                       | 955,000    | 957,676                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 5/13/14    | Open                       | 911,000    | 913,553                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/13/14    | Open                       | 276,000    | 276,787                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/13/14    | Open                       | 264,000    | 264,752                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/13/14    | Open                       | 508,000    | 509,448                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/13/14    | Open                       | 617,000    | 618,758                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 5/13/14    | Open                       | 597,000    | 598,701                               |
| UBS Securities LLC             | 0.40%         | 5/13/14    | Open                       | 5,061,000  | 5,070,616                             |
| UBS Securities LLC             | 0.45%         | 5/13/14    | Open                       | 7,397,000  | 7,412,811                             |
| UBS Securities LLC             | 0.50%         | 5/13/14    | Open                       | 7,707,000  | 7,725,304                             |
| UBS Securities LLC             | 0.50%         | 5/13/14    | Open                       | 8,271,000  | 8,290,644                             |
| UBS Securities LLC             | 0.50%         | 5/13/14    | Open                       | 5,837,000  | 5,850,863                             |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 4,748,000  | 4,760,404                             |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 2,810,000  | 2,817,341                             |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 10,300,000 | 10,326,909                            |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 1,815,000  | 1,819,742                             |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 9,085,000  | 9,108,735                             |
| UBS Securities LLC             | 0.55%         | 5/13/14    | Open                       | 8,988,000  | 9,011,481                             |
| UBS Securities LLC             | 0.60%         | 5/13/14    | Open                       | 2,713,000  | 2,720,732                             |
| Barclays Bank PLC              | 0.70%         | 5/14/14    | Open                       | 2,646,000  | 2,654,746                             |
| Barclays Bank PLC              | 0.85%         | 5/14/14    | Open                       | 1,614,000  | 1,620,478                             |
| Barclays Capital, Inc.         | 0.40%         | 5/14/14    | Open                       | 5,942,000  | 5,958,836                             |
| Barclays Capital, Inc.         | 0.40%         | 5/14/14    | Open                       | 6,277,000  | 6,293,303                             |
| Barclays Capital, Inc.         | 0.45%         | 5/14/14    | Open                       | 5,999,000  | 6,015,431                             |
| Barclays Capital, Inc.         | 0.45%         | 5/14/14    | Open                       | 10,141,000 | 10,169,733                            |
| Barclays Capital, Inc.         | 0.45%         | 5/14/14    | Open                       | 9,120,000  | 9,145,840                             |
| Barclays Capital, Inc.         | 0.45%         | 5/14/14    | Open                       | 5,189,000  | 5,201,252                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 1,320,000  | 1,323,678                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 6,086,000  | 6,103,244                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 881,000    | 883,080                               |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 950,000    | 952,692                               |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 2,479,000  | 2,483,683                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 2,129,000  | 2,134,529                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 1,483,000  | 1,487,202                             |
| Barclays Capital, Inc.         | 0.60%         | 5/14/14    | Open                       | 1,222,000  | 1,225,347                             |

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|                                |       |         |      |           |           |
|--------------------------------|-------|---------|------|-----------|-----------|
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 3,073,000 | 3,081,562 |
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 1,212,000 | 1,215,434 |
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 793,000   | 795,247   |
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 799,000   | 801,264   |
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 1,218,000 | 1,221,336 |
| Barclays Capital, Inc.         | 0.60% | 5/14/14 | Open | 1,219,000 | 1,222,396 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/14 | Open | 1,473,000 | 1,476,826 |
| Deutsche Bank Securities, Inc. | 0.55% | 5/15/14 | Open | 1,527,000 | 1,530,966 |

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value   | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|--------------|---------------------------------------|
| Deutsche Bank Securities, Inc. | 0.55%         | 5/15/14    | Open                       | \$ 1,293,000 | \$ 1,296,358                          |
| Deutsche Bank Securities, Inc. | 0.55%         | 5/15/14    | Open                       | 1,361,000    | 1,364,535                             |
| Barclays Bank PLC              | 0.25%         | 5/23/14    | Open                       | 4,288,000    | 4,292,705                             |
| Barclays Bank PLC              | 0.25%         | 5/23/14    | Open                       | 2,203,000    | 2,205,417                             |
| Barclays Bank PLC              | 0.70%         | 5/23/14    | Open                       | 10,050,000   | 10,080,876                            |
| Barclays Bank PLC              | 0.75%         | 5/23/14    | Open                       | 2,393,000    | 2,400,877                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 6/02/14    | Open                       | 1,280,000    | 1,282,972                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 6/02/14    | Open                       | 2,193,000    | 2,198,093                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 6/02/14    | Open                       | 759,000      | 760,763                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 6/02/14    | Open                       | 2,036,000    | 2,040,728                             |
| Barclays Capital, Inc.         | 0.60%         | 6/05/14    | Open                       | 1,037,177    | 1,039,753                             |
| Barclays Capital, Inc.         | 0.60%         | 6/06/14    | Open                       | 657,352      | 658,973                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 6/06/14    | Open                       | 636,000      | 637,516                               |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 300,000      | 300,685                               |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 2,038,000    | 2,042,653                             |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 1,166,000    | 1,168,662                             |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 892,000      | 894,037                               |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 520,000      | 521,187                               |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 3,471,000    | 3,478,925                             |
| Barclays Capital, Inc.         | 0.60%         | 6/16/14    | Open                       | 692,000      | 693,580                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 1,764,000    | 1,767,787                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 233,000      | 233,500                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 124,000      | 124,266                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 200,000      | 200,429                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 181,000      | 181,389                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 255,000      | 255,547                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 259,000      | 259,556                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 269,000      | 269,577                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 88,000       | 88,189                                |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 97,000       | 97,208                                |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 147,000      | 147,316                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 108,000      | 108,232                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 260,000      | 260,558                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 952,000      | 954,044                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 208,000      | 208,447                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 374,000      | 374,803                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 134,000      | 134,288                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 89,000       | 89,191                                |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 269,000      | 269,578                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 391,000      | 391,839                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/20/14    | Open                       | 157,000      | 157,337                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 6/27/14    | Open                       | 407,000      | 407,847                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 7/22/14    | Open                       | 3,037,114    | 3,041,847                             |
| Deutsche Bank Securities, Inc. | 0.55%         | 7/23/14    | Open                       | 2,523,000    | 2,526,893                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 7/28/14    | Open                       | 2,475,000    | 2,478,960                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 7/28/14    | Open                       | 2,303,000    | 2,306,685                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 7/30/14    | Open                       | 855,000      | 856,317                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 7/30/14    | Open                       | 1,421,250    | 1,423,477                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 8/01/14    | Open                       | 584,000      | 584,866                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 2,281,000    | 2,284,028                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 1,838,000    | 1,840,440                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 2,046,000    | 2,048,716                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 2,703,000    | 2,706,588                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 1,879,000    | 1,881,494                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/12/14    | Open                       | 1,949,000    | 1,951,587                             |

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|                                |       |         |      |           |           |
|--------------------------------|-------|---------|------|-----------|-----------|
| Deutsche Bank Securities, Inc. | 0.59% | 8/12/14 | Open | 2,514,000 | 2,517,337 |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 2,869,000 | 2,872,762 |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 2,416,000 | 2,419,168 |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 695,000   | 695,911   |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 2,355,000 | 2,358,088 |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 1,861,000 | 1,863,440 |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 226,000   | 226,296   |
| Deutsche Bank Securities, Inc. | 0.59% | 8/13/14 | Open | 3,564,000 | 3,568,673 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows (continued):

| Counterparty                   | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value | Face Value Including Accrued Interest |
|--------------------------------|---------------|------------|----------------------------|------------|---------------------------------------|
| Deutsche Bank Securities, Inc. | 0.59%         | 8/13/14    | Open                       | \$ 96,000  | \$ 96,126                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/13/14    | Open                       | 1,897,000  | 1,899,487                             |
| Barclays Capital, Inc.         | (1.75)%       | 8/22/14    | Open                       | 3,611,406  | 3,598,942                             |
| BNP Paribas Securities Corp.   | 0.34%         | 8/22/14    | Open                       | 332,000    | 332,223                               |
| BNP Paribas Securities Corp.   | 0.34%         | 8/22/14    | Open                       | 688,000    | 688,461                               |
| BNP Paribas Securities Corp.   | 0.63%         | 8/22/14    | Open                       | 3,730,000  | 3,734,635                             |
| BNP Paribas Securities Corp.   | 0.63%         | 8/22/14    | Open                       | 362,000    | 362,450                               |
| BNP Paribas Securities Corp.   | 0.65%         | 8/22/14    | Open                       | 721,000    | 721,924                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 938,000    | 939,091                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 2,801,000  | 2,804,259                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 2,798,000  | 2,801,256                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 1,644,000  | 1,645,913                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 4,532,000  | 4,537,273                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 2,876,000  | 2,879,347                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 1,953,000  | 1,955,273                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/22/14    | Open                       | 2,923,000  | 2,926,401                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 8/28/14    | Open                       | 255,000    | 255,272                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 9/15/14    | Open                       | 2,303,000  | 2,304,744                             |
| BNP Paribas Securities Corp.   | 0.57%         | 9/16/14    | Open                       | 6,219,000  | 6,223,431                             |
| BNP Paribas Securities Corp.   | 0.57%         | 9/16/14    | Open                       | 7,786,000  | 7,791,547                             |
| BNP Paribas Securities Corp.   | 0.57%         | 9/16/14    | Open                       | 7,417,000  | 7,422,285                             |
| RBC Capital Markets, LLC       | 0.34%         | 9/16/14    | Open                       | 518,700    | 518,920                               |
| RBC Capital Markets, LLC       | 0.65%         | 9/16/14    | Open                       | 2,075,000  | 2,076,686                             |
| BNP Paribas Securities Corp.   | 1.15%         | 10/01/14   | 11/03/14                   | 8,386,000  | 8,394,319                             |
| Barclays Capital, Inc.         | 1.40%         | 10/02/14   | 11/03/14                   | 22,384,670 | 22,409,951                            |
| Deutsche Bank Securities, Inc. | 0.58%         | 10/02/14   | Open                       | 616,000    | 616,288                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 10/02/14   | Open                       | 368,000    | 368,172                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/02/14   | Open                       | 429,000    | 429,204                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/02/14   | Open                       | 712,000    | 712,338                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/02/14   | Open                       | 824,000    | 824,392                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/02/14   | Open                       | 476,000    | 476,226                               |
| Deutsche Bank Securities, Inc. | 0.60%         | 10/02/14   | Open                       | 1,084,000  | 1,084,524                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 10/02/14   | Open                       | 2,755,000  | 2,756,332                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 10/02/14   | Open                       | 1,084,000  | 1,084,524                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 10/02/14   | Open                       | 6,209,000  | 6,212,001                             |
| Deutsche Bank Securities, Inc. | 0.60%         | 10/02/14   | Open                       | 706,000    | 706,341                               |
| Deutsche Bank Securities, Inc. | 0.55%         | 10/06/14   | Open                       | 496,000    | 496,197                               |
| Barclays Capital, Inc.         | 1.40%         | 10/07/14   | 11/07/14                   | 8,798,000  | 8,806,226                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 10/07/14   | Open                       | 111,720    | 111,765                               |
| JPMorgan Securities LLC        | 1.30%         | 10/08/14   | 11/07/14                   | 2,583,000  | 2,585,242                             |
| BNP Paribas Securities Corp.   | 1.15%         | 10/08/14   | 11/10/14                   | 10,243,000 | 10,250,538                            |
| BNP Paribas Securities Corp.   | 1.15%         | 10/08/14   | 11/10/14                   | 15,867,000 | 15,879,191                            |
| Barclays Capital, Inc.         | 1.40%         | 10/09/14   | 11/10/14                   | 13,454,000 | 13,465,533                            |
| Barclays Capital, Inc.         | 1.40%         | 10/15/14   | 11/14/14                   | 8,895,000  | 8,900,888                             |
| JPMorgan Securities LLC        | 1.30%         | 10/15/14   | 11/14/14                   | 2,550,000  | 2,551,570                             |
| JPMorgan Securities LLC        | 1.40%         | 10/15/14   | 11/14/14                   | 2,554,000  | 2,555,693                             |
| Deutsche Bank Securities, Inc. | 0.45%         | 10/15/14   | Open                       | 3,348,000  | 3,348,670                             |
| Deutsche Bank Securities, Inc. | 0.45%         | 10/15/14   | Open                       | 798,000    | 798,160                               |
| Deutsche Bank Securities, Inc. | 0.58%         | 10/15/14   | Open                       | 2,413,000  | 2,413,622                             |
| Deutsche Bank Securities, Inc. | 0.58%         | 10/16/14   | Open                       | 536,640    | 536,778                               |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/16/14   | Open                       | 1,312,500  | 1,312,844                             |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/20/14   | Open                       | 581,000    | 581,114                               |
| Barclays Capital, Inc.         | 1.41%         | 10/21/14   | 11/20/14                   | 12,418,000 | 12,422,849                            |
| Deutsche Bank Securities, Inc. | 0.59%         | 10/24/14   | Open                       | 763,332    | 763,433                               |
| Barclays Capital, Inc.         | 0.60%         | 10/29/14   | Open                       | 4,473,000  | 4,473,027                             |

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|                        |       |          |      |            |            |
|------------------------|-------|----------|------|------------|------------|
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 3,127,000  | 3,127,036  |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 1,994,000  | 1,994,020  |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 766,000    | 766,207    |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 234,000    | 234,012    |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 970,000    | 970,016    |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 323,000    | 323,020    |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 2,449,000  | 2,449,033  |
| Barclays Capital, Inc. | 0.60% | 10/29/14 | Open | 14,852,000 | 14,852,041 |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Reverse repurchase agreements outstanding as of October 31, 2014 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date <sup>1</sup> | Face Value     | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|----------------------------|----------------|---------------------------------------|
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | \$ 300,000     | \$ 300,046                            |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 4,675,000      | 4,675,050                             |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 1,001,000      | 1,001,054                             |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 474,000        | 474,063                               |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 642,000        | 642,067                               |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 1,237,000      | 1,237,071                             |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 781,000        | 781,092                               |
| Barclays Capital, Inc.             | 0.60%         | 10/29/14   | Open                       | 194,000        | 194,088                               |
| Barclays Capital, Inc.             | 0.65%         | 10/29/14   | Open                       | 803,000        | 803,075                               |
| Barclays Capital, Inc.             | 0.65%         | 10/29/14   | Open                       | 927,000        | 927,084                               |
| Barclays Capital, Inc.             | 0.75%         | 10/29/14   | Open                       | 4,813,000      | 4,813,058                             |
| Credit Suisse Securities (USA) LLC | 0.40%         | 10/29/14   | Open                       | 2,665,000      | 2,665,037                             |
| Credit Suisse Securities (USA) LLC | 0.65%         | 10/29/14   | Open                       | 590,000        | 590,025                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 10/29/14   | Open                       | 810,000        | 810,029                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 10/29/14   | Open                       | 792,000        | 792,079                               |
| BNP Paribas Securities Corp.       | 1.20%         | 10/30/14   | 1/05/15                    | 8,219,000      | 8,219,000                             |
| Barclays Capital, Inc.             | 1.55%         | 10/31/14   | 1/05/15                    | 22,414,160     | 22,414,160                            |
| <b>Total</b>                       |               |            |                            | \$ 705,972,381 | \$ 707,293,903                        |

<sup>1</sup> Certain agreements have no stated maturity and can be terminated by either party at any time.

Financial futures contracts outstanding as of October 31, 2014 were as follows:

| Contracts Purchased (Sold) | Issue                         | Exchange               | Expiration    | Notional Value | Unrealized Depreciation |
|----------------------------|-------------------------------|------------------------|---------------|----------------|-------------------------|
| (275)                      | 10-Year U.S. Treasury Note    | Chicago Board of Trade | December 2014 | USD 34,748,828 | \$ (204,329)            |
| (134)                      | U.S. Treasury Long Bond       | Chicago Board of Trade | December 2014 | USD 18,906,562 | (204,929)               |
| (104)                      | Ultra Long U.S. Treasury Bond | Chicago Board of Trade | December 2014 | USD 16,308,500 | (202,947)               |
| (88)                       | 5-Year U.S. Treasury Note     | Chicago Board of Trade | December 2014 | USD 10,509,813 | (82,488)                |
| <b>Total</b>               |                               |                        |               |                | \$ (694,693)            |

Forward foreign currency exchange contracts outstanding as of October 31, 2014 were as follows:

| Currency Purchased | Currency Sold   | Amount | Counterparty         | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|-----------------|--------|----------------------|-----------------|--|
| BRL 395,840        | USD 160,000     |        | Bank of America N.A. | 11/04/14        | \$ (252)                               |
| BRL 396,800        | USD 162,344     |        | Bank of America N.A. | 11/04/14        | (2,208)                                |
| USD 160,000        | BRL 396,800     |        | Bank of America N.A. | 11/04/14        | (136)                                  |
| USD 161,951        | BRL 395,840     |        | Bank of America N.A. | 11/04/14        | 2,203                                  |
| USD 400,000        | ZAR 4,461,600   |        | Bank of America N.A. | 11/17/14        | (3,645)                                |
| MXN 5,420,800      | USD 400,000     |        | Bank of America N.A. | 11/18/14        | 2,199                                  |
| USD 400,000        | COP 829,000,000 |        | Bank of America N.A. | 11/18/14        | (2,268)                                |
| BRL 389,520        | USD 160,000     |        | Bank of America N.A. | 11/28/14        | (3,958)                                |
| USD 160,000        | BRL 398,800     |        | Bank of America N.A. | 11/28/14        | 241                                    |
| USD 8,720,114      | EUR 6,821,777   |        | Bank of America N.A. | 1/21/15         | 166,937                                |

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|              |            |     |            |                      |         |           |
|--------------|------------|-----|------------|----------------------|---------|-----------|
| USD          | 34,720,247 | GBP | 21,798,000 | Bank of America N.A. | 1/21/15 | (128,140) |
| <b>Total</b> |            |     |            |                      |         | \$ 30,973 |

Exchange-traded options purchased as of October 31, 2014 were as follows:

| Description                        | Put/<br>Call | Strike Price | Expiration<br>Date | Contracts | Market<br>Value |
|------------------------------------|--------------|--------------|--------------------|-----------|-----------------|
| Eurodollar 2-Year Mid-Curve Option | Put          | USD 97.88    | 12/12/14           | 40        | \$ 3,750        |

Exchange-traded options written as of October 31, 2014 were as follows:

| Description                        | Put/<br>Call | Strike Price | Expiration<br>Date | Contracts | Market<br>Value |
|------------------------------------|--------------|--------------|--------------------|-----------|-----------------|
| Eurodollar 2-Year Mid-Curve Option | Put          | USD 97.50    | 12/12/14           | 40        | \$ (250)        |

See Notes to Financial Statements.

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Centrally cleared credit default swaps buy protection outstanding as of October 31, 2014 were as follows:

| Index  | Pay<br>Fixed Rate | Clearinghouse      | Expiration<br>Date | Notional<br>Amount (000) | Unrealized<br>Depreciation |
|--|-------------------|--------------------|--------------------|--------------------------|----------------------------|
| Dow Jones CDX North America High Yield Index, Series 22, Version 2 | 5.00%             | Chicago Mercantile | 6/20/19            | USD 21,335               | \$ (236,552)               |

Centrally cleared credit default swaps sold protection outstanding as of October 31, 2014 were as follows:

| Index  | Receive<br>Fixed Rate | Clearinghouse      | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation |
|--|-----------------------|--------------------|--------------------|-------------------------------|--|----------------------------|
| Dow Jones CDX North America High Yield Index, Series 22, Version 2 | 5.00%                 | Chicago Mercantile | 6/20/19            | B+                            | USD 99                                   | \$ 232                     |

<sup>1</sup> Using S&P's rating of the issuer or the underlying securities of the index, as applicable.<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

Centrally cleared interest rate swaps outstanding as of October 31, 2014 were as follows:

| Fixed<br>Rate      | Floating<br>Rate | Clearinghouse      | Effective<br>Date | Expiration<br>Date | Notional Amount<br>(000) | Unrealized<br>Depreciation |
|--------------------|------------------|--------------------|-------------------|--------------------|--------------------------|----------------------------|
| 2.72% <sup>1</sup> | 3-month LIBOR    | Chicago Mercantile | N/A               | 9/19/24            | USD 350                  | \$ (8,023)                 |

<sup>1</sup> Trust pays the fixed rate and receives the floating rate.

OTC credit default swaps buy protection outstanding as of October 31, 2014 were as follows:

| Issuer                | Pay<br>Fixed Rate | Counterparty                | Expiration<br>Date | Notional<br>Amount<br>(000) | Market<br>Value | Premiums<br>Paid | Unrealized<br>Depreciation |
|-----------------------|-------------------|-----------------------------|--------------------|-----------------------------|-----------------|------------------|----------------------------|
| United Mexican States | 1.00%             | Credit Suisse International | 12/20/19           | USD 672                     | \$ (6,893)      | \$ 2,897         | \$ (9,790)                 |

OTC credit default swaps sold protection outstanding as of October 31, 2014 were as follows:

| Index  | Receive<br>Fixed Rate | Counterparty         | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Market<br>Value | Premiums<br>Received | Unrealized<br>Appreciation |
|--|-----------------------|----------------------|--------------------|-------------------------------|--|-----------------|----------------------|----------------------------|
| Dow Jones CDX North America Investment Grade, Series 9 | 5.00%                 | Bank of America N.A. | 12/20/17           | BBB+                          | USD 10,000                               | \$ 724,678      | \$ (542,303)         | \$ 1,266,981               |

<sup>1</sup> Using S&P's rating of the issuer or the underlying securities of the index, as applicable.<sup>2</sup> The maximum potential amount the Trust may pay should a negative credit event take place as defined under the terms of the agreement.

OTC interest rate swaps outstanding as of October 31, 2014 were as follows:

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| Fixed Rate          | Floating Rate  | Counterparty     | Effective Date | Expiration Date | Notional Amount (000) | Market Value | Premiums Received | Unrealized Appreciation (Depreciation) |
|---------------------|----------------|------------------|----------------|-----------------|-----------------------|--------------|-------------------|--|
| 11.15% <sup>3</sup> | 1-Day BROIS    | Deutsche Bank AG | N/A            | 1/04/16         | BRL 12,096            | \$ (57,970)  | \$ (164)          | \$ (57,806)                            |
| 12.11% <sup>3</sup> | 1-Day BROIS    | Deutsche Bank AG | N/A            | 1/02/18         | BRL 4,464             | (22,329)     | (201)             | (22,128)                               |
| 6.28% <sup>3</sup>  | 1-month MXIBOR | Citibank N.A.    | N/A            | 9/05/24         | MXN 5,400             | 4,658        | (71)              | 4,729                                  |
| <b>Total</b>        |                |                  |                |                 |                       | \$ (75,641)  | \$ (436)          | \$ (75,205)                            |

<sup>3</sup> Trust pays the floating rate and receives the fixed rate.

**Fair Value Measurements** Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. The three levels of the fair value hierarchy are as follows:

Level 1 unadjusted quoted prices in active markets/exchanges for identical assets or liabilities that the Trust has the ability to access

Level 2 other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

See Notes to Financial Statements.



## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, please refer to Note 2 of the Notes to Financial Statements.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy as of October 31, 2014:

|                                       | Level 1              | Level 2                 | Level 3              | Total                   |
|---------------------------------------|----------------------|-------------------------|----------------------|-------------------------|
| <b>Assets:</b>                        |                      |                         |                      |                         |
| Investments:                          |                      |                         |                      |                         |
| Long-Term Investments:                |                      |                         |                      |                         |
| Asset-Backed Securities               |                      | \$ 204,436,230          | \$ 12,930,162        | \$ 217,366,392          |
| Corporate Bonds                       |                      | 490,841,931             | 4,353,024            | 495,194,955             |
| Floating Rate Loan Interests          |                      | 44,625,694              | 26,369,600           | 70,995,294              |
| Foreign Agency Obligations            |                      | 11,331,937              |                      | 11,331,937              |
| Non-Agency Mortgage-Backed Securities |                      | 386,041,114             | 24,087,773           | 410,128,887             |
| Preferred Securities                  | \$ 17,671,916        | 179,313,974             |                      | 196,985,890             |
| Short-Term Securities                 | 18,823,385           |                         |                      | 18,823,385              |
| Options Purchased:                    |                      |                         |                      |                         |
| Interest rate contracts               | 3,750                |                         |                      | 3,750                   |
| <b>Total</b>                          | <b>\$ 36,499,051</b> | <b>\$ 1,316,590,880</b> | <b>\$ 67,740,559</b> | <b>\$ 1,420,830,490</b> |

|   | Level 1             | Level 2           | Level 3 | Total             |
|---|---------------------|-------------------|---------|-------------------|
| Derivative Financial Instruments <sup>1</sup> |                     |                   |         |                   |
| <b>Assets:</b>                                |                     |                   |         |                   |
| Credit contracts                              |                     | \$ 1,267,213      |         | \$ 1,267,213      |
| Foreign currency exchange contracts           |                     | 171,580           |         | 171,580           |
| Interest rate contracts                       |                     | 4,729             |         | 4,729             |
| <b>Liabilities:</b>                           |                     |                   |         |                   |
| Credit contracts                              |                     | (246,342)         |         | (246,342)         |
| Foreign currency exchange contracts           |                     | (140,607)         |         | (140,607)         |
| Interest rate contracts                       | \$ (694,943)        | (87,957)          |         | (782,900)         |
| <b>Total</b>                                  | <b>\$ (694,943)</b> | <b>\$ 968,616</b> |         | <b>\$ 273,673</b> |

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts, forward foreign currency exchange contracts and options written. Swaps, financial futures contracts and forward foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options written are shown at value.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of October 31, 2014, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

|   | Level 1   | Level 2       | Level 3 | Total         |
|---|-----------|---------------|---------|---------------|
| <b>Assets:</b>  |           |               |         |               |
| Cash  | \$ 4,999  |               |         | \$ 4,999      |
| Foreign currency at value                                     | 1,835,632 |               |         | 1,835,632     |
| Cash pledged for centrally cleared swaps                      | 1,025,000 |               |         | 1,025,000     |
| Cash pledged as collateral for reverse repurchase agreements  | 1,541,529 |               |         | 1,541,529     |
| Cash pledged for financial futures contracts                  | 999,000   |               |         | 999,000       |
| <b>Liabilities:</b>   |           |               |         |               |
| Cash received as collateral for OTC derivatives               |           | \$ (660,000)  |         | (660,000)     |
| Cash received as collateral for reverse repurchase agreements |           | (873,000)     |         | (873,000)     |
| Reverse repurchase agreements                                 |           | (707,293,903) |         | (707,293,903) |

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|              |              |                  |                  |
|--------------|--------------|------------------|------------------|
| <b>Total</b> | \$ 5,406,160 | \$ (708,826,903) | \$ (703,420,743) |
|--------------|--------------|------------------|------------------|

There were no transfers between Level 1 and Level 2 during the year ended October 31, 2014.

See Notes to Financial Statements.

## Schedule of Investments (concluded)

BlackRock Multi-Sector Income Trust (BIT)

A reconciliation of Level 3 investments is presented when the Trust had a significant amount of Level 3 investments at the beginning and/or end of the year in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used in determining fair value:

|   | Asset-Backed Securities | Corporate Bonds | Floating Rate Loan Interests | Non-Agency Mortgage-Backed Securities | Unfunded Floating Rate Loan Interests (Liabilities) | Total          |
|---|-------------------------|-----------------|------------------------------|---------------------------------------|---|----------------|
| <b>Assets:</b>  |                         |                 |                              |                                       |   |                |
| Opening Balance, as of  |                         |                 |                              |                                       |   |                |
| October 31, 2013  | \$ 67,811,145           |                 | \$ 18,805,204                | \$ 16,556,311                         | \$ (1,224)  | \$ 103,171,436 |
| Transfers into Level 3  |                         |                 |                              |                                       |   |                |
| Transfers out of Level 3 <sup>1</sup>   | (50,139,764)            |                 | (1,181,504)                  | (4,688,500)                           |   | (56,009,768)   |
| Accrued discounts/premiums  | 16,431                  |                 | 12,660                       | 291,601                               |   | 320,692        |
| Net realized gain (loss)  | 1,230,081               |                 | 27,219                       | 112,501                               |   | 1,369,801      |
| Net change in unrealized appreciation/depreciation <sup>2,3</sup>   | 44,479                  | \$ 59,165       | 26,605                       | 1,465,895                             | 1,224   | 1,597,368      |
| Purchases   | 10,843,793              | 4,293,859       | 26,977,266                   | 11,560,943                            |   | 53,675,861     |
| Sales   | (16,876,003)            |                 | (18,297,850)                 | (1,210,978)                           |   | (36,384,831)   |
| <b>Closing Balance, as of October 31, 2014</b>  | \$ 12,930,162           | \$ 4,353,024    | \$ 26,369,600                | \$ 24,087,773                         |   | \$ 67,740,559  |
| Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 <sup>3</sup> | \$ (15,902)             | \$ 59,165       | \$ 57,205                    | \$ 1,465,895                          |   | \$ 1,566,363   |

<sup>1</sup> As of October 31, 2013, the Trust used significant unobservable inputs in determining the value of certain investments. As of October 31, 2014, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$56,009,768 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations.

<sup>3</sup> Any difference between Net change in unrealized appreciation/depreciation and Net change in unrealized appreciation/depreciation on investments still held at October 31, 2014 is generally due to investments no longer held or categorized as Level 3 at period end.

The Trust's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of such Level 3 investments.

See Notes to Financial Statements.

## Statements of Assets and Liabilities

| October 31, 2014   | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating Rate<br>Income<br>Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-<br>Sector<br>Income Trust<br>(BIT) |
|--|---|---|--|
| <b>Assets</b>  |   |   |  |
| Investments at value unaffiliated                                      | \$ 2,404,987,920  | \$ 493,715,998  | \$ 1,402,007,105                                       |
| Investments at value affiliated  | 4,283,291   | 2,630,534   | 18,823,385   |
| Cash   |   | 753,332   | 4,999  |
| Cash pledged for centrally cleared swaps                               | 5,150,000   |   | 1,025,000  |
| Cash pledged as collateral for OTC derivatives                         | 500,000   |   |  |
| Cash pledged for financial futures contracts                           | 353,000   |   | 999,000  |
| Cash pledged as collateral for reverse repurchase agreements           |   |   | 1,541,529  |
| Foreign currency at value <sup>4</sup>                                 | 99  | 6,914   | 1,835,632  |
| Interest receivable  | 31,585,435  | 1,913,157   | 13,219,228   |
| Investments sold receivable  | 14,491,173  | 8,147,687   | 5,762,660  |
| Reverse repurchase agreements receivable                               |   |   | 47,978,493   |
| Unrealized appreciation on OTC derivatives                             | 1,124,986   |   | 1,271,710  |
| Swap premiums paid   | 513,888   |   | 2,897  |
| Variation margin receivable on centrally cleared swaps                 | 376,026   |   | 5,443  |
| Variation margin receivable on financial futures contracts             | 273,562   |   | 208,795  |
| Swaps receivable   | 101,033   |   | 392,484  |
| Dividends receivable   | 68,863  |   | 182,662  |
| Unrealized appreciation on forward foreign currency exchange contracts |   | 224,861   | 171,580  |
| Principal paydowns receivable  |   |   | 218  |
| Prepaid expenses   | 6,177   | 1,577   | 2,236  |
| <b>Total assets</b>  | <b>2,463,815,453</b>                                    | <b>507,394,060</b>  | <b>1,495,435,056</b>                                   |
| <b>Liabilities</b>   |   |   |  |
| Reverse repurchase agreements  | 759,751,939   |   | 707,293,903  |
| Bank borrowings payable  |   | 145,000,000   |  |
| Investments purchased payable  | 32,410,192  | 16,759,297  | 3,298,613  |
| Reverse repurchase agreements payable                                  | 2,542,637   |   | 16,474,945   |
| Options written at value <sup>5</sup>                                  | 2,444,259   |   | 250  |
| Unrealized depreciation on OTC derivatives                             | 1,517,593   |   | 89,724   |
| Investment advisory fees payable                                       | 1,269,816   | 302,472   | 978,213  |
| Swap premiums received   | 862,464   |   | 542,739  |
| Cash received as collateral for OTC derivatives                        | 740,000   |   | 660,000  |
| Officers and Trustees fees payable                                     | 585,306   | 187,919   | 9,113  |
| Income dividends payable   | 408,838   | 31,714  | 192,275  |
| Variation margin payable on financial futures contracts                | 400,503   |   |  |
| Swaps payable  | 127,971   |   | 357,461  |
| Bank overdraft   | 26,363  |   |  |
| Interest expense payable   |   | 204,962   |  |
| Unrealized depreciation on forward foreign currency exchange contracts |   | 33,770  | 140,607  |
| Unrealized depreciation on unfunded floating rate loan interests       |   | 25,380  |  |
| Cash received as collateral for reverse repurchase agreements          |   |   | 873,000  |
| Variation margin payable on centrally cleared swaps                    |   |   | 78,574   |
| Other liabilities  |   |   | 832,628  |
| Other accrued expenses payable   | 285,607   | 180,943   | 253,296  |
| <b>Total liabilities</b>   | <b>803,373,488</b>                                      | <b>162,726,457</b>  | <b>732,075,341</b>                                     |
| <b>Net Assets</b>  | <b>\$ 1,660,441,965</b>                                 | <b>\$ 344,667,603</b>   | <b>\$ 763,359,715</b>                                  |
| <b>Net Assets Consist of</b>   |   |   |  |
| Paid-in capital <sup>6,7,8</sup>                                       | \$ 1,892,035,910  | \$ 429,064,959  | \$ 727,781,455   |
| Undistributed net investment income                                    | 290,393   | 984,527   | 856,831  |

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|  |                         |                       |                       |
|--|-------------------------|-----------------------|-----------------------|
| Accumulated net realized gain (loss)                           | (379,484,356)           | (77,799,341)          | 11,078,282            |
| Net unrealized appreciation/depreciation                       | 147,600,018             | (7,582,542)           | 23,643,147            |
| <b>Net Assets</b>  | <b>\$ 1,660,441,965</b> | <b>\$ 344,667,603</b> | <b>\$ 763,359,715</b> |
| <br>   |                         |                       |                       |
| Net asset value  | \$ 15.36                | \$ 14.57              | \$ 19.87              |
| <br>   |                         |                       |                       |
| <sup>1</sup> Consolidated Statement of Assets and Liabilities. |                         |                       |                       |
| <sup>2</sup> Investments at cost unaffiliated                  | \$ 2,258,039,015        | \$ 501,395,066        | \$ 1,378,614,127      |
| <sup>3</sup> Investments at cost affiliated                    | \$ 4,283,291            | \$ 2,630,534          | \$ 18,823,385         |
| <sup>4</sup> Foreign currency at cost                          | \$ 101                  | \$ 6,936              | \$ 1,855,449          |
| <sup>5</sup> Premiums received                                 | \$ 7,454,970            |                       | \$ 5,938              |
| <sup>6</sup> Par value per share                               | \$ 0.001                | \$ 0.001              | \$ 0.001              |
| <sup>7</sup> Shares outstanding                                | 108,088,170             | 23,663,232            | 38,421,624            |
| <sup>8</sup> Shares authorized                                 | unlimited               | unlimited             | unlimited             |

See Notes to Financial Statements.

## Statements of Operations

| Year Ended October 31, 2014                            | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating Rate<br>Income<br>Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
|--|---|---|--|
| <b>Investment Income</b>                               |   |   |  |
| Interest   | \$ 121,170,921  | \$ 25,098,938   | \$ 76,063,360                                      |
| Dividends unaffiliated                                 | 4,146,077   | 199,982   | 2,148,302  |
| Dividends affiliated                                   | 2,660   | 417   | 6,878  |
| Total income   | 125,319,658   | 25,299,337  | 78,218,540   |
| <b>Expenses</b>  |   |   |  |
| Investment advisory                                    | 14,791,025  | 3,611,279   | 10,822,184   |
| Accounting services                                    | 175,562   | 56,302  | 101,927  |
| Transfer agent   | 161,026   | 41,003  | 69,492   |
| Officer and Trustees                                   | 158,373   | 34,181  | 72,631   |
| Professional   | 146,657   | 125,401   | 221,442  |
| Custodian  | 137,394   | 175,329   | 137,952  |
| Printing   | 44,407  | 18,580  | 23,328   |
| Registration   | 37,625  | 9,181   | 11,097   |
| Miscellaneous  | 167,457   | 56,202  | 57,416   |
| Total expenses excluding interest expense              | 15,819,526  | 4,127,458   | 11,517,469   |
| Interest expense                                       | 2,472,858   | 1,195,377   | 3,970,125  |
| Total expenses   | 18,292,384  | 5,322,835   | 15,487,594   |
| Less fees waived by Manager                            | (5,184)   | (812)   | (14,158)   |
| Less fees paid indirectly                              | (42)  | (130)   | (62)   |
| Total expenses after fees waived and paid indirectly   | 18,287,158  | 5,321,893   | 15,473,374   |
| Net investment income                                  | 107,032,500   | 19,977,444  | 62,745,166   |
| <b>Realized and Unrealized Gain (Loss)</b>             |   |   |  |
| Net realized gain (loss) from:                         |   |   |  |
| Investments  | 17,087,796  | 8,219,024   | 4,037,359  |
| Financial futures contracts                            | (3,034,410)   |   | (3,487,491)  |
| Foreign currency transactions                          | 21,385  | 296,119   | 899,679  |
| Options written  | (320,674)   |   | 198,413  |
| Swaps  | (10,668,059)  | (1,401,406)   | 457,051  |
|  | 3,086,038   | 7,113,737   | 2,105,011  |
| Net change in unrealized appreciation/depreciation on: |   |   |  |
| Investments  | 30,678,176  | (12,371,318)  | 25,291,763   |
| Financial futures contracts                            | 1,924,960   |   | (32,016)   |
| Foreign currency translations                          | (21,224)  | (491,846)   | (740,369)  |
| Options written  | 3,958,519   |   | 5,688  |
| Swaps  | (1,506,531)   | 457,695   | (118,929)  |
| Unfunded floating rate loan interests                  |   | (39,081)  | 1,224  |
|  | 35,033,900  | (12,444,550)  | 24,407,361   |
| Net realized and unrealized gain (loss)                | 38,119,938  | (5,330,813)   | 26,512,372   |

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|   |                |               |               |
|---|----------------|---------------|---------------|
| <b>Net Increase in Net Assets Resulting from Operations</b> | \$ 145,152,438 | \$ 14,646,631 | \$ 89,257,538 |
|---|----------------|---------------|---------------|

<sup>1</sup> Consolidated Statement of Operations.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets:                             | BlackRock Credit Allocation<br>Income Trust (BTZ)<br>Year Ended October 31, |                  |
|--|---|------------------|
|  | 2014  | 2013             |
| <b>Operations</b>  |   |                  |
| Net investment income  | \$ 107,032,500  | \$ 99,114,534    |
| Net realized gain  | 3,086,038   | 32,493,332       |
| Net change in unrealized appreciation/depreciation             | 35,033,900  | (71,895,937)     |
| Net increase in net assets resulting from operations           | 145,152,438   | 59,711,929       |
| <b>Distributions to Shareholders From<sup>1</sup></b>          |   |                  |
| Net investment income  | (104,413,172)   | (99,536,463)     |
| <b>Capital Share Transactions</b>                              |   |                  |
| Net proceeds from the issuance of shares due to reorganization |   | 862,691,514      |
| <b>Net Assets</b>  |   |                  |
| Total increase in net assets                                   | 40,739,266  | 822,866,980      |
| Beginning of year  | 1,619,702,699   | 796,835,719      |
| End of year  | \$ 1,660,441,965  | \$ 1,619,702,699 |
| Undistributed net investment income, end of year               | \$ 290,393  | \$ 944,076       |

| Increase (Decrease) in Net Assets:                    | BlackRock Floating Rate<br>Income Trust (BGT) <sup>2</sup><br>Year Ended October 31, |                |
|---|--|----------------|
|   | 2014   | 2013           |
| <b>Operations</b>                                     |  |                |
| Net investment income                                 | \$ 19,977,444  | \$ 22,212,564  |
| Net realized gain                                     | 7,113,737  | 5,355,527      |
| Net change in unrealized appreciation/depreciation    | (12,444,550)   | 3,431,673      |
| Net increase in net assets resulting from operations  | 14,646,631   | 30,999,764     |
| <b>Distributions to Shareholders From<sup>1</sup></b> |  |                |
| Net investment income                                 | (19,919,709)   | (24,716,431)   |
| <b>Capital Share Transactions</b>                     |  |                |
| Reinvestment of dividends                             |  | 374,931        |
| <b>Net Assets</b>                                     |  |                |
| Total increase (decrease) in net assets               | (5,273,078)  | 6,658,264      |
| Beginning of year                                     | 349,940,681  | 343,282,417    |
| End of year   | \$ 344,667,603   | \$ 349,940,681 |



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|   |    |         |    |             |
|---|----|---------|----|-------------|
| Undistributed (distributions in excess of) net investment income, end of year | \$ | 984,527 | \$ | (1,724,564) |
|---|----|---------|----|-------------|

<sup>1</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

<sup>2</sup> Consolidated Statements of Changes.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|   | <b>BlackRock Multi-Sector<br/>Income Trust (BIT)</b> |   |
|---|--|---|
|   | <b>Year Ended<br/>October 31,<br/>2014</b>           | <b>Period<br/>February 27, 2013<sup>1</sup><br/>to October 31,<br/>2013</b> |
| <b>Increase (Decrease) in Net Assets:</b>                                       |  |   |
| <b>Operations</b>   |  |   |
| Net investment income   | \$ 62,745,166  | \$ 38,588,756   |
| Net realized gain (loss)  | 2,105,011  | (10,846,530)  |
| Net change in unrealized appreciation/depreciation                              | 24,407,361   | (764,214)   |
| Net increase in net assets resulting from operations                            | 89,257,538   | 26,978,012  |
| <b>Distributions to Shareholders From<sup>2</sup></b>                           |  |   |
| Net investment income   | (53,805,642)   | (26,851,648)  |
| Return of capital   |  | (4,534,977)   |
| Decrease in net assets resulting from distributions to shareholders             | (53,805,642)   | (31,386,625)  |
| <b>Capital Share Transactions</b>   |  |   |
| Net proceeds from the issuance of shares  |  | 686,096,414   |
| Net proceeds from the underwriter's over allotment option exercised             |  | 46,120,006  |
| Net increase in net assets derived from capital share transactions              |  | 732,216,420   |
| <b>Net Assets</b>   |  |   |
| Total increase in net assets  | 35,451,896   | 727,807,807   |
| Beginning of period   | 727,907,819  | 100,012   |
| End of period   | \$ 763,359,715                                       | \$ 727,907,819  |
| Undistributed (distributions in excess of) net investment income, end of period | \$ 856,831   | \$ (589,378)  |

<sup>1</sup> Commencement of operations.

<sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

## Statements of Cash Flows

| Year Ended October 31, 2014  | BlackRock   |   |  |
|--|---|---|--|
|  | BlackRock<br>Credit Allocation<br>Income Trust<br>(BTZ) | Floating Rate<br>Income Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) |
| <b>Cash Provided by Operating Activities</b>   |   |   |  |
| Net increase in net assets resulting from operations   | \$ 145,152,438  | \$ 14,646,631                                       | \$ 89,257,538                                      |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:                |   |   |  |
| Decrease in interest receivable  | 1,368,368   | 556,339   | 242,848  |
| (Increase) decrease in swap receivable   | 229,972   | 26,006  | (319,290)  |
| (Increase) decrease in cash pledged for centrally cleared swaps  | 4,515,000   | 145,000   | (525,000)  |
| (Increase) decrease in cash pledged as collateral for OTC derivatives  | (500,000)   | 600,000   |  |
| (Increase) decrease in cash pledged as financial futures contracts   | 1,310,940   |   | (669,000)  |
| Decrease in cash pledged as collateral for reverse repurchase agreements   | 1,333,000   |   | 1,491,221  |
| (Increase) decrease in prepaid expenses  | 20,550  | 8,098   | (2,236)  |
| Increase in variation margin receivable on financial futures contracts   | (58,644)  |   | (191,451)  |
| (Increase) decrease in dividends receivable  | 1,952   |   | (80,787)   |
| Increase in variation margin receivable on centrally cleared swaps   | (376,026)   |   | (5,443)  |
| (Increase) decrease in swap premiums paid  | 590,494   |   | (2,897)  |
| Increase (decrease) in swaps payable   | (111,210)   |   | 357,461  |
| Increase (decrease) in investment advisory fees payable  | 20,644  | (5,330)   | 125,162  |
| Increase (decrease) in interest expense payable  | 888,740   | (6,737)   | 107,427  |
| Increase in other liabilities  |   |   | 832,628  |
| Increase (decrease) in other accrued expenses payable  | (60,418)  | (86,723)  | 11,111   |
| Increase in Officers and Trustees fees payable   | 74,209  | 16,382  | 1,782  |
| Increase (decrease) in swap premiums received  | 141,464   | (1,020,061)   | (934,325)  |
| Increase in variation margin payable on financial futures contracts  | 400,503   |   |  |
| Increase in cash received as collateral for reverse repurchase agreements  |   |   | 873,000  |
| Increase in cash received as collateral for OTC derivatives  | 40,000  |   | 60,000   |
| Increase (decrease) in variation margin payable on centrally cleared swaps   | (24,452)  | (1,943)   | 75,066   |
| Net realized gain (loss) on investments and options written  | (8,555,263)   | (7,813,904)   | 815,454  |
| Net unrealized gain (loss) on investments, options written, swaps, foreign currency translations and unfunded floating rate loan interests | (34,344,187)  | 12,519,912  | (24,497,569)                                       |
| Amortization of premium and accretion of discount on investments   | 5,215,247   | (1,113,024)   | (13,539,319)                                       |
| Premiums received from options written   | 9,444,187   |   | 205,679  |
| Proceeds from sales of long-term investments and principal paydowns  | 732,826,768   | 322,539,904   | 377,684,232  |
| Purchases of long-term investments   | (695,497,112)   | (315,029,657)                                       | (491,722,566)                                      |
| Net proceeds from sales (purchases) of short-term securities   | (283,824)   | 747,624   | (8,155,093)  |
| Premiums paid on closing options written   | (9,043,829)   |   | (1,328)  |
| Net cash provided by (used for) operating activities   | 154,719,511   | 26,728,517  | (68,505,695)                                       |
| <b>Cash Used for Financing Activities</b>  |   |   |  |
| Proceeds from bank borrowings  |   | 189,000,000   |  |
| Payments on bank borrowings  |   | (196,000,000)                                       |  |
| Net borrowing of reverse repurchase agreements   | (50,622,478)  |   | 123,643,052  |
| Cash dividends paid to shareholders  | (104,531,085)   | (19,920,832)  | (53,846,343)                                       |
| Increase (decrease) in bank overdraft  | 26,363  | (46,524)  |  |
| Net cash provided by (used for) financing activities   | (155,127,200)   | (26,967,356)  | 69,796,709   |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>  |   |   |  |
| Cash impact from foreign exchange fluctuations   | \$ (2)  | \$ (538)  | \$ (18,358)  |

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**Cash and Foreign Currency**

|  |           |            |              |
|--|-----------|------------|--------------|
| Net increase (decrease) in cash and foreign currency | (407,691) | (239,377)  | 1,272,656    |
| Cash and foreign currency at beginning of year       | 407,790   | 999,623    | 567,975      |
| Cash and foreign currency at end of year             | \$ 99     | \$ 760,246 | \$ 1,840,631 |

**Supplemental Disclosure of Cash Flow Information**

|  |              |              |              |
|--|--------------|--------------|--------------|
| Cash paid during the period for interest | \$ 1,584,118 | \$ 1,202,114 | \$ 3,862,698 |
|--|--------------|--------------|--------------|

<sup>1</sup> Consolidated Statement of Cash Flows.

See Notes to Financial Statements.

## Financial Highlights

## BlackRock Credit Allocation Income Trust (BTZ)

|   | Year Ended October 31, |                    |                    |                    |                    |
|---|------------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2014                   | 2013               | 2012               | 2011               | 2010               |
| <b>Per Share Operating Performance</b>  |                        |                    |                    |                    |                    |
| Net asset value, beginning of year  | \$ 14.99               | \$ 15.37           | \$ 13.94           | \$ 14.46           | \$ 12.64           |
| Net investment income <sup>1</sup>  | 0.99                   | 0.97               | 0.94               | 0.88               | 0.85               |
| Net realized and unrealized gain (loss)   | 0.35                   | (0.37)             | 1.43               | (0.54)             | 2.14               |
| Distributions to Preferred Shareholders from net investment income                  |                        |                    |                    | (0.01)             | (0.07)             |
| Net increase from investment operations   | 1.34                   | 0.60               | 2.37               | 0.33               | 2.92               |
| Distributions to Common Shareholders from: <sup>2</sup>                             |                        |                    |                    |                    |                    |
| Net investment income   | (0.97)                 | (0.98)             | (0.94)             | (0.85)             | (0.81)             |
| Return of capital   |                        |                    |                    |                    | (0.29)             |
| Total distributions   | (0.97)                 | (0.98)             | (0.94)             | (0.85)             | (1.10)             |
| Net asset value, end of year  | \$ 15.36               | \$ 14.99           | \$ 15.37           | \$ 13.94           | \$ 14.46           |
| Market price, end of year   | \$ 13.54               | \$ 12.97           | \$ 14.23           | \$ 12.08           | \$ 13.02           |
| <b>Total Return Applicable to Common Shareholders<sup>3</sup></b>                   |                        |                    |                    |                    |                    |
| Based on net asset value  | 10.11%                 | 4.86%              | 18.35%             | 3.28%              | 25.16%             |
| Based on market price   | 12.18%                 | (2.01)%            | 26.44%             | (0.60)%            | 29.98%             |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>               |                        |                    |                    |                    |                    |
| Total expenses  | 1.11%                  | 1.15% <sup>4</sup> | 1.20% <sup>5</sup> | 1.09% <sup>6</sup> | 1.12% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly                                | 1.11%                  | 1.15% <sup>4</sup> | 1.20% <sup>5</sup> | 1.09% <sup>6</sup> | 1.11% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.96%                  | 1.00% <sup>4</sup> | 1.07% <sup>5</sup> | 0.99% <sup>6</sup> | 1.07% <sup>6</sup> |
| Net investment income   | 6.48%                  | 6.43%              | 6.53%              | 6.25% <sup>6</sup> | 6.33% <sup>6</sup> |
| Distributions to Preferred Shareholders   |                        |                    |                    | 0.09%              | 0.50%              |
| Net investment income to Common Shareholders  | 6.48%                  | 6.43%              | 6.53%              | 6.16%              | 5.83%              |
| <b>Supplemental Data</b>  |                        |                    |                    |                    |                    |
| Net assets Applicable to Common Shareholders, end of year (000)                     | \$ 1,660,442           | \$ 1,619,703       | \$ 796,836         | \$ 722,337         | \$ 749,360         |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of year (000)  |                        |                    |                    |                    | \$ 231,000         |
| Borrowings outstanding, end of year (000)   | \$ 759,752             | \$ 812,028         | \$ 373,716         | \$ 339,303         | \$                 |
| Average borrowings outstanding, during the year (000)                               | \$ 733,661             | \$ 724,537         | \$ 312,634         | \$ 182,843         | \$ 63,660          |
| Portfolio turnover rate   | 29%                    | 43%                | 37%                | 54%                | 64%                |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of year  |                        |                    |                    |                    | \$ 106,104         |

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Asset coverage, end of year per \$1,000 \$ 3,186 \$ 2,995 \$ 3,132 \$ 3,129

- <sup>1</sup> Based on average shares outstanding.
- <sup>2</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>3</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>4</sup> Includes reorganization costs associated with the Trust's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.15%, 1.15% and 1.00%, respectively.
- <sup>5</sup> Includes reorganization costs associated with the Trust's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.16%, 1.16% and 1.02%, respectively.
- <sup>6</sup> Do not reflect the effect of dividends to Preferred Shareholders.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock Floating Rate Income Trust  
(BGT)

|  | Year Ended October 31, |                   |                    |                     |                    |
|--|------------------------|-------------------|--------------------|---------------------|--------------------|
|  | 2014 <sup>1</sup>      | 2013 <sup>1</sup> | 2012 <sup>1</sup>  | 2011                | 2010               |
| <b>Per Share Operating Performance</b>   |                        |                   |                    |                     |                    |
| Net asset value, beginning of year   | \$ 14.79               | \$ 14.52          | \$ 13.97           | \$ 14.48            | \$ 13.29           |
| Net investment income <sup>2</sup>   | 0.84                   | 0.94              | 0.97               | 1.00                | 0.97               |
| Net realized and unrealized gain (loss)  | (0.22)                 | 0.38              | 0.68               | (0.42)              | 1.09               |
| Distributions to Preferred Shareholders from net investment income                       |                        |                   |                    | (0.00) <sup>3</sup> | (0.04)             |
| Net increase from investment operations  | 0.62                   | 1.32              | 1.65               | 0.58                | 2.02               |
| Distributions from net investment income <sup>4</sup>                                    | (0.84)                 | (1.05)            | (1.10)             | (1.09)              | (0.83)             |
| Net asset value, end of year   | \$ 14.57               | \$ 14.79          | \$ 14.52           | \$ 13.97            | \$ 14.48           |
| Market price, end of year  | \$ 13.18               | \$ 14.12          | \$ 15.07           | \$ 13.00            | \$ 14.52           |
| <b>Total Return Applicable to Common Shareholders<sup>5</sup></b>                        |                        |                   |                    |                     |                    |
| Based on net asset value   | 4.60%                  | 9.37%             | 12.37%             | 4.03%               | 15.55%             |
| Based on market price  | (0.89)%                | 0.60%             | 25.33%             | (3.46)%             | 22.41%             |
| <b>Ratio to Average Net Assets Applicable to Common Shareholders</b>                     |                        |                   |                    |                     |                    |
| Total expenses   | 1.52%                  | 1.57%             | 1.66%              | 1.73% <sup>6</sup>  | 1.43% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly                                     | 1.52%                  | 1.57%             | 1.61%              | 1.60% <sup>6</sup>  | 1.25% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly and excluding interest expense      | 1.18%                  | 1.19%             | 1.25% <sup>7</sup> | 1.24% <sup>6</sup>  | 1.15% <sup>6</sup> |
| Net investment income  | 5.71%                  | 6.39%             | 6.87%              | 6.95% <sup>6</sup>  | 7.01% <sup>6</sup> |
| Distributions to Preferred Shareholders  |                        |                   |                    | 0.03%               | 0.27%              |
| Net investment income to Common Shareholders   | 5.71%                  | 6.39%             | 6.87%              | 6.92%               | 6.74%              |
| <b>Supplemental Data</b>   |                        |                   |                    |                     |                    |
| Net assets applicable Common Shareholders, end of year (000)                             | \$ 344,668             | \$ 349,941        | \$ 343,282         | \$ 329,831          | \$ 341,436         |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of year (000)       |                        |                   |                    |                     | \$ 58,800          |
| Borrowings outstanding, end of year (000)  | \$ 145,000             | \$ 152,000        | \$ 145,000         | \$ 122,000          | \$ 38,000          |
| Average borrowings outstanding, during the year (000)                                    | \$ 131,570             | \$ 138,337        | \$ 126,186         | \$ 120,334          | \$ 24,321          |
| Portfolio turnover rate  | 64%                    | 72%               | 65%                | 89%                 | 87%                |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of year (000) |                        |                   |                    |                     | \$ 170,174         |
| Asset coverage, end of year per \$1,000  | \$ 3,377               | \$ 3,302          | \$ 3,367           | \$ 3,704            |                    |

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- <sup>1</sup> Consolidated Financial Highlights.
- <sup>2</sup> Based on average shares outstanding.
- <sup>3</sup> Amount is greater than \$(0.005) per share.
- <sup>4</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>5</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>6</sup> Do not reflect the effect of dividends to Preferred Shareholders.
- <sup>7</sup> For the year ended October 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.14%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Multi-Sector Income Trust (BIT)

|   | Year Ended<br>October 31,<br>2014 | Period<br>February 27, 2013 <sup>1</sup><br>to October 31,<br>2013 |
|---|-----------------------------------|--|
| <b>Per Share Operating Performance</b>  |                                   |  |
| Net asset value, beginning of period  | \$ 18.95                          | \$ 19.10 <sup>2</sup>  |
| Net investment income <sup>3</sup>  | 1.62                              | 1.02   |
| Net realized and unrealized gain (loss)   | 0.70                              | (0.35)   |
| Net increase from investment operations   | 2.32                              | 0.67   |
| Distributions from: <sup>4</sup>  |                                   |  |
| Net investment income   | (1.40)                            | (0.70)   |
| Return of capital   |                                   | (0.12)   |
| Total distributions   | (1.40)                            | (0.82)   |
| Net asset value, end of period  | \$ 19.87                          | \$ 18.95   |
| Market price, end of period   | \$ 17.79                          | \$ 17.04   |
| <b>Total Return<sup>5</sup></b>   |                                   |  |
| Based on net asset value  | 13.40%                            | 4.04% <sup>6</sup>   |
| Based on market price   | 12.91%                            | (10.66)% <sup>6</sup>  |
| <b>Ratios to Average Net Assets</b>   |                                   |  |
| Total expenses  | 2.04%                             | 1.67% <sup>7</sup>   |
| Total expenses after fees waived and paid indirectly                                | 2.04%                             | 1.67% <sup>7</sup>   |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.52%                             | 1.33% <sup>7</sup>   |
| Net investment income   | 8.27%                             | 8.05% <sup>7</sup>   |
| <b>Supplemental Data</b>  |                                   |  |
| Net assets, end of period (000)   | \$ 763,360                        | \$ 727,908   |
| Borrowings outstanding, end of period (000)   | \$ 707,294                        | \$ 552,040   |
| Average borrowings outstanding, during the period (000)                             | \$ 593,978                        | \$ 397,402   |
| Portfolio turnover rate   | 29%                               | 77% <sup>8</sup>   |
| Asset coverage, end of period per \$1,000   | \$ 2,079                          | \$ 2,319   |

<sup>1</sup> Commencement of operations.

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- <sup>2</sup> Net asset value, beginning of period, reflects a deduction of \$0.90 per share sales charge from the initial offering price of \$20.00 per share.
- <sup>3</sup> Based on average shares outstanding.
- <sup>4</sup> Distributions for annual periods determined in accordance with federal income tax regulations.
- <sup>5</sup> Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- <sup>6</sup> Aggregate total return.
- <sup>7</sup> Annualized.
- <sup>8</sup> Includes mortgage dollar roll transactions ( MDRs ). Excluding MDRs, the portfolio turnover rate would have been 54%.

See Notes to Financial Statements.

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## Notes to Financial Statements

### 1. Organization:

BlackRock Credit Allocation Income Trust ( BTZ ), BlackRock Floating Rate Income Trust ( BGT ) and BlackRock Multi-Sector Income Trust ( BIT ) (collectively, the Trusts or individually as a Trust ) are registered under the 1940 Act, as non-diversified, closed-end management investment companies. The Trusts are organized as Delaware statutory trusts. The Boards of Trustees of the Trusts are collectively referred to throughout this report as the Board of Trustees or the Board, and the trustees thereof are collectively referred to throughout this report as Trustees . The Trusts determine and make available for publication the NAVs of their Common Shares on a daily basis.

Reorganization: The Board and shareholders of BTZ and the respective Boards of Directors and Boards of Trustees and shareholders of each of BlackRock Credit Allocation Income Trust I, Inc. ( PSW ), BlackRock Credit Allocation Income Trust II, Inc. ( PSY ) and BlackRock Credit Allocation Income Trust III ( BPP ) (individually, a Target Fund and collectively the Target Funds ) approved the reorganizations of each Target Fund into BTZ pursuant to which BTZ acquired substantially all of the assets and substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of newly-issued shares of BTZ in a merger transaction.

Each shareholder of a Target Fund received Common Shares of BTZ in an amount equal to the aggregate net asset value of such shareholder's Target Fund shares, as determined at the close of business on December 7, 2012, less the costs of the Target Fund's reorganization. Cash was distributed for any fractional shares.

The reorganizations were accomplished by a tax-free exchange of shares of BTZ in the following amounts and at the following conversion ratios:

|             | Shares Prior to | Conversion | Shares of  |
|-------------|-----------------|------------|------------|
| Target Fund | Reorganization  | Ratio      | BTZ        |
| PSW         | 10,311,941      | 0.74476327 | 7,679,944  |
| PSY         | 40,807,418      | 0.80162384 | 32,712,181 |
| BPP         | 18,467,785      | 0.85922134 | 15,867,889 |

Each Target Fund's net assets and composition of net assets on December 7, 2012, the valuation date of the reorganization were as follows:

|  | Target Funds     |                  |                  |
|--|------------------|------------------|------------------|
|  | PSW              | PSY              | BPP              |
| Net assets   | \$ 117,764,870   | \$ 501,609,101   | \$ 243,318,554   |
| Paid-in capital  | \$ 220,759,069   | \$ 855,557,957   | \$ 421,683,737   |
| Undistributed (distributions in excess of) net investment income | \$ (271,460)     | \$ (379,634)     | \$ (20,963)      |
| Accumulated net realized loss                                    | \$ (117,819,600) | \$ (415,840,977) | \$ (201,649,795) |
| Net unrealized appreciation (depreciation)                       | \$ 15,096,861    | \$ 62,271,755    | \$ 23,305,575    |

For financial reporting purposes, assets received and shares issued by BTZ were recorded at fair value. However, the cost basis of the investments received from the Target Funds were carried forward to align ongoing reporting of BTZ realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of the BTZ before the acquisition were \$794,732,940. The aggregate net assets of BTZ immediately after the acquisition amounted to \$1,657,424,622. Each Target Fund's fair value and cost of investments prior to the reorganization were as follows:

|             | Fair Value of  | Cost of        |
|-------------|----------------|----------------|
| Target Fund | Investments    | Investments    |
| PSW         | \$ 173,824,678 | \$ 158,779,261 |
| PSY         | \$ 728,147,930 | \$ 666,028,086 |

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|     |                |                |
|-----|----------------|----------------|
| BPP | \$ 354,504,965 | \$ 331,424,010 |
|-----|----------------|----------------|

The purpose of these transactions was to combine four funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on December 10, 2012.

Assuming the acquisition had been completed on November 1, 2012, the beginning of the fiscal reporting period of BTZ, the pro forma results of operations for the year ended October 31, 2013, are as follows:

Net investment income: \$104,977,862

Net realized and change in unrealized gain/loss on investments: \$(41,452,879)

Net increase/decrease in net assets resulting from operations: \$63,524,983

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in the BTZ Statement of Operations since December 10, 2012.

Reorganization costs incurred in connection with the reorganization were expensed by BTZ.

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## Notes to Financial Statements (continued)

**Basis of Consolidation:** The accompanying consolidated financial statements of BGT include the accounts of BGT Subsidiary, LLC (the Taxable Subsidiary), which is a wholly owned taxable subsidiary of BGT. The Taxable Subsidiary enables BGT to hold an investment in an operating company and satisfy regulated investment company tax requirements. Income earned and gains realized on the investment held by the Taxable Subsidiary are taxable to such subsidiary. A tax provision for income, if any, is shown as income tax in the Consolidated Statement of Operations for BGT. A tax provision for realized and unrealized gains, if any, is included as a reduction of realized and/or unrealized gain (loss) in the Consolidated Statement of Operations for BGT. BGT may invest up to 25% of its total assets in the Taxable Subsidiary. The net assets of the Taxable Subsidiary at October 31, 2014 were 0.06% of BGT's consolidated net assets. Intercompany accounts and transactions, if any, have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to BGT.

### 2. Significant Accounting Policies:

The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Trust is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Trusts:

**Valuation:** The Trusts' investments are valued at fair value as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m., Eastern time). U.S. GAAP defines fair value as the price the Trusts would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Trusts determine the fair values of their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Trusts for all financial instruments.

Bond investments are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche-specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. Swap agreements are valued utilizing quotes received daily by the Trusts' pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Certain centrally cleared swaps are valued at the price determined by the relevant exchange or clearinghouse. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange are valued at the official close each day, if available. For equity investments traded on more than one exchange, the official close price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid price.

Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates determined as of the close of business on the NYSE. Forward foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day's price will be used, unless it is determined that the prior day's price no longer reflects the fair value of the option. Over-the-counter (OTC) options and options on swaps (swaptions) are valued by an independent pricing service using a mathematical

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model, which incorporates a number of market data factors, such as the trades and prices of the underlying instruments.

In the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with

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## Notes to Financial Statements (continued)

a policy approved by the Board as reflecting fair value ( Fair Value Investments ). When determining the price for Fair Value Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement, which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. The market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and is adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trusts' pricing vendors, regular reviews of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of the Trusts' net assets. If events (e.g., a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such instruments, those instruments may be Fair Value Investments and be valued at their fair value, as determined in good faith by the Global Valuation Committee, or its delegate, using a pricing service and/or policies approved by the Board.

Foreign Currency: The Trusts' books and records are maintained in U.S. dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the U.S. dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because that currency is worth fewer U.S. dollars; the opposite effect occurs if the U.S. dollar falls in relative value.

The Trusts do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated in the Statements of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. The Trusts report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for federal income tax purposes.

Segregation and Collateralization: In cases where a Trust enters into certain investments (e.g., financial futures contracts, forward foreign currency exchange contracts, swaps and options written) or certain borrowings (e.g., reverse repurchase transactions) that would be senior securities for 1940 Act purposes, the Trust may segregate or designate on its books and records cash or liquid securities having a market value at least equal to the amount of the Trust's future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, the Trust may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Trusts are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Distributions: Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date. Portions of return of capital distributions under U.S. GAAP may be taxed at ordinary income rates. The character of distributions is determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. The portion of distributions that exceeds a Trust's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a non-taxable return of

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capital. Realized net capital gains can be offset by capital losses carried forward from prior years. However, certain Trusts have capital loss carryforwards from pre-2012 tax years that offset realized net capital gains but do not offset current and accumulated earnings and profits. Consequently, if distributions in any tax year are less than the Trust's current earnings and profits but greater than net investment income and net realized capital gains (taxable income), distributions in excess of taxable income are not treated as non-taxable return of capital, but rather may be taxable to shareholders at ordinary income rates. Under certain circumstances, taxable excess distributions could be significant. See Note 7, Income Tax Information, for the tax character of each Trust's distributions paid during the year.



## Notes to Financial Statements (continued)

Deferred Compensation Plan: Under the Deferred Compensation Plan (the Plan) approved by each Trust's Board, the independent Trustees (Independent Trustees) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Trustees. This has the same economic effect for the Independent Trustees as if the Independent Trustees had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Trust. Deferred compensation liabilities are included in officers' and trustees' fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Trusts until such amounts are distributed in accordance with the Plan.

Recent Accounting Standard: In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings. It is effective for financial statements with fiscal years beginning on or after December 15, 2014 and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Trusts' financial statement disclosures.

Other: Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are prorated among those funds on the basis of relative net assets or other appropriate methods.

The Trusts have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

### 3. Securities and Other Investments:

Asset-Backed and Mortgage-Backed Securities: The Trusts may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. In addition, the Trusts may subsequently have to reinvest the proceeds at lower interest rates. If the Trusts have purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

The Trusts may purchase certain mortgage pass-through securities. There are a number of important differences among the agencies and instrumentalities of the U.S. government that issue mortgage-related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States, but are supported by the right of the issuer to borrow from the U.S. Treasury.

Collateralized Debt Obligations: The Trusts may invest in collateralized debt obligations (CDOs), which include collateralized bond obligations (CBOs) and collateralized loan obligations (CLOs). CBOs and CLOs are types of asset-backed securities. A CDO is an entity that is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches, which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

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**Multiple Class Pass-Through Securities:** The Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations ( CMOs ) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, U.S. government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets ), the payments on which are used to make payments on the CMOs or multiple pass-through securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and

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## Notes to Financial Statements (continued)

POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated prepayments of principal, the Trusts may not fully recoup its initial investment in IOs.

**Zero-Coupon Bonds:** The Trusts may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts and Trust Preferred Securities:** The Trusts may invest in capital trusts and/or trust preferred securities. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. For trust preferred securities, the issuing bank or corporation will pay interest to the trust, which will then be distributed to holders of the trust preferred securities as a dividend. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities and are freely callable at the issuer's option.

**Preferred Stock:** The Trusts may invest in preferred stock. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

**Floating Rate Loan Interests:** The Trusts may invest in floating rate loan interests. The floating rate loan interests held by the Trusts are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Trusts may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally the lending rate offered by one or more European banks, such as the London Interbank Offered Rate (LIBOR), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Trusts consider these investments to be investments in debt securities for purposes of their investment policies.

When the Trusts purchase a floating rate loan interest, they may receive a facility fee and when it sells a floating rate loan interest, they may pay a facility fee. On an ongoing basis, the Trusts may receive a commitment fee based on the undrawn portion of the underlying line of credit amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Trusts upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. The Trusts may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loan interests are usually freely callable at the borrower's option. The Trusts may invest in such loans in the form of participations in loans (Participations) or assignments (Assignments) of all or a portion of loans from third parties. Participations typically will result in the Trusts having a contractual relationship only with the lender, not with the borrower. The Trusts will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower. In connection with purchasing Participations, the Trusts generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of offset against the borrower, and the Trusts may not benefit directly from any collateral supporting the loan in which it has purchased the Participation. As a result, the Trusts will assume the credit risk of both the borrower and the lender that is selling the Participation. The Trusts' investment in loan participation interests involves the risk of insolvency of the

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financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Trusts may be treated as a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Trusts having a direct contractual relationship with the borrower, and the Trusts may enforce compliance by the borrower with the terms of the loan agreement.

## Notes to Financial Statements (continued)

In connection with floating rate loan interests, the Trusts may also enter into unfunded floating rate loan interests ( commitments ). In connection with these commitments, the Trusts earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of October 31, 2014, the Trusts had the following unfunded floating rate loan interests:

| BGT  |           |                   |              |                         |
|--|-----------|-------------------|--------------|-------------------------|
| Borrower   | Par       | Commitment Amount | Value        | Unrealized Depreciation |
| Advantage Sales & Marketing, Inc. Delayed Draw Term Loan | 20,242    | \$ 20,127         | \$ 20,050    | \$ (77)                 |
| Onex York Acquisition Corp. Delayed Draw Term Loan       | 126,234   | \$ 126,234        | \$ 125,367   | \$ (867)                |
| Ziggo BV Term Loan B2A                                   | 50,818    | \$ 50,639         | \$ 49,452    | \$ (1,187)              |
| Ziggo BV Term Loan B3                                    | 1,040,075 | \$ 1,035,378      | \$ 1,012,129 | \$ (23,249)             |

**Forward Commitments and When-Issued Delayed Delivery Securities:** The Trusts may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Trusts may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Trusts may be required to pay more at settlement than the security is worth. In addition, the Trusts are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Trusts assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Trusts' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**TBA Commitments:** The Trusts may enter into TBA commitments. TBA commitments are forward agreements for the purchase or sale of mortgage-backed securities for a fixed price, with payment and delivery on an agreed upon future settlement date. The specific securities to be delivered are not identified at the trade date. However, delivered securities must meet specified terms, including issuer, rate and mortgage terms. When entering into TBA commitments, the Trusts may take possession of or deliver the underlying mortgage-backed securities but can extend the settlement or roll the transaction. TBA commitments involve a risk of loss if the value of the security to be purchased or sold declines or increases, respectively, prior to settlement date.

In order to better define contractual rights and to secure rights that will help the Trusts mitigate their counterparty risk, TBA commitments may be entered into by the Trusts under Master Securities Forward Transaction Agreements (each, an MSFTA ). An MSFTA typically contains, among other things, collateral posting terms and netting provisions in the event of default and/or termination event. The collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of the collateral currently pledged by a Trust and the counterparty. Cash collateral that has been pledged to cover the obligations of a Trust and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral for TBA commitments or cash received as collateral for TBA commitments, respectively. Non-cash collateral pledged by a Trust, if any, is noted in the Schedules of Investments. Typically, the Trusts are permitted to sell, repledge or use the collateral they receive; however, the counterparty is not. To the extent amounts due to the Trust are not fully collateralized, contractually or otherwise, the Trust bears the risk of loss from counterparty non-performance.

**Mortgage Dollar Roll Transactions:** The Trusts may sell TBA mortgage-backed securities and simultaneously contract to repurchase substantially similar (i.e., same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and repurchase, the Trust will not be entitled to receive interest and principal payments on the securities sold. The Trusts accounts for mortgage dollar roll transactions as purchases and sales and realizes gains and losses on these transactions. These transactions may increase the Trusts' portfolio turnover rate. Mortgage dollar rolls involve the risk that the market value of the securities that the Trust is required to purchase may decline below the agreed upon repurchase price of those securities.

**Reverse Repurchase Agreements:** The Trusts may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Trusts sell securities to a bank or broker-dealer and agrees to repurchase the same securities at a mutually agreed upon date and price. During the term of the reverse repurchase agreement, the Trusts continue to receive the principal and interest payments on the securities sold. Certain agreements have no stated maturity and can be terminated by either party at any time. Interest on the value of the reverse

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repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Trusts may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities to be repurchased may decline below the repurchase price.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest due to the counterparty is recorded as a liability in the Statements of Assets and Liabilities at face value including accrued interest. Due to the short term nature of the reverse repurchase agreements, face

## Notes to Financial Statements (continued)

value approximates fair value. Interest payments made by the Trusts to the counterparties are recorded as a component of interest expense in the Statements of Operations. In periods of increased demand for the security, the Trusts may receive a fee for use of the security by the counterparty, which may result in interest income to the Trusts.

Reverse repurchase transactions are entered into by the Trusts under Master Repurchase Agreements (each, an "MRA"), which permit the Trusts, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Trusts. With reverse repurchase transactions, typically the Trusts and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Trusts receive or post securities as collateral with a market value in excess of the repurchase price to be paid or received by the Trusts upon the maturity of the transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Trusts are considered an unsecured creditor with respect to excess collateral and, as such, the return of excess collateral may be delayed.

The following table is a summary of the Trusts' open reverse repurchase agreements by counterparty which are subject to offset under an MRA on a net basis as of October 31, 2014:

| Counterparty                                | Fair Value of Non-cash        |  |                         |            |
|---|-------------------------------|--|-------------------------|------------|
|   | Reverse Repurchase Agreements | Collateral Pledged Including Accrued Interest <sup>1</sup> | Cash Collateral Pledged | Net Amount |
| Barclays Capital, Inc.                      | \$ 86,576,487                 | \$ (86,576,487)  |                         |            |
| BNP Paribas S.A.                            | 147,681,816                   | (147,681,816)  |                         |            |
| Credit Suisse Securities (USA) LLC          | 271,313,931                   | (271,313,931)  |                         |            |
| Deutsche Bank Securities, Inc.              | 28,971,379                    | (28,971,379)   |                         |            |
| HSBC Securities (USA), Inc.                 | 11,969,499                    | (11,969,499)   |                         |            |
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | 10,071,392                    | (10,071,392)   |                         |            |
| RBC Capital Markets LLC                     | 76,381,524                    | (76,381,524)   |                         |            |
| UBS AG London                               | 126,785,911                   | (126,785,911)  |                         |            |
| <b>Total</b>                                | <b>\$ 759,751,939</b>         | <b>\$ (759,751,939)</b>                                    |                         |            |

<sup>1</sup> Net collateral with a value of \$805,840,914 has been pledged in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting purposes.

| Counterparty                       | Fair Value of Non-cash        |  |                         |            |
|------------------------------------|-------------------------------|--|-------------------------|------------|
|                                    | Reverse Repurchase Agreements | Collateral Pledged Including Accrued Interest <sup>2</sup> | Cash Collateral Pledged | Net Amount |
| Barclays Bank PLC                  | \$ 23,255,099                 | \$ (23,255,099)  |                         |            |
| Barclays Capital, Inc.             | 230,991,608                   | (230,991,608)  |                         |            |
| BNP Paribas Securities Corp.       | 83,776,708                    | (83,776,708)   |                         |            |
| Credit Suisse Securities (USA) LLC | 4,857,170                     | (4,857,170)  |                         |            |
| Deutsche Bank Securities, Inc.     | 279,209,625                   | (279,209,625)  |                         |            |
| JPMorgan Securities LLC            | 7,692,505                     | (7,692,505)  |                         |            |
| RBC Capital Markets                | 2,595,606                     | (2,595,606)  |                         |            |
| UBS Securities LLC                 | 74,915,582                    | (74,915,582)   |                         |            |

|              |    |             |    |               |
|--------------|----|-------------|----|---------------|
| <b>Total</b> | \$ | 707,293,903 | \$ | (707,293,903) |
|--------------|----|-------------|----|---------------|

<sup>2</sup> Net collateral with a value of \$765,290,016 has been pledged in connection with open reverse repurchase agreements. Excess of net collateral pledged to the individual counterparty is not shown for financial reporting purposes.

In the event the counterparty of securities under an MRA files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds from the agreement may be restricted while the counterparty, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the securities.

**4. Derivative Financial Instruments:**

The Trusts engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Trusts and/or to economically hedge their exposure to certain risks such as credit risk, equity risk, interest rate risk and foreign currency exchange rate risk. These contracts may be transacted on an exchange or OTC.

Financial Futures Contracts: The Trusts purchase and/or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk) or changes in the value of equity securities (equity risk). Financial futures contracts are agreements between the Trusts and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date.



## Notes to Financial Statements (continued)

Upon entering into a financial futures contract, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited, if any, is recorded on the Statements of Assets and Liabilities as cash pledged for financial futures contracts. Pursuant to the contract, the Trusts agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin. Variation margin is recorded by the Trusts as unrealized appreciation or depreciation and, if applicable, as a receivable or payable for variation margin in the Statements of Assets and Liabilities.

When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest or foreign currency exchange rates and the underlying assets.

**Forward Foreign Currency Exchange Contracts:** The Trusts enter into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Forward foreign currency exchange contracts, when used by the Trusts, help to manage the overall exposure to the currencies in which some of the investments held by the Trusts are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Trusts as an unrealized gain or loss. When the contract is closed, the Trusts record a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward foreign currency exchange contracts involves the risk that the value of a forward foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies.

**Options:** The Trusts purchase and write call and put options to increase or decrease their exposure to underlying instruments including interest rate risk and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised) the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise or strike price at any time or at a specified time during the option period. When the Trusts purchase (write) an option, an amount equal to the premium paid (received) by the Trusts is reflected as an asset (liability). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or the Trusts enter into a closing transaction), the Trusts realize a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premiums received or paid). When the Trusts write a call option, such option is covered, meaning that the Trusts hold the underlying instrument subject to being called by the option counterparty. When the Trusts write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swaptions is granting or buying the right to enter into a previously agreed upon interest rate or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

In purchasing and writing options, the Trusts bear the risk of an unfavorable change in the value of the underlying instrument or the risk that the Trusts may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written option could result in the Trusts purchasing or selling a security when they otherwise would not, or at a price different from the current market value.

Transactions in options written for the year ended October 31, 2014 were as follows:

| BTZ                                    | Calls     |                   |                      | Puts      |                   |                      |
|--|-----------|-------------------|----------------------|-----------|-------------------|----------------------|
|  | Contracts | Notional<br>(000) | Premiums<br>Received | Contracts | Notional<br>(000) | Premiums<br>Received |
| Outstanding options, beginning of year | 416       |                   | \$ 103,235           | 3,500     | \$ 422,600        | \$ 7,143,141         |
| Options written                        |           | \$ 73,600         | 3,513,480            | 10,646    | 73,600            | 5,930,707            |
| Options exercised                      |           |                   |                      | (1,834)   |                   | (512,438)            |
| Options expired                        |           |                   |                      | (7,450)   |                   | (871,345)            |

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|                                  |       |          |             |         |            |              |
|----------------------------------|-------|----------|-------------|---------|------------|--------------|
| Options closed                   | (416) | (73,600) | (3,616,715) | (1,466) | (89,600)   | (4,235,095)  |
| Outstanding options, end of year |       |          |             | 3,396   | \$ 406,600 | \$ 7,454,970 |

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## Notes to Financial Statements (continued)

| BIT                                    | Calls     |                                  | Puts      |                                  |
|--|-----------|----------------------------------|-----------|----------------------------------|
|  | Contracts | Notional (000) Premiums Received | Contracts | Notional (000) Premiums Received |
| Outstanding options, beginning of year |           |                                  |           |                                  |
| Options written                        | 25        | \$ 2,149                         | 1,031     | \$ 203,530                       |
| Options exercised                      |           |                                  |           |                                  |
| Options expired                        |           |                                  | (966)     | (194,818)                        |
| Options closed                         | (25)      | (2,149)                          | (25)      | (2,774)                          |
| Outstanding options, end of year       |           |                                  | 40        | \$ 5,938                         |

Swaps: The Trusts enter into swap agreements in which the Trusts and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract (OTC swaps) or centrally cleared (centrally cleared swaps). Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation).

For OTC swaps, any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively, in the Statements of Assets and Liabilities and amortized over the term of the OTC swap. Payments received or made by the Trusts for OTC swaps are recorded in the Statements of Operations as realized gains or losses, respectively. When an OTC swap is terminated, the Trusts will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Trusts' basis in the contract, if any. Generally, the basis of the contract is the premium received or paid.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP) and the Trusts' counterparty on the swap agreement becomes the CCP. The Trusts are required to interface with the CCP through a broker. Upon entering into a centrally cleared swap, the Trusts are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap. Securities deposited as initial margin are designated on the Schedules of Investments and cash deposited is recorded on the Statements of Assets and Liabilities as cash pledged for centrally cleared swaps. The daily change in valuation of centrally cleared swaps is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. Payments received from (paid to) the counterparty, including at termination, are recorded as realized gain (loss) in the Statements of Operations.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

**Credit default swaps** The Trusts enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Trusts may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the protection buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection seller to make a specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occur. As a buyer, if an underlying credit event occurs, the Trusts will either (i) receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index, or (ii) receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Trusts will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of

the security or underlying securities comprising the index.

**Interest rate swaps** The Trusts enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds, which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time.

## Notes to Financial Statements (continued)

The following is a summary of the Trusts' derivative financial instruments categorized by risk exposure:

| Fair Values of Derivative Financial Instruments as of October 31, 2014 |  | BTZ               |                        | BGT               |                        | BIT               |                        |
|--|--|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
|  |  | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities | Derivative Assets | Derivative Liabilities |
| Interest rate contracts  | Net unrealized appreciation/depreciation <sup>1</sup> ;<br>Unrealized appreciation/depreciation on OTC swaps; Swap premiums received; Investments at value | \$ 4,787,839      | \$ (7,828,916)         |                   |                        | \$ 8,479          | \$ (783,336)           |
| Foreign currency exchange contracts                                    | Unrealized appreciation/depreciation on forward foreign currency exchange contracts  |                   |                        | \$ 224,861        | \$ (33,770)            | 171,580           | (140,607)              |
| Credit contracts   | Unrealized appreciation/depreciation on OTC swaps; Swap premiums paid/received   | 1,638,874         | (2,380,057)            |                   |                        | 1,270,110         | (788,827)              |
| <b>Total</b>   |  | \$ 6,426,713      | \$ (10,208,973)        | \$ 224,861        | \$ (33,770)            | \$ 1,450,169      | \$ (1,712,770)         |

<sup>1</sup> Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps, if any, as reported in the Schedules of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

<sup>2</sup> Includes options purchased at value as reported in the Schedules of Investments.

**The Effect of Derivative Financial Instruments in the Statements of Operations**  
Year Ended October 31, 2014

|   | Net Realized Gain (Loss) From |                |                | Net Change in Unrealized Appreciation/Depreciation on |              |              |
|---|-------------------------------|----------------|----------------|---|--------------|--------------|
|   | BTZ                           | BGT            | BIT            | BTZ   | BGT          | BIT          |
| Interest rate contracts:                    |                               |                |                |   |              |              |
| Financial futures contracts                 | \$(3,034,410)                 |                | \$ (3,487,491) | \$ 1,924,960  |              | \$ (32,016)  |
| Swaps                                       | (8,655,901)                   |                | 4,091          | (1,681,583)   |              | (83,228)     |
| Options <sup>3</sup>                        | (1,798,024)                   |                | (165,625)      | 440,336   |              | (9,312)      |
| Foreign currency exchange contracts:        |                               |                |                |   |              |              |
| Foreign currency transactions/ translations | 64,446                        | \$ 241,903     | 141,311        | (19,412)  | \$ (330,366) | (702,611)    |
| Credit contracts:                           |                               |                |                |   |              |              |
| Swaps                                       | (2,012,158)                   | (1,401,406)    | 452,960        | 175,052   | 457,695      | (35,883)     |
| Equity contracts:                           |                               |                |                |   |              |              |
| Options <sup>3</sup>                        | (4,158,824)                   |                |                | 1,325,641   |              |              |
| <b>Total</b>                                | \$(19,594,871)                | \$ (1,159,503) | \$ (3,054,754) | \$ 2,164,994  | \$ 127,329   | \$ (863,050) |

<sup>3</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the year ended October 31, 2014, the average quarterly balances of outstanding derivative financial instruments were as follows:

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|  | BTZ                     | BGT           | BIT                         |
|--|-------------------------|---------------|-----------------------------|
| <b>Financial futures contracts:</b>                    |                         |               |                             |
| Average number of contracts purchased                  | 1,980                   |               | 436 <sup>1</sup>            |
| Average number of contracts sold                       | 1,671                   |               | 443                         |
| Average notional value of contracts purchased          | \$ 270,670,098          |               | \$ 105,780,814 <sup>1</sup> |
| Average notional value of contracts sold               | \$ 253,516,594          |               | \$ 58,812,596               |
| <b>Forward foreign currency exchange contracts:</b>    |                         |               |                             |
| Average number of contracts U.S. dollars purchased     | 1                       | 4             | 5                           |
| Average number of contracts U.S. dollars sold          | 1 <sup>1</sup>          | 2             | 3                           |
| Average USD amounts purchased                          | \$ 962,994              | \$ 45,006,474 | \$ 52,637,359               |
| Average USD amounts sold                               | \$ 947,494 <sup>1</sup> | \$ 2,915,416  | \$ 1,126,309                |
| <b>Options:</b>  |                         |               |                             |
| Average number of option contracts purchased           | 3,607                   | 26            | 16                          |
| Average number of option contracts written             | 962                     |               | 16                          |
| Average notional value of option contracts purchased   | \$ 28,842,500           | \$ 24,514     | \$ 40,625                   |
| Average notional value of option contracts written     | \$ 20,685,000           |               | \$ 40,625                   |
| Average number of swaption contracts purchased         | 6                       |               |                             |
| Average number of swaption contracts written           | 1                       |               |                             |
| Average notional value of swaption contracts purchased | \$ 415,100,000          |               |                             |
| Average notional value of swaption contracts written   | \$ 410,600,000          |               |                             |
| <b>Credit default swaps:</b>                           |                         |               |                             |
| Average number of contracts buy protection             | 20                      | 1             | 2                           |
| Average number of contracts sell protection            | 16                      | 11            | 2                           |
| Average notional value buy protection                  | \$ 119,124,523          | \$ 687,500    | \$ 11,794,625               |
| Average notional value sell protection                 | \$ 69,519,175           | \$ 3,082,584  | \$ 10,899,750               |

## Notes to Financial Statements (continued)

|   | BTZ            | BGT | BIT          |
|---|----------------|-----|--------------|
| Interest rate swaps:                            |                |     |              |
| Average number of contracts pays fixed rate     | 9              |     | 1            |
| Average number of contracts receives fixed rate | 1              |     | 2            |
| Average notional value pays fixed rate          | \$ 263,136,250 |     | \$ 87,500    |
| Average notional value receives fixed rate      | \$ 11,350,000  |     | \$ 5,253,000 |

<sup>1</sup> Average amounts for the period are shown due to limited outstanding derivative financial instruments as of each quarter.

Counterparty Credit Risk: A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Trust's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Trust. For OTC options purchased, each Trust bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Trust should the counterparty fail to perform under the contracts. Options written by the Trusts do not typically give rise to counterparty credit risk, as options written generally obligate the Trusts, and not the counterparty, to perform.

With exchange-traded purchased options, futures and centrally cleared swaps, there is less counterparty credit risk to the Trusts since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Trust does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange-traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Trusts.

In order to better define their contractual rights and to secure rights that will help the Trusts mitigate their counterparty risk, the Trusts may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ( ISDA Master Agreement ) or similar agreement with their counterparties. An ISDA Master Agreement is a bilateral agreement between each Trust and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, each Trust may, under certain circumstances, offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. Bankruptcy or insolvency laws of a particular jurisdiction may restrict or prohibit the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to terminate derivative contracts prior to maturity in the event the Trusts' net assets decline by a stated percentage or the Trusts fail to meet the terms of its ISDA Master Agreements. The result would cause the Trusts to accelerate payment of any net liability owed to the counterparty.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Trust and the counterparty.

Cash collateral that has been pledged to cover obligations of the Trusts and cash collateral received from the counterparty, if any, is reported separately on the Statements of Assets and Liabilities as cash pledged as collateral and cash received as collateral, respectively. Non-cash collateral pledged by the Trusts, if any, is noted in the Schedules of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (typically either \$250,000 or \$500,000) before a transfer is required, which is determined at the close of business of the Trusts. Any additional required collateral is delivered to/pledged by the Trusts on the next business day. Typically, the Trusts and counterparties are not permitted to sell, re-pledge or use the collateral they receive. To the extent amounts due to the Trusts from their counterparties are not fully collateralized, the Trusts bear the risk of loss from counterparty non-performance. Likewise, to the extent the Trust has delivered collateral to a counterparty and stands ready to perform under the terms of their agreement with such counterparty, the Trusts bear the risk of loss from a counterparty in the amount of the value of the collateral in the event the counterparty fails to return such collateral.

For financial reporting purposes, the Trusts do not offset derivative assets and derivative liabilities that are subject to netting arrangements, if any, in the Statements of Assets and Liabilities.





## Notes to Financial Statements (continued)

As of October 31, 2014, the Trusts' derivative assets and liabilities (by type) are as follows:

|  | BTZ                 |                     | BGT               |                  | BIT                 |                   |
|--|---------------------|---------------------|-------------------|------------------|---------------------|-------------------|
|  | Assets              | Liabilities         | Assets            | Liabilities      | Assets              | Liabilities       |
| <b>Derivative Financial Instruments:</b>   |                     |                     |                   |                  |                     |                   |
| Financial futures contracts  | \$ 273,562          | \$ 400,503          |                   |                  | \$ 208,795          |                   |
| Forward foreign currency exchange contracts  |                     |                     | \$ 224,861        | \$ 33,770        | 171,580             | \$ 140,607        |
| Options <sup>1</sup>   | 3,369,343           | 2,444,259           |                   |                  | 3,750               | 250               |
| Swaps - Centrally cleared  | 376,026             |                     |                   |                  | 5,443               | 78,574            |
| Swaps - OTC  | 1,638,874           | 2,380,057           |                   |                  | 1,274,607           | 632,463           |
| <b>Total derivative assets and liabilities in the Statements of Assets and Liabilities</b> | <b>5,657,805</b>    | <b>5,224,819</b>    | <b>224,861</b>    | <b>33,770</b>    | <b>1,664,175</b>    | <b>851,894</b>    |
| Derivatives not subject to an master netting agreement of similar agreement (MNA)          | (1,445,525)         | (931,128)           |                   |                  | (217,988)           | (78,824)          |
| <b>Total derivative assets and liabilities subject to an MNA</b>                           | <b>\$ 4,212,280</b> | <b>\$ 4,293,691</b> | <b>\$ 224,861</b> | <b>\$ 33,770</b> | <b>\$ 1,446,187</b> | <b>\$ 773,070</b> |

<sup>1</sup> Includes options purchased at value which is included in Investments at value - unaffiliated in the Statements of Assets and Liabilities and reported in the Schedules of Investments.

<sup>2</sup> Includes unrealized appreciation/depreciation on OTC swaps and swap premiums paid/received in the Statements of Assets and Liabilities. The following tables present the Trusts' derivative assets and liabilities by counterparty net of amounts available for offset under an MNA and net of the related collateral received and pledged by the Trusts as of October 31, 2014:

| Counterparty                        | Derivative Assets Subject to an MNA by Counterparty | Derivatives Available for Offset <sup>1</sup> | Non-cash Collateral |                                       | Net Amount of Derivative Assets <sup>3</sup> |
|-------------------------------------|---|---|---------------------|---------------------------------------|--|
|                                     |   |   | Received            | Cash Collateral Received <sup>2</sup> |  |
| Barclays Bank PLC                   | \$ 33,168   | \$ (33,168)                                   |                     |                                       |  |
| BNP Paribas S.A.                    | 24,967  |   |                     |                                       | \$ 24,967                                    |
| Citibank N.A.                       | 200   | (96)  |                     | \$ (104)                              |  |
| Credit Suisse International         | 393,844   | (393,844)                                     |                     |                                       |  |
| Deutsche Bank AG                    | 411,090   | (411,090)                                     |                     |                                       |  |
| Goldman Sachs Bank USA              | 336,792   | (336,792)                                     |                     |                                       |  |
| Goldman Sachs International         | 207,274   | (207,274)                                     |                     |                                       |  |
| JPMorgan Chase Bank N.A.            | 2,672,575   | (2,008,994)                                   |                     | (640,000)                             | 23,581                                       |
| Morgan Stanley Capital Services LLC | 441   | (291)   |                     |                                       | 150  |
| Royal Bank of Scotland PLC          | 88,521  | (88,521)                                      |                     |                                       |  |
| UBS AG                              | 43,408  | (28,507)                                      |                     |                                       | 14,901                                       |
| <b>Total</b>                        | <b>\$ 4,212,280</b>                                 | <b>\$ (3,508,577)</b>                         |                     | <b>\$ (640,104)</b>                   | <b>\$ 63,599</b>                             |

| Counterparty | Derivative Liabilities Subject to an MNA by Counterparty | Derivatives Available for | Non-cash Collateral |                                      | Net Amount of Derivative |
|--------------|--|---------------------------|---------------------|--------------------------------------|--------------------------|
|              |  |                           | Pledged             | Cash Collateral Pledged <sup>4</sup> |                          |

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|                                     |                     | <b>Offset<sup>1</sup></b> |                     | <b>Liabilities<sup>5</sup></b> |
|-------------------------------------|---------------------|---------------------------|---------------------|--------------------------------|
| Barclays Bank PLC                   | \$ 41,218           | \$ (33,168)               |                     | \$ 8,050                       |
| Citibank N.A.                       | 96                  | (96)                      |                     |                                |
| Credit Suisse International         | 593,380             | (393,844)                 |                     | 199,536                        |
| Deutsche Bank AG                    | 857,685             | (411,090)                 | \$ (446,595)        |                                |
| Goldman Sachs Bank USA              | 375,367             | (336,792)                 |                     | 38,575                         |
| Goldman Sachs International         | 229,302             | (207,274)                 |                     | 22,028                         |
| JPMorgan Chase Bank N.A.            | 2,008,994           | (2,008,994)               |                     |                                |
| Morgan Stanley Capital Services LLC | 291                 | (291)                     |                     |                                |
| Royal Bank of Scotland PLC          | 158,851             | (88,521)                  |                     | 70,330                         |
| UBS AG                              | 28,507              | (28,507)                  |                     |                                |
| <b>Total</b>                        | <b>\$ 4,293,691</b> | <b>\$ (3,508,577)</b>     | <b>\$ (446,595)</b> | <b>\$ 338,519</b>              |

| <b>BGT</b>               |                               | <b>Derivatives</b>        |                            |                            | <b>Net</b>                     |
|--------------------------|-------------------------------|---------------------------|----------------------------|----------------------------|--------------------------------|
| <b>Counterparty</b>      | <b>Derivative Liabilities</b> | <b>Available</b>          | <b>Non-cash Collateral</b> | <b>Cash</b>                | <b>Amount of</b>               |
|                          | <b>Subject to an MNA</b>      | <b>for</b>                | <b>Pledged</b>             | <b>Collateral</b>          | <b>Derivative</b>              |
|                          | <b>by Counterparty</b>        | <b>Offset<sup>1</sup></b> |                            | <b>Pledged<sup>4</sup></b> | <b>Liabilities<sup>5</sup></b> |
| Barclays Bank PLC        | \$ 14,064                     | \$ (14,064)               |                            |                            |                                |
| JPMorgan Chase Bank N.A. | 210,797                       |                           |                            |                            | \$ 210,797                     |
| <b>Total</b>             | <b>\$ 224,861</b>             | <b>\$ (14,064)</b>        |                            |                            | <b>\$ 210,797</b>              |

## Notes to Financial Statements (continued)

| Counterparty      | Derivative Liabilities<br>Subject to an MNA<br>by Counterparty | Derivatives<br>Available<br>for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Pledged | Cash<br>Collateral<br>Pledged <sup>4</sup> | Net   |
|-------------------|--|--|--------------------------------|--|---|
|                   |  |  |                                |  | Amount of<br>Derivative<br>Liabilities <sup>5</sup> |
| Barclays Bank PLC | \$ 26,999  | \$ 14,064  |                                |  | \$ 12,935   |
| Deutsche Bank AG  | 6,771  |  |                                |  | 6,771   |
| <b>Total</b>      | <b>\$ 33,770</b>   | <b>\$ 14,064</b>                                       |                                |  | <b>\$ 19,706</b>                                    |

| Counterparty                | Derivative Assets<br>Subject to an MNA<br>by Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Received | Cash Collateral<br>Received <sup>2</sup> | Net  |
|-----------------------------|---|---|---------------------------------|--|--|
|                             |   |   |                                 |  | Amount of<br>Derivative<br>Assets <sup>3</sup> |
| Bank of America N.A.        | \$ 1,438,561  | \$ (682,910)  |                                 | \$ (660,000)                             | \$ 95,651                                      |
| Citibank N.A.               | 4,729   | (71)  |                                 |  | 4,658  |
| Credit Suisse International | 2,897   | (2,897)   |                                 |  |  |
| <b>Total</b>                | <b>\$ 1,446,187</b>                                       | <b>\$ (685,878)</b>                                 |                                 | <b>\$ (660,000)</b>                      | <b>\$ 100,309</b>                              |

| Counterparty                | Derivative Liabilities<br>Subject to an MNA<br>by Counterparty | Derivatives<br>Available for<br>Offset <sup>1</sup> | Non-cash Collateral<br>Received | Cash Collateral<br>Received | Net   |
|-----------------------------|--|---|---------------------------------|-----------------------------|---|
|                             |  |   |                                 |                             | Amount of<br>Derivative<br>Liabilities <sup>5</sup> |
| Bank of America N.A.        | \$ 682,910   | \$ (682,910)  |                                 |                             |   |
| Citibank N.A.               | 71   | (71)  |                                 |                             |   |
| Credit Suisse International | 9,790  | (2,897)   |                                 |                             | \$ 6,893  |
| Deutsche Bank AG            | 80,299   |   |                                 |                             | 80,299  |
| <b>Total</b>                | <b>\$ 773,070</b>  | <b>\$ (685,878)</b>                                 |                                 |                             | <b>\$ 87,192</b>                                    |

<sup>1</sup> The amount of derivatives available for offset is limited to the amount of the assets and/or liabilities that are subject to an MNA.

<sup>2</sup> Excess of the collateral received from the individual counterparty is not shown for financial reporting purposes.

<sup>3</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>4</sup> Excess of the collateral pledged to the individual counterparty is not shown for financial reporting purposes.

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<sup>5</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

### 5. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. ( BlackRock ).

Each Trust entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Trusts investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Trust s portfolio and provides the necessary personnel, facilities, equipment and certain other services to the operations of each Trust. For such services, each Trust pays the Manager a monthly fee based on a percentage of BTZ s and BGT s average weekly (average daily for BIT s) net assets (including any assets attributable to borrowings) at the following annual rates:

|     |       |
|-----|-------|
| BTZ | 0.62% |
| BGT | 0.75% |
| BIT | 0.80% |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Trust pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Trust s investment in other affiliated investment companies, if any. These amounts are shown as fees waived by Manager in the Statements of Operations.

The Manager provides investment management and other services to the Taxable Subsidiary. The Manager does not receive separate compensation from the Taxable Subsidiary for providing investment management or administrative services. However, BGT pays the Manager based on BGT s net assets, which includes the assets of the Taxable Subsidiary.

Prior to July 1, 2014, BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager, served as a sub-advisor for each Trust and BlackRock Investment Management, LLC ( BIM ), an affiliate of the Manager, served as a sub-advisor for BTZ and BIT pursuant to sub-advisory agreements with the Manager. Each of BFM and BIM received for its services a monthly fee from the Manager at an annual rate equal to a percentage of the investment advisory fees paid by the Trust to the Manager. Effective July 1, 2014, the sub-advisory agreements between the Manager and BIM and BFM, with respect to each Trust, expired.

## Notes to Financial Statements (continued)

The Manager entered into a sub-advisory agreement with BlackRock (Singapore) Limited ( BRS ), an affiliate of the Manager, to serve as sub-advisor for BIT. The Manager pays BRS, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by BIT to the Manager.

Certain officers and/or Trustees of the Trusts are officers and/or directors of BlackRock or its affiliates. The Trusts reimburse the Manager for a portion of the compensation paid to the Trusts' Chief Compliance Officer, which is included in officer and Trustees in the Statements of Operations.

The Trusts may purchase securities from, or sell securities to, an affiliated fund provided the affiliation is due solely to having a common investment advisor, common officers, or common trustees. For the year ended October 31, 2014, the purchase and sale transactions with an affiliated fund in compliance with Rule 17a-7 under the 1940 Act were as follows:

|           | <b>BTZ</b>   |
|-----------|--------------|
| Purchases | \$ 5,803,192 |
| Sales     | \$ 274,216   |

**6. Purchases and Sales:**

For the year ended October 31, 2014, purchases and sales of investments, including paydowns and excluding short-term securities and U.S. government securities were as follows:

|           | <b>BTZ</b>     | <b>BGT</b>     | <b>BIT</b>     |
|-----------|----------------|----------------|----------------|
| Purchases | \$ 561,778,144 | \$ 318,653,624 | \$ 487,283,819 |
| Sales     | \$ 605,107,788 | \$ 326,254,196 | \$ 380,279,060 |

For the year ended October 31, 2014, purchases and sales of U.S. government securities were as follows:

|           | <b>BTZ</b>     |
|-----------|----------------|
| Purchases | \$ 128,405,696 |
| Sales     | \$ 109,934,788 |

**7. Income Tax Information:**

It is the Trusts' policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of their taxable income to their shareholders. Therefore, no federal income tax provision is required, except with respect to any taxes related to the Taxable Subsidiary.

Each Trust files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on BTZ's and BGT's U.S. federal tax returns remains open for each of the four years ended October 31, 2014. The statute of limitations on BIT's U.S. federal tax returns remains open for the period ended October 31, 2013 and the year ended October 31, 2014. The statutes of limitations on the Trusts' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Trusts' facts and circumstances and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of October 31, 2014, the following permanent differences attributable to foreign currency transactions, the accounting for swap agreements, distributions in excess of taxable income, the classification of investments, income recognized from pass-through entities and the expiration of capital loss carryforwards were reclassified to the following accounts:

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|                                      | <b>BTZ</b>      | <b>BGT</b>     | <b>BIT</b>     |
|--------------------------------------|-----------------|----------------|----------------|
| Paid-in capital                      | \$ (14,225,327) |                |                |
| Undistributed net investment income  | \$ (3,273,011)  | \$ 2,651,356   | \$ (7,493,315) |
| Accumulated net realized gain (loss) | \$ 17,498,338   | \$ (2,651,356) | \$ 7,493,315   |

The tax character of distributions paid during the fiscal years ended October 31, 2014 and October 31, 2013 were as follows:

|                       |          | <b>BTZ</b>     | <b>BGT</b>    | <b>BIT</b>    |
|-----------------------|----------|----------------|---------------|---------------|
| Ordinary income       | 10/31/14 | \$ 104,413,172 | \$ 19,919,709 | \$ 53,805,642 |
|                       | 10/31/13 | 99,536,463     | 24,716,431    | 26,851,648    |
| Tax return of capital | 10/31/13 |                |               | 4,534,977     |
| <b>Total</b>          | 10/31/14 | \$ 104,413,172 | \$ 19,919,709 | \$ 53,805,642 |
|                       | 10/31/13 | \$ 99,536,463  | \$ 24,716,431 | \$ 31,386,625 |

## Notes to Financial Statements (continued)

As of October 31, 2014, the tax components of accumulated net earnings (losses) were as follows:

|  | <b>BTZ</b>              | <b>BGT</b>             | <b>BIT</b>           |
|--|-------------------------|------------------------|----------------------|
| Undistributed ordinary income              |                         | \$ 2,500,339           | \$ 6,609,557         |
| Undistributed long-term capital gains      |                         |                        | 1,913,717            |
| Capital loss carryforwards                 | \$ (378,663,519)        | (76,451,577)           |                      |
| Net unrealized gains (losses) <sup>1</sup> | 147,069,574             | (10,446,118)           | 27,054,986           |
| <b>Total</b>                               | <b>\$ (231,593,945)</b> | <b>\$ (84,397,356)</b> | <b>\$ 35,578,260</b> |

<sup>1</sup> The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales, amortization and accretion methods of premiums and discounts on fixed income securities, the accrual of income on securities in default, the realization for tax purposes of unrealized gains on investments in passive foreign investment companies, the realization for tax purposes of unrealized gains/losses on certain futures and foreign currency contracts, the timing and recognition of partnership income, the accounting for swap agreements, the classification of investments, the deferral of compensation to directors and investments in wholly owned subsidiaries.

As of October 31, 2014, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| <b>Expires October 31,</b> | <b>BTZ</b>            | <b>BGT</b>           |
|----------------------------|-----------------------|----------------------|
| 2015                       | \$ 56,798,160         |                      |
| 2016                       | 121,634,930           | \$ 14,130,109        |
| 2017                       | 158,120,431           | 45,385,443           |
| 2018                       | 31,756,723            | 16,526,601           |
| 2019                       | 10,353,275            | 409,424              |
| <b>Total</b>               | <b>\$ 378,663,519</b> | <b>\$ 76,451,577</b> |

During the year ended October 31, 2014, the Trusts listed below utilized the following amounts of their respective capital loss carryforward:

|  | <b>BTZ</b>    | <b>BGT</b>   | <b>BIT</b>   |
|--|---------------|--------------|--------------|
|  | \$ 10,703,001 | \$ 6,118,169 | \$ 2,838,978 |

As of October 31, 2014, gross unrealized appreciation and depreciation based on cost for federal income tax purposes were as follows:

|   | <b>BTZ</b>       | <b>BGT</b>     | <b>BIT</b>       |
|---|------------------|----------------|------------------|
| Tax cost                                    | \$ 2,262,264,452 | \$ 505,118,248 | \$ 1,394,696,094 |
| Gross unrealized appreciation               | \$ 164,378,947   | \$ 2,815,569   | \$ 39,190,833    |
| Gross unrealized depreciation               | (17,372,188)     | (11,587,285)   | (13,056,437)     |
| Net unrealized appreciation (depreciation). | \$ 147,006,759   | \$ (8,771,716) | \$ 26,134,396    |

**8. Borrowings:**

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BGT is party to a senior committed secured, 360-day rolling line of credit facility and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). SSB may elect to terminate its commitment upon 360-days written notice to BGT. As of October 31, 2014, BGT has not received any notice to terminate. BGT has granted a security interest in substantially all of their assets to SSB.

The SSB Agreement allows for the following maximum commitment amounts of \$172,000,000.

Advances will be made by SSB to BGT, at BGT's option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, BGT pays a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if BGT meets certain conditions. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs, if any. Advances to BGT as of October 31, 2014 are shown in the Statements of Assets and Liabilities as bank borrowings payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

BGT may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short-term borrowings is less than 300%.

For the year ended October 31, 2014, the daily weighted average interest rates for BGT with loans under the revolving credit agreements, was 0.91%.

For the year ended October 31, 2014, the daily weighted average interest rates from reverse repurchase agreements, were as follows:

|     | Daily<br>Weighted<br>Average<br>Interest Rate |
|-----|---|
| BTZ | 0.34%   |
| BIT | 0.67%   |



## Notes to Financial Statements (concluded)

### 9. Principal Risks:

In the normal course of business, the Trusts invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Trusts may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Trusts; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Trusts may be exposed to counterparty credit risk, or the risk that an entity with which the Trusts have unsettled or open transactions may fail to or be unable to perform on its commitments. The Trusts manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Trusts to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Trusts exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Trusts.

The Trusts invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. See the Schedules of Investments for these securities and/or derivatives. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise. The Trusts may be subject to a greater risk of rising interest rates due to the current period of historically low rates.

As of October 31, 2014, BIT invested a significant portion of its assets in securities in the financials sector. Changes in economic conditions affecting such sector would have a greater impact on the Trust and could affect the value, income and/or liquidity of positions in such securities.

### 10. Capital Share Transactions:

The Trusts are each authorized to issue an unlimited number of \$0.001 par value shares, which may be issued as either Common Shares or Preferred Shares.

#### Common Shares

For the years shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|   | Year Ended<br>October 31, 2014 | Year Ended<br>October 31, 2013 |
|---|--------------------------------|--------------------------------|
| BGT   |                                | 25,384                         |
| Shares issued and outstanding increased 56,260,013 from the reorganization for the year ended October 31, 2013 for BTZ. |                                |                                |

For BIT, at October 31, 2014, 6,964 shares were owned by affiliates.

Shares issued and outstanding for the period February 27, 2013 to October 31, 2013, increased by 36,006,964 from the initial public offering and 2,414,660 from the underwriters exercising the overallotment option for BIT.

### 11. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Trusts' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Trust paid a net investment income dividend in the following amounts per share on November 28, 2014 to shareholders of record on November 14, 2014:

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|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BTZ | \$ 0.0805                                |
| BGT | \$ 0.0653                                |
| BIT | \$ 0.1167                                |

The Trusts declared a net investment income dividend on December 1, 2014 payable to Common Shareholders of record on December 12, 2014 for the same amounts noted above.

Additionally, the Trusts declared a distribution in the following amounts per share on December 19, 2014 payable to shareholders of record on December 31, 2014 as follows:

|                  | <b>Common<br/>Dividend<br/>Per Share</b> |
|------------------|--|
| BTZ              | \$ 0.0805                                |
| BGT <sup>1</sup> | \$ 0.0993                                |
| BIT <sup>2</sup> | \$ 0.2007                                |

<sup>1</sup> Includes special distribution of \$0.0340.

<sup>2</sup> Includes special distribution of \$0.0840.

## Report of Independent Registered Public Accounting Firm

### To the Board of Trustees and Shareholders of BlackRock Credit Allocation Income Trust, BlackRock Floating Rate Income Trust and BlackRock Multi-Sector Income Trust:

We have audited the accompanying statement of assets and liabilities of BlackRock Credit Allocation Income Trust, including the schedule of investments, as of October 31, 2014, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. We have also audited the accompanying consolidated statement of assets and liabilities of BlackRock Floating Rate Income Trust, including the consolidated schedule of investments, as of October 31, 2014, and the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended (consolidated financial highlights for each of the three years ended October 31, 2014). We have also audited the accompanying statement of assets and liabilities of BlackRock Multi-Sector Income Trust (collectively with the aforementioned funds above, the Trusts), including the schedule of investments, as of October 31, 2014, and the related statements of operations and cash flows for the year then ended, and the statements of changes in net assets and the financial highlights for the year then ended and the period February 27, 2013 (commencement of operations) to October 31, 2013. These financial statements and financial highlights are the responsibility of the Trusts' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trusts are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2014, by correspondence with the custodians, brokers and agent banks; where replies were not received from brokers or agent banks, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Credit Allocation Income Trust as of October 31, 2014, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, the consolidated financial position of BlackRock Floating Rate Income Trust as of October 31, 2014, the results of its consolidated operations and its consolidated cash flows for the year then ended, the changes in its consolidated net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended (consolidated financial highlights for each of the three years ended October 31, 2014), and the financial position of BlackRock Multi-Sector Income Trust as of October 31, 2014, the results of its operations and its cash flows for the year then ended, and the changes in net assets and financial highlights for the year then ended and the period February 27, 2013 (commencement of operations) to October 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Boston, Massachusetts

December 23, 2014

### Important Tax Information (Unaudited)

The following information is provided with respect to the ordinary income distributions paid by the Trusts during the fiscal year ended October 31, 2014:

| Payable Dates | BTZ | BGT | BIT |
|---------------|-----|-----|-----|
|---------------|-----|-----|-----|

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|  |                              |        |        |        |
|--|------------------------------|--------|--------|--------|
| Qualified Dividend Income for Individuals <sup>1</sup>                                 | November 2013 - January 2014 | 6.11%  | 13.98% |        |
|  | February 2014 - October 2014 | 7.53%  | 7.17%  |        |
| Dividends Qualifying for the Dividend Received Deduction for Corporations <sup>1</sup> | November 2013 - January 2014 | 3.90%  | 8.01%  |        |
|  | February 2014 - October 2014 | 5.84%  | 5.25%  |        |
| Interest-Related Dividends for Non-US Residents <sup>2</sup>                           | November 2013 - January 2014 | 82.59% | 76.18% | 73.14% |
|  | February 2014 - October 2014 | 75.27% | 65.94% | 54.49% |

<sup>1</sup> The Trusts hereby designate the percentage indicated or the maximum amount allowable by law.

<sup>2</sup> Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement

The Board of Trustees (each, a Board, collectively, the Boards, and the members of which are referred to as Board Members) of BlackRock Credit Allocation Income Trust (BTZ), BlackRock Floating Rate Income Trust (BGT) and BlackRock Multi-Sector Income Trust (BIT, and together with BGT and BTZ, each a Fund, and, collectively, the Funds) met in person on May 9, 2014 (the May Meeting) and June 5-6, 2014 (the June Meeting) to consider the approval of each Fund's investment advisory agreement (each, an Advisory Agreement, and, collectively, the Advisory Agreements) with BlackRock Advisors, LLC (the Manager), each Fund's investment advisor. At the June Meeting, it was noted that, (i) with respect to BGT, BTZ and BIT, the sub-advisory agreement among the Manager, BlackRock Financial Management, Inc. and each Fund would expire or terminate, as applicable, effective July 1, 2014 and (ii) with respect to BTZ and BIT, the sub-advisory agreement among the Manager, BlackRock Investment Management, LLC and each Fund would expire or terminate, as applicable, effective July 1, 2014. It was also noted that the non-renewal or termination of each Fund's foregoing sub-advisory agreement(s) would not result in any change in the nature or quality of services provided to such Fund, or in the portfolio management team that serves such Fund. The Board of BIT also considered the approval of the sub-advisory agreement (the BSL Sub-Advisory Agreement) among the Manager, BlackRock (Singapore) Limited (the BSL Sub-Advisor), and BIT. The Manager and the BSL Sub-Advisor are referred to herein as BlackRock. The Advisory Agreements and the BSL Sub-Advisory Agreement are referred to herein as the Agreements.

### Activities and Composition of the Board

Each Board consists of eleven individuals, nine of whom are not interested persons of such Fund as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). The Board Members are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of each Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

### The Agreements

Pursuant to the 1940 Act, each Board is required to consider the continuation of its Advisory Agreement, and with respect to BIT, its BSL Sub-Advisory Agreement, on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth one-day meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including, as applicable, investment management, administrative, and shareholder services; oversight of fund service providers; marketing services; risk oversight; compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, consider at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-year, three-year, five-year and/or since inception periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management's and portfolio managers' analysis of the reasons for any over-performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds' investment objective, policies and restrictions, and meeting new regulatory requirements; (e) the Funds' compliance with their Code of Ethics and other compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock's and other service providers' internal controls and risk and compliance oversight mechanisms; (h) BlackRock's implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock's implementation of the Funds' valuation and liquidity procedures; (k) an analysis of management fees for products with similar investment objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates; and (m) periodic updates on BlackRock's business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock's commitment to investment performance. BlackRock also furnished information to the Boards in response to specific questions. These questions covered issues such as: BlackRock's profitability; investment performance; subadvisory and advisory relationships with other clients (including mutual funds sponsored by third parties); investment professional investment in funds they manage; and management fee levels and breakpoints. The Boards further discussed with BlackRock: BlackRock's management structure; portfolio turnover; BlackRock's portfolio manager compensation and performance accountability; marketing support for the Funds; services provided to the Funds by BlackRock affiliates; and BlackRock's

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oversight of relationships with third party service providers.

The Board of each of BTZ and BGT considered BlackRock's efforts during the past year with regard to refinancing outstanding AMPS, as well as ongoing time and resources devoted to other forms of preferred shares and alternative leverage. As of the date of this report, each of BTZ and BGT has redeemed 100% of its outstanding AMPS.

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## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

### Board Considerations in Approving the Agreements

The Approval Process: Prior to the May Meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are continuously engaged in a process with their independent legal counsel and BlackRock to review the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the May Meeting included (a) information independently compiled and prepared by Lipper, Inc. (Lipper) on Fund fees and expenses as compared with a peer group of funds as determined by Lipper (Expense Peers) and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper and, with respect to BTZ and BGT, a customized peer group selected by BlackRock; (b) information on the profits realized by BlackRock and its affiliates pursuant to the Agreements and a discussion of fall-out benefits to BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning investment management fees charged to other clients, such as institutional clients and open-end funds, under similar investment mandates, as applicable; (d) review of non-management fees; (e) the existence, impact and sharing of potential economies of scale; (f) a summary of aggregate amounts paid by each Fund to BlackRock and (g) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At the May Meeting, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the May Meeting, and as a culmination of the Boards' year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the June Meeting.

At the June Meeting, each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2015. The Board of BIT, including the Independent Board Members, also unanimously approved the continuation of the BSL Sub-Advisory Agreement among the Manager, the BSL Sub-Adviser and BIT for a one-year term ending June 30, 2015. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Funds; (d) the Funds' costs to investors compared to the costs of Expense Peers and performance compared to the relevant performance comparison as previously discussed; (e) economies of scale; (f) fall-out benefits to BlackRock and its affiliates as a result of its relationship with the Funds; and (g) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds and advice from independent legal counsel with respect to the review process and materials submitted for the Boards' review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as determinative, and each Board Member may have attributed different weights to the various items considered.

**A. Nature, Extent and Quality of the Services Provided by BlackRock:** The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Funds. Throughout the year, each Board compared its Fund's performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, as applicable. The Boards met with BlackRock's senior management personnel responsible for investment activities, including the senior investment officers. Each Board also reviewed the materials provided by its Fund's portfolio management team discussing the Fund's performance and the Fund's investment objective, strategies and outlook.

Each Board considered, among other factors, with respect to BlackRock: the number, education and experience of investment personnel generally and its Fund's portfolio management team; investments by portfolio managers in the funds they manage; portfolio trading capabilities; use of technology; commitment to compliance; credit analysis capabilities; risk analysis and oversight capabilities; and the approach to training and retaining portfolio managers and other research, advisory and management personnel. Each Board engaged in a review of BlackRock's compensation structure with respect to its Fund's portfolio management team and BlackRock's ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and other non-investment advisory services provided to the Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering, and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) oversight of daily accounting and pricing; (iv) preparing

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periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; (viii) furnishing analytical and other support to assist the Board in its consideration of strategic issues such as the merger or consolidation of certain closed-end funds; and (ix) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, shareholder services, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

<sup>1</sup> Funds are ranked by Lipper in quartiles, ranging from first to fourth, where first is the most desirable quartile position and fourth is the least desirable.



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## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (continued)

B. The Investment Performance of the Funds and BlackRock: Each Board, including the Independent Board Members, also reviewed and considered the performance history of its Fund. In preparation for the May Meeting, the Boards worked with their independent legal counsel, BlackRock and Lipper to develop a template for, and were provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with its review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to other funds in that Fund's applicable Lipper category and, with respect to BTZ and BGT, the customized peer group selected by BlackRock. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review its methodology. Each Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of its Fund throughout the year.

The Board of BTZ noted that for each of the one-, three- and five-year periods reported, BTZ ranked in the first quartile against its Customized Lipper Peer Group. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BTZ.

The Board of BGT noted that for the one-, three- and five-year periods reported, BGT ranked in the third, third and fourth quartiles, respectively, against its Customized Lipper Peer Group. BlackRock believes that the Customized Lipper Peer Group is an appropriate performance metric for BGT. The Board of BGT and BlackRock reviewed and discussed the reasons for BGT's underperformance during these periods. BGT's Board was informed that, among other things, the two factors with the greatest impact on performance relative to peers during these periods were BGT's leverage utilization and higher quality investment style. BGT obtains leverage through a contractual bank line, which limits its ability to obtain leverage beyond 33% of Fund assets. This generally causes BGT to lag during favorable market periods. The investment style of BGT tends to be of higher quality in terms of the average borrower, the structure, terms and conditions of the loans, and the liquidity of the deals the investment team invests in. Over time, Fund management believes this will lead to better risk-adjusted returns, but in strong risk periods when markets and/or lower-quality loan instruments are rising, it can exaggerate the degree of underperformance.

The Board of BGT and BlackRock also discussed BlackRock's strategy for improving BGT's performance and BlackRock's commitment to providing the resources necessary to assist the Fund's portfolio managers in seeking to improve BGT's performance.

The Board of BIT noted that for the since-inception period reported, BIT ranked in the first quartile against its Lipper Performance Universe.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds: Each Board, including the Independent Board Members, reviewed its Fund's contractual management fee rate compared with the other funds in its Lipper category. The contractual management fee rate represents a combination of the advisory fee and any administrative fees, before taking into account any reimbursements or fee waivers. Each Board also compared its Fund's total expense ratio, as well as its actual management fee rate, to those of other funds in its Lipper category. The total expense ratio represents a fund's total net operating expenses, excluding any investment related expenses. The total expense ratio gives effect to any expense reimbursements or fee waivers that benefit a fund, and the actual management fee rate gives effect to any management fee reimbursements or waivers that benefit a fund. The Boards considered the services provided and the fees charged by BlackRock and its affiliates to other types of clients with similar investment mandates, as applicable, including institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition. Each Board was also provided with a profitability analysis that detailed the revenues earned and the expenses incurred by BlackRock for services provided to its Fund. Each Board reviewed BlackRock's profitability with respect to its Fund and other funds the Board currently oversees for the year ended December 31, 2013 compared to available aggregate profitability data provided for the prior two years. The Boards reviewed BlackRock's profitability with respect to certain other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, precision of expense allocations and business mix. As a result, calculating and comparing profitability at individual fund levels is difficult.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards reviewed BlackRock's overall operating margin, in general, compared to that of certain other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

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In addition, each Board considered the cost of the services provided to its Fund by BlackRock, and BlackRock's and its affiliates' profits relating to the management of its Fund and the other funds advised by BlackRock and its affiliates. As part of its analysis, each Board reviewed BlackRock's methodology in allocating its costs to the management of its Fund. Each Board also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements for its Fund and to continue to provide the high quality of services that is expected by the Board. The Boards further considered factors including but not limited to BlackRock's commitment of time, assumption of risk and liability profile in servicing the Funds in contrast to what is required of BlackRock with respect to other products with similar investment objectives across the open-end fund, ETF, closed-end fund and institutional account product channels, as applicable.

## Disclosure of Investment Advisory Agreements and Sub-Advisory Agreement (concluded)

The Board of BTZ noted that BTZ's contractual management fee rate ranked in the fourth quartile, and that the actual management fee rate and total expense ratio ranked in the fourth and third quartiles, respectively, relative to the Expense Peers. The Board of BTZ determined that BTZ's total expense ratio was appropriate in light of the median total expense ratio paid by BTZ's Expense Peers.

The Board of BGT noted that BGT's contractual management fee rate ranked in the first quartile, and that the actual management fee rate and total expense ratio each ranked in the first quartile, relative to BGT's Expense Peers.

The Board of BIT noted that BIT's contractual management fee rate ranked in the third quartile, and that the actual management fee rate and total expense ratio each ranked in the fourth quartile, relative to BIT's Expense Peers.

D. Economies of Scale: Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there should be changes in the advisory fee rate or breakpoint structure in order to enable the Fund to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Fund.

Based on the Boards' review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund's inception.

E. Other Factors Deemed Relevant by the Board Members: Each Board, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from their respective relationships with its Fund, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the Fund, including securities lending and cash management services. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that it had considered the investment by BlackRock's funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

Each Board noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Fund shares in the secondary market if they believe that their Fund's fees and expenses are too high or if they are dissatisfied with the performance of their Fund.

The Boards also considered the various notable initiatives and projects BlackRock performed in connection with its closed-end fund product line. These initiatives included completion of the refinancing of auction rate preferred securities; developing equity shelf programs; efforts to eliminate product overlap with fund mergers; ongoing services to manage leverage that has become increasingly complex; share repurchases and other support initiatives for certain BlackRock funds; and continued communications efforts with shareholders, fund analysts and financial advisers. With respect to the latter, the Independent Board Members noted BlackRock's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a comprehensive secondary market communication program designed to raise investor and analyst awareness and understanding of closed-end funds. BlackRock's support services included, among other things: continuing communications concerning the refinancing efforts related to auction rate preferred securities; sponsoring and participating in conferences; communicating with closed-end fund analysts covering the BlackRock funds throughout the year; providing marketing and product updates for the closed-end funds; and maintaining and enhancing its closed-end fund website.

### Conclusion

Each Board, including the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2015. The Board of BIT, including the Independent Board Members, also unanimously approved the continuation of the BSL Sub-Advisory Agreement among the Manager, the BSL Sub-Adviser and BIT for a one-year term ending June 30, 2015. Based upon its evaluation of all of the aforementioned factors in their totality, each Board, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of its Fund and its shareholders. In arriving at its decision to approve the Agreements for its Fund, the Board did not identify any single factor or group of factors as

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all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making this determination. The contractual fee arrangements for the Funds reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

## Automatic Dividend Reinvestment Plan

Pursuant to each Trust's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Trust Company, N.A. (the "Reinvestment Plan Agent") in the respective Fund's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Trusts declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agent will acquire shares for the participants' accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Trusts ("newly issued shares") or (ii) by purchase of outstanding shares on the open market or on the Trust's primary exchange ("open-market purchases"). If, on the dividend payment date, the net asset value per share ("NAV") is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Reinvestment Plan Agent's fees for the handling of the reinvestment of distributions will be paid by each Trust. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Reinvestment Plan Agent's open market purchases in connection with the reinvestment of distributions. The automatic reinvestment of all distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Trust reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan. However, each Trust reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants that request a sale of shares are subject to a \$2.50 sales fee and a \$0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. All correspondence concerning the Reinvestment Plan should be directed to Computershare Trust Company, N.A. through the internet at <http://www.computershare.com/blackrock>, or in writing to Computershare, P.O. Box 30170, College Station TX 77842-3170, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at Computershare, 211 Quality Circle, Suite 210, College Station, TX 77845.

## Officers and Trustees

| Name, Address <sup>1</sup><br>and Year of Birth | Position(s)<br>Held with<br>Trusts   | Length<br>of Time<br>Served as<br>a Trustee <sup>3</sup> | Principal Occupation(s) During Past Five Years   | Number of BlackRock-<br>Advised Registered<br>Investment Companies<br>( RICs ) Consisting of | Public   |
|---|--|--|--|--|--|
|   |  |  |  | Investment Portfolios<br>( Portfolios ) Overseen   | Directorships  |
| <b>Independent Trustees<sup>2</sup></b>         |  |  |  |  |  |
| <b>Richard E. Cavanagh</b><br>1946              | Chairman of<br>the Board and<br>Trustee  | Since<br>2007  | Trustee, Aircraft Finance Trust from 1999 to 2009; Director,<br>The Guardian Life Insurance Company of America since<br>1998; Director, Arch Chemical (chemical and allied<br>products) from 1999 to 2011; Trustee, Educational Testing<br>Service from 1997 to 2009 and Chairman thereof from 2005<br>to 2009; Senior Advisor, The Fremont Group since 2008<br>and Director thereof since 1996; Faculty Member/Adjunct<br>Lecturer, Harvard University since 2007; President and<br>Chief Executive Officer, The Conference Board, Inc. (global<br>business research organization) from 1995 to 2007. | 79 RICs consisting of<br>79 Portfolios   | None   |
| <b>Karen P. Robards</b><br>1950                 | Vice Chairperson<br>of the Board,<br>Chairperson<br>of the Audit<br>Committee and<br>Trustee | Since<br>2007  | Partner of Robards & Company, LLC (financial advisory<br>firm) since 1987; Co-founder and Director of the Cooke<br>Center for Learning and Development (a not-for-profit<br>organization) since 1987; Director of Care Investment Trust,<br>Inc. (health care real estate investment trust) from 2007 to<br>2010; Investment Banker at Morgan Stanley from 1976 to<br>1987.  | 79 RICs consisting of<br>79 Portfolios   | AtriCure, Inc.<br>(medical devices);<br>Greenhill & Co.<br>Inc.                  |
| <b>Michael J. Castellano</b><br>1946            | Trustee and<br>Member<br>of the Audit<br>Committee   | Since<br>2011  | Chief Financial Officer of Lazard Group LLC from 2001 to<br>2011; Chief Financial Officer of Lazard Ltd from 2004 to<br>2011; Director, Support Our Aging Religious (non-profit)<br>since 2009; Director, National Advisory Board of Church<br>Management at Villanova University since 2010. Trustee,<br>Domestic Church Media Foundation since 2012.   | 79 RICs consisting of<br>79 Portfolios   | None   |
| <b>Frank J. Fabozzi<sup>4</sup></b><br>1948     | Trustee and<br>Member<br>of the Audit<br>Committee   | Since<br>2007  | Editor of and Consultant for The Journal of Portfolio<br>Management since 2006; Professor of Finance, EDHEC<br>Business School since 2011; Professor in the Practice of<br>Finance and Becton Fellow, Yale University School of<br>Management from 2006 to 2011; Adjunct Professor of<br>Finance and Becton Fellow, Yale University from 1994 to<br>2006.  | 112 RICs consisting of<br>232 Portfolios   | None   |
| <b>Kathleen F. Feldstein</b><br>1941            | Trustee  | Since<br>2007  | President of Economics Studies, Inc. (private economic<br>consulting firm) since 1987; Chair, Board of Trustees,<br>McLean Hospital from 2000 to 2008 and Trustee Emeritus<br>thereof since 2008; Member of the Board of Partners<br>Community Healthcare, Inc. from 2005 to 2009; Member of<br>the Corporation of Partners HealthCare since 1995; Trustee,<br>Museum of Fine Arts, Boston since 1992; Member of the<br>Visiting Committee to the Harvard University Art Museum<br>since 2003; Director, Catholic Charities of Boston since<br>2009.   | 79 RICs consisting of<br>79 Portfolios   | The McClatchy<br>Company<br><br>(publishing)                                     |
| <b>James T. Flynn</b><br>1939                   | Trustee and<br>Member<br>of the Audit<br>Committee   | Since<br>2007  | Chief Financial Officer of JPMorgan & Co., Inc. from 1990<br>to 1995.  | 79 RICs consisting of<br>79 Portfolios   | None   |
| <b>Jerrold B. Harris</b><br>1942                | Trustee  | Since<br>2007  | Trustee, Ursinus College since 2000; Director, Ducks<br>Unlimited, Inc. (conservations) since 2013; Director,<br>Troemner LLC (scientific equipment) since 2000; Director<br>of Delta Waterfowl Foundation from 2010 to 2012;<br>President and Chief Executive Officer, VWR Scientific<br>Products Corporation from 1990 to 1999.  | 79 RICs consisting of<br>79 Portfolios   | BlackRock Kelso<br><br>Capital Corp.<br><br>(business<br>development<br>company) |
| <b>R. Glenn Hubbard</b>                         | Trustee  | Since  |  | 79 RICs consisting of  |  |

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|      |               |   |                  |  |
|------|---------------|---|------------------|--|
| 1958 | 2007          | Dean, Columbia Business School since 2004; Faculty member, Columbia Business School since 1988. | 79 Portfolios    | ADP (data and information services); Metropolitan Life Insurance Company (insurance) |
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Officers and Trustees (continued)

| Name, Address <sup>1</sup><br>and Year of Birth<br>Independent Trustees <sup>2</sup><br>(concluded) | Position(s)  | Length   | Principal Occupation(s) During Past Five Years  | Number of BlackRock-<br>Advised Registered<br>Investment Companies<br>( RICs ) Consisting of | Public<br>Directorships |
|---|--|--|---|--|-------------------------|
|   | Held with<br>Trusts                                | of Time<br>Served as<br>a Trustee <sup>3</sup> |   | Investment Portfolios<br>( Portfolios ) Overseen   |                         |
| <b>W. Carl Kester</b><br><br>1951   | Trustee and<br>Member<br>of the Audit<br>Committee | Since<br><br>2007                              | George Fisher Baker Jr. Professor of Business<br>Administration, Harvard Business School since 2008;<br>Deputy Dean for Academic Affairs from 2006 to 2010;<br>Chairman of the Finance Unit, 2005 to 2006; Senior<br>Associate Dean and Chairman of the MBA Program from<br>1999 to 2005; Member of the faculty of Harvard Business<br>School since 1981. | 79 RICs consisting of<br><br>79 Portfolios   | None                    |

<sup>1</sup> The address of each Trustee is c/o BlackRock, Inc., Park Avenue Plaza, 55 East 52nd Street, New York, NY 10055.

<sup>2</sup> Independent Trustees serve until their resignation, removal or death, or until December 31 of the year in which they turn 74. The maximum age limitation may be waived as to any Trustees by action of a majority of the Trustees upon finding good cause thereof. In 2013, the Board of Trustees unanimously approved further extending the mandatory retirement age for James T. Flynn by one additional year which the Board believed would be in the best interest of shareholders. Mr. Flynn can serve until December 31 of the year in which he turns 75. Mr. Flynn turns 75 in 2014.

<sup>3</sup> Date shown is the earliest date a person has served for the Trusts covered by this annual report. Following the combination of Merrill Lynch Investment Managers, L.P. ( MLIM ) and BlackRock, Inc. ( BlackRock ) in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. As a result, although the chart shows certain Trustees as joining the Trusts board in 2007, those Trustees first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 1988; Kathleen F. Feldstein, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1995; and Karen P. Robards, 1998.

<sup>4</sup> Dr. Fabozzi is also a board member of the BlackRock Equity-Liquidity Complex.

| Interested Trustees <sup>5</sup> |         |                   |   |   |      |
|----------------------------------|---------|-------------------|---|---|------|
| <b>Paul L. Audet</b><br><br>1953 | Trustee | Since<br><br>2011 | Senior Managing Director of BlackRock and Head of U.S.<br>Mutual Funds since 2011; Head of BlackRock's Real Estate<br>business from 2008 to 2011; Member of BlackRock's Global<br>Operating and Corporate Risk Management Committees<br>since 2008; Head of BlackRock's Global Cash Management<br>business from 2005 to 2010; Acting Chief Financial Officer<br>of BlackRock from 2007 to 2008; Chief Financial Officer<br>from 1998 to 2005. | 141 RICs consisting of<br><br>329 Portfolios  | None |
| <b>Henry Gabbay</b><br><br>1947  | Trustee | Since<br><br>2007 | Consultant, BlackRock from 2007 to 2008; Managing<br>Director, BlackRock from 1989 to 2007; Chief<br>Administrative Officer, BlackRock Advisors, LLC from<br>1998 to 2007; President of BlackRock Funds and<br>BlackRock Allocation Target Shares from 2005 to 2007;<br>Treasurer of certain closed-end funds in the BlackRock fund<br>complex from 1989 to 2006.   | 141 RICs consisting of<br><br>329 Portfolios. | None |

<sup>5</sup> Mr. Audet is an interested person, as defined in the 1940 Act, of the Trusts based on his position with BlackRock and its affiliates as well as his ownership of BlackRock securities. Mr. Gabbay is an interested person of the Trusts based on his former positions with BlackRock and its affiliates as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are also Directors of two complexes of BlackRock registered open-end funds, the BlackRock Equity-Liquidity Complex and the BlackRock Equity-Bond Complex. Interested Trustees of the BlackRock Closed-End Complex serve until their resignation, removal or death, or until December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Trustee by action of a majority of the Trustees upon finding good cause thereof.



## Officers and Trustees (concluded)

| Name, Address <sup>1</sup><br>and Year of Birth | Position(s)<br>Held with<br>Trusts  | Length of<br>Time<br>Served | Principal Occupation(s) During Past Five Years   |
|---|---|-----------------------------|--|
| <b>Officers<sup>2</sup></b>                     |   |                             |  |
| <b>John M. Perlowski</b><br><br>1964            | President<br>and Chief<br>Executive<br>Officer                            | Since<br>2011               | Managing Director of BlackRock since 2009; Global Head of BlackRock Fund Services since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009.                                      |
| <b>Robert W. Crothers</b><br><br>1981           | Vice<br>President   | Since<br>2012               | Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010.   |
| <b>Neal Andrews</b><br><br>1966                 | Chief<br>Financial<br>Officer   | Since<br>2007               | Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006.   |
| <b>Jay Fife</b><br><br>1970                     | Treasurer   | Since<br>2007               | Managing Director of BlackRock since 2007; Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006.   |
| <b>Charles Park</b><br><br>1967                 | Chief<br>Compliance<br>Officer and<br>Anti-Money<br>Laundering<br>Officer | Since<br>2014               | Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex since 2014; Principal of and Chief Compliance Officer for iShares <sup>®</sup> Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ( BFA ) since 2006; Chief Compliance Officer for the BFA-advised iShares exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012. |
| <b>Janey Ahn</b><br><br>1975                    | Secretary   | Since<br>2012               | Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012.   |

<sup>1</sup> The address of each Officer is c/o BlackRock, Inc., Park Avenue Plaza, 55 East 52nd Street, New York, NY 10055.

<sup>2</sup> Officers of the Trusts serve at the pleasure of the Board.

Effective June 13, 2014, Randy Robertson became co-portfolio manager of BIT. The other portfolio managers of BIT are Thomas Musmanno and Akiva Dickstein.

Effective September 5, 2014, Brendan Kyne resigned as a Vice President of the Trusts.

| Investment Advisor      | Custodian and<br>Accounting Agent   | Independent Registered<br>Public Accounting Firm | Address of the Trusts |
|-------------------------|-------------------------------------|--|-----------------------|
| BlackRock Advisors, LLC | State Street Bank and Trust Company | Deloitte & Touche LLP                            | 100 Bellevue Parkway  |

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Wilmington, DE 19809

Boston, MA 02110

Boston, MA 02116

Wilmington, DE 19809

**Sub-Advisor**

**Transfer Agent**

**Legal Counsel**

BlackRock (Singapore) Limited<sup>3</sup> Common Shares

Skadden, Arps, Slate, Meagher & Flom LLP

079912 Singapore

Computershare Trust  
Company, N.A.

New York, NY 10036

Canton, MA 02021

<sup>3</sup> For BIT.

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## Additional Information

### Proxy Results

The Annual Meeting of Shareholders was held on July 30, 2014 for shareholders of record on June 3, 2014, to elect trustee nominees for each Trust. There were no broker non-votes with regard to any of the Trusts.

Approved the Class I Trustees as follows:

|     | <b>Paul L. Audet</b>  |                 |                | <b>Michael J. Castellano</b> |                 |                | <b>R. Glenn Hubbard</b> |                 |                |
|-----|-----------------------|-----------------|----------------|------------------------------|-----------------|----------------|-------------------------|-----------------|----------------|
|     | <b>Votes</b>          |                 |                | <b>Votes</b>                 |                 |                | <b>Votes</b>            |                 |                |
|     | <b>Votes For</b>      | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>             | <b>Withheld</b> | <b>Abstain</b> | <b>Votes For</b>        | <b>Withheld</b> | <b>Abstain</b> |
| BTZ | 96,827,738            | 2,547,443       | 0              | 96,845,331                   | 2,529,850       | 0              | 96,649,962              | 2,725,219       | 0              |
| BGT | 17,677,722            | 420,602         | 0              | 17,694,558                   | 403,766         | 0              | 17,696,367              | 401,957         | 0              |
| BIT | 33,441,638            | 315,703         | 0              | 33,463,353                   | 293,988         | 0              | 33,457,403              | 299,938         | 0              |
|     | <b>W. Carl Kester</b> |                 |                |                              |                 |                |                         |                 |                |
|     | <b>Votes</b>          |                 |                |                              |                 |                |                         |                 |                |
|     | <b>Votes For</b>      | <b>Withheld</b> | <b>Abstain</b> |                              |                 |                |                         |                 |                |
| BTZ | 96,711,047            | 2,664,134       | 0              |                              |                 |                |                         |                 |                |
| BGT | 17,696,728            | 401,596         | 0              |                              |                 |                |                         |                 |                |
| BIT | 33,432,806            | 324,535         | 0              |                              |                 |                |                         |                 |                |

For the Trusts listed above, Trustees whose term of office continued after the Annual Meeting of Shareholders because they were not up for election are Richard E. Cavanagh, Frank J. Fabozzi, Kathleen F. Feldstein, James T. Flynn, Henry Gabbay, Jerrold B. Harris and Karen P. Robards.

### Trust Certification

Each Trust is listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Trusts filed with the SEC the certification of their chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

### Dividend Policy

Each Trust's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of distributions, the distributions paid by the Trusts for any particular month may be more or less than the amount of net investment income earned by the Trusts during such month. The portion of distributions that exceeds a Trust's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Distributions in excess of a Trust's taxable income and net capital gains, but not in excess of a Trust's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The Trusts' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

## Additional Information (continued)

### General Information

The Trusts do not make available copies of their Statements of Additional Information because the Trusts' shares are not continuously offered, which means that the Statement of Additional Information of each Trust has not been updated after completion of the respective Trust's offerings and the information contained in each Trust's Statement of Additional Information may have become outdated.

During the period there were no material changes in the Trusts' investment objectives or policies or to the Trusts' charters or by-laws that would delay or prevent a change of control of the Trusts that were not approved by the shareholders or in the principal risk factors associated with investment in the Trusts. Other than as discussed on page 80, there have been no changes in the persons who are primarily responsible for the day-to-day management of the Trusts' portfolios.

Quarterly performance, semi-annual and annual reports, current net asset value and other information regarding the Trusts may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

### Electronic Delivery

Shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual shareholder by enrolling in the electronic delivery program. Electronic copies of shareholder reports are available on BlackRock's website.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor. Please note that not all investment advisors, banks or brokerages may offer this service.

### Householding

The Trusts will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your share holder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Trusts at (800) 882-0052.

### Availability of Quarterly Schedule of Investments

The Trusts file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Trusts' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Trusts' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.

### Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Trusts use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

### Availability of Proxy Voting Record

Information about how the Trusts voted proxies relating to securities held in the Trusts' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

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### Availability of Trust Updates

BlackRock will update performance and certain other data for the Trusts on a monthly basis on its website in the "Closed-end Funds" section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Trusts. This reference to BlackRock's website is intended to allow investors public access to information regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

## Additional Information (concluded)

## Section 19(a) Notice

These amounts and sources of distributions reported are only estimates provided to you pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon the Trust's investment experience during the year and may be subject to changes based on the tax regulations. The Trust will provide a Form 1099-DIV each calendar year that will tell you how to report these distributions for federal income tax purposes.

October 31, 2014

|                  | Total Cumulative Distributions<br>for the Fiscal Year-to-Date |                               |                      | % Breakdown of the Total Cumulative<br>Distributions for the Fiscal Year-to-Date |                          |                               |                      |                           |
|------------------|---|-------------------------------|----------------------|--|--------------------------|-------------------------------|----------------------|---------------------------|
|                  | Net Investment<br>Income                                      | Net Realized<br>Capital Gains | Return of<br>Capital | Total Per<br>Common Share  | Net Investment<br>Income | Net Realized<br>Capital Gains | Return of<br>Capital | Total Per<br>Common Share |
| BGT <sup>1</sup> | \$ 0.828120   |                               | \$ 0.013680          | \$ 0.841800  | 98%                      | 0%                            | 2%                   | 100%                      |

<sup>1</sup> The Trust estimates that it has distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in the Trust is returned to the shareholder. A return of capital does not necessarily reflect the Trust's investment performance and should not be confused with yield or income. When distributions exceed total return performance, the difference will incrementally reduce the Trust's net asset value per share.

## BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.



This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Trusts have leveraged their Common Shares, which creates risk for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

CE-CAFRI-3-10/14-AR



- Item 2 Code of Ethics The registrant (or the Fund ) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, the code of ethics was amended to update certain information and to make other non-material changes. During the period covered by this report, there have been no waivers granted under the code of ethics. A copy of the code of ethics is available without charge at [www.blackrock.com](http://www.blackrock.com).
- Item 3 Audit Committee Financial Expert The registrant's board of directors (the board of directors ), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Michael Castellano  
Frank J. Fabozzi  
James T. Flynn  
W. Carl Kester  
Karen P. Robards

The registrant's board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester's financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an expert for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.



Item 4 Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP ( D&T ) in each of the last two fiscal years for the services rendered to the Fund:

| Entity Name                          | (a) Audit Fees     |                    | (b) Audit-Related Fees <sup>1</sup> |                    | (c) Tax Fees <sup>2</sup> |                    | (d) All Other Fees <sup>3</sup> |                    |
|--------------------------------------|--------------------|--------------------|-------------------------------------|--------------------|---------------------------|--------------------|---------------------------------|--------------------|
|                                      | <u>Current</u>     | <u>Previous</u>    | <u>Current</u>                      | <u>Previous</u>    | <u>Current</u>            | <u>Previous</u>    | <u>Current</u>                  | <u>Previous</u>    |
|                                      | <u>Fiscal Year</u> | <u>Fiscal Year</u> | <u>Fiscal Year</u>                  | <u>Fiscal Year</u> | <u>Fiscal Year</u>        | <u>Fiscal Year</u> | <u>Fiscal Year</u>              | <u>Fiscal Year</u> |
|                                      | <u>End</u>         | <u>End</u>         | <u>End</u>                          | <u>End</u>         | <u>End</u>                | <u>End</u>         | <u>End</u>                      | <u>End</u>         |
| BlackRock Floating Rate Income Trust | \$65,941           | \$64,283           | \$0                                 | \$0                | \$22,950                  | \$22,950           | \$0                             | \$0                |

The following table presents fees billed by D&T that were required to be approved by the registrant's audit committee (the Committee) for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC ( Investment Adviser or BlackRock ) and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund ( Fund Service Providers ):

|                                     | Current Fiscal Year End | Previous Fiscal Year End |
|-------------------------------------|-------------------------|--------------------------|
| (b) Audit-Related Fees <sup>1</sup> | \$0                     | \$0                      |
| (c) Tax Fees <sup>2</sup>           | \$0                     | \$0                      |
| (d) All Other Fees <sup>3</sup>     | \$2,555,000             | \$2,865,000              |

<sup>1</sup> The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

<sup>2</sup> The nature of the services includes tax compliance, tax advice and tax planning.

<sup>3</sup> Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are (a) consistent with the SEC's auditor independence rules and (b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ( general pre-approval ). The term of any general pre-approval is 12 months from the date of the pre-approval,

unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 per project. For this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved

subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| <b>Entity Name</b>                      | <b><u>Current Fiscal Year</u></b> | <b><u>Previous Fiscal Year</u></b> |
|---|-----------------------------------|------------------------------------|
|   | <b>End</b>                        | <b>End</b>                         |
| BlackRock Floating Rate<br>Income Trust | \$22,950                          | \$22,950                           |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,555,000 and \$2,865,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser, and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

**Item 5** Audit Committee of Listed Registrants

(a) The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano  
 Frank J. Fabozzi  
 James T. Flynn  
 W. Carl Kester  
 Karen P. Robards

(b) Not Applicable

Item 6 Investments (a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies  
 The board of directors has delegated the voting of proxies for the Fund's portfolio securities to the Investment Adviser pursuant to the Investment Adviser's proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund's stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser's Equity Investment Policy Oversight Committee, or a sub-committee thereof (the Oversight Committee) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser's Portfolio Management Group and/or the Investment Adviser's Legal and Compliance Department and concluding that the vote cast is in its client's best interest notwithstanding the conflict. A copy of the Fund's Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at [www.blackrock.com](http://www.blackrock.com) and (ii) on the SEC's website at <http://www.sec.gov>.

Item 8 Portfolio Managers of Closed-End Management Investment Companies as of October 31, 2014.

(a)(1) The registrant is managed by a team of investment professionals comprised of Leland T. Hart, Managing Director at BlackRock, James E. Keenan, Managing Director at BlackRock and C. Adrian Marshall, CFA, Director at BlackRock. Messrs. Hart, Keenan and Marshall are the Fund's co-portfolio managers and are responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Mr. Keenan has been a member of the Fund's management team since 2007. Messrs. Hart and Marshall have been members of the Fund's management team since 2009.

| <b>Portfolio Manager</b> | <b>Biography</b>   |
|--------------------------|--|
| Leland T. Hart           | Managing Director of BlackRock since 2009; Partner of R3 Capital Partners (R3) in 2009; Managing Director of R3 from 2008 - 2009; Managing Director of Lehman Brothers from 2006 to 2008; Executive Director of Lehman Brothers from 2003 to 2006. |
| James E. Keenan          | Managing Director of BlackRock since 2008 and Head of the Leveraged Finance Portfolio team; Director of BlackRock from 2006 to 2007; Vice President of BlackRock, Inc. from 2004 to 2005.  |
| C. Adrian Marshall, CFA  | Director of BlackRock since 2007; Vice President of BlackRock, Inc. from 2004 to 2007.   |

(a)(2) As of October 31, 2014:

| (i) Name of<br>Portfolio Manager | (ii) Number of Other Accounts<br>Managed<br><br>and Assets by Account Type |   |                          | (iii) Number of Other Accounts and<br>Assets for Which Advisory Fee is<br><br>Performance-Based |   |                        |
|----------------------------------|--|---|--------------------------|---|---|------------------------|
|                                  | Other<br>Registered<br>Investment<br>Companies                             | Other<br>Pooled<br>Investment<br>Vehicles | Other<br>Accounts        | Other<br>Registered<br>Investment<br>Companies  | Other<br>Pooled<br>Investment<br>Vehicles | Other<br>Accounts      |
|                                  | Leland T. Hart   | 6<br>\$4.56 Billion                       | 24<br>\$718.3<br>Million | 10<br>\$1.24<br>Billion   | 0<br>\$0                                  | 4<br>\$4.58<br>Million |
| James E. Keenan                  | 14<br>\$22.39<br>Billion   | 25<br>\$9.53<br>Billion                   | 17<br>\$6.41<br>Billion  | 0<br>\$0  | 3<br>\$10.98<br>Million                   | 4<br>\$566.2 Million   |
| C. Adrian Marshall, CFA          | 6<br>\$4.56 Billion  | 24<br>\$718.3<br>Million                  | 10<br>\$1.24<br>Billion  | 0<br>\$0  | 4<br>\$4.58<br>Million                    | 0<br>\$0               |

## (iv) Portfolio Manager Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, Inc., its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, Inc., or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock, Inc.'s (or its affiliates or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock, Inc. or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that Messrs. Hart, Keenan and Marshall may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Messrs. Hart, Keenan and Marshall may therefore be entitled to receive a portion of any incentive fees earned on such accounts.



As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock, Inc. has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

(a)(3) As of October 31, 2014:

### Portfolio Manager Compensation Overview

The discussion below describes the portfolio managers' compensation as of October 31, 2014.

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

**Base compensation.** Generally, portfolio managers receive base compensation based on their position with the firm.

### Discretionary Incentive Compensation

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the funds and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the Fund and other accounts are:

| Portfolio Manager    | Benchmark   |
|----------------------|---|
| Leland Hart          |   |
| Adrian Marshall, CFA | A combination of market-based indices (e.g., S&P Leveraged All Loan Index), certain customized indices and certain fund industry peer groups.                               |
| James Kennan         | A combination of market-based indices (e.g., The Barclays U.S. Corporate High Yield 2% Issuer Cap Index), certain customized indices and certain fund industry peer groups. |

**Distribution of Discretionary Incentive Compensation.** Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock, Inc. stock puts compensation earned by a portfolio manager for a given year at risk based on BlackRock's ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.



*Long-Term Incentive Plan Awards* From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance. Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. Messrs. Hart, Keenan and Marshall have unvested long-term incentive awards.

*Deferred Compensation Program* A portion of the compensation paid to eligible United States-based BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm's investment products. Any portfolio manager who is either a managing director or director at BlackRock with compensation above a specified threshold is eligible to participate in the deferred compensation program.

**Other Compensation Benefits.** In addition to base salary and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following:

*Incentive Savings Plans* BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at \$5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the Internal Revenue Service limit (\$260,000 for 2014). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into a target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock, Inc. common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of \$25,000 based on its fair market value on the purchase date. All of the eligible portfolio managers are eligible to participate in these plans.

(a)(4) *Beneficial Ownership of Securities* As of October 31, 2014.

| <b>Portfolio Manager</b> | <b>Dollar Range of Equity Securities<br/>of the Fund Beneficially Owned</b> |
|--------------------------|---|
| Leland T. Hart           | None  |
| James E. Keenan          | None  |
| C. Adrian Marshall, CFA  | None  |

(b) Not Applicable

Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers  
Not Applicable due to no such purchases during the period covered by this report.

Item 10 Submission of Matters to a Vote of Security Holders There have been no material changes to these procedures.

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics See Item 2

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Floating Rate Income Trust

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Floating Rate Income Trust

Date: January 2, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski  
John M. Perlowski  
Chief Executive Officer (principal executive officer) of  
BlackRock Floating Rate Income Trust

Date: January 2, 2015

By: /s/ Neal J. Andrews  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Floating Rate Income Trust

Date: January 2, 2015