

BLACKROCK FLOATING RATE INCOME TRUST

Form N-CSRS

July 03, 2013

Table of Contents

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: 10/31/2013

Date of reporting period: 04/30/2013

**Table of Contents**

Item 1 Report to Stockholders

**Table of Contents**

APRIL 30, 2013

**SEMI-ANNUAL REPORT (UNAUDITED)**

**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**

**Table of Contents**

Table of Contents

|  | <b>Page</b> |
|--|-------------|
| <u>Dear Shareholder</u>  | 3           |
| <b><u>Semi-Annual Report:</u></b>  |             |
| <u>Trust Summaries</u>   | 4           |
| <u>The Benefits and Risks of Leveraging</u>                                    | 9           |
| <u>Derivative Financial Instruments</u>  | 9           |
| <u>Financial Statements:</u>   |             |
| <u>Schedules of Investments</u>  | 10          |
| <u>Statements of Assets and Liabilities</u>                                    | 43          |
| <u>Statements of Operations</u>  | 44          |
| <u>Statements of Changes in Net Assets</u>                                     | 45          |
| <u>Statements of Cash Flows</u>  | 47          |
| <u>Financial Highlights</u>  | 48          |
| <u>Notes to Financial Statements</u>   | 51          |
| <u>Disclosure of Investment Advisory Agreement and Sub-Advisory Agreements</u> | 64          |
| <u>Officers and Trustees</u>   | 67          |
| <u>Additional Information</u>  | 68          |

**Table of Contents**

Dear Shareholder

About this time one year ago, financial market activity was dominated by concerns about Europe's debt crisis. Investors were also discouraged by gloomy economic reports from various parts of the world, particularly in China. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world's largest central banks would intervene to stimulate growth. This theme, along with the European Central Bank's (ECB's) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer of 2012. In early September, the ECB announced its sovereign bond-buying program designed to support the region's debt-laden countries. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by these aggressive policy actions, risk assets weakened in the fall of 2012. Global trade slowed as many European countries fell into recession and growth continued to decelerate in China. In the United States, stocks slid on lackluster corporate earnings and volatility rose in advance of the US Presidential election. In the post-election environment, investors became more concerned about the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. High levels of global market volatility persisted through year-end due to fears that bipartisan gridlock would preclude a timely resolution, putting the US economy at high risk for recession. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal, although decisions relating to spending cuts and the debt ceiling were postponed, leaving lingering uncertainty.

Investors shook off the nerve-racking finale to 2012 and the New Year began with a powerful relief rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world's major economies underpinned the rally. Underlying this aura of comfort was the absence of negative headlines out of Europe. Against this backdrop, global equities surged through January while rising US Treasury yields pressured high quality fixed income assets (as prices move in the opposite direction of yields).

However, bond markets regained strength in February (as yields once again dropped) when global economic momentum slowed and investors toned down their risk appetite. International stock markets weakened amid a resurgence of macro risk out of Europe. A stalemate presidential election in Italy was a reminder that political instability continued to plague the eurozone and a severe banking crisis in Cyprus underscored the fragility of the broader European banking system. In the United States, stocks continued to rise, but at a more moderate pace. Investors grew more cautious given uncertainty as to how long the central bank would continue its stimulus programs. How government spending cuts would impact the already slow economic recovery was another concern. But improving labor market data and rising home prices boosted sentiment in March, pushing major US stock indices to all-time highs. Investors scaled back their enthusiasm in April due to a series of disappointing economic reports. On the whole, US stocks have performed well thus far in 2013 as the US economy demonstrated enough resilience to allay fears of recession, but growth has remained slow enough to dissuade the US Federal Reserve from changing its stance.

Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment. For the 6- and 12-month periods ended April 30, 2013, US and international stocks and high yield bonds posted strong gains. Emerging market equities lagged the rally as the uneven pace of global growth raised doubts that developing economies could thrive in the near term. US Treasury yields were highly volatile over the past 12 months, although they continue to remain low from a historical perspective. US Treasury and investment-grade bonds generated modest returns in this environment, while tax-exempt municipal bonds benefited from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Market conditions have improved over the past couple of years, but investors still remain highly uncertain and many of the old ways of investing no longer work. That's why the new world of investing calls for a new approach. One that seeks out more opportunities in more places across a broader array of investments in a portfolio designed to move freely as the markets move up and down. Visit [www.blackrockplan.com](http://www.blackrockplan.com) to learn more about how to take action.

Sincerely,

Rob Kapito

# Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

President, BlackRock Advisors, LLC

*Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment.*

Rob Kapito

President, BlackRock Advisors, LLC

## Total Returns as of April 30, 2013

|  | 6-month | 12-month |
|--|---------|----------|
| US large cap equities<br>(S&P 500® Index)  | 14.42%  | 16.89%   |
| US small cap equities<br>(Russell 2000® Index)                                     | 16.58   | 17.69    |
| International equities<br>(MSCI Europe, Australasia, Far East Index)               | 16.90   | 19.39    |
| Emerging market equities<br>(MSCI Emerging Markets Index)                          | 5.29    | 3.97     |
| 3-month Treasury bill<br>(BofA Merrill Lynch<br>3-Month US Treasury<br>Bill Index) | 0.06    | 0.12     |
| US Treasury securities<br>(BofA Merrill Lynch 10-Year US Treasury Index)           | 1.52    | 5.07     |
| US investment grade<br>bonds (Barclays US Aggregate Bond Index)                    | 0.90    | 3.68     |
| Tax-exempt municipal<br>bonds (S&P Municipal Bond Index)                           | 2.01    | 5.74     |
| US high yield bonds<br>(Barclays US Corporate High Yield 2% Issuer Capped Index)   | 7.26    | 13.95    |

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

3

---

**Table of Contents**

Trust Summary as of April 30, 2013

BlackRock Credit Allocation Income Trust

**Trust Overview**

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

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

**Portfolio Management Commentary**

On July 27, 2012, the Board of Directors of BTZ approved separate plans of reorganization whereby BTZ would acquire all of the assets and assume all of the liabilities of Credit Allocation Income Trust (PSW), Credit Allocation Income Trust II (PSY) and Credit Allocation Income Trust III (BPP) (each a Target Fund) in exchange for newly issued shares of BTZ in a merger transaction. At a shareholder meeting on November 2, 2012, each Target Fund's shareholders approved their respective plan of reorganization and BTZ shareholders approved the issuance of BTZ shares in connection with each reorganization. The reorganizations took place on December 10, 2012. On February 11, 2013, BTZ changed its name to BlackRock Credit Allocation Income Trust.

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 5.04% based on market price and 5.88% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate BBB-Rated Debt Funds (Leveraged) category posted an average return of 5.12% based on market price and 4.83% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust's heavy exposure to credit sectors had a positive impact on performance as risk assets broadly rallied during the period. The Trust maintained a high level of leverage, which enhanced results in the positive market environment. A preference for companies generating cash flows sourced from the US domestic market proved beneficial. Also contributing positively to returns were the Trust's large allocations to the higher-yielding credit sectors such as high yield bonds, subordinated financials and lower-quality investment grade bonds.

**Describe recent portfolio activity.**

During the six-month period, the Trust was tactical in rotating in and out of sectors and individual credit names, but overall, did not make major changes to its overall positioning. The Trust continued to maintain a stance based on the assumption that the current low-growth, low-interest rate and low-volatility environment would continue for the near term. Thus far, the slow-growth paradigm in the United States has not proved sufficient to warrant a major change in central bank monetary policy and, as a result, credit sectors have been well supported. In this scenario where corporate funding is cheap and re-levering is a reality, the Trust remained focused on bottom-up security selection within industrials given the event-driven headline risk for a number of credits in that space.

**Describe portfolio positioning at period end.**

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

As of period end, the Trust's positioning remained largely consistent with the themes of 2012, which reflect a base case of the continuation of modest growth, accommodative monetary policy and low interest rates. In this environment, credit conditions remained supportive and thus the Trust retained its allocations to high yield bonds, financials, capital securities, and companies with cash flows derived from the United States.

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.



**Table of Contents****BlackRock Credit Allocation Income Trust****Trust Information**

|   |                   |
|---|-------------------|
| Symbol on New York Stock Exchange ( NYSE )  | BTZ               |
| Initial Offering Date   | December 27, 2006 |
| Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$14.42) <sup>1</sup> | 6.53%             |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.0785          |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.9420          |
| Economic Leverage as of April 30, 2013 <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 tax return of capital. See the Additional Information Section 19(a) Notices section for the estimated sources and character of distributions. Past performance does not guarantee future results.

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

<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 9.

The table below summarizes the changes in the Trust's market price and NAV per share:

|                 | 4/30/13  | 10/31/12 | Change | High     | Low      |
|-----------------|----------|----------|--------|----------|----------|
| Market Price    | \$ 14.42 | \$ 14.23 | 1.34%  | \$ 14.44 | \$ 13.57 |
| Net Asset Value | \$ 15.70 | \$ 15.37 | 2.15%  | \$ 15.70 | \$ 15.17 |

The following charts show the portfolio composition of the Trust's long-term investments and credit quality allocation of the Trust's corporate bond and US government securities investments:

**Portfolio Composition**

|                         | 4/30/13 | 10/31/12 |
|-------------------------|---------|----------|
| Corporate Bonds         | 79%     | 80%      |
| Preferred Securities    | 17      | 16       |
| US Treasury Obligations | 2       | 2        |
| Taxable Municipal Bonds | 1       | 1        |
| Asset-Backed Securities | 1       | 1        |

**Credit Quality Allocation<sup>4</sup>**

|                      | 4/30/13 | 10/31/12 |
|----------------------|---------|----------|
| AAA/Aaa <sup>5</sup> | 2%      | 3%       |
| AA/Aa                | 2       | 2        |
| A                    | 20      | 25       |
| BBB/Baa              | 41      | 39       |
| BB/Ba                | 21      | 18       |
| B                    | 11      | 10       |

# Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|           |   |   |
|-----------|---|---|
| CCC/Caa   | 1 | 1 |
| Not Rated | 2 | 2 |

<sup>4</sup> Using the higher of Standard & Poor's (S&P's) or Moody's Investors Service (Moody's) ratings.

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

SEMI-ANNUAL REPORT

APRIL 30, 2013

5

---

**Table of Contents**

**Trust Summary** as of April 30, 2013

**BlackRock Floating Rate Income Trust**

**Trust Overview**

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

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

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 10.55% based on market price and 6.56% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 8.61% based on market price and 6.32% based on NAV. All returns reflect reinvestment of dividends. The Trust's premium 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?**

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

Conversely, security selection in the electric and media non-cable sectors detracted from performance. The Trust's large exposures to the wireless and media cable sectors also had a negative impact.

**Describe recent portfolio activity.**

During the six-month period, the Trust maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. The Trust sought issuers with attractive risk-reward characteristics and superior fundamentals, while avoiding lower-rated, less-liquid loan names that have rallied significantly, but offer a less compelling risk-reward trade-off. More specifically, with the average loan trading at or just above par today (leaving little or no potential for price appreciation and increased risk for unfavorable re-pricing), the Trust placed an emphasis on attaining attractive coupon income and investing in strong companies that are better positioned to endure the continued fragile economic environment.

**Describe portfolio positioning at period end.**

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

At period end, the Trust held 81% of its total portfolio in floating rate loan interests, 15% in corporate bonds and 3% in asset-backed securities, with the remainder invested in a mix of common stocks and other interests. The Trust's largest sector exposures included health care, consumer services and gaming. The Trust ended the period with leverage at approximately 29% of its total managed assets.

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.

**Table of Contents****BlackRock Floating Rate Income Trust**

| <b>Trust Information</b>  |                 |
|---|-----------------|
| Symbol on NYSE  | BGT             |
| Initial Offering Date   | August 30, 2004 |
| Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$16.00) <sup>1</sup> | 5.81%           |
| Current Monthly Distribution per Common Share <sup>2</sup>                                    | \$0.0775        |
| Current Annualized Distribution per Common Share <sup>2</sup>                                 | \$0.9300        |
| Economic Leverage as of April 30, 2013 <sup>3</sup>   | 29%             |

<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 tax 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 tax return of capital or net realized gain.

<sup>3</sup> Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Trust (including any assets attributable to any borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Trust, please see The Benefits and Risks of Leveraging on page 9.

The table below summarizes the changes in the Trust's market price and NAV per share:

|                 | <b>4/30/13</b> | <b>10/31/12</b> | <b>Change</b> | <b>High</b> | <b>Low</b> |
|-----------------|----------------|-----------------|---------------|-------------|------------|
| Market Price    | \$ 16.00       | \$ 15.07        | 6.17%         | \$ 16.23    | \$ 13.90   |
| Net Asset Value | \$ 14.86       | \$ 14.52        | 2.34%         | \$ 14.86    | \$ 14.45   |

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

**Portfolio Composition**

|                              | <b>4/30/13</b> | <b>10/31/12</b> |
|------------------------------|----------------|-----------------|
| Floating Rate Loan Interests | 81%            | 80%             |
| Corporate Bonds              | 15             | 16              |
| Asset-Backed Securities      | 3              | 2               |
| Foreign Agency Obligations   |                | 1               |
| Common Stocks                | 1              | 1               |

**Credit Quality Allocation<sup>4</sup>**

|           | <b>4/30/13</b> | <b>10/31/12</b> |
|-----------|----------------|-----------------|
| BBB/Baa   | 13%            | 19%             |
| BB/Ba     | 28             | 36              |
| B         | 56             | 42              |
| CCC/Caa   | 2              | 2               |
| Not Rated | 1              | 1               |

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

<sup>4</sup> Using the higher of S&P's or Moody's ratings.

SEMI-ANNUAL REPORT

APRIL 30, 2013

7

**Table of Contents****Trust Summary** as of April 30, 2013**BlackRock Multi-Sector Income Trust****Trust Overview**

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

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

**Trust Information**

|   |                   |
|---|-------------------|
| Symbol on NYSE  | BIT               |
| Initial Offering Date   | February 27, 2013 |
| Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$19.16) <sup>1</sup> | 7.31%             |
| 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 April 30, 2013 <sup>3</sup>   | 23%               |

<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 tax return of capital. See the Additional Information Section 19(a) Notices section for the estimated sources and character of distributions. Past performance does not guarantee future results.

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

<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 9.

The table below summarizes the changes in the Trust's market price and NAV per share:

|                 | 4/30/13  | 2/27/13 <sup>4</sup> | Change  | High     | Low      |
|-----------------|----------|----------------------|---------|----------|----------|
| Market Price    | \$ 19.16 | \$ 20.00             | (4.20)% | \$ 20.50 | \$ 18.69 |
| Net Asset Value | \$ 19.54 | \$ 19.10             | 2.30%   | \$ 19.54 | \$ 19.05 |

<sup>4</sup> Commencement of operations.

The following charts show the portfolio composition of the Trust's long-term investments and credit quality allocation of the Trust's corporate bond and US government securities investments:

**Portfolio Composition**

|                                       | 4/30/13 |
|---------------------------------------|---------|
| Corporate Bonds                       | 40%     |
| Non-Agency Mortgage-Backed Securities | 20      |
| Asset-Backed Securities               | 19      |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |    |
|---|----|
| Preferred Securities                      | 10 |
| Floating Rate Loan Interests              | 7  |
| US Government Sponsored Agency Securities | 4  |

### Credit Quality Allocation<sup>5</sup>

|                      | 4/30/13 |
|----------------------|---------|
| AAA/Aaa <sup>6</sup> | 8%      |
| AA/Aa                |         |
| A                    | 1       |
| BBB/Baa              | 3       |
| BB/Ba                | 33      |
| B                    | 43      |
| CCC/Caa              | 9       |
| Not Rated            | 3       |

<sup>5</sup> Using the higher of S&P's or Moody's ratings.

<sup>6</sup> Includes US Government-Sponsored Agency Securities, which were deemed AAA/Aaa by the investment advisor.



## Table of Contents

### The Benefits and Risks of Leveraging

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

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

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

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

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

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Trusts are permitted to issue senior securities representing indebtedness up to 33 1/3% of their total managed assets (each Trust's net assets plus the proceeds of any outstanding borrowings). If the Trusts segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Trust voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of April 30, 2013, the Trusts had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

|     | <b>Percent of<br/>Economic<br/>Leverage</b> |
|-----|---|
| BTZ | 31%   |
| BGT | 29%   |
| BIT | 23%   |

## Derivative Financial Instruments

The Trusts may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments April 30, 2013 (Unaudited)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par        |               |
|---|------------|---------------|
|   | (000)      | Value         |
| <b>Asset-Backed Securities</b>  |            |               |
| 321 Henderson Receivables I LLC, Series 2012-1A, Class A,<br>4.21%, 2/16/65 (a) | USD 2,897  | \$ 3,210,589  |
| Atrium CDO Corp., Series 5A, Class A4,<br>0.68%, 7/20/20 (a)(b)                 | 9,000      | 8,415,000     |
| SLM Student Loan Trust, Series 2004-B, Class A2, 0.48%, 6/15/21 (b)             | 4,788      | 4,715,960     |
| <b>Total Asset-Backed Securities 1.0%</b>                                       |            | 16,341,549    |
| <b>Corporate Bonds</b>  |            |               |
| <b>Aerospace &amp; Defense 0.5%</b>   |            |               |
| Bombardier, Inc., 4.25%, 1/15/16 (a)  | 1,390      | 1,450,813     |
| Huntington Ingalls Industries, Inc.:  |            |               |
| 6.88%, 3/15/18  | 1,430      | 1,581,937     |
| 7.13%, 3/15/21  | 2,000      | 2,225,000     |
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17                      | 3,418      | 3,768,345     |
|   |            | 9,026,095     |
| <b>Airlines 0.6%</b>  |            |               |
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 10/15/21   | 755        | 798,718       |
| Continental Airlines Pass-Through Trust:  |            |               |
| Series 2009-2, Class B, 9.25%, 5/10/17  | 3,626      | 4,065,125     |
| Series 2012-3, Class C, 6.13%, 4/29/18  | 2,040      | 2,080,800     |
| Delta Air Lines Pass-Through Trust, Series 2002-1, Class G-1, 6.72%, 1/02/23    | 3,582      | 3,994,039     |
|   |            | 10,938,682    |
| <b>Auto Components 1.1%</b>   |            |               |
| Delphi Corp., 6.13%, 5/15/21  | 870        | 973,312       |
| Ford Motor Co., 7.45%, 7/16/31  | 3,660      | 4,869,912     |
| Icahn Enterprises LP, 8.00%, 1/15/18  | 9,200      | 9,890,000     |
| Schaeffler Finance BV, 4.75%, 5/15/21 (a)                                       | 2,470      | 2,500,875     |
|   |            | 18,234,099    |
| <b>Beverages 0.7%</b>   |            |               |
| Anheuser-Busch InBev Worldwide, Inc., 1.38%, 7/15/17 (c)                        | 3,375      | 3,420,218     |
| Constellation Brands, Inc.:   |            |               |
| 7.25%, 5/15/17  | 6,615      | 7,706,475     |
| 4.25%, 5/01/23 (d)  | 1,240      | 1,240,000     |
|   |            | 12,366,693    |
| <b>Building Products 0.5%</b>   |            |               |
| Building Materials Corp. of America (a):  |            |               |
| 7.00%, 2/15/20  | 1,430      | 1,565,850     |
| 6.75%, 5/01/21  | 3,600      | 3,987,000     |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)   | 440        | 447,700       |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                          | 1,030      | 1,122,700     |
| Texas Industries, Inc., 9.25%, 8/15/20  | 1,342      | 1,494,653     |
|   |            | 8,617,903     |
| <b>Capital Markets 4.6%</b>   |            |               |
| Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)                                  | USD 10,000 | \$ 12,018,350 |
| The Goldman Sachs Group, Inc. (c):  |            |               |
| 6.25%, 9/01/17  | 625        | 735,201       |
| 6.15%, 4/01/18  | 1,650      | 1,949,425     |
| 7.50%, 2/15/19  | 5,165      | 6,512,988     |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |        |            |
|---|-----|--------|------------|
| 5.25%, 7/27/21  |     | 1,175  | 1,362,367  |
| 5.75%, 1/24/22  |     | 5,500  | 6,566,989  |
| 6.25%, 2/01/41  |     | 15,000 | 18,712,755 |
| <b>Morgan Stanley:</b>  |     |        |            |
| 0.76%, 10/15/15 (b)   |     | 1,325  | 1,308,422  |
| 5.63%, 9/23/19 (c)  |     | 6,770  | 7,886,684  |
| 5.75%, 1/25/21 (c)  |     | 5,495  | 6,540,545  |
| 5.50%, 7/28/21  |     | 2,695  | 3,162,900  |
| 3.75%, 2/25/23  |     | 2,000  | 2,075,688  |
| <b>UBS AG:</b>  |     |        |            |
| 2.25%, 1/28/14 (c)  |     | 3,170  | 3,209,777  |
| 5.88%, 7/15/16  |     | 5,025  | 5,642,462  |
|   |     |        | 77,684,553 |
| <b>Chemicals 2.6%</b>   |     |        |            |
| Ashland, Inc., 3.88%, 4/15/18 (a)   |     | 1,745  | 1,797,350  |
| Axiall Corp., 4.88%, 5/15/23 (a)  |     | 367    | 383,515    |
| Basell Finance Co. BV, 8.10%, 3/15/27 (a)                                       |     | 6,000  | 8,265,000  |
| Celanese US Holdings LLC, 5.88%, 6/15/21  |     | 2,615  | 2,928,800  |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (a)  |     | 1,674  | 1,757,700  |
| <b>Huntsman International LLC:</b>  |     |        |            |
| 4.88%, 11/15/20   |     | 1,651  | 1,729,422  |
| 8.63%, 3/15/21 (c)  |     | 2,000  | 2,300,000  |
| <b>INEOS Finance Plc (a):</b>   |     |        |            |
| 8.38%, 2/15/19  |     | 255    | 287,513    |
| 7.50%, 5/01/20  |     | 2,080  | 2,324,400  |
| Linde Finance BV, 7.38%, 7/14/66 (b)  | EUR | 2,086  | 3,193,572  |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (c)                                | USD | 6,370  | 7,674,894  |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)                                      |     | 990    | 1,017,225  |
| PetroLogistics LP/PetroLogistics Finance Corp., 6.25%, 4/01/20 (a)              |     | 885    | 898,275    |
| Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., 6.50%, 4/15/21 (a) |     | 1,450  | 1,486,250  |
| Rockwood Specialties Group, Inc., 4.63%, 10/15/20                               |     | 5,926  | 6,251,930  |
| Tronox Finance LLC, 6.38%, 8/15/20 (a)  |     | 737    | 735,157    |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV, 7.38%, 5/01/21 (a)              |     | 617    | 658,648    |
|   |     |        | 43,689,651 |
| <b>Commercial Banks 4.2%</b>  |     |        |            |
| Asciano Finance Ltd., 5.00%, 4/07/18 (a)  |     | 3,000  | 3,300,603  |
| Associated Banc-Corp, 5.13%, 3/28/16 (c)  |     | 7,430  | 8,147,471  |
| <b>Branch Banking &amp; Trust Co. (b):</b>                                      |     |        |            |
| 0.60%, 9/13/16  |     | 3,750  | 3,715,402  |
| 0.59%, 5/23/17  |     | 2,250  | 2,214,403  |
| <b>CIT Group, Inc.:</b>   |     |        |            |
| 4.25%, 8/15/17  |     | 4,600  | 4,876,000  |
| 5.25%, 3/15/18  |     | 4,030  | 4,453,150  |

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

|            |                       |
|------------|-----------------------|
| <b>ARB</b> | Airport Revenue Bonds |
| <b>CAD</b> | Canadian Dollar       |
| <b>CHF</b> | Swiss Franc           |
| <b>DIP</b> | Debtor-In-Possession  |
| <b>EUR</b> | Euro                  |
| <b>FKA</b> | Formerly Known As     |
| <b>GBP</b> | British Pound         |
| <b>RB</b>  | Revenue Bonds         |
| <b>TBA</b> | To Be Announced       |
| <b>USD</b> | US Dollar             |

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

See Notes to Financial Statements.

10

SEMI-ANNUAL REPORT

APRIL 30, 2013

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|  | Par     |            |
|--|---------|------------|
|  | (000)   | Value      |
| <b>Corporate Bonds</b>                                   |         |            |
| <b>Commercial Banks (concluded)</b>                      |         |            |
| CIT Group, Inc. (concluded):                             |         |            |
| 6.63%, 4/01/18 (a)                                       | USD 335 | \$ 391,113 |
| 5.50%, 2/15/19 (a)                                       | 3,500   | 3,946,250  |
| 5.00%, 8/15/22   | 1,440   | 1,610,394  |
| City National Corp., 5.25%, 9/15/20 (c)                  | 2,900   | 3,292,390  |
| Discover Bank, 8.70%, 11/18/19                           | 748     | 1,004,910  |
| HSBC Finance Corp., 6.68%, 1/15/21 (c)                   | 5,150   | 6,231,773  |
| Rabobank Nederland, 3.95%, 11/09/22 (c)                  | 3,775   | 3,891,402  |
| Regions Financial Corp., 5.75%, 6/15/15                  | 6,110   | 6,654,566  |
| RESPARCS Funding LP I, 8.00% (e)                         | 4,000   | 820,000    |
| Santander Holdings USA, Inc., 3.00%, 9/24/15             | 3,750   | 3,880,639  |
| SpareBank 1 Boligkreditt SA, 1.25%, 5/02/18 (a)(d)       | 1,725   | 1,720,175  |
| SVB Financial Group, 5.38%, 9/15/20 (c)                  | 2,850   | 3,258,858  |
| Wachovia Bank NA, 6.60%, 1/15/38 (c)                     | 3,620   | 4,918,443  |
| Wells Fargo & Co., 3.45%, 2/13/23 (c)                    | 2,325   | 2,372,411  |
|  |         | 70,700,353 |
| <b>Commercial Services &amp; Supplies 3.9%</b>           |         |            |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (a)            | 1,003   | 1,095,778  |
| The ADT Corp., 4.13%, 6/15/23 (a)                        | 4,175   | 4,382,907  |
| Aviation Capital Group Corp. (a):                        |         |            |
| 7.13%, 10/15/20 (c)                                      | 31,000  | 35,616,241 |
| 6.75%, 4/06/21   | 7,850   | 8,764,454  |
| Casella Waste Systems, Inc., 7.75%, 2/15/19              | 716     | 692,730    |
| Corrections Corp. of America, 7.75%, 6/01/17             | 10,585  | 11,045,447 |
| Covanta Holding Corp., 6.38%, 10/01/22                   | 2,245   | 2,456,580  |
| HDTFS, Inc., 6.25%, 10/15/22                             | 1,560   | 1,745,250  |
| Mobile Mini, Inc., 7.88%, 12/01/20                       | 930     | 1,039,275  |
|  |         | 66,838,662 |
| <b>Communications Equipment 0.9%</b>                     |         |            |
| Avaya, Inc., 10.50%, 3/01/21 (a)(c)                      | 2,628   | 2,424,330  |
| Brocade Communications Systems, Inc., 6.88%, 1/15/20 (c) | 8,695   | 9,564,500  |
| Zayo Group LLC/Zayo Capital, Inc., 8.13%, 1/01/20        | 2,400   | 2,706,000  |
|  |         | 14,694,830 |
| <b>Computers &amp; Peripherals 0.1%</b>                  |         |            |
| NetApp, Inc., 2.00%, 12/15/17                            | 1,450   | 1,460,981  |
| <b>Construction &amp; Engineering 0.1%</b>               |         |            |
| Weekley Homes LLC, 6.00%, 2/01/23 (a)                    | 825     | 855,938    |
| <b>Construction Materials 0.7%</b>                       |         |            |
| HD Supply, Inc.:   |         |            |
| 8.13%, 4/15/19   | 6,745   | 7,630,281  |
| 7.50%, 7/15/20 (a)                                       | 2,905   | 3,144,663  |
| 11.50%, 7/15/20  | 1,530   | 1,820,700  |
|  |         | 12,595,644 |
| <b>Consumer Finance 4.1%</b>                             |         |            |
| Capital One Bank USA NA, 3.38%, 2/15/23                  | 11,610  | 11,813,430 |
| Daimler Finance North America LLC, 2.63%, 9/15/16 (a)(c) | 11,550  | 12,049,307 |
| Discover Financial Services, 3.85%, 11/21/22             | 3,252   | 3,404,242  |
| Experian Finance Plc, 2.38%, 6/15/17 (a)(c)              | 2,550   | 2,607,087  |
| Ford Motor Credit Co. LLC:                               |         |            |
| 8.00%, 12/15/16  | 4,000   | 4,814,860  |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |     |        |            |
|--|-----|--------|------------|
| 5.88%, 8/02/21   |     | 9,420  | 10,991,755 |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)                              |     | 5,620  | 5,964,225  |
| SLM Corp.:   |     |        |            |
| 3.88%, 9/10/15   |     | 5,000  | 5,189,615  |
| 6.25%, 1/25/16   |     | 11,620 | 12,636,750 |
|  |     |        | 69,471,271 |
| <b>Containers &amp; Packaging 1.9%</b>                                 |     |        |            |
| Ardagh Packaging Finance Plc (a):                                      |     |        |            |
| 7.38%, 10/15/17  | USD | 410    | \$ 452,025 |
| 9.13%, 10/15/20  |     | 1,130  | 1,276,900  |
| 7.00%, 11/15/20  |     | 445    | 470,588    |
| 4.88%, 11/15/22  |     | 658    | 672,805    |
| Ball Corp.:  |     |        |            |
| 7.13%, 9/01/16   |     | 5,000  | 5,281,250  |
| 6.75%, 9/15/20   |     | 7,360  | 8,123,600  |
| Bemis Co., Inc., 6.80%, 8/01/19  |     | 200    | 242,617    |
| Crown Americas LLC/Crown Americas Capital Corp. III, 6.25%, 2/01/21    |     | 3,128  | 3,456,440  |
| Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50%, 1/15/23 (a) |     | 557    | 568,836    |
| Graphic Packaging International, Inc., 4.75%, 4/15/21                  |     | 1,285  | 1,336,400  |
| Reynolds Group Issuer, Inc., 5.75%, 10/15/20                           |     | 4,620  | 4,839,450  |
| Sealed Air Corp. (a):  |     |        |            |
| 6.50%, 12/01/20  |     | 2,330  | 2,603,775  |
| 8.38%, 9/15/21   |     | 700    | 819,000    |
| Smurfit Kappa Acquisitions, 4.88%, 9/15/18 (a)                         |     | 1,740  | 1,805,250  |
|  |     |        | 31,948,936 |
| <b>Diversified Consumer Services 0.5%</b>                              |     |        |            |
| 313 Group, Inc., 6.38%, 12/01/19 (a)                                   |     | 2,600  | 2,619,500  |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (a)                                |     | 1,769  | 1,782,267  |
| Service Corp. International, 4.50%, 11/15/20                           |     | 4,382  | 4,469,640  |
|  |     |        | 8,871,407  |
| <b>Diversified Financial Services 8.8%</b>                             |     |        |            |
| Aircastle Ltd., 6.25%, 12/01/19  |     | 3,162  | 3,525,630  |
| Ally Financial, Inc.:  |     |        |            |
| 4.50%, 2/11/14   |     | 3,900  | 3,987,750  |
| 8.30%, 2/12/15   |     | 5,290  | 5,878,512  |
| 8.00%, 11/01/31  |     | 5,240  | 6,897,150  |
| Bank of America Corp.:   |     |        |            |
| 3.75%, 7/12/16 (c)   |     | 5,525  | 5,877,440  |
| 5.30%, 3/15/17 (c)   |     | 13,440 | 15,115,162 |
| 5.00%, 5/13/21 (c)   |     | 17,100 | 19,569,616 |
| 5.70%, 1/24/22   |     | 2,590  | 3,087,011  |
| 3.30%, 1/11/23 (c)   |     | 4,410  | 4,466,576  |
| Blackstone Holdings Finance Co. LLC, 4.75%, 2/15/23 (a)(c)             |     | 2,800  | 3,133,250  |
| Carlyle Holdings Finance LLC, 3.88%, 2/01/23 (a)(c)                    |     | 1,500  | 1,564,300  |
| Citigroup, Inc. (c):   |     |        |            |
| 4.45%, 1/10/17   |     | 4,800  | 5,308,032  |
| 8.50%, 5/22/19   |     | 464    | 624,178    |
| Countrywide Financial Corp., 6.25%, 5/15/16 (c)                        |     | 8,069  | 9,003,140  |
| DPL, Inc.:   |     |        |            |
| 6.50%, 10/15/16  |     | 955    | 1,021,850  |
| 7.25%, 10/15/21  |     | 2,685  | 2,859,525  |
| General Motors Financial Co., Inc., 6.75%, 6/01/18                     |     | 1,700  | 1,942,250  |
| ING Bank NV, 5.00%, 6/09/21 (a)(c)                                     |     | 8,000  | 9,158,232  |
| Intesa Sanpaolo SpA, 3.13%, 1/15/16                                    |     | 5,450  | 5,448,022  |
| Jefferies Finance LLC/JFIN Co-Issuer Corp., 7.38%, 4/01/20 (a)         |     | 2,105  | 2,189,200  |
| Jefferies Group LLC, 5.13%, 1/20/23                                    |     | 1,850  | 2,007,515  |
| LeasePlan Corp. NV, 3.00%, 10/23/17 (a)(c)                             |     | 6,775  | 6,939,632  |
| Macquarie Bank Ltd., 5.00%, 2/22/17 (a)(c)                             |     | 2,325  | 2,591,952  |
| Moody's Corp., 6.06%, 9/07/17  |     | 20,000 | 21,640,460 |
| Reynolds Group Issuer, Inc.:   |     |        |            |
| 7.13%, 4/15/19   |     | 1,588  | 1,711,070  |
| 9.00%, 4/15/19   |     | 110    | 118,800    |

See Notes to Financial Statements.





**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par       |              |
|---|-----------|--------------|
|   | (000)     | Value        |
| <b>Corporate Bonds</b>  |           |              |
| <b>Diversified Financial Services (concluded)</b>                                 |           |              |
| Reynolds Group Issuer, Inc. (concluded):  |           |              |
| 7.88%, 8/15/19  | USD 2,480 | \$ 2,777,600 |
| 9.88%, 8/15/19  | 855       | 959,737      |
| 6.88%, 2/15/21  | 365       | 397,850      |
|   |           | 149,801,442  |
| <b>Diversified Telecommunication Services 3.6%</b>                                |           |              |
| AT&T, Inc., 6.30%, 1/15/38 (c)  | 12,000    | 15,070,260   |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                       | 1,660     | 1,772,291    |
| Level 3 Financing, Inc.:  |           |              |
| 8.13%, 7/01/19  | 11,171    | 12,316,027   |
| 8.63%, 7/15/20  | 2,240     | 2,531,200    |
| Lynx I Corp., 5.38%, 4/15/21 (a)  | 1,394     | 1,488,095    |
| Telecom Italia Capital SA, 6.18%, 6/18/14   | 3,350     | 3,518,157    |
| Telefonica Emisiones SAU:   |           |              |
| 3.19%, 4/27/18  | 6,550     | 6,629,628    |
| 4.57%, 4/27/23  | 3,450     | 3,540,466    |
| Verizon Communications, Inc., 7.35%, 4/01/39 (c)                                  | 7,825     | 10,969,304   |
| Windstream Corp., 7.88%, 11/01/17   | 2,280     | 2,661,900    |
|   |           | 60,497,328   |
| <b>Electric Utilities 3.8%</b>  |           |              |
| CMS Energy Corp., 5.05%, 3/15/22  | 9,900     | 11,574,268   |
| Dominion Resources, Inc., 8.88%, 1/15/19 (c)                                      | 8,000     | 10,934,088   |
| Duke Energy Corp., 3.55%, 9/15/21 (c)   | 3,650     | 3,930,499    |
| Great Plains Energy, Inc., 5.29%, 6/15/22   | 5,550     | 6,402,291    |
| Mirant Mid Atlantic Pass-Through Trust, Series B, 9.13%, 6/30/17                  | 1,744     | 1,944,508    |
| Nisource Finance Corp.:   |           |              |
| 6.40%, 3/15/18  | 3,580     | 4,329,462    |
| 5.25%, 2/15/43  | 2,075     | 2,237,332    |
| Oncor Electric Delivery Co. LLC (c):  |           |              |
| 4.10%, 6/01/22  | 4,150     | 4,606,093    |
| 5.30%, 6/01/42  | 2,750     | 3,254,034    |
| Progress Energy, Inc., 7.00%, 10/30/31 (c)  | 12,000    | 16,007,904   |
|   |           | 65,220,479   |
| <b>Electrical Equipment 0.1%</b>  |           |              |
| GrafTech International Ltd., 6.38%, 11/15/20 (a)                                  | 2,385     | 2,504,250    |
| <b>Electronic Equipment, Instruments &amp; Components 0.3%</b>                    |           |              |
| Jabil Circuit, Inc., 8.25%, 3/15/18   | 2,600     | 3,146,000    |
| NXP BV, 3.03%, 10/15/13 (b)   | 1,357     | 1,355,304    |
|   |           | 4,501,304    |
| <b>Energy Equipment &amp; Services 3.8%</b>                                       |           |              |
| Atwood Oceanics, Inc., 6.50%, 2/01/20   | 375       | 408,750      |
| CGG, Veritas, 6.50%, 6/01/21  | 2,390     | 2,533,400    |
| Energy Transfer Partners LP, 5.20%, 2/01/22                                       | 10,200    | 11,661,874   |
| EnSCO Plc, 4.70%, 3/15/21 (c)   | 6,640     | 7,552,648    |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) | 2,658     | 2,844,060    |
| Genesis Energy LP/Genesis Energy Finance Corp., 5.75%, 2/15/21 (a)                | 293       | 308,383      |
| Hornbeck Offshore Services, Inc., 5.88%, 4/01/20                                  | 950       | 998,688      |
| MEG Energy Corp. (a):   |           |              |
| 6.50%, 3/15/21  | 3,652     | 3,916,770    |
| 6.38%, 1/30/23  | 325       | 342,875      |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |              |              |
|---|-----|--------------|--------------|
| Oil States International, Inc.:                                       |     |              |              |
| 6.50%, 6/01/19  |     | 2,155        | 2,316,625    |
| 5.13%, 1/15/23 (a)  |     | 1,175        | 1,207,313    |
| Peabody Energy Corp.:   |     |              |              |
| 6.00%, 11/15/18   |     | 2,527        | 2,729,160    |
| 6.25%, 11/15/21   |     | 2,728        | 2,908,730    |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| <b>Energy Equipment &amp; Services (concluded)</b>                    |     |              |              |
| Precision Drilling Corp., 6.50%, 12/15/21                             | USD | 1,430        | \$ 1,547,975 |
| Seadrill Ltd., 5.63%, 9/15/17 (a)                                     |     | 6,254        | 6,394,715    |
| Tervita Corp., 8.00%, 11/15/18 (a)                                    |     | 2,143        | 2,244,792    |
| Transocean, Inc.:   |     |              |              |
| 2.50%, 10/15/17   |     | 1,300        | 1,324,307    |
| 6.50%, 11/15/20   |     | 3,795        | 4,500,335    |
| 6.38%, 12/15/21   |     | 4,655        | 5,575,852    |
| 6.80%, 3/15/38  |     | 3,300        | 3,851,440    |
|   |     |              | 65,168,692   |
| <b>Food &amp; Staples Retailing 0.4%</b>                              |     |              |              |
| Wal-Mart Stores, Inc., 5.25%, 9/01/35 (c)                             |     | 5,150        | 6,247,604    |
| <b>Food Products 1.7%</b>   |     |              |              |
| Kellogg Co., 7.45%, 4/01/31   |     | 5,000        | 6,974,720    |
| Kraft Foods Group, Inc., 5.00%, 6/04/42                               |     | 5,000        | 5,666,080    |
| Mondelez International, Inc.:   |     |              |              |
| 6.50%, 8/11/17  |     | 4,450        | 5,371,804    |
| 6.13%, 8/23/18  |     | 4,840        | 5,886,892    |
| Pinnacle Foods Finance LLC, 4.88%, 5/01/21 (a)                        |     | 917          | 943,364      |
| Post Holdings, Inc., 7.38%, 2/15/22                                   |     | 3,068        | 3,405,480    |
|   |     |              | 28,248,340   |
| <b>Gas Utilities 0.3%</b>   |     |              |              |
| El Paso Natural Gas Co. LLC, 8.63%, 1/15/22                           |     | 2,345        | 3,277,072    |
| Targa Resources Partners LP, 7.88%, 10/15/18                          |     | 2,355        | 2,590,500    |
|   |     |              | 5,867,572    |
| <b>Health Care Equipment &amp; Supplies 0.6%</b>                      |     |              |              |
| Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)                     |     | 8,000        | 9,220,000    |
| Teleflex, Inc., 6.88%, 6/01/19  |     | 1,660        | 1,805,250    |
|   |     |              | 11,025,250   |
| <b>Health Care Providers &amp; Services 3.2%</b>                      |     |              |              |
| Aviv Healthcare Properties LP, 7.75%, 2/15/19                         |     | 1,550        | 1,697,250    |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18                    |     | 1,620        | 1,733,400    |
| HCA, Inc.:  |     |              |              |
| 8.50%, 4/15/19  |     | 665          | 733,163      |
| 6.50%, 2/15/20  |     | 7,876        | 9,096,780    |
| 7.88%, 2/15/20  |     | 135          | 149,681      |
| 7.25%, 9/15/20  |     | 11,347       | 12,580,986   |
| 4.75%, 5/01/23  |     | 2,012        | 2,097,510    |
| INC Research LLC, 11.50%, 7/15/19 (a)                                 |     | 2,009        | 2,199,855    |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a)                             |     | 1,530        | 1,617,975    |
| Tenet Healthcare Corp.:   |     |              |              |
| 6.25%, 11/01/18   |     | 3,162        | 3,565,155    |
| 8.88%, 7/01/19  |     | 3,750        | 4,237,500    |
| 4.50%, 4/01/21 (a)  |     | 304          | 310,080      |
| UnitedHealth Group, Inc., 6.88%, 2/15/38 (c)                          |     | 10,000       | 13,897,260   |
|   |     |              | 53,916,595   |
| <b>Health Care Technology 0.4%</b>                                    |     |              |              |
| Amgen, Inc., 5.15%, 11/15/41 (c)                                      |     | 6,500        | 7,450,619    |
| <b>Hotels, Restaurants &amp; Leisure 0.4%</b>                         |     |              |              |
| Caesars Operating Escrow LLC/Caesars Escrow Corp., 9.00%, 2/15/20 (a) |     | 795          | 783,075      |
| MCE Finance Ltd., 5.00%, 2/15/21 (a)                                  |     | 3,895        | 3,948,556    |
| Six Flags Entertainment Corp., 5.25%, 1/15/21 (a)                     |     | 1,718        | 1,778,130    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |             |           |
|--|-------------|-----------|
|  |             | 6,509,761 |
| <b>Household Durables</b>              | <b>0.8%</b> |           |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 | 2,330       | 2,539,700 |
| DR Horton, Inc., 4.38%, 9/15/22        | 2,145       | 2,182,537 |
| KB Home, 7.25%, 6/15/18                | 1,990       | 2,233,775 |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par       |              |
|---|-----------|--------------|
|   | (000)     | Value        |
| <b>Corporate Bonds</b>  |           |              |
| <b>Household Durables (concluded)</b>   |           |              |
| Standard Pacific Corp., 8.38%, 1/15/21  | USD 3,015 | \$ 3,606,694 |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (a) | 1,537     | 1,571,583    |
| United Rentals North America, Inc., 5.75%, 7/15/18                              | 793       | 864,370      |
|   |           | 12,998,659   |
| <b>Household Products 0.1%</b>  |           |              |
| Spectrum Brands Escrow Corp. (a):   |           |              |
| 6.38%, 11/15/20   | 810       | 884,925      |
| 6.63%, 11/15/22   | 1,110     | 1,223,775    |
|   |           | 2,108,700    |
| <b>Independent Power Producers &amp; Energy Traders 1.3%</b>                    |           |              |
| The AES Corp.:  |           |              |
| 9.75%, 4/15/16  | 3,320     | 4,017,200    |
| 4.88%, 5/15/23  | 684       | 697,680      |
| Calpine Corp. (a):  |           |              |
| 7.25%, 10/15/17   | 1,341     | 1,419,784    |
| 7.50%, 2/15/21  | 634       | 716,420      |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20                    | 6,370     | 7,293,650    |
| GenOn REMA LLC, Series C, 9.68%, 7/02/26  | 1,690     | 1,859,000    |
| Laredo Petroleum, Inc.:   |           |              |
| 9.50%, 2/15/19  | 965       | 1,100,100    |
| 7.38%, 5/01/22  | 900       | 990,000      |
| NRG Energy, Inc., 6.63%, 3/15/23 (a)  | 838       | 913,420      |
| QEP Resources, Inc.:  |           |              |
| 5.38%, 10/01/22   | 1,927     | 2,052,255    |
| 5.25%, 5/01/23  | 1,000     | 1,062,500    |
|   |           | 22,122,009   |
| <b>Insurance 5.5%</b>   |           |              |
| A-S Co-Issuer Subsidiary, Inc./A-S Merger Sub LLC, 7.88%, 12/15/20 (a)          |           |              |
|   | 1,204     | 1,271,725    |
| American International Group, Inc.:   |           |              |
| 3.80%, 3/22/17 (c)  | 5,070     | 5,500,945    |
| 8.25%, 8/15/18  | 2,125     | 2,755,681    |
| 6.40%, 12/15/20 (c)   | 8,710     | 10,897,935   |
| Aon Corp., 5.00%, 9/30/20 (c)   | 7,700     | 9,031,245    |
| Aon Plc, 4.25%, 12/12/42 (a)  | 6,500     | 6,530,471    |
| Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)                             | 3,750     | 4,079,497    |
| Forethought Financial Group, Inc., 8.63%, 4/15/21 (a)                           | 3,400     | 4,168,917    |
| Manulife Financial Corp., 4.90%, 9/17/20 (c)                                    | 10,425    | 11,967,337   |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)                               | 1,455     | 1,480,463    |
| Principal Financial Group, Inc., 8.88%, 5/15/19 (c)                             | 2,825     | 3,858,504    |
| Prudential Financial, Inc., 6.63%, 12/01/37 (c)                                 | 10,000    | 13,136,390   |
| QBE Insurance Group Ltd., 2.40%, 5/01/18 (a)                                    | 3,250     | 3,270,897    |
| Swiss Re Solutions Holding Corp., 7.75%, 6/15/30 (c)                            | 2,000     | 2,754,632    |
| XL Group Ltd., 5.75%, 10/01/21 (c)  | 10,085    | 12,112,125   |
|   |           | 92,816,764   |
| <b>Internet Software &amp; Services 0.1%</b>                                    |           |              |
| Equinix, Inc., 4.88%, 4/01/20   |           |              |
|   | 357       | 373,065      |
| VeriSign, Inc., 4.63%, 5/01/23 (a)  |           |              |
|   | 1,425     | 1,460,625    |
|   |           | 1,833,690    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

### IT Services 1.5%

|                                       |            |            |
|---------------------------------------|------------|------------|
| <b>Ceridian Corp. (a):</b>            |            |            |
| 8.88%, 7/15/19                        | 8,860      | 10,399,425 |
| 11.00%, 3/15/21                       | 2,158      | 2,438,540  |
| Epicor Software Corp., 8.63%, 5/01/19 | 2,400      | 2,616,000  |
|                                       | <b>Par</b> |            |

### Corporate Bonds

|                                    | (000)     | Value        |
|------------------------------------|-----------|--------------|
| <b>IT Services (concluded)</b>     |           |              |
| <b>First Data Corp.:</b>           |           |              |
| 7.38%, 6/15/19 (a)(c)              | USD 3,155 | \$ 3,431,062 |
| 6.75%, 11/01/20 (a)                | 2,720     | 2,917,200    |
| 8.25%, 1/15/21 (a)                 | 121       | 128,563      |
| 12.63%, 1/15/21                    | 1,227     | 1,331,295    |
| <b>SunGard Data Systems, Inc.,</b> |           |              |
| 7.38%, 11/15/18                    | 2,460     | 2,656,800    |
|                                    |           | 25,918,885   |

### Life Sciences Tools & Services 1.6%

|   |        |            |
|---|--------|------------|
| Bio-Rad Laboratories, Inc., 8.00%, 9/15/16  | 12,000 | 12,761,160 |
| Life Technologies Corp., 6.00%, 3/01/20 (c) | 12,000 | 14,081,712 |
|   |        | 26,842,872 |

### Machinery 1.0%

|  |        |            |
|--|--------|------------|
| Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 (c) | 10,000 | 10,800,470 |
| Navistar International Corp., 8.25%, 11/01/21              | 2,191  | 2,281,379  |
| <b>UR Merger Sub Corp.:</b>                                |        |            |
| 7.38%, 5/15/20   | 2,025  | 2,293,312  |
| 7.63%, 4/15/22   | 1,853  | 2,126,318  |
|  |        | 17,501,479 |

### Media 7.4%

|  |        |             |
|--|--------|-------------|
| A&E Television Networks LLC, 3.25%, 8/22/19                        | 5,000  | 5,125,000   |
| <b>AMC Networks, Inc.:</b>   |        |             |
| 7.75%, 7/15/21   | 1,330  | 1,529,500   |
| 4.75%, 12/15/22  | 685    | 703,838     |
| Cinemark USA, Inc., 5.13%, 12/15/22 (a)                            | 349    | 361,215     |
| <b>Clear Channel Worldwide Holdings, Inc. (a):</b>                 |        |             |
| 6.50%, 11/15/22  | 2,758  | 2,930,375   |
| 6.50%, 11/15/22  | 7,447  | 7,986,907   |
| Cox Communications, Inc., 8.38%, 3/01/39 (a)(c)                    | 10,000 | 15,255,080  |
| CSC Holdings LLC, 8.63%, 2/15/19                                   | 4,005  | 4,876,087   |
| DIRECTV Holdings LLC, 5.00%, 3/01/21 (c)                           | 8,575  | 9,766,445   |
| DISH DBS Corp., 7.00%, 10/01/13                                    | 5,000  | 5,106,250   |
| Intelsat Jackson Holdings SA, 7.25%, 4/01/19                       | 710    | 781,000     |
| <b>The Interpublic Group of Cos., Inc.:</b>                        |        |             |
| 10.00%, 7/15/17  | 4,000  | 4,260,000   |
| 3.75%, 2/15/23   | 6,025  | 6,060,975   |
| The New York Times Co., 6.63%, 12/15/16                            | 1,725  | 1,921,219   |
| News America, Inc., 6.15%, 3/01/37 (c)                             | 9,575  | 11,769,485  |
| SES, 3.60%, 4/04/23 (a)  | 2,675  | 2,778,790   |
| Time Warner Cable, Inc., 6.75%, 6/15/39 (c)                        | 11,600 | 14,360,324  |
| Time Warner, Inc., 7.70%, 5/01/32 (c)                              | 12,000 | 17,078,148  |
| <b>Unitymedia Hessen GmbH &amp; Co KG/Unitymedia NRW GmbH (a):</b> |        |             |
| 7.50%, 3/15/19   | 3,530  | 3,868,015   |
| 5.50%, 1/15/23   | 1,000  | 1,035,000   |
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18                   | 7,750  | 8,253,750   |
|  |        | 125,807,403 |

### Metals & Mining 3.9%

|  |       |           |
|--|-------|-----------|
| AngloGold Ashanti Holdings Plc, 5.13%, 8/01/22 | 5,000 | 5,036,215 |
| <b>ArcelorMittal:</b>                          |       |           |
| 9.50%, 2/15/15                                 | 1,623 | 1,832,628 |
| 4.25%, 2/25/15                                 | 711   | 735,937   |
| 4.25%, 8/05/15                                 | 1,325 | 1,384,385 |
| 4.25%, 3/01/16                                 | 725   | 752,188   |
| 5.00%, 2/25/17                                 | 1,005 | 1,066,112 |
| 6.13%, 6/01/18                                 | 2,575 | 2,820,640 |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

Barrick Gold Corp.:

|                    |       |           |
|--------------------|-------|-----------|
| 2.90%, 5/30/16 (c) | 3,625 | 3,776,039 |
| 4.10%, 5/01/23 (a) | 5,000 | 5,010,180 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

13

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   |     | Par   |              |
|---|-----|-------|--------------|
|   |     | (000) | Value        |
| <b>Corporate Bonds</b>                                      |     |       |              |
| <b>Metals &amp; Mining (concluded)</b>                      |     |       |              |
| FMG Resources August 2006 Property Ltd. (a)(c):             |     |       |              |
| 6.38%, 2/01/16  | USD | 5,485 | \$ 5,690,687 |
| 6.00%, 4/01/17  |     | 4,927 | 5,124,080    |
| Freeport-McMoRan Copper & Gold, Inc.:                       |     |       |              |
| 3.55%, 3/01/22  |     | 4,700 | 4,701,603    |
| 3.88%, 3/15/23 (a)  |     | 8,900 | 8,971,084    |
| Freeport-McMoRan Corp., 7.13%, 11/01/27                     |     | 8,500 | 10,371,445   |
| New Gold, Inc. (a):   |     |       |              |
| 7.00%, 4/15/20  |     | 440   | 466,400      |
| 6.25%, 11/15/22   |     | 1,795 | 1,848,850    |
| Novelis, Inc.:  |     |       |              |
| 8.38%, 12/15/17   |     | 1,130 | 1,237,350    |
| 8.75%, 12/15/20   |     | 3,285 | 3,728,475    |
| Steel Dynamics, Inc. (a):                                   |     |       |              |
| 6.38%, 8/15/22  |     | 1,430 | 1,565,850    |
| 5.25%, 4/15/23  |     | 163   | 168,705      |
|   |     |       | 66,288,853   |
| <b>Multi-Utilities 1.3%</b>                                 |     |       |              |
| CenterPoint Energy, Inc. (c):                               |     |       |              |
| 5.95%, 2/01/17  |     | 9,000 | 10,442,781   |
| 6.50%, 5/01/18  |     | 9,675 | 11,948,180   |
|   |     |       | 22,390,961   |
| <b>Multiline Retail 0.4%</b>                                |     |       |              |
| Dollar General Corp., 4.13%, 7/15/17                        |     |       |              |
|   |     | 3,230 | 3,535,419    |
| Dufry Finance SCA, 5.50%, 10/15/20 (a)                      |     | 3,460 | 3,610,330    |
|   |     |       | 7,145,749    |
| <b>Oil, Gas &amp; Consumable Fuels 14.0%</b>                |     |       |              |
| Access Midstream Partners LP:                               |     |       |              |
| 5.88%, 4/15/21  |     | 2,000 | 2,160,000    |
| 6.13%, 7/15/22  |     | 1,600 | 1,760,000    |
| Anadarko Petroleum Corp., 6.38%, 9/15/17                    |     | 75    | 89,771       |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (a) |     | 656   | 690,440      |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 (a)              |     | 245   | 258,475      |
| BP Capital Markets Plc (c):                                 |     |       |              |
| 5.25%, 11/07/13   |     | 2,100 | 2,152,807    |
| 3.20%, 3/11/16  |     | 2,800 | 2,991,131    |
| Carrizo Oil & Gas, Inc., 7.50%, 9/15/20                     |     | 1,600 | 1,736,000    |
| Chesapeake Energy Corp.:                                    |     |       |              |
| 7.25%, 12/15/18   |     | 2,470 | 2,859,025    |
| 6.63%, 8/15/20 (c)  |     | 1,500 | 1,696,875    |
| 6.13%, 2/15/21 (c)  |     | 1,565 | 1,721,500    |
| 5.75%, 3/15/23  |     | 3,235 | 3,509,975    |
| Concho Resources, Inc.:                                     |     |       |              |
| 6.50%, 1/15/22  |     | 562   | 623,820      |
| 5.50%, 10/01/22   |     | 226   | 241,255      |
| 5.50%, 4/01/23  |     | 221   | 235,365      |
| CONSOL Energy, Inc., 6.38%, 3/01/21                         |     | 1,520 | 1,588,400    |
| Continental Resources, Inc.:                                |     |       |              |
| 5.00%, 9/15/22  |     | 1,307 | 1,421,362    |
| 4.50%, 4/15/23 (a)  |     | 700   | 746,375      |
| DCP Midstream LLC, 4.75%, 9/30/21 (a)                       |     | 1,074 | 1,168,986    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |           |              |
|---|-----------|--------------|
| DCP Midstream Operating LP, 3.88%, 3/15/23  | 2,690     | 2,756,508    |
| Denbury Resources, Inc., 4.63%, 7/15/23   | 2,572     | 2,597,720    |
| El Paso Corp., 7.75%, 1/15/32   | 4,537     | 5,170,696    |
| El Paso Pipeline Partners Operating Co. LLC:<br>6.50%, 4/01/20                        | 5,075     | 6,256,272    |
| 5.00%, 10/01/21   | 1,850     | 2,134,182    |
| Enbridge Energy Partners LP, 9.88%, 3/01/19   | 6,000     | 8,206,248    |
| Energy Transfer Partners LP, 6.50%, 2/01/42   | 2,340     | 2,818,415    |
| Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19   | 3,465     | 3,759,525    |
| Enterprise Products Operating LLC, 6.50%, 1/31/19                                     | 12,000    | 14,975,436   |
| <b>Oil, Gas &amp; Consumable Fuels (continued)</b>                                    |           |              |
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19                       | USD 3,833 | \$ 4,197,135 |
| Kinder Morgan Energy Partners LP, 6.85%, 2/15/20 (c)                                  | 12,000    | 15,259,248   |
| Kodiak Oil & Gas Corp., 8.13%, 12/01/19   | 3,145     | 3,577,437    |
| Linn Energy LLC, 7.75%, 2/01/21   | 1,175     | 1,286,625    |
| Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19 (a)                        | 3,340     | 3,490,300    |
| Marathon Petroleum Corp., 3.50%, 3/01/16  | 4,600     | 4,918,739    |
| MarkWest Energy Partners LP:<br>6.25%, 6/15/22  | 1,369     | 1,523,012    |
| 5.50%, 2/15/23  | 395       | 433,513      |
| 4.50%, 7/15/23  | 1,250     | 1,303,125    |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 (a) | 355       | 362,100      |
| Newfield Exploration Co.:<br>6.88%, 2/01/20   | 1,965     | 2,141,850    |
| 5.63%, 7/01/24  | 168       | 180,600      |
| Nexen, Inc., 6.40%, 5/15/37 (c)   | 4,615     | 6,039,761    |
| Oasis Petroleum, Inc.:<br>7.25%, 2/01/19  | 915       | 992,775      |
| 6.50%, 11/01/21   | 1,025     | 1,127,500    |
| Offshore Group Investment Ltd., 7.13%, 4/01/23 (a)                                    | 963       | 1,001,520    |
| ONEOK Partners LP, 8.63%, 3/01/19   | 10,000    | 13,316,020   |
| PBF Holding Co. LLC, 8.25%, 2/15/20   | 440       | 497,200      |
| PDC Energy, Inc., 7.75%, 10/15/22 (a)   | 1,225     | 1,338,313    |
| Petrobras International Finance Co.:<br>3.88%, 1/27/16 (c)                            | 12,550    | 13,180,123   |
| 5.38%, 1/27/21  | 7,425     | 8,199,182    |
| Petrohawk Energy Corp., 10.50%, 8/01/14 (c)   | 2,080     | 2,199,600    |
| Petroleum Geo-Services ASA, 7.38%, 12/15/18 (a)                                       | 1,770     | 1,969,125    |
| Pioneer Natural Resources Co., 6.88%, 5/01/18   | 1,665     | 2,031,435    |
| Plains Exploration & Production Co., 6.88%, 2/15/23                                   | 2,671     | 3,041,601    |
| Premier Oil Plc, 5.00%, 6/09/18   | 11,500    | 12,075,000   |
| Range Resources Corp.:<br>6.75%, 8/01/20  | 1,760     | 1,953,600    |
| 5.75%, 6/01/21  | 1,018     | 1,112,165    |
| 5.00%, 8/15/22  | 107       | 113,955      |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23 (a)          | 1,024     | 1,059,840    |
| Rosetta Resources, Inc., 5.63%, 5/01/21 (d)   | 983       | 1,024,778    |
| Ruby Pipeline LLC, 6.00%, 4/01/22 (a)   | 10,000    | 11,622,420   |
| Sabine Pass Liquefaction LLC (a):<br>5.63%, 2/01/21                                   | 7,393     | 7,651,755    |
| 5.63%, 4/15/23  | 1,947     | 2,000,542    |
| Sabine Pass LNG LP<br>7.50%, 11/30/16   | 5,965     | 6,740,450    |
| 6.50%, 11/01/20 (a)   | 1,920     | 2,059,200    |
| SandRidge Energy, Inc.:<br>8.75%, 1/15/20   | 139       | 149,425      |
| 7.50%, 2/15/23  | 1,950     | 2,008,500    |
| SM Energy Co.:<br>6.63%, 2/15/19  | 750       | 807,188      |
| 6.50%, 11/15/21   | 1,160     | 1,276,000    |
| 6.50%, 1/01/23  | 730       | 806,650      |
| Targa Resources Partners LP, 6.88%, 2/01/21   | 1,265     | 1,407,313    |
| Tennessee Gas Pipeline Co. LLC, 8.00%, 2/01/16  | 2,802     | 3,309,952    |
| Tesoro Corp., 5.38%, 10/01/22   | 800       | 852,000      |
| Western Gas Partners LP, 5.38%, 6/01/21   | 5,125     | 5,878,165    |

See Notes to Financial Statements.





**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|  | Par       | Value       |
|--|-----------|-------------|
|  | (000)     |             |
| <b>Corporate Bonds</b>   |           |             |
| <b>Oil, Gas &amp; Consumable Fuels (concluded)</b>                       |           |             |
| Western Refining, Inc., 6.25%, 4/01/21 (a)                               | USD 594   | \$ 614,790  |
| The Williams Cos., Inc., 8.75%, 3/15/32                                  | 2,478     | 3,459,082   |
|  |           | 237,917,173 |
| <b>Paper &amp; Forest Products 2.3%</b>                                  |           |             |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (a)                           | 127       | 138,430     |
| Boise Paper Holdings LLC:  |           |             |
| 9.00%, 11/01/17  | 415       | 447,163     |
| 8.00%, 4/01/20   | 1,625     | 1,824,062   |
| Clearwater Paper Corp., 4.50%, 2/01/23 (a)                               | 532       | 529,340     |
| International Paper Co. (c):   |           |             |
| 7.50%, 8/15/21   | 9,675     | 12,784,023  |
| 8.70%, 6/15/38   | 4,000     | 6,024,608   |
| 7.30%, 11/15/39  | 10,000    | 13,705,970  |
| Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)               | 1,115     | 1,165,175   |
| PH Glatfelter Co., 5.38%, 10/15/20                                       | 1,570     | 1,656,350   |
|  |           | 38,275,121  |
| <b>Pharmaceuticals 2.3%</b>  |           |             |
| AbbVie, Inc., 2.90%, 11/06/22 (a)(c)                                     | 5,675     | 5,791,150   |
| Actavis, Inc. (FKA Watson Pharmaceuticals, Inc.), 3.25%, 10/01/22 (c)    | 7,520     | 7,492,665   |
| Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)                             | EUR 400   | 600,529     |
| Merck & Co., Inc., 6.50%, 12/01/33 (c)                                   | USD 6,420 | 9,225,566   |
| Mylan, Inc., 6.00%, 11/15/18 (a)   | 3,250     | 3,564,138   |
| Roche Holdings, Inc., 7.00%, 3/01/39 (a)(c)                              | 6,130     | 9,136,679   |
| Valeant Pharmaceuticals International (a):                               |           |             |
| 6.50%, 7/15/16   | 417       | 434,462     |
| 6.38%, 10/15/20  | 2,355     | 2,608,163   |
|  |           | 38,853,352  |
| <b>Professional Services 0.4%</b>  |           |             |
| The Dun & Bradstreet Corp., 3.25%, 12/01/17                              | 5,750     | 5,940,917   |
| <b>Real Estate Investment Trusts (REITs) 2.9%</b>                        |           |             |
| AvalonBay Communities, Inc., 6.10%, 3/15/20 (c)                          | 10,000    | 12,275,880  |
| Developers Diversified Realty Corp.:                                     |           |             |
| 4.75%, 4/15/18   | 2,140     | 2,396,933   |
| 7.88%, 9/01/20   | 2,650     | 3,438,269   |
| ERP Operating LP, 5.75%, 6/15/17 (c)                                     | 10,000    | 11,743,770  |
| Felcor Lodging LP, 5.63%, 3/01/23 (a)                                    | 999       | 1,035,214   |
| HCP, Inc., 5.38%, 2/01/21 (c)  | 3,450     | 4,092,228   |
| Host Hotels & Resorts LP, 3.75%, 10/15/23                                | 3,600     | 3,672,000   |
| UDR, Inc., 4.25%, 6/01/18  | 5,225     | 5,801,098   |
| Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21                    | 3,835     | 4,321,550   |
|  |           | 48,776,942  |
| <b>Real Estate Management &amp; Development 0.6%</b>                     |           |             |
| Lennar Corp., 4.75%, 11/15/22 (a)  | 1,805     | 1,818,538   |
| Realty Corp. (a)(c):   |           |             |
| 7.88%, 2/15/19   | 1,430     | 1,596,238   |
| 7.63%, 1/15/20   | 2,085     | 2,392,537   |
| The Realty Group LLC/The Sunshine Group Florida Ltd., 3.38%, 5/01/16 (a) | 1,958     | 1,967,790   |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                   | 1,625     | 1,846,406   |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |           |              |
|--|-----------|--------------|
|  |           | 9,621,509    |
| <b>Road &amp; Rail 1.7%</b>  |           |              |
| The Hertz Corp.:   |           |              |
| 4.25%, 4/01/18 (a)   | 983       | 1,021,091    |
| 6.75%, 4/15/19   | 1,167     | 1,292,453    |
| 5.88%, 10/15/20  | 925       | 1,010,563    |
| 7.38%, 1/15/21   | 310       | 351,075      |
| <b>Road &amp; Rail (concluded)</b>   |           |              |
| Kansas City Southern de Mexico SA de C.V., 3.00%, 5/15/23 (a)(d)                                       | USD 3,227 | \$ 3,236,571 |
| Norfolk Southern Corp., 6.00%, 3/15/2105 (c)   | 17,200    | 21,655,574   |
|  |           | 28,567,327   |
| <b>Semiconductors &amp; Semiconductor Equipment 0.5%</b>   |           |              |
| KLA-Tencor Corp., 6.90%, 5/01/18   | 5,515     | 6,639,652    |
| NXP BV/NXP Funding LLC, 5.75%, 2/15/21 (a)   | 1,655     | 1,754,300    |
|  |           | 8,393,952    |
| <b>Software 0.6%</b>   |           |              |
| IAC/InterActiveCorp, 4.75%, 12/15/22 (a)   | 2,461     | 2,473,305    |
| Infor US, Inc., 9.38%, 4/01/19   | 2,190     | 2,496,600    |
| Nuance Communications, Inc., 5.38%, 8/15/20 (a)  | 2,722     | 2,830,880    |
| Symantec Corp., 2.75%, 6/15/17   | 2,050     | 2,123,162    |
|  |           | 9,923,947    |
| <b>Specialty Retail 1.2%</b>   |           |              |
| AutoNation, Inc., 6.75%, 4/15/18   | 6,125     | 7,082,031    |
| Limited Brands, Inc., 7.00%, 5/01/20   | 3,050     | 3,564,688    |
| New Academy Finance Co. LLC/New Academy Finance Corp., 8.00%, 6/15/18 (a)(f)                           | 485       | 505,006      |
| QVC, Inc., 7.38%, 10/15/20 (a)   | 355       | 393,903      |
| Sally Holdings LLC/Sally Capital, Inc., 6.88%, 11/15/19  | 2,015     | 2,254,281    |
| VF Corp., 5.95%, 11/01/17  | 5,000     | 5,968,840    |
|  |           | 19,768,749   |
| <b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>   |           |              |
| PVH Corp., 4.50%, 12/15/22   | 973       | 1,003,406    |
| <b>Tobacco 2.1%</b>  |           |              |
| Altria Group, Inc., 10.20%, 2/06/39 (c)  | 13,392    | 22,800,723   |
| Imperial Tobacco Finance Plc, 2.05%, 2/11/18 (a)   | 4,250     | 4,308,476    |
| Lorillard Tobacco Co., 3.50%, 8/04/16  | 8,375     | 8,866,864    |
|  |           | 35,976,063   |
| <b>Trading Companies &amp; Distributors 0.3%</b>   |           |              |
| Doric Nimrod Air Finance Alpha Ltd. Pass Through Trust, Series 2012-1, Class A, 5.13%, 11/30/24 (a)(c) | 4,385     | 4,763,426    |
| <b>Transportation Infrastructure 1.0%</b>  |           |              |
| Penske Truck Leasing Co. LP/PTL Finance Corp. (a):   |           |              |
| 3.75%, 5/11/17   | 10,500    | 11,385,392   |
| 4.88%, 7/11/22   | 5,550     | 6,110,583    |
|  |           | 17,495,975   |
| <b>Wireless Telecommunication Services 4.9%</b>  |           |              |
| America Movil SAB de CV (c):   |           |              |
| 2.38%, 9/08/16   | 12,495    | 12,980,206   |
| 3.13%, 7/16/22   | 1,275     | 1,297,474    |
| American Tower Corp.:  |           |              |
| 4.50%, 1/15/18   | 6,500     | 7,204,366    |
| 5.05%, 9/01/20   | 500       | 564,327      |
| 5.90%, 11/01/21  | 3,770     | 4,504,833    |
| Crown Castle International Corp., 5.25%, 1/15/23   | 1,880     | 1,969,300    |
| Crown Castle Towers LLC (a):   |           |              |
| 5.50%, 1/15/37   | 4,000     | 4,578,204    |
| 4.17%, 8/15/37   | 3,000     | 3,322,356    |
| 6.11%, 1/15/40   | 4,555     | 5,597,293    |
| Digicel Group Ltd., 8.25%, 9/30/20 (a)   | 3,440     | 3,680,800    |
| Digicel Ltd. (a):  |           |              |
| 8.25%, 9/01/17   | 125       | 131,563      |
| 6.00%, 4/15/21   | 1,285     | 1,288,213    |

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

15

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   |     | Par    |                      |
|---|-----|--------|----------------------|
|   |     | (000)  | Value                |
| <b>Corporate Bonds</b>  |     |        |                      |
| <b>Wireless Telecommunication Services (concluded)</b>                          |     |        |                      |
| SBA Tower Trust, 5.10%, 4/15/42 (a)   | USD | 13,975 | \$ 15,613,108        |
| Softbank Corp., 4.50%, 4/15/20 (a)  |     | 2,265  | 2,346,413            |
| Sprint Capital Corp., 6.88%, 11/15/28   |     | 1,610  | 1,646,225            |
| Sprint Nextel Corp. (a):  |     |        |                      |
| 9.00%, 11/15/18   |     | 5,290  | 6,506,700            |
| 7.00%, 3/01/20  |     | 8,970  | 10,203,375           |
|   |     |        | 83,434,756           |
| <b>Total Corporate Bonds 114.2%</b>   |     |        | <b>1,937,443,573</b> |
| <b>Preferred Securities</b>   |     |        |                      |
| <b>Capital Trusts</b>   |     |        |                      |
| <b>Capital Markets 3.2%</b>   |     |        |                      |
| Ameriprise Financial, Inc., 7.52%, 6/01/66 (b)(c)                               |     | 3,000  | 3,360,000            |
| State Street Capital Trust IV, 1.28%, 6/01/67 (b)                               |     | 60,845 | 51,337,969           |
|   |     |        | 54,697,969           |
| <b>Commercial Banks 2.5%</b>  |     |        |                      |
| Barclays Bank Plc (a)(b)(e):  |     |        |                      |
| 5.93% (c)   |     | 2,125  | 2,167,500            |
| 7.43%   |     | 2,225  | 2,425,250            |
| BNP Paribas SA, 7.20% (a)(b)(c)(e)  |     | 5,000  | 5,331,250            |
| Credit Agricole SA, 8.38% (a)(b)(c)(e)  |     | 5,000  | 5,568,750            |
| HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(e)             |     | 11,835 | 17,160,750           |
| M&T Capital Trust II, 8.28%, 6/01/27  |     | 4,540  | 4,585,400            |
| Standard Chartered Plc, 7.01% (a)(b)(e)   |     | 5,000  | 5,472,500            |
|   |     |        | 42,711,400           |
| <b>Diversified Financial Services 3.1%</b>                                      |     |        |                      |
| General Electric Capital Corp., Series B, 6.25% (b)(c)(e)                       |     | 9,100  | 10,060,341           |
| JPMorgan Chase Capital XXI, Series U, 1.25%, 1/15/87 (b)                        |     | 20,000 | 16,275,000           |
| JPMorgan Chase Capital XXIII, 1.29%, 5/15/77 (b)(c)                             |     | 32,745 | 25,739,207           |
|   |     |        | 52,074,548           |
| <b>Electric Utilities 1.0%</b>  |     |        |                      |
| Electricite de France SA, 5.25% (a)(b)(e)                                       |     | 7,430  | 7,473,614            |
| PPL Capital Funding, Inc., 6.70%, 3/30/67 (b)                                   |     | 8,300  | 8,818,750            |
|   |     |        | 16,292,364           |
| <b>Insurance 9.6%</b>   |     |        |                      |
| ACE Capital Trust II, 9.70%, 4/01/30 (c)  |     | 7,000  | 10,255,000           |
| The Allstate Corp., 6.50%, 5/15/67 (b)  |     | 10,400 | 11,616,800           |
| American General Capital II, 8.50%, 7/01/30                                     |     | 500    | 678,667              |
| American International Group, Inc., 8.18%, 5/15/68 (b)                          |     | 3,755  | 5,078,638            |
| AXA SA (a)(b)(e):   |     |        |                      |
| 6.38%   |     | 4,900  | 4,912,250            |
| 6.46%   |     | 6,000  | 6,045,000            |
| Bank One Capital III, 8.75%, 9/01/30 (c)  |     | 2,000  | 2,844,102            |
| The Chubb Corp., 6.38%, 3/29/67 (b)   |     | 7,400  | 8,232,500            |
| Great-West Life & Annuity Insurance Co. Capital LP II, 7.15%, 5/16/46 (a)(b)(c) |     | 500    | 531,250              |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |       |            |
|---|-------|------------|
| Hartford Financial Services Group, Inc., 8.13%, 6/15/68 (b) | 3,500 | 4,161,500  |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)          | 8,325 | 12,903,750 |
| Lincoln National Corp., 7.00%, 5/17/66 (b)                  | 9,005 | 9,252,637  |
| MetLife, Inc., 6.40%, 12/15/66                              | 9,775 | 10,913,836 |

**Par**

| <b>Capital Trusts</b>   | <b>(000)</b> | <b>Value</b> |
|---|--------------|--------------|
| <b>Insurance (concluded)</b>                                  |              |              |
| Mitsui Sumitomo Insurance Co. Ltd., 7.00%, 3/15/72 (a)(b)     | USD 4,800    | \$ 5,602,093 |
| Nippon Life Insurance Co., 5.00%, 10/18/42 (a)(b)             | 10,675       | 11,164,513   |
| Northwestern Mutual Life Insurance Co., 6.06%, 3/30/40 (a)(c) | 12,000       | 15,462,960   |
| Principal Life Insurance Co., 8.00%, 3/01/44 (a)(c)           | 2,500        | 2,685,010    |
| Prudential Financial, Inc., 5.88%, 9/15/42 (b)                | 6,100        | 6,591,782    |
| Prudential Plc, 6.50% (e)                                     | 6,000        | 6,032,712    |
| Reinsurance Group of America, Inc., 6.75%, 12/15/65 (b)       | 12,000       | 12,210,000   |
| Sompo Japan Insurance, Inc., 5.33%, 3/28/73 (a)(b)            | 4,000        | 4,139,820    |
| Swiss Re Capital I LP, 6.85% (a)(b)(e)                        | 4,450        | 4,761,500    |
| ZFS Finance USA Trust II, 6.45%, 12/15/65 (a)(b)(c)           | 6,800        | 7,344,000    |

163,420,320

|   |       |            |
|---|-------|------------|
| <b>Media 0.3%</b>   |       |            |
| NBCUniversal Enterprise, Inc., 5.25% (a)(e)                     | 5,600 | 5,619,158  |
| <b>Multi-Utilities 0.3%</b>                                     |       |            |
| Dominion Resources, Inc.,<br>7.50%, 6/30/66 (b)                 | 4,400 | 4,889,500  |
| <b>Oil, Gas &amp; Consumable Fuels 1.3%</b>                     |       |            |
| Enterprise Products Operating LLC, 7.00%, 6/01/67 (b)           | 2,500 | 2,700,000  |
| Enterprise Products Operating LLC, Series A, 8.38%, 8/01/66 (b) | 7,325 | 8,414,594  |
| TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b)                  | 9,400 | 10,035,440 |

21,150,034

|   |       |             |
|---|-------|-------------|
| <b>Road &amp; Rail 0.3%</b>               |       |             |
| BNSF Funding Trust I, 6.61%, 12/15/55 (b) | 3,750 | 4,293,750   |
| <b>Total Capital Trusts 21.6%</b>         |       | 365,149,043 |

| <b>Preferred Stocks</b>                            | <b>Shares</b> |            |
|--|---------------|------------|
| <b>Auto Components 0.1%</b>                        |               |            |
| Dana Holding Corp., 4.00% (a)(g)                   | 16,300        | 2,383,875  |
| <b>Capital Markets 0.2%</b>                        |               |            |
| The Goldman Sachs Group, Inc., Series J, 5.50% (b) | 162,450       | 4,176,589  |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>  |               |            |
| Sovereign Real Estate Investment Trust, 12.00% (a) | 7,000         | 9,211,076  |
| <b>Wireless Telecommunication Services 1.1%</b>    |               |            |
| Centaur Funding Corp., 9.08% (a)                   | 15,143        | 19,155,895 |
| <b>Total Preferred Stocks 1.9%</b>                 |               | 34,927,435 |

|   |         |             |
|---|---------|-------------|
| <b>Trust Preferreds</b>                           |         |             |
| <b>Diversified Financial Services 0.7%</b>        |         |             |
| GMAC Capital Trust I, Series 2,<br>8.13%, 2/15/40 | 426,060 | 11,487,081  |
| <b>Machinery 0.4%</b>                             |         |             |
| Stanley Black & Decker, Inc., 5.75%, 7/25/52      | 228,000 | 6,014,640   |
| <b>Total Trust Preferreds 1.1%</b>                |         | 17,501,721  |
| <b>Total Preferred Securities 24.6%</b>           |         | 417,578,199 |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Credit Allocation Income Trust (BTZ)

(Percentages shown are based on Net Assets)

|   | Par           | Value         |
|---|---------------|---------------|
|   | (000)         |               |
| <b>Taxable Municipal Bonds</b>  |               |               |
| City of Chicago Illinois, Refunding ARB, O Hare International Airport,<br>Build America Bonds, 6.85%, 1/01/38 | USD<br>5,000  | \$ 5,857,050  |
| Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%,<br>11/15/31                            | 10,000        | 13,114,400    |
| <b>Total Taxable Municipal Bonds 1.1%</b>   |               | 18,971,450    |
| <b>US Government Sponsored Agency Securities</b>  |               |               |
| <b>Agency Obligations 0.2%</b>  |               |               |
| Fannie Mae, 1.81%, 10/09/19 (c)(h)  | 3,945         | 3,514,218     |
| <b>US Treasury Obligations</b>  |               |               |
| <b>US Treasury Bonds (c):</b>   |               |               |
| 3.75%, 8/15/41  | 3,364         | 3,967,942     |
| 3.13%, 11/15/41   | 2,675         | 2,812,928     |
| 3.00%, 5/15/42  | 2,500         | 2,559,765     |
| 2.75%, 8/15/42  | 6,320         | 6,137,314     |
| <b>US Treasury Notes (c):</b>   |               |               |
| 0.75%, 2/28/18  | 2,695         | 2,709,106     |
| 1.25%, 10/31/19   | 645           | 655,632       |
| 1.63%, 11/15/22   | 6,500         | 6,490,861     |
| 2.00%, 2/15/23  | 14,885        | 15,319,925    |
| <b>Total US Treasury Obligations 2.4%</b>   |               | 40,653,473    |
| <b>Total Long-Term Investments</b>  |               |               |
| <b>(Cost \$2,225,935,190) 143.5%</b>  |               | 2,434,502,462 |
| <b>Short-Term Securities</b>  | <b>Shares</b> | <b>Value</b>  |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.08% (i)(j)  | 4,448,337     | \$ 4,448,337  |
| <b>Total Short-Term Securities</b>  |               |               |
| <b>(Cost \$4,448,337) 0.3%</b>  |               | 4,448,337     |
| <b>Options Purchased</b>  |               |               |
| <b>(Cost \$537,500) 0.0%</b>  |               | 205,850       |
| <b>Total Investments Before Options Written</b>   |               |               |
| <b>(Cost \$2,230,921,027) 143.8%</b>  |               | 2,439,156,649 |
| <b>Options Written</b>  |               |               |
| <b>(Premiums Received \$312,000) (0.1)%</b>   |               | (140,547)     |
| <b>Total Investments, Net of Options Written 143.7%</b>   |               | 2,439,016,102 |
| <b>Liabilities in Excess of Other Assets (43.7)%</b>  |               | (742,247,208) |
| <b>Net Assets 100.0%</b>  | \$            | 1,696,768,894 |

## Notes to Schedule of investments

(a) 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.

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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

(c) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

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

| Counterparty          | Value        | Unrealized<br>Appreciation |
|-----------------------|--------------|----------------------------|
| Bank of America Corp. | \$ 4,476,571 | \$ 22,899                  |
| JPMorgan Chase & Co.  | \$ 2,744,953 | \$ 45,854                  |

(e) Security is perpetual in nature and has no stated maturity date.

(f) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.

(g) Convertible security.

(h) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(i) Investments in issuers considered to be an affiliate of the Trust during the six months ended April 30, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2012 | Net<br>Activity | Shares Held<br>at April 30,<br>2013 | Income   |
|--|---------------------------------------|-----------------|-------------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 1,652,656                             | 2,795,681       | 4,448,337                           | \$ 5,003 |

(j) 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 Trust management. 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.



**Table of Contents**

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of April 30, 2013 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| Barclays Capital, Inc.             | 0.35%         | 7/25/12    | Open          | \$ 4,751,663 | \$ 4,764,029                          |
| Barclays Capital, Inc.             | 0.35%         | 7/25/12    | Open          | 2,330,231    | 2,336,575                             |
| Barclays Capital, Inc.             | 0.35%         | 9/28/12    | Open          | 909,000      | 910,900                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 2,878,785    | 2,882,759                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 4,648,560    | 4,654,978                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 2,284,800    | 2,287,954                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,363,903    | 1,365,786                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 2,288,430    | 2,291,589                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,252,800    | 1,254,530                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 293,860      | 294,266                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,238,410    | 1,240,120                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 557,095      | 557,864                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 678,015      | 678,951                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 665,477      | 666,396                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 5,131,200    | 5,138,284                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 2,510,400    | 2,513,866                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 717,187      | 718,178                               |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,740,594    | 1,742,997                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,542,562    | 1,544,692                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,225,120    | 1,226,811                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 4,705,170    | 4,711,666                             |
| Barclays Capital, Inc.             | 0.35%         | 12/04/12   | Open          | 1,027,200    | 1,028,618                             |
| UBS Securities LLC                 | (0.50)%       | 12/27/12   | Open          | 2,053,725    | 2,050,359                             |
| UBS Securities LLC                 | 0.10%         | 12/27/12   | Open          | 6,975,150    | 6,977,436                             |
| UBS Securities LLC                 | 0.25%         | 12/27/12   | Open          | 2,768,512    | 2,770,781                             |
| UBS Securities LLC                 | 0.32%         | 12/27/12   | Open          | 2,530,000    | 2,532,654                             |
| UBS Securities LLC                 | 0.32%         | 12/27/12   | Open          | 1,201,500    | 1,202,760                             |
| UBS Securities LLC                 | 0.32%         | 12/27/12   | Open          | 8,560,000    | 8,568,978                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 4,715,000    | 4,720,255                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 6,220,725    | 6,227,658                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 11,492,250   | 11,505,057                            |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 9,441,250    | 9,451,772                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 11,047,125   | 11,059,436                            |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 4,326,075    | 4,330,896                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 706,250      | 707,037                               |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 1,298,375    | 1,299,822                             |
| UBS Securities LLC                 | 0.34%         | 12/27/12   | Open          | 952,000      | 953,061                               |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 11,625,000   | 11,638,336                            |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 4,825,000    | 4,830,535                             |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 21,971,250   | 21,999,212                            |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 11,349,000   | 11,362,020                            |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 6,111,438    | 6,118,449                             |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 1,140,000    | 1,141,308                             |
| UBS Securities LLC                 | 0.35%         | 12/27/12   | Open          | 3,306,250    | 3,310,043                             |
| UBS Securities LLC                 | 0.36%         | 12/27/12   | Open          | 7,820,075    | 7,829,303                             |
| UBS Securities LLC                 | 0.37%         | 12/27/12   | Open          | 2,856,000    | 2,859,464                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 1/09/13    | Open          | 18,617,625   | 18,637,898                            |
| Deutsche Bank Securities, Inc.     | (1.00)%       | 1/09/13    | Open          | 5,245,031    | 5,228,713                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 1/14/13    | Open          | 18,056,250   | 18,075,034                            |
| UBS Securities LLC                 | 0.33%         | 1/17/13    | Open          | 6,352,950    | 6,359,006                             |
| UBS Securities LLC                 | 0.32%         | 1/18/13    | Open          | 14,280,000   | 14,293,074                            |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|                                    |         |         |      |            |            |
|------------------------------------|---------|---------|------|------------|------------|
| BNP Paribas Securities Corp.       | 0.05%   | 1/29/13 | Open | 5,940,800  | 5,941,559  |
| Credit Suisse Securities (USA) LLC | 0.35%   | 1/29/13 | Open | 14,670,000 | 14,683,122 |
| Deutsche Bank Securities, Inc.     | 0.07%   | 1/29/13 | Open | 3,442,012  | 3,442,628  |
| Citigroup Global Markets, Inc.     | (0.38)% | 1/31/13 | Open | 2,301,075  | 2,298,942  |
| Deutsche Bank Securities, Inc.     | (4.50)% | 2/07/13 | Open | 1,896,562  | 1,877,123  |
| BNP Paribas Securities Corp.       | 0.02%   | 2/11/13 | Open | 6,337,500  | 6,337,778  |
| Credit Suisse Securities (USA) LLC | (0.25)% | 2/13/13 | Open | 1,426,875  | 1,426,122  |
| Credit Suisse Securities (USA) LLC | 0.35%   | 2/22/13 | Open | 3,070,937  | 3,072,968  |
| Credit Suisse Securities (USA) LLC | 0.35%   | 2/25/13 | Open | 11,500,000 | 11,507,267 |
| BNP Paribas Securities Corp.       | 0.34%   | 2/28/13 | Open | 8,705,000  | 8,710,097  |
| Deutsche Bank Securities, Inc.     | 0.00%   | 3/01/13 | Open | 4,138,344  | 4,138,344  |
| Deutsche Bank Securities, Inc.     | (0.75)% | 3/05/13 | Open | 1,494,575  | 1,492,800  |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of April 30, 2013 were as follows (continued):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| UBS Securities LLC                 | 0.35%         | 3/12/13    | Open          | \$ 6,132,500 | \$ 6,135,421                          |
| UBS Securities LLC                 | (0.50)%       | 3/13/13    | Open          | 2,061,777    | 2,060,373                             |
| BNP Paribas Securities Corp.       | 0.34%         | 3/21/13    | Open          | 12,292,000   | 12,296,760                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 3/28/13    | Open          | 10,309,438   | 10,312,845                            |
| UBS Securities LLC                 | 0.32%         | 3/28/13    | Open          | 2,249,437    | 2,250,117                             |
| UBS Securities LLC                 | 0.34%         | 3/28/13    | Open          | 5,572,613    | 5,574,402                             |
| UBS Securities LLC                 | 0.37%         | 3/28/13    | Open          | 1,477,500    | 1,478,016                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 4,206,113    | 4,207,258                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 6,163,125    | 6,164,803                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 1,205,312    | 1,205,641                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 2,858,194    | 2,858,972                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 2,502,062    | 2,502,744                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 2,054,850    | 2,055,409                             |
| Barclays Capital, Inc.             | 0.35%         | 4/02/13    | Open          | 6,330,800    | 6,332,523                             |
| BNP Paribas Securities Corp.       | 0.19%         | 4/02/13    | Open          | 3,839,165    | 3,839,753                             |
| BNP Paribas Securities Corp.       | 0.20%         | 4/02/13    | Open          | 2,490,625    | 2,491,026                             |
| BNP Paribas Securities Corp.       | 0.35%         | 4/02/13    | Open          | 5,810,000    | 5,811,582                             |
| BNP Paribas Securities Corp.       | 0.37%         | 4/02/13    | Open          | 582,647      | 582,815                               |
| BNP Paribas Securities Corp.       | 0.37%         | 4/02/13    | Open          | 490,732      | 490,873                               |
| BNP Paribas Securities Corp.       | 0.37%         | 4/02/13    | Open          | 5,475,000    | 5,476,576                             |
| BNP Paribas Securities Corp.       | 0.37%         | 4/02/13    | Open          | 4,957,000    | 4,958,427                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 597,400      | 597,563                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 476,875      | 477,005                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 1,252,295    | 1,252,636                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 5,483,469    | 5,484,961                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 13,702,500   | 13,706,230                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,360,375    | 2,361,018                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 7,590,500    | 7,592,566                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,747,563    | 3,748,583                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,607,400    | 3,608,382                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,633,656    | 3,634,645                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 6,307,031    | 6,308,748                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 860,781      | 861,016                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 4,077,375    | 4,078,485                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 8,587,500    | 8,589,838                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 9,537,500    | 9,540,096                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 1,699,441    | 1,699,904                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 526,500      | 526,643                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,567,375    | 3,568,346                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,171,875    | 2,172,466                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 11,181,744   | 11,184,788                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,285,625    | 2,286,247                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,915,000    | 2,915,794                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 6,173,719    | 6,175,399                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 20,623,680   | 20,629,294                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 5,266,463    | 5,267,896                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,132,000    | 2,132,580                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 8,760,213    | 8,762,597                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,261,094    | 3,261,982                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 12,448,144   | 12,451,532                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 3,007,500    | 3,008,319                             |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|                                    |       |         |      |            |            |
|------------------------------------|-------|---------|------|------------|------------|
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 5,154,000  | 5,155,403  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 2,873,500  | 2,874,282  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 837,900    | 838,128    |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 2,637,656  | 2,638,374  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 872,969    | 873,206    |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 2,880,000  | 2,880,784  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 3,664,406  | 3,665,404  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 10,490,000 | 10,492,856 |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 8,018,569  | 8,020,752  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 4,604,531  | 4,605,785  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 3,695,812  | 3,696,819  |
| Credit Suisse Securities (USA) LLC | 0.35% | 4/02/13 | Open | 4,197,375  | 4,198,518  |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

19

**Table of Contents**

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Reverse repurchase agreements outstanding as of April 30, 2013 were as follows (concluded):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value            | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|-----------------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | \$ 532,125            | \$ 532,270                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 10,825,000            | 10,827,947                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 7,353,913             | 7,355,914                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 5,396,175             | 5,397,644                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 8,703,625             | 8,705,994                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 1,143,000             | 1,143,311                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 7,339,594             | 7,341,592                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 2,639,763             | 2,640,481                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 15,710,963            | 15,715,239                            |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 6,912,938             | 6,914,819                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 6,073,125             | 6,074,778                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 980,156               | 980,423                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/02/13    | Open          | 5,351,063             | 5,352,519                             |
| Deutsche Bank Securities, Inc.     | (0.63)%       | 4/02/13    | Open          | 1,344,200             | 1,343,547                             |
| Deutsche Bank Securities, Inc.     | 0.03%         | 4/02/13    | Open          | 653,062               | 653,078                               |
| Deutsche Bank Securities, Inc.     | 0.20%         | 4/02/13    | Open          | 2,735,187             | 2,735,628                             |
| Barclays Capital, Inc.             | 0.35%         | 4/10/13    | Open          | 12,018,000            | 12,020,454                            |
| UBS Securities LLC                 | 0.32%         | 4/12/13    | Open          | 6,936,000             | 6,937,171                             |
| Deutsche Bank Securities, Inc.     | (0.25)%       | 4/17/13    | Open          | 2,107,500             | 2,107,368                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 4/23/13    | Open          | 7,076,875             | 7,077,425                             |
| BNP Paribas Securities Corp.       | (0.05)%       | 4/29/13    | Open          | 14,996,638            | 14,996,617                            |
| BNP Paribas Securities Corp.       | 0.19%         | 4/29/13    | Open          | 2,711,844             | 2,711,858                             |
| BNP Paribas Securities Corp.       | 0.34%         | 4/29/13    | Open          | 4,295,000             | 4,295,041                             |
| Citigroup Global Markets, Inc.     | (0.50)%       | 4/30/13    | Open          | 1,862,500             | 1,862,500                             |
| <b>Total</b>                       |               |            |               | <b>\$ 750,036,395</b> | <b>\$ 750,416,740</b>                 |

Financial futures contracts as of April 30, 2013 were as follows:

| Contracts Purchased/(Sold) | Issue                       | Exchange               | Expiration | Notional Value  | Unrealized Appreciation (Depreciation) |
|----------------------------|-----------------------------|------------------------|------------|-----------------|--|
| 488                        | 2-Year US Treasury Note     | Chicago Board of Trade | June 2013  | USD 107,665,000 | \$ 75,465                              |
| 3                          | 30-Year US Treasury Bond    | Chicago Board of Trade | June 2013  | USD 445,125     | 14,570                                 |
| (372)                      | 5-Year US Treasury Note     | Chicago Board of Trade | June 2013  | USD 46,366,312  | (327,355)                              |
| (1,661)                    | 10-Year US Treasury Note    | Chicago Board of Trade | June 2013  | USD 221,509,922 | (4,234,552)                            |
| (376)                      | Ultra Long US Treasury Bond | Chicago Board of Trade | June 2013  | USD 61,793,250  | (1,501,650)                            |
| <b>Total</b>               |                             |                        |            |                 | <b>\$ (5,973,522)</b>                  |

Foreign currency exchange contracts as of April 30, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty |
|--------------------|---------------|--------------|
|--------------------|---------------|--------------|

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|               |               |                  |                            |  |
|---------------|---------------|------------------|----------------------------|--|
| USD 3,297,710 | EUR 2,517,351 | Deutsche Bank AG | Settlement Date<br>7/23/13 | Unrealized Depreciation<br>\$ (19,324) |
|---------------|---------------|------------------|----------------------------|--|

Exchange-traded options purchased as of April 30, 2013 were as follows:

| Description              | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|--------------------------|----------|--------------|-----------------|-----------|--------------|
| 10-Year US Treasury Note | Put      | USD 125.50   | 8/23/13         | 420       | \$ 32,812    |

Over-the-counter interest rate swaptions purchased as of April 30, 2013 were as follows:

| Description                | Counterparty     | Put/Call | Exercise Rate | Pay/Receive Exercise Rate | Floating Rate Index | Expiration Date | Notional Amount (000) | Market Value |
|----------------------------|------------------|----------|---------------|---------------------------|---------------------|-----------------|-----------------------|--------------|
| 2-Year Interest Rate Swap  | Deutsche Bank AG | Put      | 0.71%         | Pay                       | 6-Month LIBOR       | 6/28/13         | USD 61,000            | \$ 254       |
| 10-Year Interest Rate Swap | Deutsche Bank AG | Put      | 4.50%         | Pay                       | 3-Month LIBOR       | 2/02/17         | USD 8,000             | 172,784      |
| <b>Total</b>               |                  |          |               |                           |                     |                 |                       | \$ 173,038   |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

Over-the-counter interest rate swaptions written as of April 30, 2013 were as follows:

| Description                | Counterparty     | Put/<br>Call | Exercise<br>Rate | Pay/<br>Receive<br>Exercise<br>Rate | Floating Rate<br>Index | Expiration<br>Date | Notional<br>Amount<br>(000) | Market<br>Value |
|----------------------------|------------------|--------------|------------------|-------------------------------------|------------------------|--------------------|-----------------------------|-----------------|
| 10-Year Interest Rate Swap | Deutsche Bank AG | Put          | 6.00%            | Receive                             | 3-Month LIBOR          | 2/02/17            | USD 16,000                  | \$ (140,547)    |

Credit default swaps buy protection outstanding as of April 30, 2013 were as follows:

| Issuer                   | Pay<br>Fixed<br>Rate | Counterparty                     | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Depreciation |
|--------------------------|----------------------|----------------------------------|--------------------|-----------------------------|----------------------------|
| The New York Times Co.   | 1.00%                | Barclays Plc                     | 12/20/16           | USD 1,725                   | \$ (65,898)                |
| Southwest Airlines Co.   | 1.00%                | Goldman Sachs Group, Inc.        | 12/20/16           | USD 2,035                   | (189,071)                  |
| Southwest Airlines Co.   | 1.00%                | Royal Bank of Scotland Group Plc | 12/20/16           | USD 4,000                   | (196,900)                  |
| STMicro Electronics      | 1.00%                | Barclays Plc                     | 6/20/17            | EUR 1,500                   | (79,980)                   |
| Cigna Corp.              | 1.00%                | Goldman Sachs Group, Inc.        | 9/20/17            | USD 7,300                   | (176,771)                  |
| General Dynamic Corp.    | 1.00%                | Credit Suisse Group AG           | 9/20/17            | USD 5,585                   | (27,071)                   |
| Humana, Inc.             | 1.00%                | Goldman Sachs Group, Inc.        | 9/20/17            | USD 7,300                   | (131,525)                  |
| Lockheed Martin Corp.    | 1.00%                | Credit Suisse Group AG           | 9/20/17            | USD 5,585                   | (82,588)                   |
| Northrop Grumman Corp.   | 1.00%                | Credit Suisse Group AG           | 9/20/17            | USD 4,715                   | (42,964)                   |
| Raytheon Co.             | 1.00%                | Credit Suisse Group AG           | 9/20/17            | USD 4,715                   | (36,882)                   |
| Viacom, Inc.             | 1.00%                | Credit Suisse Group AG           | 9/20/17            | USD 12,200                  | (181,034)                  |
| SLM Corp.                | 5.00%                | JPMorgan Chase & Co.             | 3/20/18            | USD 17,000                  | (58,397)                   |
| Darden Restaurants, Inc. | 1.00%                | Goldman Sachs Group, Inc.        | 6/20/18            | USD 1,825                   | (55,531)                   |
| Kohl's Corp.             | 1.00%                | BNP Paribas SA                   | 6/20/18            | USD 2,875                   | (30,528)                   |
| <b>Total</b>             |                      |                                  |                    |                             | \$ (1,355,140)             |

Credit default swaps sold protection outstanding as of April 30, 2013 were as follows:

| Issuer                    | Receive<br>Fixed<br>Rate | Counterparty              | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation |
|---------------------------|--------------------------|---------------------------|--------------------|-------------------------------|--|----------------------------|
| Anadarko Petroleum Corp.  | 1.00%                    | Credit Suisse Group AG    | 6/20/17            | BBB-                          | USD 2,425                                | \$ 120,076                 |
| Anadarko Petroleum Corp.  | 1.00%                    | Morgan Stanley            | 6/20/17            | BBB-                          | USD 10                                   | 539                        |
| Anadarko Petroleum Corp.  | 1.00%                    | UBS AG                    | 6/20/17            | BBB-                          | USD 994                                  | 52,828                     |
| Comcast Corp.             | 1.00%                    | Credit Suisse Group AG    | 9/20/17            | A-                            | USD 12,200                               | 305,760                    |
| United Health Group, Inc. | 1.00%                    | Goldman Sachs Group, Inc. | 9/20/17            | Not Rated                     | USD 7,300                                | 207,539                    |
| WellPoint, Inc.           | 1.00%                    | Goldman Sachs Group, Inc. | 9/20/17            | A-                            | USD 7,300                                | 164,174                    |
| MetLife, Inc.             | 1.00%                    | Deutsche Bank AG          | 3/20/18            | A-                            | USD 3,025                                | 108,715                    |
| <b>Total</b>              |                          |                           |                    |                               |  | \$ 959,631                 |

<sup>1</sup> Using S&P's rating of the issuer.

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

<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.

Interest rate swaps outstanding as of April 30, 2013 were as follows:

| Fixed Rate         | Floating Rate | Counterparty/<br>Exchange | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|--------------------|---------------|---------------------------|--------------------|-----------------------------|--|
| 0.44% <sup>3</sup> | 3-month LIBOR | Chicago Mercantile        | 8/29/14            | USD 56,600                  | \$ (95,842)                                  |
| 2.71% <sup>3</sup> | 3-month LIBOR | Credit Suisse Group AG    | 8/21/42            | USD 300                     | 6,503  |
| 2.97% <sup>3</sup> | 3-month LIBOR | Deutsche Bank AG          | 1/31/43            | USD 10,000                  | (317,420)                                    |
| 2.93% <sup>4</sup> | 3-month LIBOR | Deutsche Bank AG          | 4/15/43            | USD 2,000                   | 46,492                                       |
| <b>Total</b>       |               |                           |                    |                             | \$ (360,267)                                 |

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

<sup>4</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 as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and 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)

See Notes to Financial Statements.



**Table of Contents**

## Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust (BTZ)

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). 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 level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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. 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. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 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 April 30, 2013:

|   | Level 1              | Level 2                 | Level 3             | Total                   |
|---|----------------------|-------------------------|---------------------|-------------------------|
| <b>Assets:</b>                            |                      |                         |                     |                         |
| Investments:                              |                      |                         |                     |                         |
| Long-Term Investments:                    |                      |                         |                     |                         |
| Asset-Backed Securities                   |                      | \$ 7,926,549            | \$ 8,415,000        | \$ 16,341,549           |
| Corporate Bonds                           |                      | 1,920,243,573           | 17,200,000          | 1,937,443,573           |
| Preferred Securities                      | \$ 15,663,670        | 401,914,529             |                     | 417,578,199             |
| Taxable Municipal Bonds                   |                      | 18,971,450              |                     | 18,971,450              |
| US Government Sponsored Agency Securities |                      | 3,514,218               |                     | 3,514,218               |
| US Treasury Obligations                   |                      | 40,653,473              |                     | 40,653,473              |
| Short-Term Securities                     | 4,448,337            |                         |                     | 4,448,337               |
| Options Purchased:                        |                      |                         |                     |                         |
| Interest Rate Contracts                   | 32,812               | 173,038                 |                     | 205,850                 |
| <b>Total</b>                              | <b>\$ 20,144,819</b> | <b>\$ 2,393,396,830</b> | <b>\$25,615,000</b> | <b>\$ 2,439,156,649</b> |

|   | Level 1               | Level 2             | Level 3 | Total                 |
|---|-----------------------|---------------------|---------|-----------------------|
| Derivative Financial Instruments <sup>1</sup> |                       |                     |         |                       |
| <b>Assets:</b>                                |                       |                     |         |                       |
| Credit contracts                              |                       | \$ 959,631          |         | \$ 959,631            |
| Interest rate contracts                       | \$ 90,035             | 52,995              |         | 143,030               |
| <b>Liabilities:</b>                           |                       |                     |         |                       |
| Credit contracts                              |                       | (1,355,140)         |         | (1,355,140)           |
| Foreign currency exchange contracts           |                       | (19,324)            |         | (19,324)              |
| Interest rate contracts                       | (6,063,557)           | (553,808)           |         | (6,617,365)           |
| <b>Total</b>                                  | <b>\$ (5,973,522)</b> | <b>\$ (915,646)</b> |         | <b>\$ (6,889,168)</b> |

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

Certain of the Trust's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of April 30, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   | Level 1      | Level 2          | Level 3 | Total            |
|---|--------------|------------------|---------|------------------|
| <b>Assets:</b>  |              |                  |         |                  |
| Cash pledged as collateral for centrally cleared swaps        | \$ 110,000   |                  |         | \$ 110,000       |
| Cash pledged as collateral for financial futures contracts    | 4,017,940    |                  |         | 4,017,940        |
| Cash pledged as collateral for swaps                          | 1,850,000    |                  |         | 1,850,000        |
| <b>Liabilities:</b>   |              |                  |         |                  |
| Cash received as collateral for reverse repurchase agreements |              | \$ (8,667,000)   |         | (8,667,000)      |
| Reverse repurchase agreements                                 |              | (750,036,395)    |         | (750,036,395)    |
| <b>Total</b>  | \$ 5,977,940 | \$ (758,703,395) |         | \$ (752,725,455) |

There were no transfers between Level 1 and Level 2 during the six months ended April 30, 2013.

See Notes to Financial Statements.

**Table of Contents****Schedule of Investments (concluded)****BlackRock Credit Allocation Income Trust (BTZ)**

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 period 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:

|   | <b>Asset-<br/>Backed<br/>Securities</b> | <b>Corporate<br/>Bonds</b> | <b>Total</b>         |
|---|---|----------------------------|----------------------|
| <b>Assets:</b>  |   |                            |                      |
| Opening Balance, as of October 31, 2012                         | \$ 3,982,000                            | \$ 8,192,550               | \$ 12,174,550        |
| Transfers into Level 3 <sup>1</sup>                             |   |                            |                      |
| Transfers out of Level 3 <sup>1</sup>                           |   |                            |                      |
| Accrued discounts/premiums                                      | 57,923                                  |                            | 57,923               |
| Net realized gain (loss)  |   |                            |                      |
| Net change in unrealized appreciation/depreciation <sup>2</sup> | 329,921                                 | 517,450                    | 847,371              |
| Purchases   | 4,045,156                               | 8,490,000                  | 12,535,156           |
| Sales   |   |                            |                      |
| <b>Closing Balance, as of April 30, 2013</b>                    | <b>\$ 8,415,000</b>                     | <b>\$17,200,000</b>        | <b>\$ 25,615,000</b> |

<sup>1</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of April 30, 2013 was \$847,371.

See Notes to Financial Statements.

**Table of Contents**

## Consolidated Schedule of Investments April 30, 2013 (Unaudited)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value      |
|---|-----|--------------|------------|
| <b>Asset-Backed Securities</b>  |     |              |            |
| ACAS CLO Ltd., Series 2012-1A, Class D, 5.13%, 9/20/23 (a)(b)                             | USD | 750          | \$ 755,625 |
| Anchorage Capital CLO Ltd., Series 2012-1A, Class B, 3.16%, 1/13/25 (a)(b)                |     | 1,000        | 989,200    |
| Apidos CDO XI, Series 2012-11A, Class D, 4.74%, 1/17/23 (a)(b)                            |     | 500          | 491,250    |
| Atrium CDO Corp., Series 9A, Class D, 3.96%, 2/28/24 (a)(b)                               |     | 500          | 472,250    |
| Carlyle Global Market Strategies, Series 2013-1A, Class C, 4.29%, 2/14/25 (a)(b)          |     | 250          | 249,000    |
| Carlyle Global Market Strategies CLO Ltd., Series 2012-4A, Class D, 4.78%, 1/20/25 (a)(b) |     | 450          | 450,000    |
| Cavalry CLO Ltd., Series 2A, Class D, 4.38%, 1/17/24 (a)(b)                               |     | 500          | 486,250    |
| Cent CLO LP, Series 2013-17A, Class C, 3.79%, 1/30/25 (a)(b)                              |     | 500          | 474,710    |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.28%, 4/20/23 (a)(b)              |     | 575          | 566,778    |
| Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.48%, 4/17/22 (a)(b)     |     | 950          | 947,340    |
| Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.28%, 9/20/22 (a)(b)           |     | 925          | 927,775    |
| ING IM CLO Ltd. (a)(b):   |     |              |            |
| Series 2012-2A, Class D, 4.83%, 10/15/22  |     | 950          | 950,000    |
| Series 2012-4A, Class C, 4.78%, 10/15/23  |     | 500          | 501,875    |
| LCM XI LP, Series 11A, Class D2, 4.23%, 4/19/22 (a)(b)                                    |     | 1,000        | 1,000,000  |
| Marea CLO Ltd., Series 2012-1A, Class D, 4.83%, 10/16/23 (a)(b)                           |     | 1,000        | 998,000    |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.56%, 1/15/24 (a)(b)      |     | 600          | 588,000    |
| OZLM Funding Ltd. (a)(b):   |     |              |            |
| Series 2012-2A, Class C, 4.63%, 10/30/23  |     | 500          | 498,950    |
| Series 2013-3A, Class C, 4.15%, 1/22/25   |     | 250          | 246,100    |
| Race Point VI CLO Ltd., Series 2012-6A, Class D, 4.79%, 5/24/23 (a)(b)                    |     | 675          | 673,042    |
| Symphony CLO IX LP, Series 2012-9A, Class D, 4.53%, 4/16/22 (a)(b)                        |     | 775          | 772,830    |
| Symphony CLO X Ltd., Series 2012-10A, Class D, 5.53%, 7/23/23 (a)(b)                      |     | 925          | 931,937    |
| West CLO Ltd., Series 2012-1A, Class C, 5.05%, 10/30/23 (a)(b)                            |     | 845          | 851,549    |
| <b>Total Asset-Backed Securities</b> 4.2%   |     |              | 14,822,461 |

|   |  | Shares  |           |
|---|--|---------|-----------|
| <b>Common Stocks</b>                          |  |         |           |
| <b>Auto Components</b> 0.0%                   |  |         |           |
| Lear Corp.                                    |  | 330     | 19,067    |
| <b>Construction &amp; Engineering</b> 0.0%    |  |         |           |
| USI United Subcontractors                     |  | 8,067   | 8,067     |
| <b>Hotels, Restaurants &amp; Leisure</b> 0.3% |  |         |           |
| BLB Worldwide Holdings, Inc. (c)              |  | 50,832  | 1,070,014 |
| <b>Metals &amp; Mining</b> 0.1%               |  |         |           |
| Euramax International (c)                     |  | 1,135   | 227,040   |
| <b>Paper &amp; Forest Products</b> 0.3%       |  |         |           |
| Ainsworth Lumber Co. Ltd. (a)(c)              |  | 62,685  | 242,664   |
| Ainsworth Lumber Co. Ltd. (c)                 |  | 220,483 | 853,525   |

1,096,189

|   |  | Shares | Value        |
|---|--|--------|--------------|
| <b>Common Stocks</b>                      |  |        |              |
| <b>Software</b> 0.3%                      |  |        |              |
| Bankruptcy Management Solutions, Inc. (c) |  | 2,947  |              |
| HMH Holdings/EduMedia                     |  | 41,612 | \$ 1,050,704 |
|   |  |        | 1,050,704    |
| <b>Total Common Stocks</b> 1.0%           |  |        | 3,471,081    |

|                        |  | Par<br>(000) |
|------------------------|--|--------------|
| <b>Corporate Bonds</b> |  |              |
| <b>Airlines</b> 0.2%   |  |              |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |       |           |
|---|-----|-------|-----------|
| American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 10/15/21   | USD | 200   | 211,708   |
| Continental Airlines Pass-Through Trust, Series 2012-3, Class C, 6.13%, 4/29/18 |     | 415   | 423,300   |
|   |     |       | 635,008   |
| <b>Auto Components 0.4%</b>   |     |       |           |
| Icahn Enterprises LP, 8.00%, 1/15/18  |     | 660   | 709,500   |
| Schaeffler Finance BV, 4.75%, 5/15/21 (a)                                       |     | 540   | 546,750   |
|   |     |       | 1,256,250 |
| <b>Beverages 0.6%</b>   |     |       |           |
| Refresco Group BV (b):  |     |       |           |
| 4.23%, 5/15/18 (a)  | EUR | 500   | 663,743   |
| 4.23%, 5/15/18  |     | 1,000 | 1,327,486 |
|   |     |       | 1,991,229 |
| <b>Building Products 0.5%</b>   |     |       |           |
| Cemex SAB de CV, 5.88%, 3/25/19 (a)   | USD | 214   | 217,745   |
| Grohe Holding GmbH, 4.20%, 9/15/17 (a)(b)                                       | EUR | 700   | 928,779   |
| Momentive Performance Materials, Inc., 8.88%, 10/15/20                          | USD | 425   | 463,250   |
|   |     |       | 1,609,774 |
| <b>Capital Markets 0.1%</b>   |     |       |           |
| E*Trade Financial Corp., 0.00%, 8/31/19 (a)(d)(e)                               |     | 439   | 440,646   |
| <b>Commercial Banks 1.3%</b>  |     |       |           |
| VTB Bank OJSC Via VTB Capital SA, 6.88%, 5/29/18                                |     | 3,940 | 4,418,710 |
| <b>Commercial Services &amp; Supplies 0.7%</b>                                  |     |       |           |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)                                 |     | 478   | 503,137   |
| Verisure Holdings AB, 6.71%, 9/01/18 (b)  | EUR | 1,500 | 2,009,996 |
|   |     |       | 2,513,133 |
| <b>Communications Equipment 1.2%</b>  |     |       |           |
| Avaya, Inc., 7.00%, 4/01/19 (a)   | USD | 467   | 449,488   |
| Telenet Finance IV Luxembourg S.C.A., 4.08%, 6/15/21 (b)                        | EUR | 1,500 | 1,975,426 |
| Zayo Group LLC/Zayo Capital, Inc.:  |     |       |           |
| 8.13%, 1/01/20  | USD | 1,010 | 1,138,775 |
| 10.13%, 7/01/20   |     | 665   | 786,362   |
|   |     |       | 4,350,051 |
| <b>Consumer Finance 0.3%</b>  |     |       |           |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)                                       |     | 1,015 | 1,077,169 |
| <b>Containers &amp; Packaging 2.3%</b>  |     |       |           |
| Ardagh Packaging Finance Plc:   |     |       |           |
| 7.38%, 10/15/17 (a)   | EUR | 400   | 574,190   |
| 7.38%, 10/15/17   |     | 300   | 430,643   |
| 4.88%, 11/15/22 (a)   | USD | 201   | 205,523   |
| GCL Holdings SCA, 9.38%, 4/15/18 (a)  | EUR | 329   | 473,355   |
| Guala Closures SpA, 5.60%, 11/15/19 (b)   |     | 1,500 | 2,007,862 |

See Notes to Financial Statements.

**Table of Contents**

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

|   |     | Par   |            |
|---|-----|-------|------------|
|   |     | (000) | Value      |
| <b>Corporate Bonds</b>  |     |       |            |
| <b>Containers &amp; Packaging (concluded)</b>                                     |     |       |            |
| Smurfit Kappa Acquisitions:   |     |       |            |
| 7.25%, 11/15/17 (a)   | EUR | 355   | \$ 495,568 |
| 7.75%, 11/15/19 (a)   |     | 416   | 603,705    |
| 3.71%, 10/15/20 (b)   |     | 2,500 | 3,368,101  |
|   |     |       | 8,158,947  |
| <b>Diversified Financial Services 1.1%</b>  |     |       |            |
| Ally Financial, Inc., 2.49%, 12/01/14 (b)   | USD | 795   | 797,213    |
| Reynolds Group Issuer, Inc.:  |     |       |            |
| 5.75%, 10/15/20   |     | 2,345 | 2,456,387  |
| 6.88%, 2/15/21  |     | 490   | 534,100    |
|   |     |       | 3,787,700  |
| <b>Diversified Telecommunication Services 0.2%</b>                                |     |       |            |
| ITC Deltacom, Inc., 10.50%, 4/01/16   |     | 477   | 505,620    |
| Lynx I Corp., 5.38%, 4/15/21 (a)  |     | 200   | 213,500    |
|   |     |       | 719,120    |
| <b>Energy Equipment &amp; Services 0.8%</b>                                       |     |       |            |
| CGG, Veritas, 7.75%, 5/15/17  |     | 1,795 | 1,848,850  |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (a) |     | 298   | 318,860    |
| Tervita Corp., 8.00%, 11/15/18 (a)  |     | 618   | 647,355    |
|   |     |       | 2,815,065  |
| <b>Health Care Equipment &amp; Supplies 0.4%</b>                                  |     |       |            |
| Ontex IV SA, 4.34%, 4/15/18 (b)   | EUR | 1,000 | 1,320,243  |
| <b>Health Care Providers &amp; Services 1.8%</b>                                  |     |       |            |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18                                | USD | 954   | 1,020,780  |
| Crown Newco 3 Plc, 7.00%, 2/15/18 (a)   | GBP | 1,750 | 2,895,056  |
| HCA, Inc., 6.50%, 2/15/20   | USD | 1,055 | 1,218,525  |
| Tenet Healthcare Corp.:   |     |       |            |
| 6.25%, 11/01/18   |     | 495   | 558,112    |
| 4.50%, 4/01/21 (a)  |     | 704   | 718,080    |
|   |     |       | 6,410,553  |
| <b>Hotels, Restaurants &amp; Leisure 0.1%</b>                                     |     |       |            |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (a)   |     | 200   | 212,000    |
| <b>Household Durables 0.1%</b>  |     |       |            |
| Berkline/Benchcraft LLC, 4.50%, 11/03/12 (c)(f)                                   |     | 400   |            |
| United Rentals North America, Inc., 5.75%, 7/15/18                                |     | 210   | 228,900    |
|   |     |       | 228,900    |
| <b>Independent Power Producers &amp; Energy Traders 1.0%</b>                      |     |       |            |
| Energy Future Intermediate Holding Co. LLC:                                       |     |       |            |
| 10.00%, 12/01/20 (a)  | USD | 585   | 663,244    |
| 10.00%, 12/01/20  |     | 2,525 | 2,891,125  |
|   |     |       | 3,554,369  |
| <b>IT Services 0.2%</b>   |     |       |            |
| First Data Corp., 6.75%, 11/01/20 (a)   | USD | 650   | 697,125    |
| <b>Machinery 1.1%</b>   |     |       |            |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |       |           |
|---|-----|-------|-----------|
| KION Finance SA, 4.46%, 4/15/18 (a)(b)                  | EUR | 3,000 | 4,000,237 |
| <b>Media 2.8%</b>                                       |     |       |           |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (a) |     | 397   | 397,000   |
| Clear Channel Worldwide Holdings, Inc. (a):             |     |       |           |
| 6.50%, 11/15/22   |     | 509   | 540,813   |
| 6.50%, 11/15/22   |     | 1,377 | 1,476,832 |
| Odeon & UCI Finco Plc, 5.23%, 8/01/18 (b)               | EUR | 1,600 | 2,086,050 |
| Unitymedia Hessen GmbH & Co. KG/ Unitymedia NRW GmbH:   |     |       |           |
| 8.13%, 12/01/17   |     | 148   | 208,533   |
| 5.75%, 1/15/23  |     | 1,450 | 1,962,092 |

**Par**

### Corporate Bonds

(000)

Value

#### Media (concluded)

|  |     |       |              |
|--|-----|-------|--------------|
| Virgin Media Secured Finance Plc, 7.00%, 1/15/18 | GBP | 1,197 | \$ 1,980,218 |
| Ziggo Finance BV, 6.13%, 11/15/17 (a)            | EUR | 1,005 | 1,386,403    |

10,037,941

#### Metals & Mining 0.0%

|  |  |     |         |
|--|--|-----|---------|
| New World Resources NV, 7.88%, 5/01/18 |  | 133 | 164,645 |
|--|--|-----|---------|

#### Oil, Gas & Consumable Fuels 1.6%

|   |     |       |           |
|---|-----|-------|-----------|
| EP Energy LLC/Everest Acquisition Finance, Inc., 6.88%, 5/01/19 | USD | 385   | 421,575   |
| KazmunaiGaz Finance Sub BV, 8.38%, 7/02/13                      |     | 1,500 | 1,512,900 |
| Offshore Group Investment Ltd., 7.13%, 4/01/23 (a)              |     | 235   | 244,400   |
| Petroleos de Venezuela SA, 5.25%, 4/12/17                       |     | 4,000 | 3,470,000 |

5,648,875

#### Real Estate Management & Development 0.3%

|  |  |     |         |
|--|--|-----|---------|
| Country Garden Holdings Co. Ltd., 7.50%, 1/10/23 (a) |  | 500 | 521,250 |
| Realogy Corp., 7.63%, 1/15/20 (a)                    |  | 445 | 510,638 |

1,031,888

#### Specialty Retail 1.0%

|   |     |       |           |
|---|-----|-------|-----------|
| DFS Furniture Holdings Plc, 6.51%, 8/15/18 (b)  | GBP | 2,000 | 3,106,700 |
| House of Fraser Funding Plc, 8.88%, 8/15/18 (a) |     | 349   | 566,514   |

3,673,214

#### Transportation Infrastructure 0.4%

|                                 |     |       |           |
|---------------------------------|-----|-------|-----------|
| Aguila 3 SA, 7.88%, 1/31/18 (a) | CHF | 1,100 | 1,268,821 |
|---------------------------------|-----|-------|-----------|

#### Wireless Telecommunication Services 2.2%

|  |     |       |           |
|--|-----|-------|-----------|
| iPCS, Inc., 2.42%, 5/01/13 (b)           | USD | 1,155 | 1,155,000 |
| Matterhorn Mobile SA, 5.48%, 5/15/19 (b) | EUR | 3,000 | 4,029,868 |
| Sprint Nextel Corp. (a):                 |     |       |           |
| 9.00%, 11/15/18                          | USD | 790   | 971,700   |
| 7.00%, 3/01/20                           |     | 1,460 | 1,660,750 |

7,817,318

#### Total Corporate Bonds 22.7%

79,838,931

### Floating Rate Loan Interests (b)

#### Aerospace & Defense 1.2%

|   |  |       |           |
|---|--|-------|-----------|
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/31/20         |  | 1,365 | 1,379,333 |
| DynCorp International LLC, Term Loan B, 6.25%, 7/07/16  |  | 385   | 387,472   |
| The SI Organization, Inc., Term Loan B, 4.50%, 11/22/16 |  | 1,069 | 1,062,550 |
| Spirit Aerosystems, Inc., Term Loan B, 3.75%, 4/18/19   |  | 960   | 969,903   |
| Transdigm, Inc., Term Loan C, 3.75%, 2/28/20            |  | 519   | 525,687   |

4,324,945

#### Airlines 0.8%

##### Delta Air Lines, Inc.:

|                             |  |     |         |
|-----------------------------|--|-----|---------|
| Term Loan, 3.53%, 9/16/15   |  | 911 | 851,485 |
| Term Loan B, 4.25%, 4/20/17 |  | 466 | 472,188 |
| Northwest Airlines, Inc.:   |  |     |         |
| Term Loan, 2.30%, 3/10/17   |  | 355 | 328,570 |
| Term Loan, 2.30%, 3/10/17   |  | 644 | 596,054 |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |       |           |
|---|-------|-----------|
| Term Loan, 1.68%, 9/10/18                                     | 292   | 258,435   |
| Term Loan, 1.68%, 9/10/18                                     | 289   | 255,779   |
| US Airways Group, Inc., Term Loan, 2.70%, 3/21/14             | 158   | 157,694   |
|   |       | 2,920,205 |
| <b>Auto Components 3.2%</b>                                   |       |           |
| Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17 | 1,591 | 1,610,621 |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

25



**Table of Contents**

## 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 (b)</b>                               |              |              |
| <b>Auto Components (concluded)</b>                                    |              |              |
| Federal-Mogul Corp.:  |              |              |
| Term Loan B, 2.14%, 12/29/14  | USD 3,435    | \$ 3,253,820 |
| Term Loan C, 2.14%, 12/28/15  | 1,431        | 1,356,037    |
| The Goodyear Tire & Rubber Co., Second Lien Term Loan, 4.75%, 4/30/19 | 1,705        | 1,718,009    |
| GPX International Tire Corp. (c)(f):                                  |              |              |
| Term Loan, 12.25%, 3/30/12  | 274          |              |
| Term Loan, 13.00%, 3/30/12  | 4            |              |
| Schaeffler AG, Term Loan C, 4.25%, 1/27/17                            | 1,120        | 1,131,749    |
| Transtar Holding Co., First Lien Term Loan, 5.50%, 10/09/18           | 1,313        | 1,326,534    |
| UCI International, Inc., Term Loan B, 5.50%, 7/26/17                  | 926          | 930,510      |
|   |              | 11,327,280   |
| <b>Beverages 0.0%</b>   |              |              |
| Le-Nature s, Inc., Tranche B Term Loan, 10.25%, 3/01/11 (c)(f)        | 1,000        | 100          |
| <b>Biotechnology 0.4%</b>   |              |              |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17                            | 1,457        | 1,472,809    |
| <b>Building Products 1.2%</b>   |              |              |
| Armstrong World Industries, Inc., Term Loan B, 3.50%, 3/16/20         | 610          | 613,269      |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19                    | 1,940        | 1,964,503    |
| United Subcontractors, Inc., First Lien Term Loan, 6.29%, 6/30/15     | 208          | 197,247      |
| Wilsonart International Holdings LLC, Term Loan B, 5.50%, 10/31/19    | 1,551        | 1,555,766    |
|   |              | 4,330,785    |
| <b>Capital Markets 1.5%</b>   |              |              |
| American Capital Holdings, Inc., Term Loan, 5.50%, 8/22/16            | 1,605        | 1,627,069    |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17                | 935          | 939,561      |
| Nuveen Investments, Inc.:   |              |              |
| 1st Lien Term Loan, 5.20%, 5/13/17                                    | 2,254        | 2,278,637    |
| 2nd Lien Term Loan, 6.50%, 2/28/19                                    | 531          | 534,319      |
|   |              | 5,379,586    |
| <b>Chemicals 4.5%</b>   |              |              |
| AI Chem & Cy S.C.A.:  |              |              |
| 2nd Lien Term Loan, 8.25%, 3/12/20                                    | 330          | 337,633      |
| Term Loan B1, 4.50%, 10/03/19   | 599          | 606,255      |
| Term Loan B2, 4.50%, 10/03/19   | 311          | 314,556      |
| American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17            | 1,593        | 1,594,370    |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16                      | 716          | 724,519      |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                       | 1,276        | 1,295,916    |
| General Chemical Corp., Term Loan, 5.00% 5.75%, 10/06/15              | 948          | 958,540      |
| INEOS US Finance LLC:   |              |              |
| 3 Year Term Loan, 5.50%, 5/04/15                                      | USD 231      | 234,061      |
| 6 Year Term Loan, 6.50%, 5/04/18                                      | 847          | 855,750      |
| MacDermid, Inc., Tranche C Term Loan, 2.31%, 4/11/14                  | EUR 1,271    | 1,669,223    |
| Nexo Solutions LLC, Term Loan B, 5.00%, 9/08/17                       | USD 1,441    | 1,448,676    |
| Tronox Pigments (Netherlands) BV, Term Loan B, 4.50%, 2/08/18         | 1,703        | 1,726,566    |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17                             | 962          | 966,952      |
| US Coatings Acquisition, Inc., Term Loan, 4.75%, 2/03/20              | 3,005        | 3,042,262    |
|   |              | 15,775,279   |
|   | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>                               | <b>(000)</b> | <b>Value</b> |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |             |     |       |              |
|--|-------------|-----|-------|--------------|
| <b>Commercial Banks</b>  | <b>0.5%</b> |     |       |              |
| Everest Acquisition LLC, Term Loan B1, 5.00%, 5/24/18          |             | USD | 1,755 | \$ 1,762,459 |
| <b>Commercial Services &amp; Supplies</b>                      | <b>4.7%</b> |     |       |              |
| ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19                 |             |     | 1,506 | 1,518,194    |
| ADS Waste Holdings, Inc., Term Loan B, 4.25%, 10/09/19         |             |     | 2,743 | 2,776,015    |
| Altegrity, Inc.:   |             |     |       |              |
| Term Loan, 5.00%, 2/21/15                                      |             |     | 545   | 540,776      |
| Tranche D Term Loan, 7.75%, 2/20/15                            |             |     | 469   | 475,407      |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 4.75%, 7/16/18     |             |     | 261   | 262,319      |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16      |             |     | 1,724 | 1,738,009    |
| Catalent Pharma Solutions, Inc., Term Loan, 6.25%, 12/31/17    |             |     | 300   | 303,000      |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16              |             |     | 1,675 | 1,684,765    |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19       |             |     | 313   | 317,343      |
| KAR Auction Services, Inc., Term Loan B, 3.75%, 5/19/17        |             |     | 1,783 | 1,806,896    |
| Livingston International, Inc.:                                |             |     |       |              |
| 1st Lien Term Loan B, 5.00%, 4/04/19                           |             |     | 820   | 825,125      |
| 2nd Lien Term Loan C, 9.50%, 4/09/20                           |             |     | 540   | 552,150      |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19 |             |     | 828   | 837,587      |
| Protection One, Inc., Term Loan, 4.25%, 3/21/19                |             |     | 1,346 | 1,363,234    |
| West Corp., Term Loan B8, 4.25%, 6/29/18                       |             |     | 1,620 | 1,645,207    |
|  |             |     |       | 16,646,027   |
| <b>Communications Equipment</b>                                | <b>3.7%</b> |     |       |              |
| Alcatel-Lucent USA, Inc.:                                      |             |     |       |              |
| Term Loan B, 6.25%, 8/01/16                                    |             |     | 1,165 | 1,181,823    |
| Term Loan C, 7.25%, 1/30/19                                    |             |     | 1,766 | 1,808,708    |
| Term Loan D, 7.50%, 1/30/19                                    |             | EUR | 648   | 862,843      |
| Arris Group, Inc., Term Loan B, 3.50%, 2/07/20                 |             |     | 235   | 235,148      |
| Avaya, Inc.:   |             |     |       |              |
| Extended Term Loan B3, 4.79%, 10/26/17                         |             |     | 1,074 | 999,248      |
| Term Loan B5, 8.00%, 3/30/18                                   |             |     | 171   | 171,237      |
| CommScope, Inc., Term Loan, 3.75%, 1/12/18                     |             |     | 1,738 | 1,760,470    |
| Riverbed Technology, Inc., Term Loan, 4.00%, 12/18/19          |             |     | 927   | 942,929      |
| Telesat Canada, Term Loan A, 4.83%, 3/24/17                    |             | CAD | 2,893 | 2,864,799    |
| Zayo Group LLC, Term Loan B, 4.50%, 7/02/19                    |             | USD | 2,065 | 2,086,433    |
|  |             |     |       | 12,913,638   |
| <b>Construction &amp; Engineering</b>                          | <b>1.4%</b> |     |       |              |
| BakerCorp International, Inc., Term Loan, 4.25%, 2/14/20       |             |     | 673   | 677,386      |
| Centaur LLC:   |             |     |       |              |
| 1st Lien Term Loan, 5.25%, 2/15/19                             |             |     | 1,520 | 1,542,800    |
| 2nd Lien Term Loan, 8.75%, 2/20/20                             |             |     | 745   | 756,175      |
| Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17      |             |     | 2,100 | 2,100,000    |
|  |             |     |       | 5,076,361    |
| <b>Construction Materials</b>                                  | <b>1.7%</b> |     |       |              |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17                |             |     | 5,866 | 5,937,764    |
| <b>Consumer Finance</b>  | <b>0.7%</b> |     |       |              |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17    |             |     | 2,282 | 2,289,511    |
| <b>Containers &amp; Packaging</b>                              | <b>0.6%</b> |     |       |              |
| Berlin Packaging LLC:  |             |     |       |              |
| First Lien Term Loan, 4.75%, 4/02/19                           |             |     | 270   | 272,870      |
| Second Lien Term Loan, 8.75%, 4/02/20                          |             |     | 325   | 330,687      |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18                   |             |     | 1,012 | 1,027,519    |

See Notes to Financial Statements.

**Table of Contents**

## 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 (b)</b>                                     |     |       |    |            |
| <b>Containers &amp; Packaging (concluded)</b>                               |     |       |    |            |
| Smurfit Kappa Acquisitions:   |     |       |    |            |
| Term Loan B4, 3.71% - 3.84%, 6/30/16  | EUR | 226   | \$ | 299,137    |
| Term Loan C4, 3.99% - 4.09%, 3/31/17  |     | 224   |    | 297,232    |
|   |     |       |    | 2,227,445  |
| <b>Distributors 1.2%</b>  |     |       |    |            |
| ABC Supply, Inc., Term Loan, 3.50%, 4/20/20                                 | USD | 2,855 |    | 2,877,583  |
| Crossmark Holdings, Inc., Term Loan, 4.50%, 12/20/19                        |     | 499   |    | 498,625    |
| VWR Funding, Inc., Extended Add on Term Loan, 4.20%, 4/03/17                |     | 733   |    | 741,411    |
|   |     |       |    | 4,117,619  |
| <b>Diversified Consumer Services 3.6%</b>                                   |     |       |    |            |
| Bright Horizons Family Solutions, Inc., Term Loan B, 4.00% - 5.25%, 1/16/20 |     | 1,501 |    | 1,514,373  |
| Coinmach Service Corp.:   |     |       |    |            |
| Delayed Draw Term Loan, 3.20%, 11/20/14                                     |     | 480   |    | 478,750    |
| Term Loan B, 3.20%, 11/20/14  |     | 1,722 |    | 1,717,786  |
| Education Management LLC, Term Loan C3, 8.25%, 3/29/18                      |     | 288   |    | 248,637    |
| Iglo Foods Midco Ltd., Term Loan F, 4.87%, 10/31/17                         | EUR | 2,620 |    | 3,482,622  |
| Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18                | USD | 1,388 |    | 1,396,236  |
| ServiceMaster Co., Term Loan, 4.25%, 1/31/17                                |     | 1,940 |    | 1,954,669  |
| Weigh Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20            |     | 2,000 |    | 1,993,260  |
|   |     |       |    | 12,786,333 |
| <b>Diversified Financial Services 2.7%</b>                                  |     |       |    |            |
| CBAC Borrower LLC, Term Loan B, 8.25%, 4/24/20                              |     | 675   |    | 671,625    |
| Dundee Holdco 4 Limited, Term Loan B, 5.50%, 3/28/20                        |     | 555   |    | 558,929    |
| Reynolds Group Holdings, Inc., Term Loan, 5.00%, 9/28/18                    | EUR | 4,975 |    | 6,593,826  |
| ROC Finance LLC, Term Loan, 6.00%, 3/28/19                                  | USD | 660   |    | 665,768    |
| WMG Acquisition Corp., Term Loan, 5.25%, 11/01/18                           |     | 973   |    | 985,148    |
|   |     |       |    | 9,475,296  |
| <b>Diversified Telecommunication Services 4.7%</b>                          |     |       |    |            |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18            |     | 2,344 |    | 2,370,989  |
| Hawaiian Telecom Communications, Inc., Term Loan B, 7.00%, 2/28/17          |     | 1,456 |    | 1,480,118  |
| Integra Telecom Inc., Refinancing 2nd Lien Term Loan, 9.75%, 2/21/20        |     | 650   |    | 666,386    |
| Integra Telecom, Inc., Term Loan, 6.00%, 2/15/19                            |     | 1,235 |    | 1,259,700  |
| ISS Holdings, Term Loan B12, 4.25%, 3/15/18                                 |     | 2,000 |    | 2,008,060  |
| Level 3 Financing, Inc.:  |     |       |    |            |
| 2016 Term Loan B, 4.75%, 2/01/16  |     | 438   |    | 443,364    |
| 2019 Term Loan B, 5.25%, 8/01/19  |     | 1,380 |    | 1,397,940  |
| Term Loan, 4.75%, 8/01/19   |     | 4,920 |    | 4,970,430  |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17                           |     | 1,890 |    | 1,885,346  |
|   |     |       |    | 16,482,333 |
| <b>Electronic Equipment, Instruments &amp; Components 0.3%</b>              |     |       |    |            |
| CDW LLC, New Term Loan, 3.50%, 4/30/20                                      |     | 875   |    | 876,645    |
| <b>Energy Equipment &amp; Services 1.8%</b>                                 |     |       |    |            |
| API Heat Transfer, Inc., Term Loan, 4/30/19                                 |     | 1,005 |    | 1,001,231  |
| Dynergy Holdings, Inc.:   |     |       |    |            |
| Term Loan B1, 4.00%, 4/16/20  |     | 780   |    | 779,579    |
| Term Loan B2, 4.00%, 4/16/20  |     | 1,245 |    | 1,244,328  |
| MEG Energy Corp., New Term Loan, 3.75%, 3/31/20                             |     | 1,386 |    | 1,400,283  |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |              |              |
|---|-----|--------------|--------------|
| Tervita Corp., Term Loan, 6.25%, 5/01/18                              |     | 1,202        | 1,220,774    |
|   |     | <b>Par</b>   |              |
| <b>Floating Rate Loan Interests (b)</b>                               |     | <b>(000)</b> | <b>Value</b> |
| <b>Energy Equipment &amp; Services (concluded)</b>                    |     |              |              |
| Unifrax I LLC/Unifrax Holding Co., Term Loan, 4.25%, 11/28/18         | USD | 584          | \$ 589,916   |
|   |     |              | 6,236,111    |
| <b>Food &amp; Staples Retailing 3.2%</b>                              |     |              |              |
| Alliance Boots Holdings Ltd., Term Loan B1, 3.49%, 7/09/15            | GBP | 4,525        | 7,015,131    |
| Iceland Foods Group Ltd., Term Loan B1, 5.50%, 3/08/19                |     | 849          | 1,331,308    |
| Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19                | USD | 1,279        | 1,264,728    |
| Rite Aid Corp., 2nd Lien Term Loan, 5.75%, 8/21/20                    |     | 540          | 559,802      |
| Supervalu, Inc., Term Loan B, 6.25%, 3/21/19                          |     | 1,100        | 1,116,368    |
|   |     |              | 11,287,337   |
| <b>Food Products 1.8%</b>   |     |              |              |
| AdvancePierre Foods, Inc., Term Loan, 5.75%, 7/10/17                  |     | 1,446        | 1,466,624    |
| Del Monte Foods Co., Term Loan, 4.00%, 3/08/18                        |     | 1,604        | 1,615,354    |
| Dole Food Co., Inc., Term Loan, 3.75%, 4/01/20                        |     | 1,610        | 1,620,063    |
| Michael Foods Group, Inc., Term Loan, 4.25%, 2/23/18                  |     | 293          | 296,586      |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/22/20               |     | 1,150        | 1,153,450    |
|   |     |              | 6,152,077    |
| <b>Health Care Equipment &amp; Supplies 3.8%</b>                      |     |              |              |
| Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19                      |     | 2,308        | 2,332,438    |
| Biomet, Inc., Extended Term Loan B, 3.95% - 4.03%, 7/25/17            |     | 899          | 910,483      |
| BSN Medical Acquisition Holding GmbH, Term Loan B, 5.00%, 8/28/19     |     | 2,000        | 2,012,500    |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19 |     | 950          | 962,298      |
| DJO Finance LLC, Term Loan B3, 4.75%, 9/15/17                         |     | 3,167        | 3,217,574    |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19                            |     | 1,603        | 1,624,239    |
| Immucor, Inc., Term Loan B2, 5.00%, 8/17/18                           |     | 1,734        | 1,756,831    |
| LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18                   |     | 566          | 577,747      |
|   |     |              | 13,394,110   |
| <b>Health Care Providers &amp; Services 4.2%</b>                      |     |              |              |
| American Renal Holdings, Inc.:  |     |              |              |
| 1st Lien Term Loan, 4.50%, 9/22/19                                    |     | 1,595        | 1,598,493    |
| 2nd Lien Term Loan, 8.50%, 2/14/20                                    |     | 885          | 892,372      |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18              |     | 708          | 718,848      |
| CHG Buyer Corp., First Lien Term Loan, 5.00%, 11/22/19                |     | 1,204        | 1,221,796    |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16                            |     | 1,186        | 1,206,259    |
| DaVita, Inc.:   |     |              |              |
| Term Loan B, 4.50%, 10/20/16  |     | 2,178        | 2,199,928    |
| Term Loan B2, 4.00%, 11/01/19   |     | 668          | 675,322      |
| Emergency Medical Services Corp., Term Loan, 4.00%, 5/25/18           |     | 1,455        | 1,472,310    |
| Genesis HealthCare Corp., Term Loan B, 10.00% - 10.75%, 9/25/17       |     | 571          | 567,675      |
| Harden Healthcare LLC:  |     |              |              |
| Add on Term Loan A, 7.75%, 3/02/15                                    |     | 1,084        | 1,063,553    |
| Term Loan A, 8.50%, 3/02/15   |     | 654          | 648,842      |
| HCA, Inc., Extended Term Loan B4, 2.95%, 5/01/18                      |     | 330          | 330,597      |
| inVentiv Health, Inc.:  |     |              |              |
| Combined Term Loan, 7.50%, 8/04/16                                    |     | 183          | 181,590      |
| Incremental Term Loan B-3, 7.75%, 5/15/18                             |     | 241          | 239,024      |
| US Renal Care, Inc., First Lien Term Loan, 6.25%, 7/02/19             |     | 1,360        | 1,380,121    |

See Notes to Financial Statements.

**Table of Contents**

## 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 (b)</b>   |            |              |
| <b>Health Care Providers &amp; Services (concluded)</b>                         |            |              |
| Vanguard Health Holdings Co. II LLC, Term Loan B, 3.75%, 1/29/16                | USD 325    | \$ 328,738   |
|   |            | 14,725,468   |
| <b>Health Care Technology 1.1%</b>  |            |              |
| IMS Health, Inc., Term Loan B1, 3.75%, 9/01/17                                  | 1,172      | 1,180,884    |
| Kinetic Concepts, Inc., Term Loan C1, 5.50%, 5/04/18                            | 1,733      | 1,761,570    |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19                                   | 725        | 733,217      |
|   |            | 3,675,671    |
| <b>Hotels, Restaurants &amp; Leisure 5.7%</b>                                   |            |              |
| Alpha D2 Ltd., Extended Term Loan B2, 6.00%, 4/30/19                            | 1,436      | 1,458,722    |
| Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15                       | 994        | 1,004,105    |
| Caesars Entertainment Operating Co., Inc., Term Loan, 9.25%, 4/25/17            | 855        | 869,962      |
| Harrah's Property Co., Mezzanine Term Loan, 3.69%, 2/13/14                      | 4,893      | 4,492,502    |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19                         | 1,450      | 1,470,508    |
| OSI Restaurant Partners LLC, Replacement Term Loan, 3.50%, 10/28/19             | 635        | 638,569      |
| Sabre, Inc., Term Loan B, 5.25%, 2/19/19  | 853        | 865,492      |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17               | 1,094      | 1,103,639    |
| Station Casinos, Inc., New Term Loan B, 5.00%, 3/01/20                          | 3,235      | 3,271,911    |
| Travelport LLC, Extended Delayed Draw Term Loan, 4.96%, 8/21/15                 | 351        | 350,123      |
| Twin River Worldwide Holdings, Inc.:  |            |              |
| Term Loan, 8.50%, 11/05/15  | 1,161      | 1,170,782    |
| Term Loan, 5.25%, 9/27/18   | 1,511      | 1,528,486    |
| Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19                        | 1,758      | 1,767,561    |
|   |            | 19,992,362   |
| <b>Household Products 1.1%</b>  |            |              |
| Prestige Brands, Inc., New Term Loan, 3.75%, 1/31/19                            | 1,234      | 1,251,853    |
| Spectrum Brands, Inc., Term Loan, 4.50%, 12/17/19                               | 2,544      | 2,579,389    |
|   |            | 3,831,242    |
| <b>Independent Power Producers &amp; Energy Traders 0.5%</b>                    |            |              |
| Calpine Corp., Term Loan B1, 4.00%, 4/02/18                                     | 566        | 572,696      |
| Star West Generation LLC, Term Loan B, 5.00%, 3/13/20                           | 1,085      | 1,105,344    |
|   |            | 1,678,040    |
| <b>Industrial Conglomerates 1.2%</b>  |            |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17  | 3,992      | 4,051,227    |
| <b>Insurance 2.3%</b>   |            |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19                          | 1,132      | 1,144,899    |
| Asurion LLC, Term Loan B1, 4.50%, 5/24/19                                       | 1,731      | 1,749,925    |
| CNO Financial Group, Inc.:  |            |              |
| Term Loan B-1, 4.25%, 9/28/16   | 990        | 999,197      |
| Term Loan B-2, 5.00%, 9/20/18   | 1,424      | 1,443,074    |
| Cooper Gay Swett & Crawford Ltd.:   |            |              |
| First Lien Term Loan, 5.22%, 4/06/20  | 1,115      | 1,124,756    |
| Second Lien Term Loan, 8.25%, 10/05/20  | 530        | 540,600      |
| Cunningham Lindsey Group, Inc., 1 <sup>st</sup> Lien Term Loan, 5.00%, 12/10/19 | 983        | 996,048      |
|   |            | 7,998,499    |
| <b>Floating Rate Loan Interests (b)</b>   | <b>Par</b> | <b>Value</b> |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     | (000) |              |
|---|-----|-------|--------------|
| <b>Internet Software &amp; Services 0.3%</b>                      |     |       |              |
| Web.com Group, Inc., Term Loan B, 4.50%, 10/27/17                 | USD | 1,155 | \$ 1,164,401 |
| <b>IT Services 4.8%</b>   |     |       |              |
| CCC Information Services, Inc., Term Loan, 5.25%, 12/20/19        |     | 519   | 524,214      |
| Ceridian Corp., Extended Term Loan, 5.95%, 5/09/17                |     | 1,813 | 1,844,197    |
| First Data Corp.:   |     |       |              |
| 2017 Term Loan, 4.20%, 3/24/17                                    |     | 175   | 174,727      |
| 2018 Term Loan, 4.20%, 9/24/18                                    |     | 1,130 | 1,124,734    |
| Extended 2018 Term Loan B, 4.20%, 3/23/18                         |     | 6,020 | 5,996,550    |
| Genpact International, Inc., Term Loan B, 4.25%, 8/30/19          |     | 2,070 | 2,105,818    |
| InfoGroup, Inc., Term Loan, 7.00%, 5/25/18                        |     | 314   | 286,612      |
| Light Tower Fiber LLC, 1st Lien Term Loan, 4.50%, 3/27/20         |     | 1,630 | 1,646,300    |
| SunGard Data Systems, Inc.:                                       |     |       |              |
| Term Loan D, 4.50%, 1/31/20                                       |     | 678   | 686,358      |
| Term Loan E, 4.00%, 3/08/20                                       |     | 195   | 197,254      |
| TransUnion LLC, Term Loan, 4.25%, 2/10/19                         |     | 2,219 | 2,245,633    |
|   |     |       | 16,832,397   |
| <b>Leisure Equipment &amp; Products 0.1%</b>                      |     |       |              |
| FGI Operating Co. LLC, Term Loan, 5.50%, 4/19/19                  |     | 512   | 512,192      |
| <b>Life Sciences Tools &amp; Services 0.2%</b>                    |     |       |              |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                         |     | 741   | 752,394      |
| <b>Machinery 2.2%</b>   |     |       |              |
| Alliance Laundry Systems LLC:                                     |     |       |              |
| First Lien Term Loan, 4.50%, 12/07/18                             |     | 522   | 526,912      |
| Second Lien Term Loan, 9.50%, 12/10/19                            |     | 286   | 293,881      |
| Dematic S.A., Term Loan, 5.25%, 12/27/19                          |     | 1,062 | 1,072,961    |
| Intelligrated, Inc., First Lien Term Loan, 4.50% - 5.50%, 7/30/18 |     | 1,194 | 1,207,432    |
| Navistar International Corp., Term Loan B, 5.75%, 7/16/14         |     | 549   | 559,237      |
| Rexnord LLC, Term Loan B, 4.50%, 4/02/18                          |     | 531   | 535,622      |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19             |     | 1,726 | 1,737,323    |
| Terex Corp.:  |     |       |              |
| Term Loan B, 4.50%, 4/28/17                                       |     | 707   | 721,254      |
| Term Loan B, 5.00%, 4/28/17                                       | EUR | 350   | 463,213      |
| Wabash National Corp., Term Loan B, 6.00% - 7.00%, 5/02/19        | USD | 711   | 712,905      |
|   |     |       | 7,830,740    |
| <b>Media 12.9%</b>  |     |       |              |
| AMC Entertainment, Inc., Term Loan, 1.00%, 4/30/20                |     | 700   | 704,543      |
| BBHI Acquisition LLC, Term Loan B, 4.50%, 12/14/17                |     | 319   | 321,446      |
| Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18           |     | 1,157 | 1,180,286    |
| Catalina Marketing Corp., Extended Term Loan B, 5.70%, 9/29/17    |     | 1,355 | 1,371,859    |
| Cengage Learning Acquisitions, Inc.:                              |     |       |              |
| Non-Extended Term Loan, 2.71%, 7/03/14                            |     | 196   | 152,738      |
| Tranche 1 Incremental, 7.50%, 7/03/14                             |     | 1,104 | 862,025      |
| Charter Communications Operating LLC:                             |     |       |              |
| Extended Term Loan C, 3.45%, 9/06/16                              |     | 113   | 112,919      |
| Term Loan D, 4.00%, 5/15/19                                       |     | 187   | 187,427      |
| Clear Channel Communications, Inc.:                               |     |       |              |
| Term Loan B, 3.85%, 1/29/16                                       |     | 407   | 372,896      |
| Term Loan C, 3.84%, 1/29/16                                       |     | 439   | 396,925      |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%, 9/17/18         |     | 1,181 | 1,200,816    |

See Notes to Financial Statements.

**Table of Contents**

## 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 (b)</b>                                      |     |            |              |
| <b>Media (concluded)</b>   |     |            |              |
| EMI Music Publishing Ltd., Term Loan B, 4.25%, 6/29/18                       | USD | 1,209      | \$ 1,223,529 |
| Fender Musical Instrument Corp., Term Loan B, 5.75%, 4/03/19                 |     | 190        | 190,296      |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%, 7/14/17                       |     | 1,851      | 1,880,203    |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                             |     | 1,087      | 1,102,366    |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19                          |     | 1,281      | 1,298,924    |
| Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18    |     | 1,148      | 1,157,013    |
| Hubbard Radio LLC, Term Loan B, 4.50%, 4/28/17                               |     | 887        | 901,537      |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.25%, 4/02/18                   |     | 6,874      | 6,959,937    |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18                          |     | 2,330      | 2,353,047    |
| Kabel Deutschland GmbH:  |     |            |              |
| Term Loan F1, 3.25%, 2/01/19   |     | 554        | 556,460      |
| Term Loan H, 3.25%, 4/17/20  | EUR | 4,545      | 6,001,104    |
| Lavena Holding 4 GmbH (Prosiebensat.1 Media AG):                             |     |            |              |
| Term Loan B, 2.62%, 3/06/15  |     | 304        | 396,432      |
| Term Loan C, 3.00%, 3/04/16  |     | 608        | 796,866      |
| NEP Supershooters LP:  |     |            |              |
| New Term Loan, 4.75%, 1/18/20  | USD | 1,756      | 1,786,323    |
| Second Lien Term Loan, 9.50%, 8/18/20  |     | 349        | 362,225      |
| Nielsen Finance LLC, Term Loan E, 2.95%, 5/02/16                             |     | 1,190      | 1,204,510    |
| Salem Communications Corp., Term Loan B, 4.50%, 3/15/20                      |     | 1,065      | 1,079,644    |
| Univision Communications, Inc., Converted Extended Term Loan, 4.75%, 3/01/20 |     | 1,173      | 1,182,827    |
| UPC Financing Partnership:   |     |            |              |
| Term Loan AG, 3.87%, 3/26/21   | EUR | 910        | 1,205,495    |
| Term Loan T, 3.70%, 12/30/16   | USD | 195        | 194,707      |
| Virgin Media Investment Holdings:  |     |            |              |
| Term Loan B, 4.50%, 2/15/20  | GBP | 2,220      | 3,482,955    |
| Term Loan B, 3.50%, 2/17/20  | USD | 1,485      | 1,485,668    |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18                                 |     | 446        | 452,467      |
| WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18               |     | 1,360      | 1,377,143    |
|  |     |            | 45,495,558   |
| <b>Metals &amp; Mining 4.2%</b>  |     |            |              |
| Ameriforge Group, Inc.:  |     |            |              |
| First Lien Term Loan, 6.00%, 12/19/19  |     | 998        | 1,009,969    |
| Second Lien Term Loan, 8.75% - 9.75%, 12/18/20                               |     | 495        | 504,593      |
| Constellium HoldCo BV, Term Loan B, 6.25%, 3/25/20                           |     | 2,220      | 2,275,500    |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17                        |     | 3,666      | 3,730,106    |
| Novelis, Inc., Term Loan, 3.75%, 3/10/17                                     |     | 3,056      | 3,105,440    |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18                            |     | 258        | 259,128      |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18                             |     | 2,004      | 2,028,722    |
| Windsor Financing LLC, Term Loan B, 6.25%, 12/05/17                          |     | 1,696      | 1,742,289    |
|  |     |            | 14,655,747   |
| <b>Multiline Retail 2.8%</b>   |     |            |              |
| 99 Cents Only Stores, Term Loan, 5.25%, 1/11/19                              |     | 1,144      | 1,158,080    |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/28/20                             |     | 1,285      | 1,301,499    |
| BJ's Wholesale Club, Inc.:   |     |            |              |
| Replacement Term Loan, 4.25%, 9/26/19  |     | 1,095      | 1,103,241    |
| Second Lien Term Loan, 9.75%, 3/26/20  |     | 545        | 564,418      |
|  |     | <b>Par</b> | <b>Value</b> |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

| (000)  |     |       |              |
|--|-----|-------|--------------|
| <b>Multiline Retail (concluded)</b>                                    |     |       |              |
| HEMA Holding BV:   |     |       |              |
| Second Lien Term Loan, 5.12%, 1/05/17                                  | EUR | 3,800 | \$ 4,635,336 |
| Term Loan B, 2.12%, 7/06/15  |     | 167   | 212,523      |
| Term Loan C, 2.87%, 7/05/16  |     | 167   | 213,622      |
| The Neiman Marcus Group, Inc., Extended Term Loan, 4.00%, 5/16/18      | USD | 750   | 755,438      |
|  |     |       | 9,944,157    |
| <b>Oil, Gas &amp; Consumable Fuels 5.5%</b>                            |     |       |              |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17          |     | 2,115 | 2,190,484    |
| EMG Utica, LLC, Term Loan, 4.75%, 3/27/20                              |     | 1,160 | 1,165,081    |
| Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18                         |     | 2,028 | 2,055,048    |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                 |     | 1,017 | 1,022,438    |
| Offshore Group Investments Ltd., Term Loan B, 5.75%, 3/28/19           |     | 630   | 638,272      |
| Panda Temple Power LCC, Term Loan, 8.25%, 4/09/19                      |     | 940   | 958,800      |
| Philadelphia Solutions Energy, Inc., Term Loan B, 6.25%, 3/19/18       |     | 1,565 | 1,592,388    |
| Plains Exploration & Production, 7-Year Term Loan B, 4.00%, 11/30/19   |     | 2,395 | 2,396,509    |
| Ruby Western Pipeline Holdings LLC, Term Loan, 4.00%, 3/27/20          |     | 1,175 | 1,186,750    |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18           |     | 785   | 793,831      |
| Tesoro Corp., Term Loan B, 2.53%, 1/30/16                              |     | 1,440 | 1,458,000    |
| Total Safety US, Inc.:   |     |       |              |
| 1st Lien Term Loan, 5.75%, 2/21/20                                     |     | 1,090 | 1,099,538    |
| 2nd Lien Term Loan, 9.25%, 8/21/20                                     |     | 419   | 427,329      |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17                       |     | 2,146 | 2,165,232    |
|  |     |       | 19,149,700   |
| <b>Pharmaceuticals 4.2%</b>  |     |       |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                      |     | 2,639 | 2,663,161    |
| Par Pharmaceutical Cos, Inc., Term Loan B, 4.25%, 9/30/19              |     | 3,468 | 3,499,395    |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18 |     | 3,187 | 3,230,327    |
| Quintiles Transnational Corp., Term Loan B, 4.50%, 6/08/18             |     | 1,280 | 1,296,020    |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18              |     | 242   | 243,706      |
| Valeant Pharmaceuticals International, Inc.:                           |     |       |              |
| Refinancing Term Loan C1, 3.50%, 2/13/19                               |     | 1,103 | 1,114,194    |
| Refinancing Term Loan D1, 3.50%, 12/11/19                              |     | 1,646 | 1,663,980    |
| Warner Chilcott Corp.:   |     |       |              |
| Incremental Term Loan B-1, 4.25%, 3/15/18                              |     | 246   | 249,948      |
| Term Loan B-1, 4.25%, 3/15/18  |     | 566   | 574,188      |
| Term Loan B-2, 4.25%, 3/15/18  |     | 201   | 203,463      |
|  |     |       | 14,738,382   |
| <b>Professional Services 2.1%</b>                                      |     |       |              |
| Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19                 |     | 1,706 | 1,727,755    |
| Emdeon Inc., Term Loan B1, 5.00%, 11/02/18                             |     | 1,269 | 1,279,680    |
| Intertrust Group Holding BV, Term Loan B1, 4.62%, 2/07/20              | EUR | 1,000 | 1,326,419    |
| ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19                       | USD | 563   | 566,800      |
| Sirva Worldwide, Inc., Term Loan, 7.50%, 3/27/19                       |     | 1,130 | 1,115,875    |
| Truven Health Analytics, Inc., Term Loan B, 4.50%, 6/01/19             |     | 1,350 | 1,365,836    |
|  |     |       | 7,382,365    |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                      |     |       |              |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17                       |     | 1,628 | 1,645,565    |

See Notes to Financial Statements.





**Table of Contents**

## 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 (b)</b>   |     |       |            |
| <b>Real Estate Management &amp; Development 1.5%</b>                              |     |       |            |
| Realogy Corp.:  |     |       |            |
| Extended Letter of Credit, 4.45%, 10/10/16  | USD | 237   | \$ 240,159 |
| Extended Synthetic Letter of Credit,<br>6.20%, 10/10/13                           |     | 57    | 56,761     |
| Extended Term Loan, 4.50%, 3/05/20  |     | 4,930 | 4,986,991  |
|   |     |       | 5,283,911  |
| <b>Road &amp; Rail 0.9%</b>   |     |       |            |
| Genesee & Wyoming, Inc., Term Loan A,<br>2.70%, 9/29/17                           |     | 681   | 681,511    |
| RAC Ltd., Term Loan B,<br>5.49% 5.50%, 9/28/18                                    | GBP | 1,182 | 1,847,119  |
| Road Infrastructure Investment LLC,<br>Term Loan B, 6.25%, 3/30/18                | USD | 619   | 624,937    |
|   |     |       | 3,153,567  |
| <b>Semiconductors &amp; Semiconductor Equipment 0.9%</b>                          |     |       |            |
| Freescale Semiconductor, Inc., Term Loan B4, 5.00%, 3/02/20                       |     | 2,130 | 2,159,288  |
| NXP BV, Term Loan C, 4.75%, 1/11/20   |     | 1,027 | 1,050,542  |
|   |     |       | 3,209,830  |
| <b>Software 3.0%</b>  |     |       |            |
| Bankruptcy Management Solutions, Inc.,<br>Term Loan (Second Lien), 8.20%, 8/20/15 |     | 288   | 5,758      |
| Blackboard, Inc., Term Loan B, 6.25%, 10/04/18                                    |     | 204   | 207,279    |
| GCA Services Group, Inc.:   |     |       |            |
| Second Lien Term Loan, 9.25%, 10/22/20  |     | 500   | 500,000    |
| Term Loan B, 5.25%, 11/01/19  |     | 1,182 | 1,186,202  |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                                      |     | 2,867 | 2,911,458  |
| Kronos, Inc., Second Lien Term Loan,<br>9.75%, 4/30/20                            |     | 925   | 975,875    |
| RP Crown Parent LLC, First Lien Term Loan,<br>6.75%, 12/21/18                     |     | 968   | 988,136    |
| Sophia LP, Term Loan B, 4.50%, 7/19/18  |     | 1,383 | 1,398,979  |
| SS&C Technologies, Inc.:  |     |       |            |
| Term Loan B-1, 5.00%, 6/07/19   |     | 2,112 | 2,119,627  |
| Term Loan B-2, 5.00%, 6/07/19   |     | 218   | 219,272    |
|   |     |       | 10,512,586 |
| <b>Specialty Retail 7.2%</b>  |     |       |            |
| Academy Ltd., Term Loan, 4.50%, 8/03/18   |     | 1,876 | 1,901,858  |
| Bass Pro Group LLC, Term Loan, 4.00%, 11/20/19                                    |     | 1,622 | 1,637,098  |
| Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17             |     | 365   | 369,057    |
| David's Bridal, Inc., Term Loan B,<br>5.00% - 6.25%, 10/11/19                     |     | 2,185 | 2,212,268  |
| Equinox Holdings, Inc., Term Loan B, 4.50%, 1/31/20                               |     | 1,210 | 1,221,350  |
| The Gymboree Corp., Initial Term Loan, 5.00%, 2/23/18                             |     | 70    | 68,196     |
| Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17                      |     | 973   | 985,051    |
| Jo-Ann Stores, Inc., Term Loan, 4.00%, 3/16/18                                    |     | 585   | 590,260    |
| Leslie's Poolmart, Inc., Term Loan B,<br>4.00% - 5.25%, 10/16/19                  |     | 1,958 | 1,984,430  |
| Michaels Stores, Inc., Term Loan, 3.75%, 1/28/20                                  |     | 2,205 | 2,225,330  |
|   |     | 780   | 786,131    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |         |             |
|---|---------|-------------|
| MoneyGram International, Inc., New Term Loan B, 4.25%, 3/20/20  |         |             |
| Party City Holdings, Inc., Term Loan B, 4.25%, 7/29/19          | 2,993   | 3,013,687   |
| PETCO Animal Supplies, Inc., Term Loan, 4.00%, 11/24/17         | 2,003   | 2,029,094   |
| Reddy Ice Corp.:  |         |             |
| 1st Lien Term Loan, 6.75%, 3/28/19                              | 1,510   | 1,521,325   |
| 2nd Lien, 10.75%, 11/01/19                                      | 725     | 728,625     |
| <b>Specialty Retail (concluded)</b>                             |         |             |
| Sprouts Farmers Markets Holdings LLC, Term Loan, 4.50%, 4/23/20 | USD 810 | \$ 812,025  |
| SRAM LLC, New Term Loan B, 5.75%, 6/07/18                       | 520     | 523,250     |
| Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18            | 1,020   | 1,015,261   |
| Toys R Us Delaware, Inc.:                                       |         |             |
| Incremental Term Loan B2, 5.25%, 5/25/18                        | 491     | 477,279     |
| Term Loan B3, 5.25%, 5/25/18                                    | 253     | 245,495     |
| The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19        | 858     | 861,735     |
|   |         | 25,208,805  |
| <b>Textiles, Apparel &amp; Luxury Goods 0.8%</b>                |         |             |
| Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18   |         |             |
|   | 2,156   | 2,188,036   |
| Phillips-Van Heusen Corp., Term Loan B, 3.25%, 12/19/19         | 690     | 695,575     |
|   |         | 2,883,611   |
| <b>Thrifts &amp; Mortgage Finance 0.6%</b>                      |         |             |
| Insight Global, Inc., First Lien Term Loan, 6.00%, 10/31/19     |         |             |
|   | 1,202   | 1,212,505   |
| Ocwen Financial Corp., Term Loan, 5.00%, 2/15/18                | 1,000   | 1,015,750   |
|   |         | 2,228,255   |
| <b>Trading Companies &amp; Distributors 0.4%</b>                |         |             |
| WESCO Distribution, Inc., Term Loan B, 4.50% - 5.75%, 12/12/19  |         |             |
|   | 1,352   | 1,365,129   |
| <b>Wireless Telecommunication Services 1.8%</b>                 |         |             |
| Cricket Communications, Inc., Term Loan, 4.75%, 10/10/19        |         |             |
|   | 1,307   | 1,313,259   |
| MetroPCS Wireless, Inc., Term Loan B-3, 4.00% - 6.00%, 3/16/18  | 549     | 548,966     |
| Vodafone Americas Finance 2, Inc.:                              |         |             |
| PIK Term Loan, 6.88%, 8/11/15                                   | 3,542   | 3,586,427   |
| PIK Term Loan B, 6.25%, 7/11/16                                 | 825     | 847,687     |
|   |         | 6,296,339   |
| <b>Total Floating Rate Loan Interests 122.2%</b>                |         | 429,390,195 |

|   | <b>Beneficial Interest (000)</b> |           |
|---|----------------------------------|-----------|
| <b>Other Interests (g)</b>                      |                                  |           |
| <b>Capital Markets 0.0%</b>                     |                                  |           |
| Berkline Benchcraft Equity LLC (c)              | 6                                |           |
| Lear Corp. Escrow (c)                           | 500                              | 5,000     |
|   |                                  | 5,000     |
| <b>Construction Materials 0.0%</b>              |                                  |           |
| USI Senior Holdings (c)                         | 8                                |           |
| <b>Diversified Financial Services 0.2%</b>      |                                  |           |
| JG Wentworth LLC Preferred Equity Interests (c) | 1                                | 716,372   |
| <b>Hotels, Restaurants &amp; Leisure 0.2%</b>   |                                  |           |
| Wembley Contigent (c)                           | 2                                | 525,000   |
| <b>Total Other Interests 0.4%</b>               |                                  | 1,246,372 |

See Notes to Financial Statements.



**Table of Contents**

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

(Percentages shown are based on Net Assets)

| Warrants (h)   | Shares    | Value          |
|--|-----------|----------------|
| <b>Auto Components 0.0%</b>  |           |                |
| Lear Corp. (Expires 11/09/14)  | 36        | \$ 3,972       |
| <b>Chemicals 0.0%</b>  |           |                |
| British Vita Holdings Co. (Non-Expiring)   | 166       |                |
| <b>Media 0.0%</b>  |           |                |
| New Vision Holdings LLC:   |           |                |
| (Expires 9/30/14)  | 19,023    | 29,086         |
| (Expires 9/30/14)  | 3,424     | 6,293          |
|  |           | 35,379         |
| <b>Software 0.0%</b>   |           |                |
| Bankruptcy Management Solutions, Inc. (Expires 9/28/17)  | 251       |                |
| HMH Holdings/EduMedia (issued/exercisable 3/09/10, 19 shares for 1 warrant, Expires 6/22/19, Strike Price \$42.27) | 1,501     |                |
|  |           | 39,351         |
| <b>Total Warrants 0.0%</b>   |           | 39,351         |
| <b>Total Long-Term Investments</b>   |           |                |
| (Cost \$521,667,456) 150.5%  |           | 528,808,391    |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.08% (i)(j)   | 5,784,472 | \$ 5,784,472   |
| <b>Total Short-Term Securities</b>   |           |                |
| (Cost \$5,784,472) 1.6%  |           | 5,784,472      |
| <b>Options Purchased</b>   |           |                |
| (Cost \$25,422) 0.0%   |           |                |
| <b>Total Investments (Cost \$527,477,350) 152.1%</b>   |           | 534,592,863    |
| <b>Liabilities in Excess of Other Assets (52.1)%</b>   |           | (183,094,274)  |
| <b>Net Assets 100.0%</b>   |           | \$ 351,498,589 |

**Notes to Schedule of Investments**

- (a) 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.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (e) Convertible security.

# Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

- (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) 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 of the warrants, if any.
- (i) Investments in issuers considered to be an affiliate of the Trust during the six months ended April 30, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2012 | Net<br>Activity | Shares Held<br>at April 30,<br>2013 | Income   |
|--|---------------------------------------|-----------------|-------------------------------------|----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,740,694                             | 3,043,778       | 5,784,472                           | \$ 1,336 |

- (j) 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 Trust management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of April 30, 2013 were as follows:

| Currency<br>Purchased | Currency<br>Sold | Counterparty              | Settlement<br>Date | Unrealized<br>Appreciation<br>(Depreciation) |
|-----------------------|------------------|---------------------------|--------------------|--|
| GBP 2,468,000         | USD 3,818,070    | Goldman Sachs Group, Inc. | 7/17/13            | \$ 13,830                                    |
| USD 3,376,055         | CAD 3,446,000    | Barclays Plc              | 7/17/13            | (38,480)                                     |
| USD 1,086,924         | CHF 1,011,188    | Goldman Sachs Group, Inc. | 7/17/13            | (1,466)                                      |
| USD 17,654,581        | GBP 11,532,000   | Barclays Plc              | 7/17/13            | (250,390)                                    |
| USD 3,740,134         | GBP 2,452,000    | Goldman Sachs Group, Inc. | 7/17/13            | (66,924)                                     |
| USD 55,449,665        | EUR 42,479,000   | Barclays Plc              | 7/23/13            | (523,310)                                    |
| USD 1,294,988         | EUR 989,899      | Citigroup, Inc.           | 7/23/13            | (9,365)                                      |
| <b>Total</b>          |                  |                           |                    | \$ (876,105)                                 |

Over-the-counter options purchased as of April 30, 2013 were as follows:

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

See Notes to Financial Statements.

**Table of Contents**

## Consolidated Schedule of Investments (continued)

BlackRock Floating Rate Income Trust  
(BGT)

Credit default swaps sold protection outstanding as of April 30, 2013 were as follows:

| Issuer                                    | Receive<br>Fixed<br>Rate | Counterparty              | Expiration<br>Date | Credit<br>Rating <sup>1</sup> | Notional<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation<br>(Depreciation) |
|---|--------------------------|---------------------------|--------------------|-------------------------------|--|--|
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Citigroup, Inc.           | 12/20/15           | CCC                           | USD 189                                  | \$ 12,687                                    |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Citigroup, Inc.           | 12/20/15           | CCC                           | USD 91                                   | 3,325  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | JPMorgan Chase & Co.      | 12/20/15           | CCC                           | USD 331                                  | 33,983                                       |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | JPMorgan Chase & Co.      | 12/20/15           | CCC                           | USD 77                                   | 4,502  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Goldman Sachs Group, Inc. | 3/20/16            | CCC                           | USD 131                                  | 1,980  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Goldman Sachs Group, Inc. | 3/20/16            | CCC                           | USD 131                                  | 1,980  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Goldman Sachs Group, Inc. | 3/20/16            | CCC                           | USD 385                                  | 921  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Goldman Sachs Group, Inc. | 6/20/16            | CCC                           | USD 500                                  | (6,437)                                      |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Goldman Sachs Group, Inc. | 3/20/17            | CCC                           | USD 238                                  | (14,330)                                     |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Deutsche Bank AG          | 6/20/17            | CCC                           | USD 339                                  | (19,270)                                     |
| <b>Total</b>                              |                          |                           |                    |                               |  | \$ 19,341                                    |

<sup>1</sup> Using 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 as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and 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)

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 level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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. 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. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 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 April 30, 2013:

|                              | Level 1             | Level 2               | Level 3              | Total                 |
|------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                     |                       |                      |                       |
| Investments:                 |                     |                       |                      |                       |
| Long-Term Investments:       |                     |                       |                      |                       |
| Asset-Backed Securities      |                     |                       | \$ 14,822,461        | \$ 14,822,461         |
| Common Stocks                | \$ 872,592          | \$ 1,312,678          | 1,285,811            | 3,471,081             |
| Corporate Bonds              |                     | 79,838,931            |                      | 79,838,931            |
| Floating Rate Loan Interests |                     | 383,381,452           | 46,008,743           | 429,390,195           |
| Other Interests              |                     | 525,000               | 721,372              | 1,246,372             |
| Warrants                     | 3,972               |                       | 35,379               | 39,351                |
| Short-Term Securities        | 5,784,472           |                       |                      | 5,784,472             |
| Options Purchased:           |                     |                       |                      |                       |
| Credit Contracts             |                     |                       |                      |                       |
| Unfunded Loan Commitments    |                     | 10,349                |                      | 10,349                |
| <b>Total</b>                 | <b>\$ 6,661,036</b> | <b>\$ 465,068,410</b> | <b>\$ 62,873,766</b> | <b>\$ 534,603,212</b> |

|   | Level 1 | Level 2             | Level 3 | Total               |
|---|---------|---------------------|---------|---------------------|
| Derivative Financial Instruments <sup>3</sup> |         |                     |         |                     |
| <b>Assets:</b>                                |         |                     |         |                     |
| Credit contracts                              |         | \$ 59,378           |         | \$ 59,378           |
| Foreign currency exchange contracts           |         | 13,830              |         | 13,830              |
| <b>Liabilities:</b>                           |         |                     |         |                     |
| Credit contracts                              |         | (40,037)            |         | (40,037)            |
| Foreign currency exchange contracts           |         | (889,935)           |         | (889,935)           |
| <b>Total</b>                                  |         | <b>\$ (856,764)</b> |         | <b>\$ (856,764)</b> |

<sup>3</sup> Derivative financial instruments are swaps and foreign currency exchange contracts which are valued at the unrealized appreciation/depreciation on the instrument.

See Notes to Financial Statements.



**Table of Contents****Consolidated Schedule of Investments (concluded)****BlackRock Floating Rate Income Trust  
(BGT)**

Certain of the Trust's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of April 30, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|                           | Level 1    | Level 2          | Level 3 | Total            |
|---------------------------|------------|------------------|---------|------------------|
| <b>Assets:</b>            |            |                  |         |                  |
| Foreign currency at value | \$ 695,930 |                  |         | \$695,930        |
| <b>Liabilities:</b>       |            |                  |         |                  |
| Bank overdraft            |            | \$ (748,742)     |         | (748,742)        |
| Loan payable              |            | (143,000,000)    |         | (143,000,000)    |
| <b>Total</b>              | \$ 695,930 | \$ (143,748,742) |         | \$ (143,052,812) |

There were no transfers between Level 1 and Level 2 during the six months ended April 30, 2013.

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 period 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 | Floating Rate Loan Interests | Other Interests | Warrants  | Total         |
|---|-------------------------|---------------|------------------------------|-----------------|-----------|---------------|
| <b>Assets:</b>  |                         |               |                              |                 |           |               |
| Opening Balance, as of October 31, 2012                         | \$ 8,621,975            | \$ 8,096      | \$ 27,270,564                | \$ 1,394,386    |           | \$ 37,295,021 |
| Transfers into Level 3 <sup>1</sup>                             |                         | 1,243,697     | 17,983,460                   |                 | \$ 67,341 | 19,294,498    |
| Transfers out of Level 3 <sup>2</sup>                           |                         |               | (9,223,137)                  | (7,500)         |           | (9,230,637)   |
| Accrued discounts/premiums                                      | 32,364                  |               | 81,854                       |                 |           | 114,218       |
| Net realized gain (loss)  | 100,991                 |               | (170,077)                    |                 |           | (69,086)      |
| Net change in unrealized appreciation/depreciation <sup>3</sup> | 646,691                 | 34,018        | 1,309,891                    | 76,486          | (31,962)  | 2,035,124     |
| Purchases   | 6,863,264               |               | 19,641,378                   |                 |           | 26,504,642    |
| Sales   | (1,442,824)             |               | (10,885,190)                 | (742,000)       |           | (13,070,014)  |
| <b>Closing Balance, as of April 30, 2013</b>                    | \$ 14,822,461           | \$ 1,285,811  | \$ 46,008,743                | \$ 721,372      | \$ 35,379 | \$ 62,873,766 |

<sup>1</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period. As of October 31, 2012, the Trust used observable inputs in determining the value of certain investments. As of April 30, 2013, 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 \$19,294,498 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period. As of October 31, 2012, the Trust used significant unobservable inputs in determining the value of certain investments. As of April 30, 2013, the Trust used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$9,230,637 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 Consolidated Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of April 30, 2013 was \$1,514,489.

The following table summarizes the valuation techniques used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee (Global Valuation Committee) to determine the value of certain of the Trust's Level 3 investments as of April 30, 2013. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The table does not include Level 3 investments with values based

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

upon third party pricing information without adjustment. The value of Level 3 investments valued using third party pricing information is \$57,159,246.

|                              | Value               | Valuation Techniques             | Unobservable Inputs <sup>4</sup> | Range of Unobservable Inputs Utilized |                    |
|------------------------------|---------------------|----------------------------------|----------------------------------|---------------------------------------|--------------------|
|                              |                     |                                  |                                  |                                       |                    |
| <b>Assets:</b>               |                     |                                  |                                  |                                       |                    |
| Floating Rate Loan Interests | \$ 2,100,000        | Estimated Cash Flow              | Call Price                       | 100                                   |                    |
|                              | 851,485             | Cost <sup>5</sup>                | N/A                              |                                       |                    |
|                              | 1,712,395           | Discounted Cash Flow             | Yield                            | 9.50%                                 |                    |
|                              | 1,015,261           | Market Comparable Yield Analysis | Yield                            | 8.125%                                |                    |
| Warrants                     | 35,379              | Estimated Recovery Value         | Distribution Rate                | \$1.36                                | \$1.63 Per Warrant |
| <b>Total</b>                 | <b>\$ 5,714,520</b> |                                  |                                  |                                       |                    |

<sup>4</sup> A change to the unobservable input may result in a significant change to the value of the investment as follows:

| Unobservable Input | Impact to                | Impact to                |
|--------------------|--------------------------|--------------------------|
|                    | Value if Input Increases | Value if Input Decreases |
| Call Price         | Increase                 | Decrease                 |
| Yield              | Decrease                 | Increase                 |
| Distribution Rate  | Decrease                 | Increase                 |

<sup>5</sup> The Trust fair values certain of its Level 3 investments using acquisition cost, although the transaction may not have occurred during the current reporting period. These investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Trust.

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments April 30, 2013 (Unaudited)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|   |     | Par    |       |            |
|---|-----|--------|-------|------------|
|   |     | (000)  | Value |            |
| <b>Asset-Backed Securities</b>  |     |        |       |            |
| ABFC Trust, Series 2006-OPT3, Class A3B, 0.36%, 11/25/36 (a)                                | USD | 26,440 | \$    | 14,014,284 |
| ACAS CLO Ltd., Series 2013-1A, Class D, 4.09%, 4/20/25 (a)(b)                               |     | 2,500  |       | 2,387,500  |
| Adirondack Park CLO Ltd., Series 2013-1A (a)(b):  |     |        |       |            |
| Class D, 3.93%, 4/15/24   |     | 3,250  |       | 3,152,500  |
| Class E, 4.93%, 4/15/24   |     | 2,000  |       | 1,772,000  |
| ALM V Ltd., Series 2012-5A, Class C, 4.79%, 2/13/23 (a)(b)                                  |     | 4,000  |       | 4,000,000  |
| AMMC CLO XII Ltd., Series 2013-12A, Class D1, 4.03%, 5/10/25 (a)(b)                         |     | 1,000  |       | 953,400    |
| Apidos CLO XII, Series 2013-12A, Class D, 3.32%, 4/15/25 (a)(b)                             |     | 1,000  |       | 921,900    |
| ARES XXVI CLO Ltd., Series 2013-1A, Class D, 4.06%, 4/15/25 (a)(b)                          |     | 2,000  |       | 1,840,000  |
| Atrium CDO Corp., Series 10A (a)(b)(c):   |     |        |       |            |
| Class D, 3.78%, 7/16/25   |     | 1,000  |       | 967,000    |
| Class E, 4.78%, 7/16/25   |     | 2,000  |       | 1,811,000  |
| Benefit Street Partners CLO Ltd., Series 2012-IA, Class C, 4.78%, 10/15/23 (a)(b)           |     | 2,750  |       | 2,701,875  |
| BlueMountain CLO Ltd., Series 2013-1A, Class C, 3.68%, 5/15/25 (a)(b)(c)                    |     | 1,000  |       | 943,100    |
| Brookside Mill CLO Ltd., Series 2013-1A, Class D, 3.33%, 4/17/25 (a)(b)(c)                  |     | 1,250  |       | 1,165,125  |
| Carlyle Global Market Strategies CLO Ltd. (a)(b):   |     |        |       |            |
| Series 2012-4A, Class D, 4.78%, 1/20/25   |     | 1,350  |       | 1,350,000  |
| Series 2013-2A, Class D, 4.06%, 4/18/25   |     | 1,250  |       | 1,206,250  |
| Carrington Mortgage Loan Trust, Series 2006-FRE2 (a):                                       |     |        |       |            |
| Class A2, 0.32%, 10/25/36   |     | 8,470  |       | 4,805,609  |
| Class A5, 0.28%, 10/25/36   |     | 8,982  |       | 5,074,422  |
| Central Park CLO Ltd., Series 2011-1A, Class D, 3.48%, 7/23/22 (a)(b)                       |     | 2,250  |       | 2,148,750  |
| CIFC Funding Ltd., Series 2012-1A, Class B1L, 5.54%, 8/14/24 (a)(b)                         |     | 2,000  |       | 2,020,000  |
| Citigroup Mortgage Loan Trust, Inc., Series 2005-HE3, Class M2, 0.68%, 9/25/35 (a)          |     | 4,800  |       | 3,812,750  |
| Credit Based Asset Servicing Trust, Series 2006-CB7, Class A4, 0.36%, 10/25/36 (a)          |     | 11,441 |       | 7,303,065  |
| ECP CLO Ltd., Series 2013-5A, Class C, 3.78%, 1/20/15 (a)(b)                                |     | 2,500  |       | 2,325,000  |
| Fieldstone Mortgage Investment Trust, Series 2006-3 (a):                                    |     |        |       |            |
| Class 2A3, 0.36%, 11/25/36  |     | 14,908 |       | 7,671,219  |
| Class 2A4, 0.44%, 11/25/36  |     | 13,831 |       | 7,151,506  |
| Fremont Home Loan Trust, Class 2A3 (a):   |     |        |       |            |
| Series 2006-A, 0.36%, 5/25/36   |     | 29,467 |       | 15,038,304 |
| Series 2006-D, 0.35%, 11/25/36  |     | 27,387 |       | 12,364,147 |
| GoldenTree Loan Opportunities VII Ltd., Series 2013-7A, Class D, 3.56%, 4/25/25 (a)(b)(c)   |     | 1,250  |       | 1,183,500  |
| GSAMP Trust (a):  |     |        |       |            |
| Series 2005-AHL2, Class A2C, 0.44%, 12/25/35  |     | 8,672  |       | 7,265,288  |
| Series 2007-FM2, Class A2B, 0.29%, 1/25/37  |     | 10,278 |       | 5,784,432  |
| Halycon Loan Advisors Funding Ltd., Series 2013-1A, Class C, 3.78%, 4/15/25 (a)(b)          |     | 2,000  |       | 1,888,800  |
| Home Equity Mortgage Loan Asset-Backed Trust, Series 2006-E, Class 2A3, 0.37%, 4/25/37 (a)  |     | 15,940 |       | 9,766,725  |
| ING IM CLO Ltd., Series 2013-2A (a)(b):   |     |        |       |            |
| Class C, 3.78%, 4/25/25   |     | 1,000  |       | 941,000    |
| Class D, 5.28%, 4/25/25   |     | 500    |       | 442,500    |
| Lehman XS Trust, Series 2007-1, Class 2A1, 5.88%, 2/25/37 (a)                               |     | 12,913 |       | 11,758,059 |
| Mastr Asset Backed Securities Trust, Series 2006-HE2, Class A3, 0.35%, 6/25/36 (a)          |     | 14,967 |       | 7,876,599  |
| Morgan Stanley IXIS Real Estate Capital Trust, Series 2006-2, Class A3, 0.35%, 11/25/36 (a) | USD | 17,581 | \$    | 8,151,760  |
| Morgan Stanley Mortgage Loan Trust, Series 2006-12XS, Class A4, 6.01%, 10/25/36 (d)         |     | 4,215  |       | 2,547,570  |
| Mountain View CLO Ltd., Series 2013-1A, Class D, 3.55%, 4/12/24 (a)(b)(c)                   |     | 750    |       | 703,125    |
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.56%, 1/15/24 (a)(b)        |     | 1,000  |       | 980,000    |
| OHA Credit Partners VII Ltd., Series 2012-7A, Class D, 4.29%, 11/20/23 (a)(b)               |     | 3,000  |       | 2,925,000  |
| OZLM Funding Ltd., Series 2012-2A, Class C, 4.63%, 10/30/23 (a)(b)                          |     | 2,000  |       | 1,995,800  |
| Race Point V CLO Ltd., Series 2011-5A, Class E, 6.78%, 12/15/22 (a)(b)                      |     | 1,500  |       | 1,500,000  |
| Renaissance Home Equity Loan Trust, Series 2007-3 (d):                                      |     |        |       |            |
| Class AF2, 7.00%, 9/25/37   |     | 5,000  |       | 3,055,400  |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |        |                    |
|--|--------|--------------------|
| Class AF3, 7.24%, 9/25/37  | 10,000 | 6,109,420          |
| Saxon Asset Securities Trust, Series 2007-3, Class 2A3, 0.60%, 9/25/47 (a)           | 5,000  | 2,814,280          |
| Scholar Funding Trust, Series 2013-A, Class R, 0.00%, 1/30/45 (a)(b)                 | (e)    | 4,121,880          |
| WaMu Asset-Backed Certificates Trust, Series 2007-HE3, Class 2A3, 0.44%, 5/25/47 (a) | 11,451 | 6,466,036          |
| <b>Total Asset-Backed Securities 26.3%</b>   |        | <b>197,177,880</b> |

### Corporate Bonds

#### Aerospace & Defense 0.3%

|  |       |           |
|--|-------|-----------|
| Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 | 2,005 | 2,210,513 |
|--|-------|-----------|

#### Airlines 3.3%

Air Canada Pass-Through Trust, Series 2013-1 (b)(c):

|                         |       |           |
|-------------------------|-------|-----------|
| Class B, 5.38%, 5/15/21 | 3,400 | 3,472,250 |
|-------------------------|-------|-----------|

|                         |     |         |
|-------------------------|-----|---------|
| Class C, 6.63%, 5/15/18 | 761 | 761,099 |
|-------------------------|-----|---------|

Continental Airlines Pass-Through Trust:

|  |       |            |
|--|-------|------------|
| Series 2003-ERJ1, Class RJO3, 7.88%, 1/02/20 | 9,610 | 10,234,618 |
|--|-------|------------|

|   |     |         |
|---|-----|---------|
| Series 2007-1, Class B, 6.90%, 10/19/23 | 934 | 994,598 |
|---|-----|---------|

|  |     |         |
|--|-----|---------|
| Series 2012-3, Class C, 6.13%, 4/29/18 | 678 | 691,560 |
|--|-----|---------|

|   |       |           |
|---|-------|-----------|
| Delta Air Lines Pass-Through Trust, Series 2012-1, Class B, 6.88%, 5/07/19 (b)(f) | 5,000 | 5,275,000 |
|---|-------|-----------|

|  |       |           |
|--|-------|-----------|
| US Airways Pass-Through Trust, Series 2013-1, Class B, 5.38%, 11/15/21 | 3,100 | 3,185,250 |
|--|-------|-----------|

24,614,375

#### Auto Components 0.5%

|                                    |       |           |
|------------------------------------|-------|-----------|
| Dana Holding Corp., 6.75%, 2/15/21 | 1,257 | 1,376,415 |
|------------------------------------|-------|-----------|

|   |       |           |
|---|-------|-----------|
| Schaeffler Finance BV, 4.75%, 5/15/21 (b) | 1,045 | 1,058,063 |
|---|-------|-----------|

|  |       |           |
|--|-------|-----------|
| Titan International, Inc., 7.88%, 10/01/17 (b) | 1,500 | 1,612,500 |
|--|-------|-----------|

4,046,978

#### Beverages 0.0%

|  |     |         |
|--|-----|---------|
| Constellation Brands, Inc., 4.25%, 5/01/23 (c) | 215 | 215,000 |
|--|-----|---------|

#### Building Products 0.7%

|  |     |         |
|--|-----|---------|
| American Builders & Contractors Supply Co., Inc., 5.63%, 4/15/21 (b) | 375 | 389,531 |
|--|-----|---------|

|  |       |           |
|--|-------|-----------|
| Building Materials Corp. of America, 6.75%, 5/01/21 (b)(f) | 3,125 | 3,460,938 |
|--|-------|-----------|

|                                     |     |         |
|-------------------------------------|-----|---------|
| Cemex SAB de CV, 5.88%, 3/25/19 (b) | 200 | 203,500 |
|-------------------------------------|-----|---------|

|  |     |         |
|--|-----|---------|
| Texas Industries, Inc., 9.25%, 8/15/20 | 543 | 604,766 |
|--|-----|---------|

See Notes to Financial Statements.

**Table of Contents**

## 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>Building Products (concluded)</b>                                |         |            |
| USG Corp., 9.75%, 1/15/18   | USD 572 | \$ 679,250 |
|   |         | 5,337,985  |
| <b>Chemicals 0.5%</b>   |         |            |
| Celanese US Holdings LLC, 6.63%, 10/15/18                           | 1,555   | 1,698,837  |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (f)                    | 1,200   | 1,445,820  |
| PetroLogistics LP/ PetroLogistics Finance Corp., 6.25%, 4/01/20 (b) | 246     | 249,690    |
| Tronox Finance LLC, 6.38%, 8/15/20 (b)                              | 275     | 274,313    |
|   |         | 3,668,660  |
| <b>Commercial Banks 1.4%</b>  |         |            |
| CIT Group, Inc., 5.25%, 3/15/18 (f)                                 | 9,558   | 10,561,590 |
| <b>Commercial Services &amp; Supplies 0.9%</b>                      |         |            |
| ARAMARK Holdings Corp., 5.75%, 3/15/20 (b)                          | 672     | 703,920    |
| Aviation Capital Group Corp., 6.75%, 4/06/21 (b)(f)                 | 5,000   | 5,582,455  |
|   |         | 6,286,375  |
| <b>Communications Equipment 1.0%</b>                                |         |            |
| Avaya, Inc. (b):  |         |            |
| 7.00%, 4/01/19  | 691     | 665,087    |
| 10.50%, 3/01/21   | 710     | 654,975    |
| Zayo Group LLC/Zayo Capital, Inc., 10.13%, 7/01/20                  | 5,000   | 5,912,500  |
|   |         | 7,232,562  |
| <b>Construction Materials 1.7%</b>                                  |         |            |
| HD Supply, Inc.:  |         |            |
| 8.13%, 4/15/19  | 2,068   | 2,339,425  |
| 11.00%, 4/15/20   | 2,900   | 3,567,000  |
| 7.50%, 7/15/20 (b)  | 6,388   | 6,915,010  |
|   |         | 12,821,435 |
| <b>Containers &amp; Packaging 0.3%</b>                              |         |            |
| Ardagh Packaging Finance Plc, 9.13%, 10/15/20 (b)                   | 2,000   | 2,260,000  |
| <b>Distributors 0.1%</b>  |         |            |
| VWR Funding, Inc., 7.25%, 9/15/17 (b)                               | 652     | 694,380    |
| <b>Diversified Consumer Services 0.3%</b>                           |         |            |
| 313 Group, Inc. (b):  |         |            |
| 6.38%, 12/01/19   | 679     | 684,092    |
| 8.75%, 12/01/20   | 660     | 696,300    |
| Laureate Education, Inc., 9.25%, 9/01/19 (b)                        | 624     | 706,680    |
| Rent-A-Center, Inc., 4.75%, 5/01/21 (b)                             | 349     | 351,618    |
|   |         | 2,438,690  |
| <b>Diversified Financial Services 5.5%</b>                          |         |            |
| Aircastle Ltd., 6.25%, 12/01/19 (f)                                 | 624     | 695,760    |
| Ally Financial, Inc., 8.00%, 11/01/31 (f)                           | 9,315   | 12,260,869 |
| Citigroup, Inc., Series D, 5.35% (f)(g)                             | 3,700   | 3,710,197  |
| DPL, Inc., 6.50%, 10/15/16  | 638     | 682,660    |
| Jefferies Finance LLC/ JFIN Co-Issuer Corp., 7.38%, 4/01/20 (b)     | 845     | 878,800    |
| Macquarie Bank Ltd./London, 10.25%, 6/20/57 (a)                     | 10,000  | 11,267,500 |
| Nuveen Investments, Inc. (b):                                       |         |            |
| 9.13%, 10/15/17   | 656     | 700,280    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |     |        |            |
|---|-----|--------|------------|
| 9.50%, 10/15/20   |     | 1,010  | 1,088,275  |
| Reynolds Group Issuer, Inc.:  |     |        |            |
| 9.88%, 8/15/19  |     | 4,683  | 5,256,667  |
| 5.75%, 10/15/20   |     | 4,941  | 5,175,698  |
|   |     |        | 41,716,706 |
| <b>Diversified Telecommunication Services 2.2%</b>                                |     |        |            |
| CenturyLink, Inc., Series V, 5.63%, 4/01/20                                       | USD | 834    | \$ 890,416 |
| Cequel Communications Holdings I LLC/Cequel Capital Corp., 6.38%, 9/15/20 (b)     |     | 662    | 705,030    |
| Consolidated Communications Finance Co., 10.88%, 6/01/20 (b)                      |     | 1,264  | 1,455,180  |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (b)                                  |     | 1,234  | 1,363,570  |
| Level 3 Financing, Inc., 8.13%, 7/01/19   |     | 7,722  | 8,513,505  |
| Windstream Corp.:   |     |        |            |
| 7.88%, 11/01/17   |     | 2,003  | 2,338,502  |
| 7.50%, 4/01/23  |     | 320    | 348,800    |
| 6.38%, 8/01/23  |     | 690    | 714,150    |
|   |     |        | 16,329,153 |
| <b>Electrical Equipment 0.1%</b>  |     |        |            |
| General Cable Corp., 5.75%, 10/01/22 (b)  |     | 657    | 679,995    |
| <b>Energy Equipment &amp; Services 1.0%</b>                                       |     |        |            |
| CGG, Veritas, 6.50%, 6/01/21  |     | 2,564  | 2,717,840  |
| FTS International Services LLC/FTS International Bonds, Inc., 8.13%, 11/15/18 (b) |     | 1,297  | 1,387,790  |
| MEG Energy Corp., 6.50%, 3/15/21 (b)  |     | 1,586  | 1,700,985  |
| Peabody Energy Corp. (f):   |     |        |            |
| 6.00%, 11/15/18   |     | 176    | 190,080    |
| 6.25%, 11/15/21   |     | 1,770  | 1,887,262  |
|   |     |        | 7,883,957  |
| <b>Food Products 0.1%</b>   |     |        |            |
| Pinnacle Foods Finance LLC, 4.88%, 5/01/21 (b)                                    |     | 395    | 406,356    |
| <b>Health Care Equipment &amp; Supplies 1.9%</b>                                  |     |        |            |
| Biomet, Inc. (b)(f):  |     |        |            |
| 6.50%, 8/01/20  |     | 5,795  | 6,316,550  |
| 6.50%, 10/01/20   |     | 4,234  | 4,424,530  |
| Hologic, Inc., 6.25%, 8/01/20 (f)   |     | 3,216  | 3,473,280  |
|   |     |        | 14,214,360 |
| <b>Health Care Providers &amp; Services 3.4%</b>                                  |     |        |            |
| CHS/Community Health Systems, Inc., 7.13%, 7/15/20                                |     | 1,000  | 1,117,500  |
| HCA, Inc., 6.50%, 2/15/20 (f)   |     | 10,643 | 12,292,665 |
| Omnicare, Inc., 7.75%, 6/01/20  |     | 1,521  | 1,716,829  |
| Tenet Healthcare Corp.:   |     |        |            |
| 6.25%, 11/01/18 (f)   |     | 6,087  | 6,863,092  |
| 6.75%, 2/01/20  |     | 3,171  | 3,440,535  |
|   |     |        | 25,430,621 |
| <b>Hotels, Restaurants &amp; Leisure 6.2%</b>                                     |     |        |            |
| Caesars Operating Escrow LLC/Caesars Escrow Corp., 9.00%, 2/15/20 (b)(f)          |     | 5,890  | 5,801,650  |
| Diamond Resorts Corp., 12.00%, 8/15/18  |     | 620    | 695,175    |
| Enterprise Inns Plc, 6.50%, 12/06/18  | GBP | 8,000  | 12,451,652 |
| Punch Taverns Finance B Ltd., Series A6, 5.94%, 12/30/24                          |     | 6,346  | 9,364,680  |
| The Unique Pub Finance Co. Plc:   |     |        |            |
| Series A3, 6.54%, 3/30/21   |     | 6,000  | 9,436,600  |
| Series M, 7.40%, 3/28/24  |     | 6,000  | 8,714,572  |
|   |     |        | 46,464,329 |
| <b>Household Durables 1.0%</b>  |     |        |            |
| Standard Pacific Corp., 8.38%, 1/15/21  | USD | 2,000  | 2,392,500  |
| Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25%, 4/15/21 (b)   |     | 357    | 365,033    |
| United Rentals North America, Inc., 8.25%, 2/01/21                                |     | 4,204  | 4,792,560  |
|   |     |        | 7,550,093  |

See Notes to Financial Statements.



**Table of Contents**

## 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>Independent Power Producers &amp; Energy Traders 2.0%</b>            |         |            |
| The AES Corp., 4.88%, 5/15/23   | USD 127 | \$ 129,540 |
| Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20 (f)        | 10,336  | 11,834,720 |
| NRG Energy, Inc., 7.63%, 1/15/18 (f)                                    | 3,000   | 3,476,250  |
|   |         | 15,440,510 |
| <b>Industrial Conglomerates 0.2%</b>                                    |         |            |
| Sequa Corp., 7.00%, 12/15/17 (b)  | 1,341   | 1,361,115  |
| <b>Insurance 0.3%</b>   |         |            |
| A-S Co-Issuer Subsidiary, Inc./ A-S Merger Sub LLC, 7.88%, 12/15/20 (b) | 680     | 718,250    |
| MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (b)                       | 1,400   | 1,424,500  |
|   |         | 2,142,750  |
| <b>Internet Software &amp; Services 0.1%</b>                            |         |            |
| Equinix, Inc., 4.88%, 4/01/20   | 144     | 150,480    |
| VeriSign, Inc., 4.63%, 5/01/23 (b)                                      | 575     | 589,375    |
|   |         | 739,855    |
| <b>IT Services 2.7%</b>   |         |            |
| Ceridian Corp. (b):   |         |            |
| 8.88%, 7/15/19  | 2,007   | 2,355,716  |
| 11.00%, 3/15/21   | 742     | 838,460    |
| Epicor Software Corp., 8.63%, 5/01/19                                   | 425     | 463,250    |
| First Data Corp.:   |         |            |
| 7.38%, 6/15/19 (b)(f)   | 5,071   | 5,514,713  |
| 6.75%, 11/01/20 (b)   | 4,788   | 5,135,130  |
| 12.63%, 1/15/21   | 863     | 936,355    |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (b)                         | 5,003   | 5,321,941  |
|   |         | 20,565,565 |
| <b>Machinery 0.6%</b>   |         |            |
| Navistar International Corp., 8.25%, 11/01/21                           | 1,077   | 1,121,426  |
| Silver II Borrower/ Silver II US Holdings LLC, 7.75%, 12/15/20 (b)      | 640     | 686,400    |
| UR Merger Sub Corp., 7.63%, 4/15/22                                     | 2,440   | 2,799,900  |
|   |         | 4,607,726  |
| <b>Media 5.6%</b>   |         |            |
| Cablevision Systems Corp., 5.88%, 9/15/22                               | 700     | 708,750    |
| CCO Holdings LLC, 5.13%, 2/15/23 (f)                                    | 7,029   | 7,099,290  |
| Clear Channel Communications, Inc., 9.00%, 12/15/19 (b)                 | 700     | 700,000    |
| Clear Channel Worldwide Holdings, Inc. (f):                             |         |            |
| 6.50%, 11/15/22 (b)   | 2,573   | 2,759,542  |
| Series B 7.63%, 3/15/20   | 5,274   | 5,682,735  |
| DISH DBS Corp. (b)(f):  |         |            |
| 4.25%, 4/01/18  | 1,000   | 982,500    |
| 5.00%, 3/15/23  | 5,501   | 5,335,970  |
| Intelsat Jackson Holdings SA:   |         |            |
| 7.25%, 10/15/20   | 1,250   | 1,387,500  |
| 6.63%, 12/15/22 (b)   | 3,270   | 3,539,775  |
| Intelsat Luxembourg SA (b):   |         |            |
| 6.75%, 6/01/18  | 3,000   | 3,157,500  |
| 7.75%, 6/01/21  | 2,648   | 2,793,640  |
| Lynx II Corp., 6.38%, 4/15/23 (b)                                       | 1,316   | 1,424,570  |



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |         |            |
|---|---------|------------|
| Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 5.50%, 1/15/23 (b)(f)            | 5,287   | 5,472,045  |
| WaveDivision Escrow LLC/ WaveDivision Escrow Corp., 8.13%, 9/01/20 (b)                | 980     | 1,043,700  |
|   |         | 42,087,517 |
| <b>Metals &amp; Mining 1.4%</b>   |         |            |
| ArcelorMittal, 6.13%, 6/01/18 (f)   | 1,900   | 2,081,249  |
| Novelis, Inc., 8.75%, 12/15/20 (f)  | 7,164   | 8,131,140  |
|   |         | 10,212,389 |
| <b>Multiline Retail 0.1%</b>  |         |            |
| Dollar General Corp., 4.13%, 7/15/17 (f)  | USD 643 | \$ 703,800 |
| <b>Oil, Gas &amp; Consumable Fuels 2.0%</b>   |         |            |
| Athlon Holdings LP/Athlon Finance Corp., 7.38%, 4/15/21 (b)                           | 254     | 267,335    |
| Aurora USA Oil & Gas, Inc. (b):   |         |            |
| 9.88%, 2/15/17  | 190     | 209,475    |
| 7.50%, 4/01/20  | 224     | 232,960    |
| Bonanza Creek Energy, Inc., 6.75%, 4/15/21 (b)  | 99      | 104,445    |
| Chesapeake Energy Corp., 5.75%, 3/15/23   | 1,145   | 1,242,325  |
| Continental Resources, Inc., 4.50%, 4/15/23 (b)(f)                                    | 283     | 301,749    |
| CrownRock LP/CrownRock Finance, Inc., 7.13%, 4/15/21 (b)                              | 383     | 388,745    |
| Linn Energy LLC/Linn Energy Finance Corp., 6.25%, 11/01/19 (b)                        | 1,647   | 1,721,115  |
| Memorial Production Partners LP/Memorial Production Finance Corp., 7.63%, 5/01/21 (b) | 104     | 106,080    |
| Offshore Group Investment Ltd., 7.13%, 4/01/23 (b)                                    | 212     | 220,480    |
| Plains Exploration & Production Co., 6.88%, 2/15/23                                   | 597     | 679,833    |
| Range Resources Corp.:  |         |            |
| 5.75%, 6/01/21 (f)  | 2,874   | 3,139,845  |
| 5.00%, 8/15/22  | 302     | 321,630    |
| Regency Energy Partners LP/Regency Energy Finance Corp., 4.50%, 11/01/23 (b)          | 297     | 307,395    |
| Rosetta Resources, Inc., 5.63%, 5/01/21 (c)   | 286     | 298,155    |
| Sabine Pass LNG LP, 6.50%, 11/01/20 (b)(f)  | 5,124   | 5,495,490  |
|   |         | 15,037,057 |
| <b>Paper &amp; Forest Products 0.1%</b>   |         |            |
| Ainsworth Lumber Co. Ltd., 7.50%, 12/15/17 (b)  | 427     | 465,430    |
| <b>Pharmaceuticals 0.2%</b>   |         |            |
| Valeant Pharmaceuticals International, 6.75%, 8/15/21 (b)                             | 1,276   | 1,409,980  |
| <b>Real Estate Investment Trusts (REITs) 0.2%</b>                                     |         |            |
| Felcor Lodging LP, 6.75%, 6/01/19   | 1,261   | 1,377,643  |
| <b>Real Estate Management &amp; Development 0.7%</b>                                  |         |            |
| Realogy Corp., 7.88%, 2/15/19 (b)   | 2,600   | 2,902,250  |
| The Realogy Group LLC/ The Sunshine Group Florida Ltd., 3.38%, 5/01/16 (b)            | 454     | 456,270    |
| Shea Homes LP/Shea Homes Funding Corp., 8.63%, 5/15/19                                | 1,505   | 1,710,056  |
|   |         | 5,068,576  |
| <b>Road &amp; Rail 0.5%</b>   |         |            |
| The Hertz Corp.:  |         |            |
| 4.25%, 4/01/18 (b)  | 400     | 415,500    |
| 7.38%, 1/15/21 (f)  | 3,075   | 3,482,438  |
|   |         | 3,897,938  |
| <b>Software 0.7%</b>  |         |            |
| Infor US, Inc., 9.38%, 4/01/19  | 2,400   | 2,736,000  |
| Nuance Communications, Inc., 5.38%, 8/15/20 (b)                                       | 867     | 901,680    |
| Sophia LP/Sophia Finance, Inc., 9.75%, 1/15/19 (b)                                    | 1,220   | 1,366,400  |
|   |         | 5,004,080  |

See Notes to Financial Statements.

**Table of Contents**

## 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>Specialty Retail 0.2%</b>   |     |       |    |             |
| Party City Holdings, Inc., 8.88%, 8/01/20 (b)  | USD | 623   | \$ | 703,990     |
| Sally Holdings LLC/Sally Capital, Inc., 5.75%, 6/01/22 (f)   |     | 647   |    | 697,143     |
|  |     |       |    | 1,401,133   |
| <b>Trading Companies &amp; Distributors 0.2%</b>   |     |       |    |             |
| Doric Nimrod Air Finance Alpha Ltd. Pass-Through Trust, Series 2012-1, Class B, 6.50%, 5/30/21 (b) |     | 1,650 |    | 1,761,710   |
| <b>Wireless Telecommunication Services 3.5%</b>  |     |       |    |             |
| Cricket Communications, Inc., 7.75%, 10/15/20  |     | 330   |    | 335,775     |
| Crown Castle International Corp., 5.25%, 1/15/23   |     | 6,565 |    | 6,876,837   |
| Digicel Ltd., 6.00%, 4/15/21 (b)   |     | 5,000 |    | 5,012,500   |
| Softbank Corp., 4.50%, 4/15/20 (b)(f)  |     | 1,500 |    | 1,553,916   |
| Sprint Capital Corp., 6.88%, 11/15/28  |     | 2,299 |    | 2,350,728   |
| Sprint Nextel Corp., 9.00%, 11/15/18 (b)(f)  |     | 8,131 |    | 10,001,130  |
|  |     |       |    | 26,130,886  |
| <b>Total Corporate Bonds 53.7%</b>   |     |       |    | 402,479,773 |
| <b>Floating Rate Loan Interests (a)</b>  |     |       |    |             |
| <b>Airlines 0.4%</b>   |     |       |    |             |
| Delta Air Lines, Inc., Term Loan B2, 4.25%, 4/16/16  |     | 2,993 |    | 3,018,206   |
| <b>Auto Components 0.2%</b>  |     |       |    |             |
| Federal-Mogul Corp.:   |     |       |    |             |
| Term Loan B, 2.14%, 12/29/14   |     | 1,321 |    | 1,251,284   |
| Term Loan C, 2.14%, 12/28/15   |     | 674   |    | 638,410     |
|  |     |       |    | 1,889,694   |
| <b>Chemicals 0.1%</b>  |     |       |    |             |
| AI Chem & Cy S.C.A.:   |     |       |    |             |
| Term Loan B1, 4.50%, 10/03/19  |     | 89    |    | 89,939      |
| Term Loan B2, 4.50%, 10/03/19  |     | 46    |    | 46,665      |
| Tronox Pigments (Netherlands) BV, Term Loan B, 4.50%, 2/08/18                                      |     | 250   |    | 253,515     |
|  |     |       |    | 390,119     |
| <b>Commercial Services &amp; Supplies 0.2%</b>   |     |       |    |             |
| ADS Waste Holdings, Inc., Term Loan B, 4.25%, 10/09/19   |     | 648   |    | 656,149     |
| ARAMARK Corp., Term Loan D, 4.00%, 9/09/19   |     | 450   |    | 454,775     |
| AWAS Finance Luxembourg Sarl, Term Loan B, 3.50%, 6/10/16  |     | 125   |    | 126,031     |
|  |     |       |    | 1,236,955   |
| <b>Communications Equipment 0.3%</b>   |     |       |    |             |
| Alcatel-Lucent USA, Inc., Term Loan C, 7.25%, 1/30/19  |     | 1,496 |    | 1,532,803   |
| Zayo Group LLC, Term Loan B, 4.50%, 7/02/19  |     | 997   |    | 1,007,981   |
|  |     |       |    | 2,540,784   |
| <b>Construction Materials 0.1%</b>   |     |       |    |             |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17  |     | 499   |    | 504,873     |
| <b>Consumer Finance 0.3%</b>   |     |       |    |             |
| Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17  |     | 2,299 |    | 2,305,748   |
| <b>Distributors 0.1%</b>   |     |       |    |             |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |         |            |
|---|---------|------------|
| ABC Supply, Inc., Term Loan, 3.50%, 4/20/20                               | 600     | 604,746    |
| <b>Diversified Consumer Services 0.2%</b>                                 |         |            |
| Bright Horizons Family Solutions, Inc., Term Loan B, 4.00% 5.25%, 1/16/20 | USD 499 | \$ 503,114 |
| ServiceMaster Co., Term Loan, 4.25%, 1/31/17                              | 429     | 432,138    |
| Weight Watchers International, Inc., Term Loan B2, 3.75%, 4/02/20         | 500     | 498,315    |
|   |         | 1,433,567  |
| <b>Diversified Telecommunication Services 0.3%</b>                        |         |            |
| Level 3 Financing, Inc., Term Loan, 4.75%, 8/01/19                        | 2,250   | 2,273,063  |
| <b>Electronic Equipment, Instruments &amp; Components 0.0%</b>            |         |            |
| CDW LLC, Term Loan, 3.50%, 4/30/20  | 300     | 300,564    |
| <b>Energy Equipment &amp; Services 0.4%</b>                               |         |            |
| Dynergy Holdings, Inc.:   |         |            |
| Term Loan B1, 4.00%, 4/16/20  | 1,025   | 1,024,447  |
| Term Loan B2, 4.00%, 4/16/20  | 1,640   | 1,639,114  |
|   |         | 2,663,561  |
| <b>Food Products 0.3%</b>   |         |            |
| Dole Food Co., Inc., Term Loan, 3.75%, 4/01/20                            | 1,385   | 1,393,656  |
| Pinnacle Foods Finance LLC, Term Loan G, 3.25%, 4/22/20                   | 500     | 501,500    |
|   |         | 1,895,156  |
| <b>Health Care Equipment &amp; Supplies 0.2%</b>                          |         |            |
| Capital Safety North America Holding, Inc., Term Loan, 4.50%, 1/21/19     | 554     | 560,533    |
| Immucor, Inc., Term Loan B2, 5.00%, 8/17/18                               | 748     | 758,097    |
|   |         | 1,318,630  |
| <b>Health Care Providers &amp; Services 0.1%</b>                          |         |            |
| American Renal Holdings, Inc., 1st Lien Term Loan, 4.50%, 9/22/19         | 480     | 481,051    |
| inVentiv Health, Inc., Combined Term Loan, 7.50%, 8/04/16                 | 500     | 495,415    |
| Vanguard Health Holdings Co. II LLC, Term Loan B, 3.75%, 1/29/16          | 80      | 80,920     |
|   |         | 1,057,386  |
| <b>Hotels, Restaurants &amp; Leisure 3.4%</b>                             |         |            |
| Harrah s Property Co., Mezzanine Term Loan, 3.69%, 2/13/14                | 4,025   | 3,695,473  |
| Hilton Fort Lauderdale, Mezzanine Term Loan, 7.40%, 2/22/16               | 10,000  | 10,000,000 |
| Hilton Hotels Corp., Mezzanine Class G, 4.70%, 11/12/15                   | 9,737   | 9,542,188  |
| MGM Resorts International, Term Loan A, 3.28%, 12/20/17                   | 1,247   | 1,248,434  |
| Station Casinos, Inc., Term Loan B, 5.00%, 3/01/20                        | 1,000   | 1,011,410  |
|   |         | 25,497,505 |
| <b>IT Services 0.0%</b>   |         |            |
| SunGard Data Systems, Inc., Term Loan E, 4.00%, 3/08/20                   | 260     | 263,006    |
| <b>Machinery 0.2%</b>   |         |            |
| Silver II US Holdings LLC, Term Loan, 4.00%, 12/13/19                     | 1,247   | 1,255,291  |
| <b>Media 1.2%</b>   |         |            |
| Charter Communications Operating LLC, Term Loan E, 3.00%, 4/10/20         | 2,000   | 1,994,580  |
| Clear Channel Communications, Inc., Term Loan B, 3.85%, 1/29/16           | 750     | 687,293    |
| Intelsat Jackson Holdings Ltd., Term Loan, 3.20%, 2/03/14                 | 5,226   | 5,222,209  |

See Notes to Financial Statements.

**Table of Contents**

## 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>Media (concluded)</b>  |     |       |    |            |
| Univision Communications, Inc., Refi Term Loan C2, 4.75%, 3/02/20 | USD | 500   | \$ | 504,750    |
| Virgin Media Investment Holdings, Term Loan B, 3.50%, 2/17/20     |     | 700   |    | 700,315    |
|   |     |       |    | 9,109,147  |
| <b>Metals &amp; Mining 0.3%</b>                                   |     |       |    |            |
| Constellium HoldCo BV, Term Loan B, 6.25%, 3/25/20                |     | 415   |    | 425,375    |
| FMG America Finance, Inc., Term Loan, 5.25%, 10/18/17             |     | 1,995 |    | 2,029,900  |
|   |     |       |    | 2,455,275  |
| <b>Oil, Gas &amp; Consumable Fuels 0.4%</b>                       |     |       |    |            |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17     |     | 2,025 |    | 2,097,272  |
| Offshore Group Investments Ltd., Term Loan B, 5.75%, 3/28/19      |     | 1,200 |    | 1,215,756  |
|   |     |       |    | 3,313,028  |
| <b>Pharmaceuticals 0.1%</b>                                       |     |       |    |            |
| Par Pharmaceutical Cos., Inc., Term Loan B, 4.25%, 9/30/19        |     | 748   |    | 754,985    |
| <b>Real Estate Investment Trusts (REITs) 0.1%</b>                 |     |       |    |            |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17                  |     | 682   |    | 689,641    |
| <b>Real Estate Management &amp; Development 0.1%</b>              |     |       |    |            |
| Realogy Corp., Extended Term Loan, 4.50%, 3/05/20                 |     | 895   |    | 905,346    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.1%</b>          |     |       |    |            |
| Freescale Semiconductor, Inc., Term Loan B4, 5.00%, 3/02/20       |     | 500   |    | 506,875    |
| <b>Specialty Retail 0.2%</b>                                      |     |       |    |            |
| MoneyGram International, Inc., Term Loan B, 4.25%, 3/20/20        |     | 440   |    | 443,459    |
| Party City Holdings, Inc., Refi Term Loan B, 4.25%, 7/29/19       |     | 998   |    | 1,004,562  |
| Sprouts Farmers Markets Holdings LLC, Term Loan, 4.50%, 4/23/20   |     | 180   |    | 180,450    |
| SRAM LLC, Term Loan B, 5.75%, 6/07/18                             |     | 145   |    | 145,906    |
|   |     |       |    | 1,774,377  |
| <b>Wireless Telecommunication Services 0.4%</b>                   |     |       |    |            |
| Vodafone Americas Finance 2, Inc., PIK Term Loan, 6.88%, 8/11/15  |     | 3,050 |    | 3,088,125  |
| <b>Total Floating Rate Loan Interests 9.7%</b>                    |     |       |    | 73,045,653 |
| <b>Foreign Agency Obligations 0.5%</b>                            |     |       |    |            |
| Slovenia Government Bond, Series RS65, 4.38%, 4/02/14             | EUR | 2,650 |    | 3,521,363  |
| <b>Non-Agency Mortgage-Backed Securities</b>                      |     |       |    |            |
| <b>Collateralized Mortgage Obligations 18.0%</b>                  |     |       |    |            |
| Alternative Loan Trust:   |     |       |    |            |
| Series 2006-40T1, Class 2A5, 0.60%, 12/25/36 (a)                  | USD | 4,310 |    | 1,728,084  |
| Series 2006-4CB, Class 2A6, 5.50%, 4/25/36                        |     | 5,869 |    | 5,509,500  |
| Series 2006-7CB, Class 2A1, 6.50%, 5/25/36                        |     | 6,018 |    | 4,180,965  |
| <b>Collateralized Mortgage Obligations (concluded)</b>            |     |       |    |            |
| Alternative Loan Trust (concluded):                               |     |       |    |            |
| Series 2006-J8, Class A5, 6.00%, 2/25/37                          | USD | 3,651 | \$ | 2,727,493  |
| Series 2006-OA10, Class 2A1, 0.39%, 8/25/46 (a)                   |     | 5,115 |    | 3,544,552  |
| Series 2006-OC2, Class 2A3, 0.49%, 2/25/36 (a)                    |     | 6,943 |    | 4,415,596  |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |     |        |                    |
|--|-----|--------|--------------------|
| Series 2007-12T1, Class A5, 6.00%, 6/25/37   |     | 5,133  | 4,187,400          |
| Series 2007-23CB, Class A1, 6.00%, 9/25/37   |     | 15,602 | 12,954,141         |
| American Home Mortgage Assets Trust, Series 2006-5, Class A1, 1.10%, 11/25/46 (a)          |     | 8,016  | 4,712,907          |
| CHL Mortgage Pass-Through Trust:   |     |        |                    |
| Series 2005-HYB9, Class 2A1, 2.81%, 2/20/36 (a)  |     | 12,689 | 10,791,262         |
| Series 2006-9, Class A2, 6.00%, 5/25/36  |     | 4,422  | 4,125,230          |
| Series 2007-2, Class A16, 6.00%, 3/25/37   |     | 7,157  | 6,707,710          |
| Series 2007-3, Class A30, 5.75%, 4/25/37   |     | 6,506  | 6,011,580          |
| Citigroup Mortgage Loan Trust, Series 2006-AR7, Class 2A3A, 5.03%, 11/25/36 (a)            |     | 12,632 | 8,876,729          |
| Countrywide Alternative Loan Trust, Series 2007-22, Class 2A16, 6.50%, 9/25/37             |     | 16,478 | 13,095,739         |
| Lehman XS Trust, Series 2007-12N, Class 2A1, 0.38%, 7/25/37 (a)                            |     | 14,525 | 9,707,831          |
| Merrill Lynch Alternative Note Asset Trust, Series 2007-OAR2, Class A1, 0.38%, 4/25/37 (a) |     | 9,580  | 8,543,896          |
| Morgan Stanley Re-REMIC Trust, Series 2010-R5, Class 7B, 0.45%, 5/26/37 (a)(b)             |     | 22,552 | 11,952,458         |
| Residential Asset Securitization Trust, Series 2006-A8, Class 2A5, 0.80%, 8/25/36 (a)      |     | 9,939  | 4,500,772          |
| WaMu Mortgage Pass-Through Certificates, Series 2007-OA4, Class 1A, 0.95%, 5/25/47 (a)     |     | 7,803  | 6,797,002          |
|  |     |        | 135,070,847        |
| <b>Commercial Mortgage-Backed Securities 8.8%</b>  |     |        |                    |
| Banc of America Commercial Mortgage Trust, Series 2008-1, Class AJ, 6.44%, 2/10/51 (a)     |     | 5,000  | 5,399,265          |
| Del Coronado Trust, Series 2013-HDMZ, Class M, 5.20%, 3/15/18 (a)(b)                       |     | 6,000  | 6,021,600          |
| Epic Value Retail Ltd., Series VRET, Class B, 0.53%, 7/26/19 (a)                           | EUR | 4,000  | 5,046,291          |
| JPMorgan Chase Commercial Mortgage Securities Trust, Series 2007-CB20 (a):                 |     |        |                    |
| Class AJ, 6.28%, 2/12/51   | USD | 5,000  | 5,240,015          |
| Class B, 6.38%, 2/12/51 (b)  |     | 1,000  | 967,979            |
| LB-UBS Commercial Mortgage Trust (a):  |     |        |                    |
| Series 2006-C4, Class AJ, 6.08%, 6/15/38   |     | 5,000  | 5,179,390          |
| Series 2007-C2, Class AM, 5.49%, 2/15/40   |     | 5,000  | 5,347,505          |
| London & Regional Debt Securitisation No 2 Plc, Series 2, Class A, 0.72%, 10/15/15 (a)     | GBP | 4,968  | 7,458,912          |
| ML-CFC Commercial Mortgage Trust, Series 2006-1, Class AJ,                                 |     |        |                    |
| 5.77%, 2/12/39 (a)   | USD | 6,000  | 6,271,800          |
| Morgan Stanley Capital I Trust, Series 2007-HQ11, Class AJ, 5.51%, 2/12/44 (a)             |     | 5,000  | 5,269,480          |
| Talisman Finance Plc, Series 6, Class A, 0.39%, 10/22/16 (a)                               | EUR | 7,460  | 9,268,905          |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class AJ, 6.12%, 2/15/51 (a)     | USD | 5,000  | 5,087,775          |
|  |     |        | 66,558,917         |
| <b>Total Non-Agency Mortgage-Backed Securities 26.8%</b>                                   |     |        | <b>201,629,764</b> |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

## BlackRock Multi-Sector Income Trust (BIT)

(Percentages shown are based on Net Assets)

|  | Par           |        | Value         |
|--|---------------|--------|---------------|
|  | (000)         |        |               |
| <b>Preferred Securities</b>  |               |        |               |
| <b>Capital Trusts</b>  |               |        |               |
| <b>Commercial Banks 3.9%</b>   |               |        |               |
| BNP Paribas SA, 7.20% (a)(b)(f)(g)                                     | USD           | 7,500  | \$ 7,996,875  |
| BPCE SA, 12.50% (a)(b)(g)  |               | 5,100  | 6,398,424     |
| Northgroup Preferred Capital Corp., 6.38% (a)(b)(f)(g)                 |               | 5,000  | 5,125,000     |
| Wachovia Capital Trust III, 5.57% (a)(f)(g)                            |               | 10,000 | 10,050,000    |
|  |               |        | 29,570,299    |
| <b>Diversified Financial Services 1.5%</b>                             |               |        |               |
| General Electric Capital Corp., Series B, 6.25% (a)(f)(g)              |               | 5,000  | 5,527,660     |
| JPMorgan Chase & Co., Series Q, 5.15% (a)(f)(g)                        |               | 5,500  | 5,589,375     |
|  |               |        | 11,117,035    |
| <b>Electric Utilities 1.0%</b>   |               |        |               |
| Electricite de France SA, 5.25% (a)(b)(f)(g)                           |               | 7,500  | 7,544,025     |
| <b>Insurance 5.5%</b>  |               |        |               |
| AXA SA, 6.46% (a)(b)(f)(g)   |               | 10,000 | 10,075,000    |
| Genworth Holdings, Inc., 6.15%, 11/15/66 (a)(f)                        |               | 10,000 | 9,437,500     |
| Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)(f)                  |               | 10,000 | 15,500,000    |
| Sompo Japan Insurance, Inc., 5.33%, 3/28/73 (a)(b)(f)                  |               | 6,000  | 6,209,730     |
|  |               |        | 41,222,230    |
| <b>Total Capital Trusts 11.9%</b>                                      |               |        | 89,453,589    |
| <b>Preferred Stocks</b>  | <b>Shares</b> |        | <b>Value</b>  |
| <b>Aerospace &amp; Defense 0.4%</b>                                    |               |        |               |
| United Technologies Corp., 7.50%                                       | 50,000        |        | \$ 2,957,000  |
| <b>Capital Markets 0.5%</b>  |               |        |               |
| The Goldman Sachs Group, Inc., Series J, 5.50% (a)                     | 160,000       |        | 4,113,600     |
| <b>Real Estate Investment Trusts (REITs) 2.0%</b>                      |               |        |               |
| Firststar Realty LLC, 8.88% (b)  | 10,000        |        | 13,015,625    |
| Suntrust Real Estate Investment Corp., 9.00% (b)                       | 15            |        | 1,854,375     |
|  |               |        | 14,870,000    |
| <b>Total Preferred Stocks 2.9%</b>                                     |               |        | 21,940,600    |
| <b>Total Preferred Securities 14.8%</b>                                |               |        | 111,394,189   |
|  | <b>Par</b>    |        |               |
| <b>US Government Sponsored Agency Securities</b>                       | <b>(000)</b>  |        |               |
| <b>Mortgage-Backed Securities 4.7%</b>                                 |               |        |               |
| Fannie Mae Mortgage-Backed Securities, 3.00%, 5/15/43 (h)              | USD           | 34,000 | 35,561,875    |
| <b>Total Long-Term Investments</b>                                     |               |        |               |
| (Cost \$1,006,635,197) 136.5%  |               |        | 1,024,810,497 |
| <b>Short-Term Securities</b>   | <b>Shares</b> |        |               |
| BlackRock Liquidity Funds, TempFund, Institutional Class, 0.08% (i)(j) | 12,116,795    |        | 12,116,795    |
| <b>Total Short-Term Securities</b>                                     |               |        |               |
| (Cost \$12,116,795) 1.6%   |               |        | 12,116,795    |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |                |                       |
|---|----------------|-----------------------|
| <b>Total Investments (Cost \$1,018,751,992)</b> | <b>138.1%</b>  | 1,036,927,292         |
| <b>Liabilities in Excess of Other Assets</b>    | <b>(38.1)%</b> | (286,338,065)         |
| <b>Net Assets</b>                               | <b>100.0%</b>  | <b>\$ 750,589,227</b> |

### 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<br>Appreciation |
|------------------------|--------------|----------------------------|
| Morgan Stanley         | \$ 4,936,474 | \$ 72,349                  |
| Credit Suisse Group AG | \$ 2,778,000 |                            |
| Citigroup, Inc.        | \$ 943,100   |                            |
| Bank of America Corp.  | \$ 2,563,625 | \$ 5,375                   |
| JPMorgan Chase & Co.   | \$ 298,155   | \$ 12,155                  |

- (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) Amount is less than \$500.
- (f) All or a portion of securities with an aggregate market value of \$243,088,281 have been pledged as collateral for open reverse repurchase agreements.
- (g) Security is perpetual in nature and has no stated maturity date.
- (h) Represents or includes a TBA transaction. Unsettled TBA transactions as of April 30, 2013 were as follows:

| Counterparty              | Value         | Unrealized<br>Appreciation |
|---------------------------|---------------|----------------------------|
| JPMorgan Securities, Inc. | \$ 35,561,875 | \$ 292,188                 |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

(i) Investments in issuers considered to be an affiliate of the Trust during the period ended April 30, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate  | Shares Held<br>at October 31,<br>2012 | Net<br>Activity | Shares Held<br>at April 30,<br>2013 | Income    |
|--|---------------------------------------|-----------------|-------------------------------------|-----------|
| BlackRock Liquidity Funds, TempFund, Institutional Class |                                       | 12,116,795      | 12,116,795                          | \$ 23,563 |

(j) Represents the current yield as of report date.

Reverse repurchase agreements outstanding as of April 30, 2013 were as follows:

| Counterparty                       | Interest<br>Rate | Trade<br>Date | Maturity<br>Date | Face<br>Value | Face Value<br>Including<br>Accrued<br>Interest |
|------------------------------------|------------------|---------------|------------------|---------------|--|
| Barclays Capital, Inc.             | 0.45%            | 4/01/13       | Open             | \$ 9,562,500  | \$ 9,565,966                                   |
| UBS Securities LLC                 | 0.45%            | 4/01/13       | Open             | 7,068,750     | 7,071,312                                      |
| Barclays Capital, Inc.             | 0.45%            | 4/02/13       | Open             | 5,250,000     | 5,251,837                                      |
| Barclays Capital, Inc.             | 0.45%            | 4/02/13       | Open             | 5,692,500     | 5,694,492                                      |
| Barclays Capital, Inc.             | 0.45%            | 4/02/13       | Open             | 9,387,500     | 9,390,786                                      |
| UBS Securities LLC                 | 0.40%            | 4/04/13       | Open             | 4,606,250     | 4,607,581                                      |
| UBS Securities LLC                 | 0.40%            | 4/04/13       | Open             | 1,293,000     | 1,293,374                                      |
| UBS Securities LLC                 | 0.50%            | 4/04/13       | Open             | 7,059,375     | 7,061,924                                      |
| UBS Securities LLC                 | 0.55%            | 4/04/13       | Open             | 1,776,500     | 1,777,206                                      |
| UBS Securities LLC                 | 0.55%            | 4/04/13       | Open             | 8,765,306     | 8,768,788                                      |
| UBS Securities LLC                 | 0.55%            | 4/04/13       | Open             | 1,599,637     | 1,600,273                                      |
| UBS Securities LLC                 | 0.60%            | 4/04/13       | Open             | 2,800,781     | 2,801,995                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 647,000       | 647,257  |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 268,000       | 268,106  |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 662,000       | 662,263  |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 176,000       | 176,070  |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 5,009,000     | 5,010,990                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/05/13       | Open             | 623,000       | 623,247  |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 4,772,118     | 4,774,013                                      |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 876,250       | 876,598  |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 3,048,750     | 3,049,961                                      |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 9,086,393     | 9,090,002                                      |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 4,857,431     | 4,859,361                                      |
| UBS Securities LLC                 | 0.55%            | 4/05/13       | Open             | 9,127,890     | 9,131,516                                      |
| Barclays Capital, Inc.             | 0.75%            | 4/08/13       | Open             | 5,293,750     | 5,296,287                                      |
| Credit Suisse Securities (USA) LLC | 0.20%            | 4/09/13       | Open             | 5,860,000     | 5,860,716                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/09/13       | Open             | 14,186,000    | 14,190,768                                     |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/09/13       | Open             | 10,878,000    | 10,881,656                                     |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/09/13       | Open             | 4,963,000     | 4,964,668                                      |
| UBS Securities LLC                 | 0.50%            | 4/09/13       | Open             | 8,025,000     | 8,027,452                                      |
| UBS Securities LLC                 | 0.50%            | 4/09/13       | Open             | 6,041,348     | 6,043,193                                      |
| Deutsche Bank Securities, Inc.     | 0.40%            | 4/11/13       | Open             | 4,551,000     | 4,552,011                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/11/13       | Open             | 3,111,000     | 3,111,951                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/11/13       | Open             | 7,981,050     | 7,983,367                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/11/13       | Open             | 3,121,125     | 3,122,031                                      |
| Deutsche Bank Securities, Inc.     | 0.55%            | 4/11/13       | Open             | 4,991,050     | 4,992,499                                      |



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|                                |       |         |      |                       |                       |
|--------------------------------|-------|---------|------|-----------------------|-----------------------|
| Deutsche Bank Securities, Inc. | 0.55% | 4/11/13 | Open | 5,036,670             | 5,038,132             |
| Deutsche Bank Securities, Inc. | 0.55% | 4/11/13 | Open | 2,495,810             | 2,496,534             |
| Deutsche Bank Securities, Inc. | 0.45% | 4/26/13 | Open | 5,280,000             | 5,280,330             |
| Deutsche Bank Securities, Inc. | 0.45% | 4/26/13 | Open | 1,470,000             | 1,470,092             |
| Deutsche Bank Securities, Inc. | 0.55% | 4/29/13 | Open | 11,007,840            | 11,008,008            |
| Deutsche Bank Securities, Inc. | 0.55% | 4/29/13 | Open | 5,708,075             | 5,708,162             |
| Deutsche Bank Securities, Inc. | 0.55% | 4/29/13 | Open | 3,942,912             | 3,942,973             |
| Deutsche Bank Securities, Inc. | 0.55% | 4/30/13 | Open | 2,782,500             | 2,782,543             |
| <b>Total</b>                   |       |         |      | <b>\$ 220,742,061</b> | <b>\$ 220,808,291</b> |

Financial futures contracts as of April 30, 2013 were as follows:

| <b>Contracts Sold</b> | <b>Issue</b>             | <b>Exchange</b>        | <b>Expiration</b> | <b>Notional Value</b> | <b>Unrealized Depreciation</b> |
|-----------------------|--------------------------|------------------------|-------------------|-----------------------|--------------------------------|
| (255)                 | 10-Year US Treasury Note | Chicago Board of Trade | June 2013         | USD 34,006,641        | \$ (586,271)                   |
| (45)                  | 30-Year US Treasury Bond | Chicago Board of Trade | June 2013         | USD 6,676,875         | (328,403)                      |
| <b>Total</b>          |                          |                        |                   |                       | <b>\$ (914,674)</b>            |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (continued)

BlackRock Multi-Sector Income Trust (BIT)

Foreign currency exchange contracts as of April 30, 2013 were as follows:

| Currency Purchased | Currency Sold  | Counterparty          | Settlement Date | Unrealized Depreciation |
|--------------------|----------------|-----------------------|-----------------|-------------------------|
| USD 37,376,788     | GBP 24,406,000 | Bank of America Corp. | 7/17/13         | \$ (517,033)            |
| USD 9,338,935      | GBP 6,105,000  | Bank of America Corp. | 7/17/13         | (139,955)               |
| USD 17,659,646     | EUR 13,545,000 | Bank of America Corp. | 7/23/13         | (188,172)               |
| <b>Total</b>       |                |                       |                 | \$ (845,160)            |

Credit default swaps sold protection outstanding as of April 30, 2013 were as follows:

| Index  | Receive Fixed Rate | Counterparty          | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation |
|--|--------------------|-----------------------|-----------------|----------------------------|------------------------------------|-------------------------|
| Dow Jones CDX North America Investment Grade, Series 9 | 5.00%              | Bank of America Corp. | 12/20/17        | AA                         | USD 10,000                         | \$ 411,224              |
| Markit CMBX North America BBB- Index, Series 6         | 3.00%              | Bank of America Corp. | 5/11/63         | BBB-                       | USD 5,000                          | 147,182                 |
| <b>Total</b>   |                    |                       |                 |                            |                                    | \$ 558,406              |

<sup>1</sup> Using S&P's rating of the underlying securities of the index.

<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.

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 Trust management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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 as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and 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)

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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). 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 level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

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. 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. For information about the Trust's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 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 April 30, 2013:

|   | Level 1              | Level 2               | Level 3              | Total                   |
|---|----------------------|-----------------------|----------------------|-------------------------|
| <b>Assets:</b>                                      |                      |                       |                      |                         |
| Investments:  |                      |                       |                      |                         |
| Long-Term Investments:                              |                      |                       |                      |                         |
| Asset-Backed Securities                             |                      | \$ 150,501,000        | \$ 46,676,880        | \$ 197,177,880          |
| Corporate Bonds                                     |                      | 402,479,773           |                      | 402,479,773             |
| Floating Rate Loan Interests                        |                      | 59,957,528            | 13,088,125           | 73,045,653              |
| Foreign Agency Obligations                          |                      | 3,521,363             |                      | 3,521,363               |
| Non-Agency Mortgage-Backed Securities               |                      | 189,677,306           | 11,952,458           | 201,629,764             |
| Preferred Securities                                | \$ 20,086,225        | 89,453,589            | 1,854,375            | 111,394,189             |
| US Government Sponsored Agency Securities           |                      | 35,561,875            |                      | 35,561,875              |
| Short-Term Securities                               | 12,116,795           |                       |                      | 12,116,795              |
| <b>Total</b>  | <b>\$ 32,203,020</b> | <b>\$ 931,152,434</b> | <b>\$ 73,571,838</b> | <b>\$ 1,036,927,292</b> |
| <b>Derivative Financial Instruments<sup>1</sup></b> |                      |                       |                      |                         |
| <b>Assets:</b>                                      |                      |                       |                      |                         |
| Credit contracts                                    |                      | \$ 558,406            |                      | \$ 558,406              |
| <b>Liabilities:</b>                                 |                      |                       |                      |                         |
| Foreign currency exchange contracts                 |                      | (845,160)             |                      | (845,160)               |
| Interest rate contracts                             | \$ (914,674)         |                       |                      | (914,674)               |
| <b>Total</b>  | <b>\$ (914,674)</b>  | <b>\$ (286,754)</b>   |                      | <b>\$ (1,201,428)</b>   |

See Notes to Financial Statements.

**Table of Contents**

## Schedule of Investments (concluded)

BlackRock Multi-Sector Income Trust (BIT)

<sup>1</sup> Derivative financial instruments are swaps, financial futures contracts and foreign currency exchange contracts. Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument. Certain of the Trust's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of April 30, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1      | Level 2          | Level 3 | Total            |
|--|--------------|------------------|---------|------------------|
| <b>Assets:</b>   |              |                  |         |                  |
| Foreign currency at value                                  | \$ 91,729    |                  |         | \$ 91,729        |
| Cash pledged as collateral for financial futures contracts | 472,000      |                  |         | 472,000          |
| Cash pledged as collateral for swaps                       | 600,000      |                  |         | 600,000          |
| <b>Liabilities:</b>  |              |                  |         |                  |
| Bank overdraft   |              | \$ (2,010,809)   |         | (2,010,809)      |
| Reverse repurchase agreements                              |              | (220,742,061)    |         | (220,742,061)    |
| <b>Total</b>   | \$ 1,163,729 | \$ (222,752,870) |         | \$ (221,589,141) |

There were no transfers between levels during the period ended April 30, 2013.

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 period 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 | Floating Rate Loan Interests | Non-Agency Mortgage-Backed Securities | Preferred Securities | Total         |
|---|-------------------------|------------------------------|---------------------------------------|----------------------|---------------|
| <b>Assets:</b>  |                         |                              |                                       |                      |               |
| Opening Balance, as of February 27, 2013 <sup>2</sup>           |                         |                              |                                       |                      |               |
| Transfers into Level 3 <sup>3</sup>                             |                         |                              |                                       |                      |               |
| Transfers out of Level 3 <sup>3</sup>                           |                         |                              |                                       |                      |               |
| Accrued discounts/premiums                                      | \$ 6,593                | \$ 1,665                     | \$ 45,838                             |                      | \$ 54,096     |
| Net realized gain (loss)  |                         |                              | (142,907)                             |                      | (142,907)     |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 20,349                  | 40,826                       | (45,430)                              |                      | 15,745        |
| Purchases   | 46,649,938              | 13,045,634                   | 12,094,957                            | \$ 1,854,375         | 73,644,904    |
| Sales   |                         |                              |                                       |                      |               |
| <b>Closing Balance, as of April 30, 2013</b>                    | \$ 46,676,880           | \$ 13,088,125                | \$ 11,952,458                         | \$ 1,854,375         | \$ 73,571,838 |

<sup>2</sup> Commencement of operations.

<sup>3</sup> Transfers into and transfers out of Level 3 represent the values as of the beginning of the reporting period.

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of April 30, 2013 was \$15,745.

See Notes to Financial Statements.



**Table of Contents**

## Statements of Assets and Liabilities

|  | <b>BlackRock</b>         | <b>BlackRock</b>         | <b>BlackRock</b>      |
|--|--------------------------|--------------------------|-----------------------|
|  | <b>Credit Allocation</b> | <b>Floating Rate</b>     | <b>Multi-Sector</b>   |
| <b>April 30, 2013 (Unaudited)</b>                                | <b>Income Trust</b>      | <b>Income Trust</b>      | <b>Income Trust</b>   |
|  | <b>(BTZ)</b>             | <b>(BGT)<sup>1</sup></b> | <b>(BIT)</b>          |
| <b>Assets</b>  |                          |                          |                       |
| Investments at value unaffiliated                                | \$ 2,434,708,312         | \$ 528,808,391           | \$ 1,024,810,497      |
| Investments at value affiliated                                  | 4,448,337                | 5,784,472                | 12,116,795            |
| Foreign currency at value <sup>4</sup>                           |                          | 695,930                  | 91,729                |
| Cash pledged as collateral for financial futures contracts       | 4,017,940                |                          | 472,000               |
| Cash pledged as collateral for swaps                             | 1,850,000                |                          | 600,000               |
| Cash pledged as collateral for centrally cleared swaps           | 110,000                  |                          |                       |
| Interest receivable  | 31,753,252               | 2,861,916                | 10,350,199            |
| Investments sold receivable                                      | 3,538,849                | 17,019,754               | 3,758,728             |
| Unrealized appreciation on swaps                                 | 1,012,626                | 59,378                   | 558,406               |
| Swap premiums paid   | 821,518                  |                          |                       |
| Variation margin receivable                                      | 490,394                  |                          | 33,750                |
| Swaps receivable   | 200,020                  | 14,061                   | 73,750                |
| Unrealized appreciation on foreign currency exchange contracts   |                          | 13,830                   |                       |
| Unrealized appreciation on unfunded loan commitments             |                          | 10,349                   |                       |
| Dividends receivable   | 4,300                    |                          |                       |
| Prepaid expenses   | 66,037                   | 10,245                   |                       |
| <b>Total assets</b>  | <b>2,483,021,585</b>     | <b>555,278,326</b>       | <b>1,052,865,854</b>  |
| <b>Liabilities</b>   |                          |                          |                       |
| Bank overdraft   |                          | 748,742                  | 2,010,809             |
| Cash received as collateral for reverse repurchase agreements    | 8,667,000                |                          |                       |
| Reverse repurchase agreements                                    | 750,036,395              |                          | 220,742,061           |
| Loan payable   |                          | 143,000,000              |                       |
| Investments purchased payable                                    | 20,172,631               | 57,426,571               | 76,816,028            |
| Swap premiums received   | 2,232,675                | 698,692                  | 1,024,340             |
| Investment advisory fees payable                                 | 1,236,570                | 306,296                  | 564,963               |
| Unrealized depreciation on swaps                                 | 1,768,402                | 40,037                   |                       |
| Unrealized depreciation on foreign currency exchange contracts   | 19,324                   | 889,935                  | 845,160               |
| Officers and Trustees fees payable                               | 468,606                  | 144,472                  |                       |
| Interest expense payable   | 380,345                  | 119,908                  | 66,230                |
| Income dividends payable   | 414,786                  |                          | 101,601               |
| Swaps payable  | 420,744                  |                          |                       |
| Options written at value <sup>5</sup>                            | 140,547                  |                          |                       |
| Reorganization expense payable                                   | 22,835                   |                          |                       |
| Other accrued expenses payable                                   | 271,831                  | 405,084                  | 105,435               |
| <b>Total liabilities</b>   | <b>786,252,691</b>       | <b>203,779,737</b>       | <b>302,276,627</b>    |
| <b>Net Assets</b>  | <b>\$ 1,696,768,894</b>  | <b>\$ 351,498,589</b>    | <b>\$ 750,589,227</b> |
| <b>Net Assets Consist of</b>                                     |                          |                          |                       |
| Paid-in capital <sup>6,7,8</sup>                                 | \$ 2,620,766,280         | \$ 429,199,610           | \$ 732,349,432        |
| Undistributed (distributions in excess of) net investment income | (2,267,698)              | 427,764                  | 1,495,705             |
| Accumulated net realized loss                                    | (1,123,389,659)          | (84,384,877)             | (241,114)             |
| Net unrealized appreciation/depreciation                         | 201,659,971              | 6,256,092                | 16,985,204            |
| <b>Net Assets</b>  | <b>\$ 1,696,768,894</b>  | <b>\$ 351,498,589</b>    | <b>\$ 750,589,227</b> |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |    |               |    |             |    |               |
|--|----|---------------|----|-------------|----|---------------|
| Net asset value  | \$ | 15.70         | \$ | 14.86       | \$ | 19.54         |
| <sup>1</sup> Consolidated Statement of Assets and Liabilities. |    |               |    |             |    |               |
| <sup>2</sup> Investments at cost unaffiliated                  | \$ | 2,226,472,690 | \$ | 521,692,878 | \$ | 1,006,635,197 |
| <sup>3</sup> Investments at cost affiliated                    | \$ | 4,448,337     | \$ | 5,784,472   | \$ | 12,116,795    |
| <sup>4</sup> Foreign currency at cost                          |    |               | \$ | 695,906     | \$ | 90,799        |
| <sup>5</sup> Premiums received                                 | \$ | 312,000       |    |             |    |               |
| <sup>6</sup> Par value per share                               | \$ | 0.001         | \$ | 0.001       | \$ | 0.001         |
| <sup>7</sup> Shares outstanding                                |    | 108,088,170   |    | 23,656,624  |    | 38,421,624    |
| <sup>8</sup> Shares authorized                                 |    | unlimited     |    | unlimited   |    | unlimited     |

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

43

**Table of Contents**

## Statements of Operations

| Six Months Ended April 30, 2013 (Unaudited)            | BlackRock                                  |  |   |
|--|--|--|---|
|  | Credit Allocation<br>Income Trust<br>(BTZ) | BlackRock<br>Floating Rate<br>Income Trust<br>(BGT) <sup>1</sup> | BlackRock<br>Multi-Sector<br>Income Trust<br>(BIT) <sup>2</sup> |
| <b>Investment Income</b>                               |  |  |   |
| Interest   | \$ 53,275,173                              | \$ 14,164,983  | \$ 7,209,724  |
| Dividends unaffiliated                                 | 1,118,364                                  |  |   |
| Dividends affiliated                                   | 5,003                                      | 1,336  | 23,563  |
| Total income   | 54,398,540                                 | 14,166,319   | 7,233,287   |
| <b>Expenses</b>  |  |  |   |
| Investment advisory                                    | 6,654,494                                  | 1,800,368  | 1,047,688   |
| Professional   | 137,358                                    | 105,704  | 35,054  |
| Officer and Trustees                                   | 125,825                                    | 22,523   | 14,012  |
| Accounting services                                    | 105,627                                    | 29,503   | 23,932  |
| Custodian  | 54,732                                     | 70,952   | 17,174  |
| Transfer agent   | 87,393                                     | 20,815   | 14,818  |
| Borrowing costs <sup>3</sup>                           |  | 85,794   |   |
| Reorganization costs                                   | 60,581                                     |  |   |
| Organization   |  |  | 33,000  |
| Printing   | 16,095                                     | 9,231  | 6,262   |
| Registration   | 8,869                                      | 4,525  | 3,286   |
| Miscellaneous  | 46,784                                     | 26,126   | 10,044  |
| Total expenses excluding interest expense              | 7,297,758                                  | 2,175,541  | 1,205,270   |
| Interest expense                                       | 1,046,315                                  | 652,890  | 67,199  |
| Total expenses   | 8,344,073                                  | 2,828,431  | 1,272,469   |
| Less fees waived by Manager                            | (3,083)                                    | (743)  | (18,691)  |
| Total expenses after fees waived                       | 8,340,990                                  | 2,827,688  | 1,253,778   |
| Net investment income                                  | 46,057,550                                 | 11,338,631   | 5,979,509   |
| <b>Realized and Unrealized Gain (Loss)</b>             |  |  |   |
| Net realized gain (loss) from:                         |  |  |   |
| Investments  | 19,295,306                                 | 4,404,811  | (42,606)  |
| Financial futures contracts                            | 2,067,701                                  |  | 99,413  |
| Foreign currency transactions                          | (62,757)                                   | 1,402,601  | (592,744)   |
| Options written  | (1,324,013)                                |  |   |
| Swaps  | 2,420,717                                  | 153,856  | 294,823   |
|  | 22,396,954                                 | 5,961,268  | (241,114)   |
| Net change in unrealized appreciation/depreciation on: |  |  |   |
| Investments  | 22,895,376                                 | 6,272,957  | 18,175,300  |
| Financial futures contracts                            | (5,433,632)                                |  | (914,674)   |
| Foreign currency translations                          | (11,066)                                   | (1,476,890)  | (833,828)   |
| Options written  | 2,124,109                                  |  |   |
| Swaps  | (2,376,871)                                | 19,341   | 558,406   |



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|
| Unfunded loan commitments                                   | 10,349               |                      |                      |
|   | 17,197,916           | 4,825,757            | 16,985,204           |
| Total realized and unrealized gain                          | 39,594,870           | 10,787,025           | 16,744,090           |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 85,652,420</b> | <b>\$ 22,125,656</b> | <b>\$ 22,723,599</b> |

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

<sup>2</sup> For the period February 27, 2013 (commencement of operations) to April 30, 2013.

<sup>3</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

See Notes to Financial Statements.

**Table of Contents**

## Statements of Changes in Net Assets

|  | BlackRock Credit Allocation<br>Income Trust (BTZ)    |                                   | BlackRock Floating Rate<br>Income Trust (BGT) <sup>1</sup> |                                   |
|--|--|-----------------------------------|--|-----------------------------------|
|  | Six Months Ended<br>April 30,<br>2013<br>(Unaudited) | Year Ended<br>October 31,<br>2012 | April 30,<br>2013<br>(Unaudited)                           | Year Ended<br>October 31,<br>2012 |
| <b>Increase (Decrease) in Net Assets:</b>                          |  |                                   |  |                                   |
| <b>Operations</b>  |  |                                   |  |                                   |
| Net investment income  | \$ 46,057,550  | \$ 48,604,985                     | \$ 11,338,631  | \$ 22,900,163                     |
| Net realized gain  | 22,396,954   | 2,008,796                         | 5,961,268  | 505,502                           |
| Net change in unrealized appreciation/depreciation                 | 17,197,916   | 72,603,230                        | 4,825,757  | 15,613,331                        |
| Net increase in net assets resulting from operations               | 85,652,420   | 123,217,011                       | 22,125,656   | 39,018,996                        |
| <b>Dividends to Shareholders From</b>                              |  |                                   |  |                                   |
| Net investment income  | (48,410,759)   | (48,718,467) <sup>2</sup>         | (14,187,260)   | (25,867,315) <sup>2</sup>         |
| <b>Capital Share Transactions</b>                                  |  |                                   |  |                                   |
| Reinvestment of dividends  |  |                                   | 277,776  | 300,131                           |
| Net proceeds from the issuance of shares due to reorganization     | 862,691,514  |                                   |  |                                   |
| Net increase in net assets derived from capital share transactions | 862,691,514  |                                   | 277,776  | 300,131                           |
| <b>Net Assets</b>  |  |                                   |  |                                   |
| Total increase in net assets                                       | 899,933,175  | 74,498,544                        | 8,216,172  | 13,451,812                        |
| Beginning of period  | 796,835,719  | 722,337,175                       | 343,282,417  | 329,830,605                       |
| End of period  | \$ 1,696,768,894                                     | \$ 796,835,719                    | \$ 351,498,589   | \$ 343,282,417                    |
| Undistributed (distributions in excess of) net investment income   | \$ (2,267,698)                                       | \$ 757,568                        | \$ 427,764   | \$ 3,276,393                      |

<sup>1</sup> Consolidated Statements of Changes in Net Assets.

<sup>2</sup> Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

**Table of Contents**

## Statement of Changes in Net Assets

BlackRock Multi-Sector Income Trust (BIT)

|   | <b>Period<br/>February 27, 2013<sup>1</sup><br/>to April 30, 2013<br/>(Unaudited)</b> |
|---|---|
| <b>Increase (Decrease) in Net Assets:</b>                                 |   |
| <b>Operations</b>   |   |
| Net investment income   | \$ 5,979,509  |
| Net realized loss   | (241,114)   |
| Net change in unrealized appreciation/depreciation                        | 16,985,204  |
| <b>Net increase in net assets resulting from operations</b>               | <b>22,723,599</b>   |
| <b>Dividends to Shareholders From</b>                                     |   |
| Net investment income   | (4,483,804)   |
| <b>Capital Share Transactions</b>   |   |
| Net proceeds from the issuance of shares                                  | 686,229,426   |
| Net proceeds from the underwriter's over allotment option exercised       | 46,120,006  |
| <b>Net increase in net assets derived from capital share transactions</b> | <b>732,349,432</b>  |
| <b>Net Assets</b>   |   |
| Total increase in net assets  | 750,589,227   |
| Beginning of period   |   |
| End of period   | \$ 750,589,227  |
| Undistributed net investment income                                       | \$ 1,495,705  |

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

See Notes to Financial Statements.

**Table of Contents**

## Statements of Cash Flows

|  | <b>BlackRock<br/>Credit Allocation<br/>Income Trust<br/>(BTZ)</b> | <b>BlackRock<br/>Floating Rate<br/>Income Trust<br/>(BGT)<sup>1</sup></b> | <b>BlackRock<br/>Multi- Sector<br/>Income Trust<br/>(BIT)<sup>2</sup></b> |
|--|---|---|---|
| <b>Six Months Ended April 30, 2013 (Unaudited)</b>   |   |   |   |
| <b>Cash Provided by (Used for) Operating Activities</b>  |   |   |   |
| Net increase in net assets resulting from operations   | \$ 85,652,420   | \$ 22,125,656   | \$ 22,723,599   |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: |   |   |   |
| (Increase) decrease in interest receivable   | (140,808) <sup>3</sup>  | 144,333   | (10,350,199)  |
| (Increase) decrease in swaps receivable  | 37,198  | (14,061)  | (73,750)  |
| Increase in prepaid expenses   | (24,708) <sup>3</sup>   | (665)   |   |
| Increase in variation margin receivable  | (467,303)   |   | (33,750)  |
| Decrease in dividends receivable   | 66,400  |   |   |
| Increase in cash pledged as collateral for financial futures contracts   | (5,197,879) <sup>3</sup>  |   | (472,000)   |
| (Increase) decrease in cash pledged as collateral for swaps  | 1,790,000   |   | (600,000)   |
| Increase in investment advisory fees payable   | 605,114   | 3,549   | 564,963   |
| Increase (decrease) in interest expense payable  | (64,103)  | 10,342  | 66,230  |
| Decrease in cash received as collateral for reverse repurchase agreements  | (2,502,900)   |   |   |
| Decrease in cash received as collateral for swaps  | (500,000)   |   |   |
| Decrease in reorganization costs payable   | (294,700)   |   |   |
| Increase (decrease) in other accrued expenses payable  | (1,461,999) <sup>3</sup>  | 18,095  | 105,435   |
| Decrease in variation margin payable   | (334,500)   |   |   |
| Increase in swaps payable  | 223,941   |   |   |
| Increase in Officers and Trustees fees payable   | 265,897   | 12,915  |   |
| Net periodic and termination payments of swaps   | 3,893,638   | 852,548   | 1,319,163   |
| Net realized and unrealized gain on investments and swaps  | (42,912,293)  | (8,463,010)   | (18,141,976)  |
| Amortization of premium and accretion of discount on investments and swaps   | 2,566,605   | (802,931)   | (1,472,586)   |
| Premiums received from options written   | 356,773   |   |   |
| Proceeds from sales of long-term investments   | 471,314,152   | 207,759,080   | 173,367,751   |
| Purchases of long-term investments   | (424,840,091)   | (201,999,040)   | (1,105,515,385)   |
| Net proceeds from sales (purchases) of short-term securities   | 1,410,604   | (3,043,778)   | (12,116,795)  |
| Premiums paid on closing options written   | (4,233,638)   |   |   |
| Cash provided by (used for) operating activities   | 85,207,820  | 16,603,033  | (950,629,300)   |
| <b>Cash Provided by (Used for) Financing Activities</b>  |   |   |   |
| Cash receipts from issuance of common shares   |   |   | 732,349,432   |
| Cash receipts from borrowings  |   | 154,000,000   |   |
| Cash payments on borrowings  |   | (156,000,000)   |   |
| Net borrowings of reverse repurchase agreements  | (36,198,258)  |   | 220,742,061   |
| Cash dividends paid to shareholders  | (48,240,752)  | (13,909,484)  | (4,382,203)   |
| Increase (decrease) in bank overdraft  | (826,690) <sup>3</sup>  | (166,749)   | 2,010,809   |
| Cash provided by (used for) financing activities   | (85,265,700)  | (16,076,233)  | 950,720,099   |
| <b>Cash Impact from Foreign Exchange Fluctuations</b>  |   |   |   |
| Cash impact from foreign exchange fluctuations   |   | 484   | 930   |
| <b>Cash and Foreign Currency</b>   |   |   |   |
| Net increase (decrease) in cash and foreign currency   | (57,880)  | 527,284   | 91,729  |
| Cash and foreign currency at beginning of period   | 57,880  | 168,646   |   |
| Cash and foreign currency at end of period   |   | \$ 695,930  | \$ 91,729   |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

### Cash Flow Information

|  |    |           |    |         |    |     |
|--|----|-----------|----|---------|----|-----|
| Cash paid during the period for interest | \$ | 1,110,418 | \$ | 642,548 | \$ | 969 |
|--|----|-----------|----|---------|----|-----|

### Non-cash Financing Activities

|   |    |               |
|---|----|---------------|
| Fair value of investments acquired through reorganization | \$ | 1,252,477,573 |
|---|----|---------------|

|   |    |             |
|---|----|-------------|
| Capital shares issued in reorganization | \$ | 762,017,323 |
|---|----|-------------|

|  |    |         |
|--|----|---------|
| Capital shares issued in reinvestment of dividends | \$ | 277,776 |
|--|----|---------|

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

<sup>2</sup> For the period February 27, 2013 (commencement of operations) to April 30, 2013.

<sup>3</sup> Includes assets and liabilities acquired in reorganization.

See Notes to Financial Statements.

SEMI-ANNUAL REPORT

APRIL 30, 2013

47

**Table of Contents****Financial Highlights****BlackRock Credit Allocation Income Trust (BTZ)**

|  | Six Months<br>Ended<br>April 30,<br>2013 |                     | Year Ended October 31, |                     |                     |                     |
|--|--|---------------------|------------------------|---------------------|---------------------|---------------------|
|  | (Unaudited)                              | 2012                | 2011                   | 2010                | 2009                | 2008                |
| <b>Per Share Operating Performance</b>   |  |                     |                        |                     |                     |                     |
| Net asset value, beginning of period   | \$ 15.37                                 | \$ 13.94            | \$ 14.46               | \$ 12.64            | \$ 10.59            | \$ 21.39            |
| Net investment income <sup>1</sup>   | 0.48                                     | 0.94                | 0.88                   | 0.85                | 0.99                | 1.33                |
| Net realized and unrealized gain (loss)  | 0.36                                     | 1.43                | (0.54)                 | 2.14                | 2.54                | (10.06)             |
| Dividends to Preferred Shareholders from net investment income                                   |  |                     | (0.01)                 | (0.07)              | (0.07)              | (0.33)              |
| Net increase (decrease) from investment operations   | 0.84                                     | 2.37                | 0.33                   | 2.92                | 3.46                | (9.06)              |
| Dividends and distributions to Common Shareholders from:   |  |                     |                        |                     |                     |                     |
| Net investment income  | (0.51) <sup>2</sup>                      | (0.94) <sup>3</sup> | (0.85) <sup>3</sup>    | (0.81) <sup>3</sup> | (0.93) <sup>3</sup> | (0.90) <sup>3</sup> |
| Tax return of capital  |  |                     |                        | (0.29) <sup>3</sup> | (0.48) <sup>3</sup> | (0.84) <sup>3</sup> |
| Total dividends and distributions  | (0.51)                                   | (0.94)              | (0.85)                 | (1.10)              | (1.41)              | (1.74)              |
| Net asset value, end of period   | \$ 15.70                                 | \$ 15.37            | \$ 13.94               | \$ 14.46            | \$ 12.64            | \$ 10.59            |
| Market price, end of period  | \$ 14.42                                 | \$ 14.23            | \$ 12.08               | \$ 13.02            | \$ 10.96            | \$ 9.36             |
| <b>Total Investment Return Applicable to Common Shareholders<sup>4</sup></b>                     |  |                     |                        |                     |                     |                     |
| Based on net asset value   | 5.88% <sup>5</sup>                       | 18.35%              | 3.28%                  | 25.16%              | 41.06%              | (44.27)%            |
| Based on market price  | 5.04% <sup>5</sup>                       | 26.44%              | (0.60)%                | 29.98%              | 38.38%              | (43.51)%            |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                            |  |                     |                        |                     |                     |                     |
| Total expenses <sup>6</sup>  | 1.15% <sup>7,8</sup>                     | 1.20% <sup>9</sup>  | 1.09%                  | 1.12%               | 1.60%               | 1.65%               |
| Total expenses after fees waived and paid indirectly <sup>6</sup>                                | 1.14% <sup>7,8</sup>                     | 1.20% <sup>9</sup>  | 1.09%                  | 1.11%               | 1.58%               | 1.65%               |
| Total expenses after fees waived and paid indirectly and excluding interest expense <sup>6</sup> | 1.00% <sup>7,8</sup>                     | 1.07% <sup>9</sup>  | 0.99%                  | 1.07%               | 1.24%               | 1.21%               |
| Net investment income <sup>6</sup>   | 6.32% <sup>7</sup>                       | 6.53%               | 6.25%                  | 6.33%               | 9.93%               | 7.63%               |
| Dividends to Preferred Shareholders  |  |                     | 0.09%                  | 0.50%               | 0.74%               | 1.89%               |
| Net investment income to Common Shareholders   | 6.32% <sup>7</sup>                       | 6.53%               | 6.16%                  | 5.83%               | 9.19%               | 5.74%               |
| <b>Supplemental Data</b>   |  |                     |                        |                     |                     |                     |
| Net assets applicable to Common Shareholders, end of period (000)                                | \$ 1,696,769                             | \$ 796,836          | \$ 722,337             | \$ 749,360          | \$ 654,999          | \$ 548,612          |
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)             |  |                     |                        | \$ 231,000          | \$ 231,000          | \$ 231,000          |
| Borrowings outstanding, end of period (000)  | \$ 750,036                               | \$ 373,716          | \$ 339,303             |                     | \$ 61,576           | \$ 223,512          |



**Table of Contents****Financial Highlights****BlackRock Floating Rate Income Trust  
(BGT)**

|  | Six Months<br>Ended<br>April 30,<br>2013 <sup>1</sup><br>(Unaudited) | 2012 <sup>1</sup>   | Year Ended October 31, |                     |                     | Period<br>January 1, 2008<br>to October 31,<br>2008 | Year Ended<br>December 31,<br>2007 |
|--|--|---------------------|------------------------|---------------------|---------------------|---|------------------------------------|
|  |  |                     | 2011                   | 2010                | 2009                |   |                                    |
| <b>Per Share Operating Performance</b>   |  |                     |                        |                     |                     |   |                                    |
| Net asset value, beginning of period   | \$ 14.52   | \$ 13.97            | \$ 14.48               | \$ 13.29            | \$ 11.24            | \$ 17.71  | \$ 19.11                           |
| Net investment income  | 0.48 <sup>2</sup>  | 0.97 <sup>2</sup>   | 1.00 <sup>2</sup>      | 0.97 <sup>2</sup>   | 0.98 <sup>2</sup>   | 1.42 <sup>2</sup>                                   | 2.03                               |
| Net realized and unrealized gain (loss)  | 0.46   | 0.68                | (0.42)                 | 1.09                | 2.72                | (6.62)  | (1.39)                             |
| Dividends to Preferred Shareholders from net investment income                                   |  |                     | (0.00) <sup>3</sup>    | (0.04)              | (0.04)              | (0.24)  | (0.54)                             |
| Net increase (decrease) from investment operations   | 0.94   | 1.65                | 0.58                   | 2.02                | 3.66                | (5.44)  | 0.10                               |
| Dividends and distributions to Common Shareholders from:   |  |                     |                        |                     |                     |   |                                    |
| Net investment income  | (0.60) <sup>4</sup>  | (1.10) <sup>5</sup> | (1.09) <sup>5</sup>    | (0.83) <sup>5</sup> | (1.19) <sup>5</sup> | (1.03) <sup>5</sup>                                 | (1.14) <sup>5</sup>                |
| Tax return of capital  |  |                     |                        |                     | (0.42) <sup>5</sup> |   | (0.36) <sup>5</sup>                |
| Total dividends and distributions  | (0.60)   | (1.10)              | (1.09)                 | (0.83)              | (1.61)              | (1.03)  | (1.50)                             |
| Net asset value, end of period   | \$ 14.86   | \$ 14.52            | \$ 13.97               | \$ 14.48            | \$ 13.29            | \$ 11.24  | \$ 17.71                           |
| Market price, end of period  | \$ 16.00   | \$ 15.07            | \$ 13.00               | \$ 14.52            | \$ 12.58            | \$ 9.63   | \$ 15.78                           |
| <b>Total Investment Return Applicable to Common Shareholders<sup>6</sup></b>                     |  |                     |                        |                     |                     |   |                                    |
| Based on net asset value   | 6.56% <sup>7</sup>   | 12.37%              | 4.03%                  | 15.55%              | 39.51%              | (31.62)% <sup>7</sup>                               | 0.98%                              |
| Based on market price  | 10.55% <sup>7</sup>  | 25.33%              | (3.46)%                | 22.41%              | 54.14%              | (34.24)% <sup>7</sup>                               | (10.92)%                           |
| <b>Ratios to Average Net Assets Applicable to Common Shareholders</b>                            |  |                     |                        |                     |                     |   |                                    |
| Total expenses <sup>8</sup>  | 1.65% <sup>9</sup>   | 1.66%               | 1.73%                  | 1.43%               | 1.96%               | 2.22% <sup>9</sup>                                  | 1.67%                              |
| Total expenses after fees waived and paid indirectly <sup>8</sup>                                | 1.64% <sup>9</sup>   | 1.61%               | 1.60%                  | 1.25%               | 1.68%               | 1.89% <sup>9</sup>                                  | 1.33%                              |
| Total expenses after fees waived and paid indirectly and excluding interest expense <sup>8</sup> | 1.27% <sup>9,10</sup>  | 1.25% <sup>11</sup> | 1.24%                  | 1.15%               | 1.24%               | 1.21% <sup>9</sup>                                  | 1.16%                              |
| Net investment income <sup>8</sup>   | 6.60% <sup>9</sup>   | 6.87%               | 6.95%                  | 7.01%               | 8.92%               | 10.56% <sup>9</sup>                                 | 10.83%                             |
| Dividends to Preferred Shareholders  |  |                     | 0.03%                  | 0.27%               | 0.38%               | 1.75% <sup>9</sup>                                  | 2.88%                              |
| Net investment income to Common Shareholders   | 6.60% <sup>9</sup>   | 6.87%               | 6.92%                  | 6.74%               | 8.54%               | 8.81% <sup>9</sup>                                  | 7.95%                              |
| <b>Supplemental Data</b>   |  |                     |                        |                     |                     |   |                                    |
| Net assets applicable to Common Shareholders, end of period (000)                                | \$ 351,499   | \$ 343,282          | \$ 329,831             | \$ 341,436          | \$ 312,872          | \$ 264,590  | \$ 417,086                         |



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|  |            |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|------------|
| Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000) |            |            |            | \$ 58,800  | \$ 58,800  | \$ 58,800  | \$ 243,450 |
| Borrowings outstanding, end of period (000)  | \$ 143,000 | \$ 145,000 | \$ 122,000 | \$ 38,000  | \$ 14,000  | \$ 123,150 |            |
| Average borrowings outstanding during the period (000)                               | \$ 137,304 | \$ 126,186 | \$ 120,334 | \$ 24,321  | \$ 53,156  | \$ 71,780  | \$ 10,524  |
| Portfolio turnover   | 38%        | 65%        | 89%        | 87%        | 42%        | 25%        | 41%        |
| Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period |            |            |            | \$ 170,174 | \$ 158,029 | \$ 137,505 | \$ 67,849  |
| Asset coverage, end of period per \$1,000  | \$ 3,458   | \$ 3,367   | \$ 3,704   |            |            |            |            |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Amount is greater than \$(0.01) per share.

<sup>4</sup> A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.

<sup>5</sup> Dividends and distributions are determined in accordance with federal income tax regulations.

<sup>6</sup> Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>7</sup> Aggregate total investment return.

<sup>8</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>9</sup> Annualized.

<sup>10</sup> For the six months ended April 30, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.22%.

<sup>11</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.

**Table of Contents****Financial Highlights****BlackRock Multi-Sector Income Trust (BIT)**

|  | <b>Period<br/>February 27,<br/>2013<sup>1</sup><br/>to April 30,<br/>2013<br/>(Unaudited)</b> |
|--|---|
| <b>Per Share Operating Performance</b>                                       |   |
| Net asset value, beginning of period   | \$ 19.10 <sup>2</sup>   |
| Net investment income <sup>3</sup>   | 0.16  |
| Net realized and unrealized gain   | 0.40  |
| Net increase from investment operations                                      | 0.56  |
| Dividends from net investment income <sup>4</sup>                            | (0.12)  |
| Net asset value, end of period   | \$ 19.54  |
| Market price, end of period  | \$ 19.16  |
| <b>Total Investment Return<sup>5</sup></b>                                   |   |
| Based on net asset value   | 2.93% <sup>6</sup>  |
| Based on market price  | (3.62)% <sup>6</sup>  |
| <b>Ratios to Average Net Assets</b>  |   |
| Total expenses <sup>7</sup>  | 1.05% <sup>8</sup>  |
| Total expenses after fees waived <sup>7</sup>                                | 1.03% <sup>8</sup>  |
| Total expenses after fees waived and excluding interest expense <sup>7</sup> | 0.97% <sup>8</sup>  |
| Net investment income <sup>6</sup>   | 5.04% <sup>8</sup>  |
| <b>Supplemental Data</b>   |   |
| Net assets, end of period (000)  | \$ 750,589  |
| Borrowings outstanding, end of period (000)                                  | \$ 220,742  |
| Average borrowings outstanding, during the period (000)                      | \$ 76,441   |
| Portfolio turnover   | 26% <sup>9</sup>  |
| Asset coverage, end of period per \$1,000                                    | \$ 4,400  |

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

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

- <sup>2</sup> Net asset value, beginning of period, reflects a reduction 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> A portion of the dividends from net investment income may be deemed a tax return of capital or net realized gain at fiscal year end.
- <sup>5</sup> Total investment returns based on market price, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.
- <sup>6</sup> Aggregate total investment return.
- <sup>7</sup> Annualized.
- <sup>8</sup> Certain expenses incurred during the period February 27, 2013 to April 30, 2013 have been included in the ratio, but not annualized. If these expenses were annualized, the annualized ratio of total expenses, total expenses after fees waived, total expenses after fees waived and excluding interest expense and net investment income would have been 1.07%, 1.05%, 0.99% and 5.02%, respectively.
- <sup>9</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover rate would have been 16%.

See Notes to Financial Statements.

50

SEMI-ANNUAL REPORT

APRIL 30, 2013

**Table of Contents**

## Notes to Financial Statements (Unaudited)

**1. Organization and Significant Accounting Policies:**

BlackRock Credit Allocation Income Trust ( BTZ ) (formerly known as BlackRock Credit Allocation Income Trust IV), 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. Prior to commencement of operations on February 27, 2013, BIT had no operations other than those relating to organizational matters and the sale of 6,964 Common Shares on December 31, 2012 to BlackRock Holdco 2, Inc., an affiliate of BIT, for \$133,012. Investment operations for BIT commenced on February 27, 2013. The Trusts' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US 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. 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 Board 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 reorganization of its respective 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 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 cost 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:

| Target Fund | Shares Prior to<br>Reorganization | Conversion<br>Ratio | Shares of  |
|-------------|-----------------------------------|---------------------|------------|
|             |                                   |                     | 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          | 15,867,888 |

Each Target Fund's net assets and composition of net assets on December 7, 2012, the 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 being received from the Target Funds were carried forward to align ongoing reporting of BTZ's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of 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:

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

| <b>Target Fund</b> | <b>Fair Value of<br/>Investments</b> | <b>Cost of<br/>Investments</b> |
|--------------------|--------------------------------------|--------------------------------|
| PSW                | \$ 173,824,678                       | \$ 158,779,261                 |
| PSY                | \$ 728,147,930                       | \$ 666,028,086                 |
| 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 six months ended April 30, 2013, are as follows:

Net investment income: \$41,071,752

Net realized and change in unrealized gain/loss on investments: \$60,501,185

Net increase/decrease in net assets resulting from operations: \$101,572,937

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 BTZ's Statement of Operations since December 10, 2012.

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

---

**Table of Contents**

Notes to Financial Statements (continued)

The Board of Trustees approved a change in the name of BTZ from BlackRock Credit Allocation Income Trust IV to BlackRock Credit Allocation Income Trust. This change was effective February 11, 2013.

The following is a summary of significant accounting policies followed by the Trusts:

**Basis of Consolidation:** BGT's accompanying consolidated financial statements include the account 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 J.G. Wentworth LLC Preferred Equity Interests, an operating company and to satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investments 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. 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.

**Valuation:** US 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 Global Valuation Methodologies 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.

The Trusts value their bond investments 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. 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 or the NASDAQ Global Market System (NASDAQ) are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale 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 are valued at the last available bid price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange (NYSE). 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 swaptions are valued by an independent pricing service using a mathematical model, which

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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

In the event that 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 a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Trust might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deem 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. A market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and 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

---

**Table of Contents****Notes to Financial Statements (continued)**

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, a regular review 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 Assets 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 (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to affect the value of such instruments materially, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee using a pricing service and/or policies approved by the Board.

**Foreign Currency:** The Trusts' books and records are maintained in US 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 US dollar rises in value against a foreign currency, the Trusts' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US 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 treated as ordinary income for federal income tax purposes.

**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 have to subsequently 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 US 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 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 which 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



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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.

**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, US government

---

**Table of Contents****Notes to Financial Statements (continued)**

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 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 pre-payments of principal, the Trusts may not fully recoup their 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:** The Trusts may invest in capital trusts. 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. 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.

**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 the Trusts holds 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 US 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 its investment policies.

When the Trusts purchase a floating rate loan interest they may receive a facility fee and when they sell 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 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

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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 financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender

**Table of Contents**

## Notes to Financial Statements (continued)

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.

**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.

**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 a security to the counterparty, a bank or broker-dealer, and agree to repurchase the same security at a mutually agreed upon date and price. Certain agreements have no stated maturity and can be terminated by either party at any time. During the term of the reverse repurchase agreement, the Trusts continue to receive the principal and interest payments on the security delivered to the counterparty. Interest on the value of the reverse 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 security that the Trusts are obligated to repurchase under the agreement may decline below the repurchase price.

For financial reporting purposes, cash received in exchange for securities delivered plus accrued interest payments to be made 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 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, a Trust may receive a fee for use of the security by the counterparty, which may result in interest income to the Trust.

Reverse repurchase transactions are entered into by the Trusts under Master Repurchase Agreements (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 Trust. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, each Trust is posting securities as collateral with a market value in excess of the repurchase price to be paid by such Trust upon the maturity of the reverse repurchase transaction. Upon a bankruptcy or insolvency of the MRA counterparty, the Trust is considered an unsecured creditor with respect to such excess collateral and as such the return of such excess collateral may be delayed.

BIT has adopted the new disclosure requirements on offsetting in the following table. As such, the following table is a summary of BIT's open reverse repurchase agreements by counterparty which are subject to a MRA on a net payment basis as of April 30, 2013:

| Counterparty                       | Reverse                  |  | Cash<br>Collateral<br>Pledged | Net<br>Amount <sup>1</sup> |
|------------------------------------|--------------------------|--|-------------------------------|----------------------------|
|                                    | Repurchase<br>Agreements | Fair Value of<br>Non-cash<br>Collateral<br>Pledged |                               |                            |
| Barclays Capital, Inc.             | \$ 35,199,368            | \$ (35,199,368)                                    |                               |                            |
| UBS Securities LLC                 | 80,834,549               | (80,834,549)                                       |                               |                            |
| Deutsche Bank Securities, Inc.     | 98,913,658               | (98,913,658)                                       |                               |                            |
| Credit Suisse Securities (USA) LLC | 5,860,716                | (5,860,716)  |                               |                            |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|              |                |                  |
|--------------|----------------|------------------|
| <b>Total</b> | \$ 220,808,291 | \$ (220,808,291) |
|--------------|----------------|------------------|

<sup>1</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

In the event the buyer of the security under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Trusts' use of the proceeds of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Trusts' obligation to repurchase the security.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that each Trust either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts, swaps and options written), or certain borrowings (e.g., reverse repurchase agreements and loan payable), each Trust will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, a Trust engaging in such transactions may have requirements to deliver/deposit securities to/with an exchange or broker-dealer as collateral for certain investments. Typically, the Trusts are permitted to sell, re-pledge or use collateral received from the counterparty, but counterparties typically are not permitted to sell, re-pledge or use the collateral they receive.

---

**Table of Contents****Notes to Financial Statements (continued)**

**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 dates. 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.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. 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. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

**Income Taxes:** 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.

Each Trust files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Trusts' US federal tax returns, except BIT's, remains open for each of the four years ended October 31, 2012. The statutes of limitations on the Trusts' state and local tax returns, except BIT's, may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standards:** In December 2011, the Financial Accounting Standards Board (the FASB) issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarifies which investments and transactions are subject to the offsetting disclosure requirements. The scope of the disclosure requirements for offsetting will be limited to derivative instruments, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending transactions. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. BIT adopted the disclosure provisions on offsetting during the current reporting period. The disclosures required have been included for BIT's reverse repurchase agreements and derivative financial instruments in Note 1 and Note 2, respectively. Management is evaluating the impact of this guidance on BTZ's and BGT's financial statement disclosures.

**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 Officer's 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.

**Other:** Expenses directly related to a Trust are charged to that Trust. Other operating expenses shared by several funds are pro rated 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.

**2. 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, interest rate risk or 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). Financial futures contracts are agreements between a Trust 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. 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

---

**Table of Contents****Notes to Financial Statements (continued)**

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 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 and are recorded by the Trusts as unrealized appreciation or depreciation. 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.

**Foreign Currency Exchange Contracts:** The Trusts enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (foreign currency exchange rate risk). A 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. 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 foreign currency exchange contracts involves the risk that the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that the counterparty to the contract does not perform its obligations under the agreement.

**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 swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement (interest rate 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 an option written could result in the Trusts purchasing or selling a security at a price different from the current market value.

**Swaps:** The Trusts enter into swap agreements, in which a Trust and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. These payments received or made by the Trusts are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees 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 swap. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract or centrally cleared (centrally cleared swaps). 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 face 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. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of centrally cleared swaps, if any, is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. When the 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 contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

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,

SEMI-ANNUAL REPORT

APRIL 30, 2013

57

---

**Table of Contents****Notes to Financial Statements (continued)**

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 occurs. As a buyer, if an underlying credit event occurs, the Trusts will either 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 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. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time. 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 and futures and centrally cleared swaps, there is minimal counterparty credit risk to the Trusts since the exchange's clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. However, credit risk still exists in exchange traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a broker's customer accounts. While brokers are required to segregate customer margin from their own assets, in the event that a broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the broker for all its clients, US bankruptcy laws will typically allocate that shortfall on a pro rata basis across all the broker's customers, potentially resulting in losses to the Trusts.

In order to better define its 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 derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between each Trust and a counterparty that governs OTC derivatives and foreign exchange contracts 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 instrument's 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 (close-out netting) including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral and margin requirements differ by type of derivative. Margin requirements are established by the broker or clearinghouse for exchange traded and centrally cleared derivatives (financial futures contracts, options and centrally cleared swaps). Brokers can ask for margining in excess of the minimum in certain circumstances. Collateral terms are contract specific for OTC derivatives (foreign currency exchange contracts and swaps). 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 Trusts and the counterparty. For financial reporting purposes, 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

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g. \$500,000) before a transfer has to be made, which is determined at the close of business of the Trusts and additional required collateral is delivered to/pledged by the Trusts on the next business day. To the extent amounts due to the Trusts from their counterparties are not fully collateralized,

**Table of Contents**

## Notes to Financial Statements (continued)

contractually or otherwise, the Trusts bear the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices. Each Trust attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives 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 their ISDA Master Agreements, which would cause the Trusts to accelerate payment of any net liability owed to the counterparty.

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

BIT has adopted the new disclosure requirements on offsetting in the following tables.

At April 30, 2013, BIT's derivative assets and liabilities (by type) are as follows:

|   | Assets     | Liabilities  |
|---|------------|--------------|
| Derivative Financial Instruments:   |            |              |
| Financial futures contracts   | \$ 33,750  |              |
| Foreign currency exchange contracts   |            | \$ 845,160   |
| Swaps   | 558,406    | 1,024,340    |
| Total derivative assets and liabilities in the Statements of Assets and Liabilities | 592,156    | 1,869,500    |
| Derivatives not subject to a master netting agreement or similar agreement ( MNA )  | 33,750     |              |
| Total assets and liabilities subject to MNA   | \$ 558,406 | \$ 1,869,500 |

The following table presents BIT's derivative assets by counterparty net of amounts available for offset under a MNA and net of the related collateral received by the Trust as of April 30, 2013:

| Counterparty       | Derivative Assets<br>Subject to a MNA<br>by<br>Counterparty | Derivatives<br>Available for Offset | Non-cash               | Cash                   | Net Amount of                     |
|--------------------|---|-------------------------------------|------------------------|------------------------|-----------------------------------|
|                    |   |                                     | Collateral<br>Received | Collateral<br>Received | Derivative<br>Assets <sup>1</sup> |
| Bank of America NA | \$558,406   | \$ (558,406)                        |                        |                        |                                   |

The following table presents BIT's derivative liabilities by counterparty net of amounts available for offset under a MNA and net of the related collateral pledged by the Trust as of April 30, 2013:

| Counterparty | Derivative<br>Liabilities<br>Subject to a MNA<br>by | Derivatives<br>Available for Offset | Non-cash   | Cash       | Net Amount of |
|--------------|---|-------------------------------------|------------|------------|---------------|
|              |   |                                     | Collateral | Collateral | Derivative    |

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|                    | Counterparty |    | Pledged   | Pledged      | Liabilities <sup>2</sup> |
|--------------------|--------------|----|-----------|--------------|--------------------------|
| Bank of America NA | \$1,869,500  | \$ | (558,406) | \$ (600,000) | \$ 711,094               |

<sup>1</sup> Net amount represents the net amount receivable from the counterparty in the event of default.

<sup>2</sup> Net amount represents the net amount payable due to the counterparty in the event of default.

**Derivative Financial Instruments Categorized by Risk Exposure:**

**Fair Values of Derivative Financial Instruments as of April 30, 2013**

|                                     | Asset Derivatives   | BTZ          | BGT       | BIT        |
|-------------------------------------|---|--------------|-----------|------------|
|                                     | Statements of Assets and Liabilities Location   | Value        |           |            |
| Interest rate contracts             | Net unrealized appreciation/depreciation <sup>3</sup> ; Unrealized appreciation on swaps; Investments at value unaffiliated | \$ 348,880   |           |            |
| Foreign currency exchange contracts | Unrealized appreciation on foreign currency exchange contracts  |              | \$ 13,830 |            |
| Credit contracts                    | Unrealized appreciation on swaps; swap premiums paid  | 1,781,149    | 59,378    | \$ 558,406 |
| <b>Total</b>                        |   | \$ 2,130,029 | \$ 73,208 | \$ 558,406 |

SEMI-ANNUAL REPORT

APRIL 30, 2013

59

**Table of Contents**

## Notes to Financial Statements (continued)

**Derivative Financial Instruments Categorized by Risk Exposure:****Fair Values of Derivative Financial Instruments as of April 30, 2013**

|                                     | Statements of Assets and Liabilities Location  | Liability Derivatives |                |                |
|-------------------------------------|--|-----------------------|----------------|----------------|
|                                     |  | BTZ                   | BGT            | BIT            |
|                                     |  | Value                 |                |                |
| Interest rate contracts             | Net unrealized appreciation/depreciation <sup>3</sup> ; Unrealized depreciation on swaps <sup>2</sup> ; Options written at value | \$ (6,617,366)        |                | \$ (914,674)   |
| Foreign currency exchange contracts | Unrealized depreciation on foreign currency exchange contracts   | (19,324)              | \$ (889,935)   | (845,160)      |
| Credit contracts                    | Unrealized depreciation on swaps; swap premiums received   | (3,587,815)           | (738,729)      | (1,024,340)    |
| <b>Total</b>                        |  | \$ (10,224,505)       | \$ (1,628,664) | \$ (2,784,174) |

<sup>3</sup> Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps as reported in the Schedules of Investments. Only the current day's variation margin is reported within the Statements of Assets and Liabilities.

<sup>4</sup> Includes options purchased at value as reported in the Schedules of Investments.

**The Effect of Derivative Financial Instruments in the Statements of Operations**

|                                      | Six Months Ended April 30, 2013 |              |           |
|--------------------------------------|---------------------------------|--------------|-----------|
|                                      | Net Realized Gain (Loss) From   |              |           |
|                                      | BTZ                             | BGT          | BIT       |
| Interest rate contracts:             |                                 |              |           |
| Financial futures contracts          | \$ 2,067,701                    |              | \$ 99,413 |
| Swaps                                | 2,798,586                       |              |           |
| Options <sup>1</sup>                 | (2,799,979)                     |              |           |
| Foreign currency exchange contracts: |                                 |              |           |
| Foreign currency transactions        | (59,010)                        | \$ 1,595,520 | (391,512) |
| Options <sup>1</sup>                 | (422,450)                       |              |           |
| Credit contracts:                    |                                 |              |           |
| Swaps                                | (377,869)                       | 153,856      | 294,823   |
| <b>Total</b>                         | \$ 1,206,979                    | \$ 1,749,376 | \$ 2,724  |

|                                      | Net Change in Unrealized Appreciation/Depreciation on |                |                |
|--------------------------------------|---|----------------|----------------|
|                                      | BTZ   | BGT            | BIT            |
| Interest rate contracts:             |   |                |                |
| Financial futures contracts          | \$ (5,433,632)  |                | \$ (914,674)   |
| Swaps                                | (1,967,121)   |                |                |
| Options <sup>1</sup>                 | 2,128,422   |                |                |
| Foreign currency exchange contracts: |   |                |                |
| Foreign currency translations        | (19,324)  | \$ (1,530,681) | (845,160)      |
| Credit contracts:                    |   |                |                |
| Swaps                                | (409,750)   | 19,341         | 558,406        |
| <b>Total</b>                         | \$ (5,701,405)  | \$ (1,511,340) | \$ (1,201,428) |

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

<sup>1</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the six months ended April 30, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | <b>BTZ</b>                | <b>BGT</b>    | <b>BIT</b>                  |
|--|---------------------------|---------------|-----------------------------|
| <b>Financial futures contracts:</b>              |                           |               |                             |
| Average number of contracts purchased            | 705                       |               |                             |
| Average number of contracts sold                 | 2,334                     |               | 300                         |
| Average notional value of contracts purchased    | \$ 155,740,336            |               |                             |
| Average notional value of contracts sold         | \$ 311,942,414            |               | \$ 40,683,516               |
| <b>Foreign currency exchange contracts:</b>      |                           |               |                             |
| Average number of contracts US dollars purchased | 1                         | 6             | 3                           |
| Average number of contracts US dollars sold      | 3 <sup>2</sup>            | 1             | 12 <sup>2</sup>             |
| Average US dollar amounts purchased              | \$ 3,343,004              | \$ 80,773,186 | \$ 64,375,369               |
| Average US dollar amounts sold                   | \$ 5,099,933 <sup>2</sup> | \$ 2,904,943  | \$ 118,835,233 <sup>2</sup> |

**Table of Contents**

Notes to Financial Statements (continued)

|  | BTZ            | BGT          | BIT           |
|--|----------------|--------------|---------------|
| <b>Options:</b>  |                |              |               |
| Average number of option contracts purchased           | 35,000,210     | 26           |               |
| Average number of option contracts written             |                |              |               |
| Average notional value of option contracts purchased   | \$ 35,210,000  | \$ 24,514    |               |
| Average notional value of option contracts written     |                |              |               |
| Average number of swaption contracts purchased         | 6              |              |               |
| Average number of swaption contracts written           | 3              |              |               |
| Average notional value of swaption contracts purchased | \$ 267,775,000 |              |               |
| Average notional value of swaption contracts written   | \$ 202,500,000 |              |               |
| <b>Credit default swaps:</b>                           |                |              |               |
| Average number of contracts buy protection             | 22             |              |               |
| Average number of contracts sell protection            | 9              | 10           | 2             |
| Average notional value buy protection                  | \$ 89,131,064  |              |               |
| Average notional value sell protection                 | \$ 33,254,000  | \$ 2,394,388 | \$ 15,000,000 |
| <b>Interest rate swaps:</b>                            |                |              |               |
| Average number of contracts pays fixed rate            | 5              |              |               |
| Average number of contracts receives fixed rate        | 3              |              |               |
| Average notional value pays fixed rate                 | \$ 89,800,000  |              |               |
| Average notional value receives fixed rate             | \$ 14,800,000  |              |               |

<sup>2</sup> Actual contract amount shown due to limited activity.

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ) 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 necessary 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) net assets (including any assets attributable to borrowings) at the following annual rates:

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

Prior to December 10, 2012, BTZ paid the Manager an investment advisory fee computed and paid monthly based on an annual rate of 0.65%.

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 the BGT s net assets (including any assets attributable to borrowings), which includes the assets of the Taxable Subsidiary.

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager with respect to each Trust. The Manager also entered into a sub-advisory agreement with BlackRock Investment Management, LLC ( BIM ), an affiliate of the Manager, with respect to BTZ and BIT. On June 5, 2013, the Board approved the Manager entering into a sub-advisory



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

agreement with BlackRock (Singapore) Limited ( BRS ), an affiliate of the Manager, with respect to BIT. The Manager pays BFM, BIM and BRS, for services they provide, a monthly fee that is a percentage of the investment advisory fees paid by each Trust 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.

#### 4. Investments:

Purchases and sales of investments including paydowns, excluding short-term securities and US government securities for the six months ended April 30, 2013, were as follows:

|     | <b>Purchases</b> | <b>Sales</b>   |
|-----|------------------|----------------|
| BTZ | \$ 403,228,276   | \$ 416,662,347 |
| BGT | \$ 212,121,921   | \$ 197,428,349 |
| BIT | \$ 1,152,048,871 | \$ 146,874,646 |

Purchases and sales of US government securities for the six months ended April 30, 2013 were as follows:

|     | <b>Purchases</b> | <b>Sales</b>  |
|-----|------------------|---------------|
| BTZ | \$ 37,170,455    | \$ 47,090,224 |
| BIT | \$ 30,282,542    | \$ 30,251,833 |

For the period ended April 30, 2013, purchases and sales of mortgage dollar rolls for BIT were \$70,234,250 and \$70,407,758, respectively.

**Table of Contents**

## Notes to Financial Statements (continued)

Transactions in options written for the six months ended April 30, 2013 were as follows:

| BTZ                                      | Contracts | Calls                          |                      | Contracts | Puts                           |                      |
|--|-----------|--------------------------------|----------------------|-----------|--------------------------------|----------------------|
|  |           | Notional<br>(000) <sup>1</sup> | Premiums<br>Received |           | Notional<br>(000) <sup>1</sup> | Premiums<br>Received |
| Outstanding options, beginning of period |           | \$ 23,500                      | \$ 1,274,813         |           | \$ 39,500                      | \$ 1,586,812         |
| Options written                          |           | 180,000                        | 162,000              |           | 180,000                        | 198,000              |
| Options exercised                        |           |                                |                      |           |                                |                      |
| Options expired                          |           |                                |                      |           | (180,000)                      | (198,000)            |
| Options closed                           |           | (203,500)                      | (1,436,813)          |           | (23,500)                       | (1,274,812)          |
| Outstanding options, end of period       |           |                                |                      |           | \$ 16,000                      | \$ 312,000           |

<sup>1</sup> Amount shown is in the currency in which the transaction was denominated.

**5. Income Tax Information:**

As of October 31, 2012, the Trusts had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires October 31,             | BTZ                   | BGT                  |
|---------------------------------|-----------------------|----------------------|
| 2015                            | \$ 47,850,027         | \$ 3,268,804         |
| 2016                            | 113,355,213           | 24,616,531           |
| 2017                            | 223,939,227           | 45,385,443           |
| 2018                            | 15,223,841            | 16,526,601           |
| 2019                            | 10,353,275            | 409,424              |
| No expiration date <sup>1</sup> |                       | 94,239               |
| <b>Total</b>                    | <b>\$ 410,721,583</b> | <b>\$ 90,301,042</b> |

<sup>1</sup> Must be utilized prior to losses subject to expiration

As of April 30, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

|                               | BTZ              | BGT            | BIT              |
|-------------------------------|------------------|----------------|------------------|
| Tax cost                      | \$ 2,231,034,019 | \$ 525,514,448 | \$ 1,018,751,992 |
| Gross unrealized appreciation | \$ 222,138,949   | \$ 14,239,069  | \$ 19,352,210    |
| Gross unrealized depreciation | (14,016,319)     | (5,160,654)    | (1,176,910)      |
| Net unrealized appreciation   | \$ 208,122,630   | \$ 9,078,415   | \$ 18,175,300    |

**6. Borrowings:**

Effective March 1, 2013, BGT was 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 at any time after February 24, 2014. BGT has granted a security interest in substantially all of its assets to SSB. The SSB Agreement allows for a maximum commitment amount of \$172,000,000.

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

Advances were 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. Advances to BGT as of April 30, 2013 are shown in the Statements of Assets and Liabilities as loan 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 six months ended April 30, 2013, the daily weighted average interest rates for BGT with loans under the revolving credit agreement was 0.96%.

For the six months ended April 30, 2013, the daily weighted average interest rates from reverse repurchase agreements were as follows:

|     |       |
|-----|-------|
| BTZ | 0.33% |
| BIT | 0.52% |

### 7. Commitments:

The Trusts may invest in floating rate loan interests. In connection with these investments, the Trusts may also enter into unfunded floating rate loan interests. 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. Commitment fees received in advance and unrecognized are recorded in the Statements of Assets and Liabilities as deferred income.

**Table of Contents**

## Notes to Financial Statements (concluded)

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 April 30, 2013, the BGT had the following unfunded floating rate loan interests:

| Borrower                 | Unfunded<br>Floating<br>Rate Loan<br>Interest | Value of<br>Underlying<br>Floating<br>Rate Loan<br>Interest | Unrealized<br>Appreciation |
|--------------------------|---|---|----------------------------|
| Leslie's Poolmart, Inc.  | \$ 32,000                                     | \$ 32,424   | \$ 545                     |
| Syniverse Holdings, Inc. | \$ 1,220,000                                  | \$ 1,223,819  | \$ 9,804                   |

**8. Concentration, Market and Credit Risk:**

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 Trust.

As of April 30, 2013, BTZ invested a significant portion of its assets in securities in the financials sector, BGT invested a significant portion of its assets in the consumer discretionary sector, and BIT invested a significant portion of its assets in the financials and consumer discretionary sectors. Changes in economic conditions affecting the financials and consumer discretionary sectors would have a greater impact on the Trusts and could affect the value, income and/or liquidity of positions in such securities.

**9. 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 periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

|     | Six Months<br>Ended | Year Ended  |
|-----|---------------------|-------------|
|     | April 30,           | October 31, |
|     | 2013                | 2012        |
| BGT | 18,776              | 21,103      |

Shares issued and outstanding increased 56,260,013 from the reorganization for the six months ended April 30, 2013 and remained constant for the year ended October 31, 2012 for BTZ.

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

Shares issued and outstanding for the period February 27, 2013 to April 30, 2013, increased by 36,000,000 from the initial public offering and 2,414,660 from the underwriters exercising the over-allotment option for BIT.

Upon commencement of operations, organization costs associated with the establishment of BIT were expensed by BIT. Offering costs incurred in connection with BIT's offering of Common Shares have been charged against the proceeds from the initial Common Share offering in the amount of \$1,503,586.

For BIT, as February 27, 2013, 6,964 shares were owned by affiliates.

### 10. 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 May 30, 2013 to Common Shareholders of record on May 15, 2013:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BTZ | \$ 0.0785                                |
| BGT | \$ 0.0775                                |
| BIT | \$ 0.1167                                |

Additionally, the Trusts declared a net investment income dividend on June 3, 2013 payable to Common Shareholders of record on June 14, 2013 for the same amounts as noted above.

**Table of Contents**

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

The Board of Trustees (the Board, the members of which are referred to as Board Members) of BlackRock Multi-Sector Income Trust (the Trust) met on December 17, 2012 and February 7, 2013 to consider the approval of the Trust's investment advisory agreement (the Advisory Agreement) with BlackRock Advisors, LLC (the Manager), the Trust's investment advisor. The Board also considered the approval of the sub-advisory agreement among the Manager, BlackRock Financial Management, Inc. (BFM), and the Trust (the BFM Sub-Advisory Agreement) and the sub-advisory agreement among the Manager, BlackRock Investment Management, LLC (BIM) and together with BFM, the Sub-Advisors), and the Trust (the BIM Sub-Advisory Agreement and together with the BFM Sub-Advisory Agreement, the Sub-Advisory Agreements). The Manager and the Sub-Advisors are referred to herein as BlackRock. The Advisory Agreement and the Sub-Advisory Agreements are referred to herein as the Agreements.

**Activities and Composition of the Board**

At the time the Board considered the Agreements on December 17, 2012, the Board consisted of three individuals, two of whom were not interested persons of the Trust as defined in the Investment Company Act of 1940 (the 1940 Act) (the Independent Board Members). At the time the Board considered the Agreements on February 7, 2013, the Board consisted of eleven individuals, seven of whom were Independent Board Members, and an additional two of whom would be Independent Board Members after the completion of the Trust's initial public offering. The Board Members are responsible for the oversight of the operations of the Trust 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 the Board is an Independent Board Member. The 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, the Board is required to consider the initial approval of the Agreements. In connection with this process, the Board assessed, among other things, the nature, scope and quality of the services to be provided to the Trust by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

**Board Considerations in Approving the Agreements**

The Approval Process: Prior to the December 17, 2012 and February 7, 2013 meetings, the Board received materials specifically relating to the Agreements. The materials provided in connection with the December 17, 2012 meeting, and referred to in connection with the February 7, 2013 meeting, included information regarding (i) the investment objectives and policies of the Trust; (ii) the team of investment advisory personnel assigned to the Trust; (iii) the Trust's management fee and estimated total operating expenses as compared with a peer group of funds as determined by Lipper, Inc. (Lipper); and (iv) certain anticipated direct and indirect fallout benefits to BlackRock from its relationship with the Trust. Periodically, the Board Members, in connection with their duties as trustees or directors of other funds in the BlackRock family of closed-end funds, have received other information including general information regarding BlackRock's management of such funds, BlackRock's management of relationships with service providers to such funds, resources devoted to compliance with such funds' investment objectives and policies, the structure and expertise of BlackRock and BlackRock's parent companies, BlackRock's policies and procedures in respect of execution of portfolio transactions and other matters.

At in person meetings held on December 17, 2012 and February 7, 2013, the Board, including the Independent Board Members, reviewed materials relating to its consideration of the Agreements and unanimously approved the Advisory Agreement and the Sub-Advisory Agreements. In approving the Agreements, the Board considered, among other factors: (a) the nature, extent and quality of the services to be provided by BlackRock; (b) the investment performance of BlackRock portfolio management in general; (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 Trust; (d) economies of scale; (e) fall-out benefits to BlackRock as a result of its relationship with the Trust; (f) the policies and practices of BlackRock with respect to portfolio transactions for the Trust; and (g) other factors deemed relevant by the Board Members.

The Board also considered other matters it 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 Trust portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Trust and advice from independent legal counsel with respect to the review process and

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

materials submitted for the Board's review. The Board noted the willingness of BlackRock personnel to engage in open, candid discussions with the Board. The Board did not identify any particular information as controlling, 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 Board, including the Independent Board Members, reviewed the nature, extent and quality of services to be provided by BlackRock to the Trust. The Board met with BlackRock's senior management personnel responsible for investment operations, including the senior investment officers. The Board also reviewed the materials provided by the Trust's portfolio management team discussing the Trust's investment objective, strategies and outlook.

The Board considered, among other factors, with respect to BlackRock: its compliance record, including whether other funds advised by BlackRock have operated within their investment objectives, policies and restrictions; the Trust's investment objective, policies and restrictions; the number, education and experience of investment personnel generally and the

---

**Table of Contents**

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

Trust'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. The Board engaged in a review of BlackRock's compensation structure with respect to the Trust'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 Board considered the quality of the administrative and non-investment advisory services to be provided to the Trust. BlackRock and its affiliates will provide the Trust with certain services (in addition to any such services provided to the Trust by third parties) and officers and other personnel as are necessary for the operations of the Trust. In particular, BlackRock and its affiliates will provide the Trust 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 Trust; (iii) assisting with daily accounting and pricing; (iv) preparing 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; and (viii) performing other administrative functions necessary for the operation of the Trust, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Board reviewed the structure and duties of BlackRock's fund administration, accounting, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Trust and BlackRock: In their capacity as members of the boards of directors or trustees of certain other BlackRock-advised funds, the Board Members, including the Independent Board Members, previously received and considered information about BlackRock's investment performance for other BlackRock-advised funds. The Board, however, could not consider the performance history of the Trust because the Trust was newly organized and had not yet commenced operations as of the December 17, 2012 or February 7, 2013 meetings.

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 Trust: The Board, including the Independent Board Members, reviewed the Trust's contractual management fee rate compared with the other funds in its Lipper category. It also compared the Trust's total expenses to those of other comparable funds. The funds within the peer group were selected by Lipper, which is not affiliated with BlackRock.

The Board, including the Independent Board Members, reviewed six sub-categories of fees and expenses for the Trust compared with the other funds in its Lipper peer group: (i) contractual management fees; (ii) total expenses, including investment-related expenses and taxes; (iii) total expenses, excluding investment-related expenses and taxes; (iv) management fees (common and leveraged); (v) management fees (common) and (vi) non-management expenses.

The Board noted that, relative to the other funds in its Lipper peer group, the Trust was in the fourth quartile in each of the sub-categories, with the exception of non-management expenses, where the Trust was in the second quartile. The Board recognized the Trust's relatively less favorable comparisons. While the funds selected for the Trust's Lipper peer group were selected under Lipper's selection methodology, the Board believed they may not represent the best comparables for the Trust. The Board noted that the underlying asset classes of the funds selected for the Lipper peer group vary substantially from each other and the Trust. In addition, the other funds were generally raised during substantially different vintage periods from the Trust, and may represent legacy pricing and management fee structures as opposed to current market rates. Further, certain of the sub-categories include investment related expenses or are affected by the degree to which a fund uses leverage. The Board noted that because the Trust assumed that it would use approximately 45% leverage, at the high-end of the indicated leverage range, which is higher than the funds in the Lipper peer group, its management fee (as a percentage of net assets) will appear higher than that for a fund that uses less leverage and its total annual operating expenses may be higher than that of a fund that has lower financing cost. The Board believed a subset of recently-issued taxable fixed income closed-end funds constituted a better representative comparison for the Trust. The Board compared the Trust's expenses to such other funds and noted that the Trust's total expenses compare favorably to the expenses of such funds.

The 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 and to continue to provide the high quality of services that is expected by the Board.

As the Trust had not yet commenced operations, BlackRock was not able to provide the Board with specific information concerning the expected profits to be realized by BlackRock and its affiliates from their relationships with the Trust. BlackRock, however, noted that it will provide the Board with such information at future meetings.



## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

Following consideration of this information, the Board, including the Independent Board Members, concluded that the fees to be paid pursuant to the Agreements were fair and reasonable in light of the services to be provided.

D. Economies of Scale: The Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of the Trust increase. The Board also considered the extent to which the Trust may benefit from such economies and whether there should be changes in the advisory fee rate or structure in order to enable the Trust 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 Trust.

Based on the Board's review and consideration of the issue, the Board 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. The Board noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

**Table of Contents**

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

E. Other Factors Deemed Relevant by the Board Members: The 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 the Trust, 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 Trust, including securities lending and cash management services. The Board also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Board 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 Board further noted that BlackRock funds may invest in affiliated exchange-traded funds without any offset against the management fees payable by the funds to BlackRock.

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

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

The Board, including all of the Independent Board Members, concluded that these ancillary benefits that BlackRock and its affiliates could receive with regard to providing investment advisory and other services to the Trust were consistent with those generally available to other fund sponsors.

**Conclusion**

The Board, including a majority of the Independent Board Members, approved each of the Advisory Agreement between the Manager and the Trust, the BFM Sub-Advisory Agreement among the Manager, BFM, and the Trust and the BIM Sub-Advisory Agreement among the Manager, BIM, and the Trust. Based upon its evaluation of all of the aforementioned factors in their totality, the Board, including the Independent Board Members, was satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Trust and its shareholders. In arriving at its decision to approve the Agreements, the Board, including the Independent Board Members, did not identify any single factor or group of factors as 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.

**Table of Contents**

Officers and Trustees

Richard E. Cavanagh, Chairman of the Board and Trustee

Karen P. Robards, Vice Chairperson of the Board, Chairperson of the Audit Committee and Trustee

Paul L. Audet, Trustee

Michael J. Castellano, Trustee and Member of the Audit Committee

Frank J. Fabozzi, Trustee and Member of the Audit Committee

Kathleen F. Feldstein, Trustee

James T. Flynn, Trustee and Member of the Audit Committee

Henry Gabbay, Trustee

Jerrold B. Harris, Trustee

R. Glenn Hubbard, Trustee

W. Carl Kester, Trustee and Member of the Audit Committee

John M. Perlowski, President and Chief Executive Officer

Anne Ackerley, Vice President

Brendan Kyne, Vice President

Robert W. Crothers, Vice President

Neal Andrews, Chief Financial Officer

Jay Fife, Treasurer

Brian Kindelan, Chief Compliance Officer and Anti-Money Laundering Officer

Janey Ahn, Secretary

**Investment Advisor**

BlackRock Advisors, LLC

Wilmington, DE 19809

**Sub-Advisors**

BlackRock Financial Management, Inc.<sup>1</sup>

New York, NY 10022

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

BlackRock Investment Management LLC<sup>2</sup>

Princeton, NJ 08540

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

079912 Singapore

### **Custodian and Accounting Agent**

State Street Bank and Trust Company

Boston, MA 02110

### **Transfer Agent**

Common Shares

Computershare Trust Company, N.A.

Canton, MA 02021

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

Boston, MA 02116

### **Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP

New York, NY 10036

### **Address of the Trusts**

100 Bellevue Parkway

Wilmington, DE 19809

<sup>1</sup> For BTZ, BGT and BIT.

<sup>2</sup> For BTZ and BIT.

<sup>3</sup> For BIT.

**Table of Contents**

**Additional Information**

**Proxy Results**

At a special meeting of all shareholders of BlackRock Credit Allocation Income Trust IV ( BTZ ) held on November 2, 2012, the results were as follows:

The shareholders of BTZ were being asked to approve the issuance of additional common shares of BTZ in connection with the BlackRock Credit Allocation Income Trust I, Inc. Reorganization Agreement.

With respect to the Proposal, the shares of BTZ were voted as follows:

| <b>Votes For</b> | <b>Votes Against</b> | <b>Abstain</b> |
|------------------|----------------------|----------------|
| 25,797,344       | 3,180,851            | 676,400        |

The shareholders of BTZ were being asked to approve the issuance of additional common shares of BTZ in connection with the BlackRock Credit Allocation Income Trust II, Inc. Reorganization Agreement.

With respect to the Proposal, the shares of BTZ were voted as follows:

| <b>Votes For</b> | <b>Votes Against</b> | <b>Abstain</b> |
|------------------|----------------------|----------------|
| 25,747,278       | 3,205,633            | 701,681        |

The shareholders of BTZ were being asked to approve the issuance of additional common shares of BTZ in connection with the BlackRock Credit Allocation Income Trust III, Reorganization Agreement.

With respect to the Proposal, the shares of BTZ were voted as follows:

| <b>Votes For</b> | <b>Votes Against</b> | <b>Abstain</b> |
|------------------|----------------------|----------------|
| 25,743,556       | 3,202,299            | 708,740        |

The shareholders of BTZ were being asked to approve the removal of BTZ's investment policy requiring that BTZ invests at least 25% of its Managed Assets in securities of companies principally engaged in providing financial services and amending BTZ's fundamental investment restriction regarding industry concentration to reflect the removal of such investment policy.

With respect to the Proposal, the shares of BTZ were voted as follows:

| <b>Votes For</b> | <b>Votes Against</b> | <b>Abstain</b> |
|------------------|----------------------|----------------|
| 26,191,627       | 2,756,410            | 706,559        |

**Regulation Regarding Derivatives**

Effective December 31, 2012, the Commodity Futures Trading Commission ( CFTC ) adopted certain regulatory changes that subject registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps ( CFTC Derivatives ), or if a fund markets itself as providing investment exposure to such instruments. To the extent a Trust uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ( "CEA" ) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a "commodity pool operator" under the CEA in respect to each Trust.

### 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 dividend distributions, the dividends 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 dividend 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. Dividend 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.

**Table of Contents**

## Additional Information (continued)

**General Information**

On July 29, 2010, the Manager announced that a derivative complaint had been filed by Roy Curbow and other plaintiffs, including shareholders of BTZ on July 27, 2010 in the Supreme Court of the State of New York, New York County. The complaint names the Manager, BlackRock, Inc. and certain of the trustees, officers and portfolio managers of BTZ (collectively, the Defendants) as defendants. The complaint alleges, among other things, that Defendants breached fiduciary duties owed to BTZ and its Common Shareholders by redeeming AMPS, at their liquidation preference. The complaint sought, among other things, unspecified damages for losses purportedly suffered by BTZ as a result of the prior redemptions and injunctive relief preventing BTZ from redeeming AMPS at their liquidation preference in the future. On March 15, 2012, the Supreme Court of the State of New York, New York County, entered an order consolidating the above-referenced derivative action with another derivative case pending in the same court which asserted essentially the same claims. On the same date, the court also authorized plaintiffs to file an amended consolidated complaint, which they filed on April 16, 2012, asserting substantially the same claims alleged in their original complaints. Defendants filed a motion to dismiss the Consolidated Shareholder Derivative Complaint (the Consolidated Complaint) on July 20, 2012. On September 14, 2012, plaintiffs filed an application to hold the Defendants' motion in abeyance and allow plaintiffs to conduct limited discovery before responding to the motion. After the parties agreed to proceed with limited discovery, plaintiffs advised Defendants they would withdraw their action and, on June 10, 2013, the parties filed a stipulation dismissing the Consolidated Complaint without prejudice, subject to approval of the court. The court dismissed the case without prejudice on June 17, 2013.

On November 15, 2010, the Manager announced the intention to redeem all of the outstanding auction market preferred shares and auction preferred shares (collectively, AMPS) issued by five of its taxable closed-end funds: PSW, PSY, BPP, BTZ, and BGT. All such outstanding AMPS were subsequently redeemed. The redemptions encompass all remaining taxable AMPS issued by BlackRock closed-end funds and total approximately \$569 million. The AMPS were redeemed with available cash or proceeds from reverse repurchase agreement financing or a credit facility on a fund-by-fund basis and, in each case, the refinancing resulted in a lower cost of financing for each fund under then-existing market conditions.

In exchange for the shareholder plaintiff's agreement to withdraw a previously filed motion for preliminary injunction enjoining any further redemptions of AMPS, each of these funds agreed to provide the plaintiffs in those actions with 30 days prior notice of any additional redemptions. On November 24, 2010, the Manager announced that counsel for the plaintiffs filed a motion for a preliminary injunction enjoining PSY and BTZ from redeeming outstanding AMPS pending final resolution of the underlying shareholder derivative suit. On December 23, 2010, the court denied plaintiffs' motion for a preliminary injunction.

On November 2, 2012, shareholders of BTZ approved removing BTZ's investment policies requiring BTZ to invest at least 25% of its Managed Assets in securities of companies principally engaged in providing financial services. Managed Assets as used in the foregoing means the total assets of the Trust (including any assets attributable to any or borrowings that may be outstanding) minus the sum of the accrued liabilities (other than debt representing financial leverage). Shareholders of BTZ also approved amending BTZ's fundamental investment restriction regarding industry concentration to reflect the removal of such policy.

BTZ's fundamental investment restriction regarding industry concentration as amended is set forth below.

BTZ may not: Invest 25% or more of the value of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not apply to obligations issued or guaranteed by the US Government or by its agents or instrumentalities.

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, except as noted above, 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. 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 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

## Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

regarding the Trusts and does not, and is not intended to, incorporate BlackRock's website in this report.

### Electronic Delivery

Electronic copies of most financial reports are available on the Trusts' websites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Trusts' electronic delivery program.

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

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

SEMI-ANNUAL REPORT

APRIL 30, 2013

69



**Table of Contents**

**Additional Information (continued)**

**General Information (concluded)**

**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>.

**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.

**Section 19(a) Notices**

The reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Trust's investment experience during the year and may be subject to changes based on the tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

**April 30, 2013**

**Total Fiscal Year-to-Date Cumulative  
Distributions by Character**

**Percent of Fiscal Year-to-Date  
Cumulative Distributions by Character**

Edgar Filing: BLACKROCK FLOATING RATE INCOME TRUST - Form N-CSRS

|     | <b>Net<br/>Investment<br/>Income</b> | <b>Net Realized<br/>Capital<br/>Gains</b> | <b>Return of<br/>Capital</b> | <b>Total Per<br/>Common<br/>Share</b> | <b>Net<br/>Investment<br/>Income</b> | <b>Net Realized<br/>Capital<br/>Gains</b> | <b>Return of<br/>Capital</b> | <b>Total Per<br/>Common<br/>Share</b> |
|-----|--------------------------------------|---|------------------------------|---------------------------------------|--------------------------------------|---|------------------------------|---------------------------------------|
| BTZ | \$0.470043                           |   | \$0.037957                   | \$0.508000                            | 93%                                  | 0%  | 7%                           | 100%                                  |
| BIT | \$0.102346                           |   | \$0.014354                   | \$0.116700                            | 88%                                  | 0%  | 12%                          | 100%                                  |

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.

**Table of Contents**

Additional Information (concluded)

**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.

**Table of Contents**

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 leverage 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-3-4/13-SAR

**Table of Contents**

- Item 2 Code of Ethics Not Applicable to this semi-annual report
- Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report
- Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report
- Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report
- 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 Not Applicable to this semi-annual report
- Item 8 Portfolio Managers of Closed-End Management Investment Companies  
(a) Not Applicable to this semi-annual report  
(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.
- Item 9 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers Not Applicable
- 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 Not Applicable to this semi-annual report  
  
(a)(2) Certifications Attached hereto  
  
(a)(3) Not Applicable  
  
(b) Certifications Attached hereto

**Table of Contents**

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: July 2, 2013

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: July 2, 2013

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

Date: July 2, 2013