

BLACKROCK FLOATING RATE INCOME TRUST

Form N-CSR

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21566

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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Date of fiscal year end: 10/31/2011

Date of reporting period: 10/31/2011

Item 1 – Report to Stockholders

October 31, 2011

Annual Report

} BlackRock Credit Allocation Income Trust I, Inc. (PSW)

} BlackRock Credit Allocation Income Trust II, Inc. (PSY)

} BlackRock Credit Allocation Income Trust III (BPP)

} BlackRock Credit Allocation Income Trust IV (BTZ)

} BlackRock Floating Rate Income Trust (BGT)

Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

One year ago, the global economy appeared to solidly be in recovery mode and investors were optimistic as the US Federal Reserve launched its second round of quantitative easing. Stock markets rallied despite ongoing sovereign debt problems in Europe and inflationary pressures looming over emerging markets. Fixed income markets, however, saw yields move sharply upward (pushing prices down), especially on the long end of the historically steep yield curve. While high yield bonds benefited from the risk rally, most fixed income sectors declined in the fourth quarter of 2010. The tax-exempt municipal market faced additional headwinds as it became evident that the Build America Bond program would not be extended and municipal finance troubles burgeoned.

Early 2011 saw spikes of volatility as political turmoil swept across the Middle East/North Africa region and prices of oil and other commodities soared. Natural disasters in Japan disrupted industrial supply chains and concerns mounted regarding US debt and deficit issues. Nevertheless, equities generally performed well early in the year as investors chose to focus on the continuing stream of strong corporate earnings and positive economic data. Credit markets were surprisingly resilient in this environment and yields regained relative stability in 2011. The tax-exempt market saw relief from its headwinds and steadily recovered from its fourth-quarter lows. Equities, commodities and high yield bonds outpaced higher-quality assets as investors increased their risk tolerance.

However, the environment changed dramatically in the middle of the second quarter. Markets dropped sharply in May when fears mounted over the possibility of Greece defaulting on its debt, rekindling fears about the broader sovereign debt crisis. Concurrently, economic data signaled that the recovery had slowed in the United States and other developed nations. Confidence was further shaken by the prolonged debt ceiling debate in Washington, DC. On August 5th, Standard & Poor's downgraded the US government's credit rating and turmoil erupted in financial markets around the world. Extraordinary levels of volatility persisted in the months that followed as Greece teetered on the brink of default. Financial problems intensified in Italy and Spain and both countries faced credit rating downgrades. Debt worries spread to the core European nations of France and Germany, and the entire euro-zone banking system came under intense pressure. Late in the summer, economic data out of the United States and Europe grew increasingly bleak while China and other emerging economies began to show signs of slowing growth. By the end of the third quarter, equity markets had fallen nearly 20% from their April peak while safe-haven assets such as US Treasuries, gold and the Swiss franc skyrocketed.

October brought enough positive economic data to assuage fears of a double-dip recession in the United States and corporate earnings continued to be strong. Additionally, European policymakers demonstrated an increased willingness to unite in their struggle to resolve the region's debt and banking crisis. These encouraging developments brought many investors back from the sidelines and risk assets rallied through the month, albeit with large daily swings as investor reactions to news from Europe vacillated between faith and skepticism.

Overall, lower-risk investments including US Treasuries, municipal securities and investment grade credits posted gains for the 6- and 12-month periods ended October 31, 2011. Risk assets, including equities and high yield debt, broadly declined over the six months; however, US stocks and high yield bonds remained in positive territory on a 12-month basis. Continued low short-term interest rates kept yields on money market securities near their all-time lows. While markets remain volatile and uncertainties abound, BlackRock remains dedicated to finding opportunities and managing risk in this environment.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

While markets remain volatile and uncertainties abound, BlackRock remains dedicated to finding opportunities and managing risk in this environment.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of October 31, 2011

	6-month	12-month
US large cap equities (S&P 500® Index)	(7.11)%	8.09 %
US small cap equities (Russell 2000® Index)	(13.76)	6.71
International equities (MSCI Europe, Australasia, Far East Index)	(14.90)	(4.08)
Emerging market equities (MSCI Emerging Markets Index)	(15.91)	(7.72)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.04	0.13
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	12.11	7.79
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	4.98	5.00
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	5.56	3.78
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	(0.95)	5.16

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

Fund Summary as of October 31, 2011

BlackRock Credit Allocation Income Trust I, Inc.

Fund Overview

BlackRock Credit Allocation Income Trust I, Inc. s (PSW) (the **Fund**) primary investment objective is to provide holders of common shares (Common Shareholders) with high current income. The secondary investment objective of the Fund is to provide Common Shareholders with capital appreciation. The Fund seeks to achieve its investment objectives 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 Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended October 31, 2011, the Fund returned 2.20% based on market price and 4.55% based on net asset value (NAV). For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 2.90% based on market price and 4.65% based on NAV. All returns reflect reinvestment of dividends. The Fund'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 primary driver of the Fund s positive performance was its duration positioning (management of interest rate sensitivity) as interest rates generally moved lower during the period. However, duration in the Fund was partially hedged using interest rate derivative instruments such as futures contracts, options and swaps. These hedges were put in place to limit expected volatility in interest rates and had a net negative contribution to performance.

The Fund s allocation to high yield corporate credit benefited performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within investment grade corporate credit, security selection was focused on increasing the overall quality and liquidity of the Fund s holdings, which contributed positively to returns.

Conversely, sector allocation within investment grade corporate credit had a negative impact on performance. The Fund held capital securities in the financials sector, which mostly underperformed other credit sectors as investors feared the sovereign debt crisis in Europe would ultimately have a negative impact on US-based financial companies. Capital securities were particularly hurt as they are lower in the capital structure and therefore tend to exhibit higher volatility during periods of risk aversion.

Describe recent portfolio activity.

During the 12-month period, the Fund increased its leveraged exposure to corporate credit in order to position itself to benefit from improving corporate fundamentals in an accommodative monetary policy environment. In the latter half of the period, the Fund reduced exposure to riskier credits as these names typically require significant economic growth to realize a boost in valuations. From an industry perspective, the Fund increased exposure to independent

energy names. Within the wireless telecommunications services sector, the Fund increased its credit quality profile by selling names in high yield to purchase investment grade credits with better predictability of earnings.

Describe portfolio positioning at period end.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward industrials over financials and utilities. Within industrials, the Fund favored media cable and media non-cable names.

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

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BlackRock Credit Allocation Income Trust I, Inc.**Fund Information**

Symbol on New York Stock Exchange (NYSE)	PSW
Initial Offering Date	August 1, 2003
Yield on Closing Market Price as of October 31, 2011 (\$9.25) ¹	7.72%
Current Monthly Distribution per Common Share ²	\$ 0.0595
Current Annualized Distribution per Common Share ²	\$ 0.7140
Leverage as of October 31, 2011 ³	33%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution rate is not constant and is subject to change.

Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 14.

³ The table below summarizes the changes in the Fund's market price and NAV per share:

	10/31/11	10/31/10	Change	High	Low
Market Price	\$ 9.25	\$ 9.67	(4.34)%	\$ 9.89	\$8.52
Net Asset Value	\$10.52	\$10.75	(2.14)%	\$10.90	\$9.88

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

Portfolio Composition

	10/31/11	10/31/10
Corporate Bonds	82 %	69 %
Preferred Securities	15	16
Asset Backed Securities	1	
Taxable Municipal Bonds	1	1
US Treasury Obligations	1	14

Credit Quality Allocations⁴

	10/31/11	10/31/10
AAA/Aaa ⁵	1 %	14 %
AA/Aa	7	10
A	28	23
BBB/Baa	38	38

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BB/Ba	15	12
B	8	1
CCC/Caa	1	
Not Rated	2	2

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

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of October 31, 2011

BlackRock Credit Allocation Income Trust II, Inc.

Fund Overview

BlackRock Credit Allocation Income Trust II, Inc. s (PSY) (the Fund) primary investment objective is to provide Common Shareholders with current income. The secondary investment objective of the Fund is to provide Common Shareholders with capital appreciation. The Fund seeks to achieve its investment objectives 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 Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended October 31, 2011, the Fund returned 0.16% based on market price and 3.71% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 2.90% based on market price and 4.65% based on NAV. All returns reflect reinvestment of dividends. The Fund'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 primary driver of the Fund s positive performance was its duration positioning (management of interest rate sensitivity) as interest rates generally moved lower during the period. However, duration in the Fund was partially hedged using interest rate derivative instruments such as futures contracts, options and swaps. These hedges were put into place to limit expected volatility in interest rates and had a net negative contribution to performance.

The Fund s allocation to high yield corporate credit benefited performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within investment grade corporate credit, security selection was focused on increasing the overall quality and liquidity of the Fund s holdings, which contributed positively to returns.

Conversely, sector allocation within investment grade corporate credit had a negative impact on performance. The Fund held capital securities in the financials sector, which mostly underperformed other credit sectors as investors feared the sovereign debt crisis in Europe would ultimately have a negative impact on US-based financial companies. Capital securities were particularly hurt as they are lower in the capital structure and therefore tend to exhibit higher volatility during periods of risk aversion.

Describe recent portfolio activity.

During the 12-month period, the Fund increased its leveraged exposure to corporate credit in order to position itself to benefit from improving corporate fundamentals in an accommodative monetary policy environment. In the latter half of the period, the Fund reduced exposure to riskier credits as these names typically require significant economic growth to realize a boost in valuations. From an industry perspective, the Fund increased exposure to independent energy names. Within the wireless telecommunications services sector, the Fund increased its credit quality profile by selling names in high yield to purchased investment grade credits with better predictability of earnings.

Describe portfolio positioning at period end.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward industrials over financials and utilities. Within industrials, the Fund favored media cable and media non-cable names.

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

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BlackRock Credit Allocation Income Trust II, Inc.

Fund Information

Symbol on NYSE	PSY
Initial Offering Date	March 28, 2003
Yield on Closing Market Price as of October 31, 2011 (\$9.74) ¹	7.52%
Current Monthly Distribution per Common Share ²	\$0.0610
Current Annualized Distribution per Common Share ²	\$0.7320
Leverage as of October 31, 2011 ³	32%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution rate is not constant and is subject to change.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	10/31/11	10/31/10	Change	High	Low
Market Price	\$ 9.74	\$10.39	(6.26)%	\$10.60	\$ 9.08
Net Asset Value	\$11.25	\$11.59	(2.93)%	\$11.72	\$10.61

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

Portfolio Composition

	10/31/11		10/31/10	
Corporate Bonds	80	%	64	%
Preferred Securities	17		19	
US Treasury Obligations	1		16	
Asset Backed Securities	1			
Taxable Municipal Bonds	1		1	

Credit Quality Allocations⁴

	10/31/11		10/31/10	
AAA/Aaa ⁵	1	%	16	%
AA/Aa	7		7	
A	26		21	
BBB/Baa	39		42	
BB/Ba	17		12	
B	7		1	
CCC/Caa	1			

Not Rated 2 1

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

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of October 31, 2011

BlackRock Credit Allocation Income Trust III**Fund Overview**

BlackRock Credit Allocation Income Trust III s (BPP) (the Fund) investment objective is to provide high current income consistent with capital preservation. The Fund 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 Fund may invest directly in such securities or synthetically through the use of derivatives.

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

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

For the 12 months ended October 31, 2011, the Fund returned (0.16)% based on market price and 3.56% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 2.90% based on market price and 4.65% based on NAV. All returns reflect reinvestment of dividends. The Fund'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 primary driver of the Fund s positive performance was its duration positioning (management of interest rate sensitivity) as interest rates generally moved lower during the period. However, duration in the Fund was partially hedged using interest rate derivative instruments such as futures contracts, options and swaps. These hedges were put into place to limit expected volatility in interest rates and had a net negative contribution to performance.

The Fund s allocation to high yield corporate credit benefited performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within investment grade corporate credit, security selection was focused on increasing the overall quality and liquidity of the Fund s holdings, which contributed positively to returns.

Conversely, sector allocation within investment grade corporate credit had a negative impact on performance. The Fund held capital securities in the financials sector, which mostly underperformed other credit sectors as investors feared the sovereign debt crisis in Europe would ultimately have a negative impact on US-based financial companies. Capital securities were particularly hurt as they are lower in the capital structure and therefore tend to exhibit higher volatility during periods of risk aversion.

Describe recent portfolio activity.

During the 12-month period, the Fund increased its leveraged exposure to corporate credit in order to position itself to benefit from improving corporate fundamentals in an accommodative monetary policy environment. In the latter half of the period, the Fund reduced exposure to riskier credits as these names typically require significant economic growth to realize a boost in valuations. From an industry perspective, the Fund increased exposure to independent energy names. Within the wireless telecommunications services sector, the Fund increased its credit quality profile by selling names in high yield to purchase investment grade credits with better predictability of earnings.

Describe portfolio positioning at period end.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward industrials over financials and utilities. Within industrials, the Fund favored media cable and media non-cable names.

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

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BlackRock Credit Allocation Income Trust III

Fund Information

Symbol on NYSE	BPP
Initial Offering Date	February 28, 2003
Yield on Closing Market Price as of October 31, 2011 (\$10.53) ¹	7.01%
Current Monthly Distribution per Common Share ²	\$0.0615
Current Annualized Distribution per Common Share ²	\$0.7380
Leverage as of October 31, 2011 ³	29%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

A change in the distribution rate was declared on December 5, 2011. The Monthly Distribution per Common Share increased to \$0.0635. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and

² Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	10/31/11	10/31/10	Change	High	Low
Market Price	\$10.53	\$11.23	(6.23)%	\$11.31	\$ 9.71
Net Asset Value	\$12.07	\$12.41	(2.74)%	\$12.62	\$11.35

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

Portfolio Composition

	10/31/11		10/31/10	
Corporate Bonds	83	%	72	%
Preferred Securities	15		18	
US Treasury Obligations	1		9	
Taxable Municipal Bonds	1		1	

Credit Quality Allocations⁴

	10/31/11		10/31/10	
AAA/Aaa ⁵	1	%	9	%
AA/Aa	6		8	
A	31		26	
BBB/Baa	37		40	
BB/Ba	15		14	

B	8	1
CCC/Caa	1	1
Not Rated	1	1

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

⁵ Includes US Treasury obligations that are deemed AAA by the investment advisor.

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Fund Summary as of October 31, 2011

BlackRock Credit Allocation Income Trust IV**Fund Overview**

BlackRock Credit Allocation Income Trust IV s (BTZ) (the **Fund**) investment objective is to provide current income, current gains and capital appreciation. The Fund 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 Fund may invest directly in such securities or synthetically through the use of derivatives.

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

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

For the 12 months ended October 31, 2011, the Fund returned (0.60)% based on market price and 3.28% based on NAV. For the same period, the closed-end Lipper Corporate Debt Funds (BBB-Rated) category posted an average return of 2.90% based on market price and 4.65% based on NAV. All returns reflect reinvestment of dividends. The Fund'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 primary driver of the Fund s positive performance was its duration positioning (management of interest rate sensitivity) as interest rates generally moved lower during the period. However, duration in the Fund was partially hedged using interest rate derivative instruments such as futures contracts, options and swaps. These hedges were put into place to limit expected volatility in interest rates and had a net negative contribution to performance.

The Fund s allocation to high yield corporate credit benefited performance despite recent weakness in the sector, as higher carry yields (income generation) and improving fundamentals helped to offset price declines. Within investment grade corporate credit, security selection was focused on increasing the overall quality and liquidity of the Fund s holdings, which contributed positively to returns.

Conversely, sector allocation within investment grade corporate credit had a negative impact on performance. The Fund held capital securities in the financials sector, which mostly underperformed other credit sectors as investors feared the sovereign debt crisis in Europe would ultimately have a negative impact on US-based financial companies. Capital securities were particularly hurt as they are lower in the capital structure and therefore tend to exhibit higher volatility during periods of risk aversion.

Describe recent portfolio activity.

During the 12-month period, the Fund increased its leveraged exposure to corporate credit in order to position itself to benefit from improving corporate fundamentals in an accommodative monetary policy environment. In the latter half of the period, the Fund reduced exposure to riskier credits as these names typically require significant economic growth to realize a boost in valuations. From an industry perspective, the Fund increased exposure to independent energy names. Within the wireless telecommunications services sector, the Fund increased its credit quality profile by selling names in high yield to purchase investment grade credits with better predictability of earnings.

Describe portfolio positioning at period end.

The Fund maintained diversified exposure across investment grade and high yield corporate credits. Portfolio holdings at period end reflected a bias toward higher-quality issues and a preference for more stable industries and companies that offer good cash flows, earnings and revenue visibility and attractive downside protection. The Fund's corporate credit holdings reflect a bias toward industrials over financials and utilities. Within industrials, the Fund favored media cable and media non-cable names.

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BlackRock Credit Allocation Income Trust IV

Fund Information

Symbol on NYSE	BTZ
Initial Offering Date	December 27, 2006
Yield on Closing Market Price as of October 31, 2011 (\$12.08) ¹	7.60%
Current Monthly Distribution per Common Share ²	\$0.0765
Current Annualized Distribution per Common Share ²	\$0.9180
Leverage as of October 31, 2011 ³	32%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

A change in the distribution rate was declared on December 5, 2011. The Monthly Distribution per Common Share increased to \$0.0785. The Yield on Closing Market Price, Current Monthly Distribution per Common Share and

² Current Annualized Distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

³ Represents reverse repurchase agreements as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	10/31/11	10/31/10	Change	High	Low
Market Price	\$12.08	\$13.02	(7.22)%	\$13.20	\$11.19
Net Asset Value	\$13.94	\$14.46	(3.60)%	\$14.56	\$13.10

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

Portfolio Composition

	10/31/11		10/31/10	
Corporate Bonds	80	%	64	%
Preferred Securities	17		19	
US Treasury Obligations	1		15	
Taxable Municipal Bonds	1		2	
Asset Backed Securities	1			

Credit Quality Allocations⁴

	10/31/11		10/31/10	
AAA/Aaa ⁵	1	%		
AA/Aa	7		11	%
A	29		22	
BBB/Baa	37		44	

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BB/Ba	16	19
B	8	2
Not Rated	2	2

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

⁵ Includes US Treasury Obligations that are deemed AAA by the investment advisor.

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Fund Summary as of October 31, 2011

BlackRock Floating Rate Income Trust

Fund Overview

BlackRock Floating Rate Income Trust s (BGT) (the Fund) primary investment objective is to provide a high level of current income. The Fund s secondary investment objective is to seek the preservation of capital. The Fund 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 Fund expects that the average effective duration of its portfolio will be no more than 1.5 years. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

Portfolio Management Commentary

How did the Fund perform?

For the 12 months ended October 31, 2011, the Fund returned (3.46)% based on market price and 4.03% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 0.51% based on market price and 4.01% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Floating rate loan interests (bank loans) performed well over the 12-month period. Although it lagged a number of its fixed income peers, the asset class benefited from a favorable technical backdrop, solid corporate fundamentals and record low default rates. More recently, however, macroeconomic concerns have weighed on the sector, triggering sharp bouts of volatility, some modest spread widening and significant price depreciation from the near-par levels seen in the first quarter of 2011.

The Fund s positive performance was driven primarily by security selection within the higher-quality tiers of the bank loan market. By and large, positive selection reflected the Fund s higher-quality bias and focus on more recession-resistant sectors that are not heavily reliant on a strong consumer, such as chemicals and non-captive diversified industrials.

While the Fund invests primarily in bank loans, it also maintains an allocation to emerging market and high yield bonds (approximately 25% of the leveraged portfolio). During the reporting period, the Fund pursued a bias towards high yield corporate bonds at the expense of its emerging market exposure. This positioning benefited performance for the year as high yield has outperformed not only emerging market debt, but bank loans as well.

As the fund is mandated to hold a certain percentage of its assets in non-US instruments, our exposure to non-US-dollar denominated loans, particularly those issued in Europe, detracted from performance given a much lower level of liquidity and market transparency. This mainly impaired the portfolio when the global sell-off commenced in August.

Describe recent portfolio activity.

During the 12-month period, the Fund maintained its higher-quality bias in terms of loan structure, overall credit quality and liquidity. Prior to the market correction in August, management reduced exposure to some of the Fund s lower-quality holdings and increased its level of cash as market conditions appeared to be weakening and our outlook grew increasingly uncertain. While transitioning the overall portfolio to a more conservative stance, management

continued to seek investment opportunities in the market, albeit cautiously, targeting companies with superior credit fundamentals (i.e., stable income streams, earnings visibility, and attractive downside protection).

Describe portfolio positioning at period end.

At period end, the Fund held large exposures to the non-captive diversified industrials, chemicals and wireless sectors, while exposure to healthcare, media non-cable and technology was limited. The Fund held 78% of its total portfolio in bank loans, 18% in corporate bonds and the remainder invested in a mix of asset backed securities, foreign agency obligations and other interests. The Fund ended the period with leverage at 27% 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.

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BlackRock Floating Rate Income Trust

Fund Information

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Yield on Closing Market Price as of October 31, 2011 (\$13.00) ¹	7.15%
Current Monthly Distribution per Common Share ²	\$0.0775
Current Annualized Distribution per Common Share ²	\$0.9300
Leverage as of October 31, 2011 ³	27%

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution rate is not constant and is subject to change.

³ Represents the loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (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 Fund, please see The Benefits and Risks of Leveraging on page 14.

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

	10/31/11	10/31/10	Change	High	Low
Market Price	\$13.00	\$14.52	(10.47)%	\$17.00	\$11.71
Net Asset Value	\$13.97	\$14.48	(3.52)%	\$14.83	\$13.25

The following charts show the portfolio composition of the Fund's long-term investments and credit quality allocations of the Fund's long-term investments excluding common stocks and floating rate loan interests:

Portfolio Composition

	10/31/11	10/31/10
Floating Rate Loan Interests	78 %	79 %
Corporate Bonds	18	16
Asset Backed Securities	2	
Foreign Agency Obligations	1	4
Other Interests	1	1

Credit Quality Allocations⁴

	10/31/11	10/31/10
AA/Aa	9 %	
A	2	4 %
BBB/Baa	25	21
BB/Ba	27	23
B	34	29
CCC/Caa	1	1
Not Rated	2	22 ⁵

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

⁵ The investment advisor has deemed certain of these securities to be of investment grade quality. As of October 31, 2010, the market value of these securities was \$606,918, representing 1% of the Fund's long-term investments.

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The Benefits and Risks of Leveraging

The Funds 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 Funds may utilize leverage by borrowing through a credit facility or through entering into reverse repurchase agreements. The Funds also had auction market preferred shares (Preferred Shares) issuances outstanding during the year ended October 31, 2011. 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 Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund'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 Funds had not used leverage.

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows 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 Fund 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 Fund 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 Fund's long-term investments, and therefore the Fund'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 Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' 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 Funds' borrowings does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAV positively or negatively in addition to the impact on Fund performance from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, 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 Funds' 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 Funds' 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 Fund'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 Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory

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requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund 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, the Funds are permitted to borrow through their credit facility or by entering into reverse repurchase agreements up to 33¹/₃% of their total managed assets. As of October 31, 2011, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
PSW	33%
PSY	32%
BPP	29%
BTZ	32%
BGT	27%

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Derivative Financial Instruments

The Funds 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 market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate, foreign currency exchange rate, and/or other 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 Funds' 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 Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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Schedule of Investments October 31, 2011

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Atrium CDO Corp., Series 5A, Class A4, 0.69%, 7/20/20 (a)(b)	USD650	\$ 503,750
SLM Student Loan Trust, Series 2004-B, Class A2, 0.55%, 6/15/21 (b)	516	493,571
Total Asset-Backed Securities 0.9%		997,321
 Corporate Bonds		
Aerospace & Defense 1.8%		
BE Aerospace, Inc., 8.50%, 7/01/18	560	611,800
Bombardier, Inc., 7.75%, 3/15/20 (a)	720	792,000
Huntington Ingalls Industries, Inc. (a):		
6.88%, 3/15/18	150	151,125
7.13%, 3/15/21	140	141,750
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	282	291,870
		1,988,545
 Airlines 1.0%		
American Airlines Pass-Through Trust:		
Series 2011-1, Class A, 5.25%, 7/31/22	325	295,313
Series 2011-2, Class A, 8.63%, 4/15/23	115	115,000
Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17	335	344,636
Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24	294	290,371
		1,045,320
 Auto Components 1.5%		
Daimler Finance North America LLC, 2.63%, 9/15/16 (a)(c)	800	795,098
Delphi Corp., 6.13%, 5/15/21 (a)	130	132,600
Icahn Enterprises LP:		
7.75%, 1/15/16	200	205,000
8.00%, 1/15/18	500	508,750
		1,641,448
 Beverages 0.5%		
Constellation Brands, Inc., 7.25%, 5/15/17	460	506,000
 Building Products 0.4%		
Building Materials Corp. of America (a):		
7.00%, 2/15/20	85	90,100
6.75%, 5/01/21	270	280,125
		370,225
 Capital Markets 4.9%		

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Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)	750	817,321
E*Trade Financial Corp., 12.50%, 11/30/17 (d)	440	507,100
The Goldman Sachs Group, Inc., 6.25%, 2/01/41 (c)	1,050	1,082,767
Macquarie Bank Ltd., 6.63%, 4/07/21 (a)(c)	445	435,838
Morgan Stanley (c):		
5.75%, 1/25/21	1,025	1,012,283
5.50%, 7/28/21	390	380,926
UBS AG (c):		
2.25%, 1/28/14	375	373,679
5.88%, 7/15/16	650	671,476
		5,281,390

Chemicals 1.0%

Ashland, Inc., 9.13%, 6/01/17	120	134,100
Celanese US Holdings LLC, 5.88%, 6/15/21	370	393,125

Corporate Bonds

	Par (000)	Value
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Chemicals (concluded)

Lyondell Chemical Co., 11.00%, 5/01/18	USD290	\$322,988
Solutia, Inc., 7.88%, 3/15/20	200	214,000
		1,064,213

Commercial Banks 5.9%

Amsouth Bank, Series AI, 4.85%, 4/01/13	200	192,500
Asciano Finance Ltd., 5.00%, 4/07/18 (a)	200	212,630
Associated Banc-Corp, 5.13%, 3/28/16	515	531,376
BNP Paribas, 3.60%, 2/23/16 (c)	390	388,907
Branch Banking & Trust Co. (b):		
0.66%, 9/13/16	250	231,631
0.60%, 5/23/17	150	136,184
CIT Group, Inc.:		
7.00%, 5/01/15	60	60,000
7.00%, 5/02/16 (a)	370	369,075
7.00%, 5/01/17	331	331,000
7.00%, 5/02/17 (a)	90	89,775
City National Corp., 5.25%, 9/15/20 (c)	550	560,704
Discover Bank, 8.70%, 11/18/19	300	339,312
HSBC Holdings Plc, 5.10%, 4/05/21 (c)	1,300	1,400,188
Regions Financial Corp.:		
4.88%, 4/26/13	600	585,000
5.75%, 6/15/15	460	442,750
SVB Financial Group, 5.38%, 9/15/20 (c)	550	567,574
		6,438,606

Commercial Services & Supplies 3.8%

Aviation Capital Group Corp. (a):		
7.13%, 10/15/20 (c)	2,200	2,129,486
6.75%, 4/06/21	550	529,601
Casella Waste Systems, Inc., 7.75%, 2/15/19	169	162,240
Clean Harbors, Inc., 7.63%, 8/15/16	306	323,595
Corrections Corp. of America, 7.75%, 6/01/17	775	838,937
Iron Mountain, Inc., 7.75%, 10/01/19	90	93,375
Mobile Mini, Inc., 7.88%, 12/01/20	65	65,000

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4,142,234

Communications Equipment 0.9%

Avaya, Inc., 9.75%, 11/01/15	200	177,000
Brocade Communications Systems, Inc., 6.88%, 1/15/20	700	733,250
EH Holding Corp., 6.50%, 6/15/19 (a)	100	102,250
		1,012,500

Consumer Finance 4.4%

American Express Credit Corp., 2.75%, 9/15/15 (c)	1,400	1,417,451
Capital One Bank USA NA, 8.80%, 7/15/19	775	920,554
Ford Motor Credit Co., LLC, 7.00%, 4/15/15	690	752,100
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	420	449,400
SLM Corp., 6.25%, 1/25/16	1,180	1,180,000
		4,719,505

Containers & Packaging 1.6%

Ball Corp.:		
7.13%, 9/01/16	400	433,000
6.75%, 9/15/20	505	544,137
Bemis Co., Inc., 6.80%, 8/01/19	200	234,419
Crown Americas LLC, 6.25%, 2/01/21 (a)	200	210,000
Graphic Packaging International, Inc., 9.50%, 6/15/17	155	169,337
Rock-Tenn Co., 9.25%, 3/15/16	75	79,688
Sealed Air Corp., 8.38%, 9/15/21 (a)	30	32,475
		1,703,056

Portfolio Abbreviations

	Canadian		
CAD	Dollar	GBP	British Pound
			London InterBank
CHF	Swiss Franc	LIBOR	Offered Rate
EUR	Euro	RB	Revenue Bonds
	Formerly		
FKA	Known As	USD	US Dollar

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

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)
(Percentages shown are based on Net Assets)

Corporate Bonds	Par	Value
Diversified Financial Services 10.0%	(000)	
Ally Financial, Inc.:		
4.50%, 2/11/14	USD225	\$219,938
8.30%, 2/12/15	390	409,500
8.00%, 11/01/31	440	438,900
Bank of America Corp. (c):		
5.30%, 3/15/17	855	817,627
5.00%, 5/13/21	1,325	1,244,058
Citigroup, Inc.:		
6.38%, 8/12/14	300	323,863
4.59%, 12/15/15 (c)	225	235,084
Dolphin Subsidiary II, Inc., 7.25%, 10/15/21 (a)	210	225,225
General Electric Capital Corp., 5.30%, 2/11/21 (c)	1,125	1,197,296
General Motors Financial Co., Inc., 6.75%, 6/01/18 (a)	120	121,098
ING Bank NV, 5.00%, 6/09/21 (a)(c)	550	564,531
Intesa Sanpaolo SpA (c):		
2.38%, 12/21/12	800	779,110
6.50%, 2/24/21 (a)	200	184,541
JPMorgan Chase & Co., 3.15%, 7/05/16 (c)	950	951,612
Moody's Corp., 6.06%, 9/07/17	2,500	2,642,573
Reynolds Group Issuer, Inc. (a):		
7.88%, 8/15/19	255	266,475
8.25%, 2/15/21	190	174,325
WMG Acquisition Corp., 9.50%, 6/15/16 (a)	50	53,000
		10,848,756
Diversified Telecommunication Services 4.4%		
AT&T, Inc., 6.30%, 1/15/38 (c)	1,000	1,201,729
France Telecom SA, 4.13%, 9/14/21	150	154,534
Level 3 Financing, Inc.:		
8.75%, 2/15/17	165	168,712
8.13%, 7/01/19 (a)	758	750,420
Qwest Corp., 8.38%, 5/01/16	390	445,575
Telecom Italia Capital SA, 6.18%, 6/18/14	225	228,555
Telefonica Emisiones SAU, 5.46%, 2/16/21	310	314,186
Verizon Communications, Inc., 7.35%, 4/01/39 (c)	925	1,276,923
Windstream Corp., 7.88%, 11/01/17	240	259,200
		4,799,834
Electric Utilities 1.2%		
Progress Energy, Inc., 7.00%, 10/30/31 (c)	1,000	1,311,396
Electronic Equipment, Instruments & Components 0.9%		
Jabil Circuit, Inc., 8.25%, 3/15/18	200	232,000
NXP BV, 3.15%, 10/15/13 (b)	700	686,000
		918,000

Energy Equipment & Services 1.2%

EnSCO Plc, 4.70%, 3/15/21 (c)	460	484,010
Frac Tech Services LLC, 7.63%, 11/15/18 (a)	250	261,250
Key Energy Services, Inc., 6.75%, 3/01/21	175	178,938
MEG Energy Corp., 6.50%, 3/15/21 (a)	225	234,562
Oil States International, Inc., 6.50%, 6/01/19	120	125,700
SunCoke Energy, Inc., 7.63%, 8/01/19 (a)	45	45,450
		1,329,910

Food & Staples Retailing 2.9%

CVS Caremark Corp., 6.30%, 6/01/62 (b)	800	777,000
Wal-Mart Stores, Inc., 6.20%, 4/15/38 (c)	1,825	2,379,672
		3,156,672

Food Products 1.0%

Kraft Foods, Inc.:		
6.50%, 8/11/17	385	460,191
6.13%, 8/23/18	390	464,103
Smithfield Foods, Inc., 10.00%, 7/15/14	86	99,975
		1,024,269

Corporate Bonds

Gas Utilities 0.1%

Targa Resources Partners LP, 6.88%, 2/01/21 (a)	USD 115	\$ 113,563
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Health Care Equipment & Supplies 0.6%

Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)	500	565,000
Teleflex, Inc., 6.88%, 6/01/19	115	119,025
		684,025

Health Care Providers & Services 3.6%

Aetna, Inc., 6.75%, 12/15/37 (c)	400	508,966
Aviv Healthcare Properties LP, 7.75%, 2/15/19	105	101,325
HCA, Inc.:		
8.50%, 4/15/19	55	60,500
6.50%, 2/15/20	560	586,600
7.25%, 9/15/20	195	208,894
7.50%, 2/15/22	470	479,400
INC Research LLC, 11.50%, 7/15/19 (a)	165	148,500
inVentiv Health, Inc., 10.00%, 8/15/18 (a)	120	115,200
Tenet Healthcare Corp.:		
10.00%, 5/01/18	350	401,625
8.88%, 7/01/19	250	282,500
UnitedHealth Group, Inc., 6.88%, 2/15/38 (c)	800	1,054,925
		3,948,435

Household Durables 0.3%

Cemex Espana Luxembourg, 9.25%, 5/12/20 (a)	365	289,263
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Independent Power Producers & Energy Traders 1.3%

AES Corp.:		
9.75%, 4/15/16	235	266,725
7.38%, 7/01/21 (a)	75	80,250
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)	125	133,125
Calpine Corp., 7.25%, 10/15/17 (a)	100	104,000
Energy Future Intermediate Holding Co., LLC, 10.00%,		

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12/01/20	410	430,500
NRG Energy, Inc., 7.38%, 1/15/17	400	416,500
		1,431,100
Insurance 8.3%		
Allianz Finance II BV, 5.75%, 7/08/41 (b)	EUR200	247,763
The Allstate Corp., 7.45%, 5/16/19 (c)	USD900	1,119,175
American International Group, Inc., 6.40%, 12/15/20 (c)	410	429,412
Aon Corp., 5.00%, 9/30/20 (c)	1,600	1,753,397
Dai-ichi Life Insurance Co. Ltd., 7.25%, 12/31/49 (a)(b)(e)	88	89,924
Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)	700	659,637
Forethought Financial Group, Inc., 8.63%, 4/15/21 (a)	250	253,962
Genworth Financial, Inc., 7.63%, 9/24/21	225	203,384
Manulife Financial Corp., 4.90%, 9/17/20 (c)	1,000	1,027,102
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)	100	86,000
Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)(c)	900	1,054,781
Principal Financial Group, Inc., 8.88%, 5/15/19	225	285,076
Prudential Financial, Inc., 6.63%, 12/01/37 (c)	800	951,260
XL Group Ltd., 5.75%, 10/01/21 (c)	810	854,066
		9,014,939
IT Services 0.7%		
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (a)	160	149,600
First Data Corp. (a):		
7.38%, 6/15/19	170	168,300
8.25%, 1/15/21	20	19,000
12.63%, 1/15/21	215	203,175
SunGard Data Systems, Inc., 7.38%, 11/15/18	230	235,175
		775,250
Life Sciences Tools & Services 1.9%		
Bio-Rad Laboratories, Inc., 8.00%, 9/15/16	865	942,850
Life Technologies Corp., 6.00%, 3/01/20 (c)	1,000	1,114,541
		2,057,391

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Machinery 1.1%		
Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14	USD800	\$940,430
Navistar International Corp., 8.25%, 11/01/21	218	237,075
		1,177,505
Media 9.2%		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	90	97,650
CCH II LLC, 13.50%, 11/30/16	541	623,502
Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a)	165	130,350
Comcast Corp., 6.30%, 11/15/17	800	945,182
Cox Communications, Inc., 8.38%, 3/01/39 (a)	800	1,118,633
CSC Holdings LLC:		
8.50%, 4/15/14	160	175,600
8.50%, 6/15/15	400	434,000
8.63%, 2/15/19	275	312,125
DIRECTV Holdings LLC, 5.00%, 3/01/21 (c)	600	656,813
DISH DBS Corp., 7.00%, 10/01/13	450	475,875
Intelsat Luxembourg SA (d):		
11.50%, 2/04/17 (a)	40	40,000
11.50%, 2/04/17	100	100,000
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	275	314,875
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a)	230	239,200
News America, Inc., 6.15%, 3/01/37 (c)	950	1,043,310
Time Warner Cable, Inc., 6.75%, 6/15/39	925	1,124,334
Time Warner, Inc., 7.70%, 5/01/32 (c)	950	1,237,053
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a)	240	255,600
Virgin Media Secured Finance Plc, 6.50%, 1/15/18	600	646,500
		9,970,602
Metals & Mining 2.6%		
Alcoa, Inc., 5.40%, 4/15/21	580	574,699
Barrick Gold Corp., 2.90%, 5/30/16	275	285,522
Barrick North America Finance LLC, 5.70%, 5/30/16	413	348,674
FMG Resources August 2006 Property Ltd. (a):		
6.88%, 2/01/18	55	52,800
8.25%, 11/01/19	45	45,450
Freeport-McMoRan Corp., 7.13%, 11/01/27	700	813,361
Novelis, Inc., 8.75%, 12/15/20	230	250,700
Teck Resources Ltd., 10.75%, 5/15/19	400	494,000
		2,865,206

Multi-Utilities 1.6%

CenterPoint Energy, Inc.:

5.95%, 2/01/17	750	844,566
6.50%, 5/01/18	775	902,905
		1,747,471

Multiline Retail 0.6%

JC Penney Co., Inc., 5.65%, 6/01/20

700	659,750
-----	---------

Oil, Gas & Consumable Fuels 12.5%

Alpha Natural Resources, Inc.:

6.00%, 6/01/19	60	59,550
6.25%, 6/01/21	165	162,938

Anadarko Petroleum Corp.:

5.95%, 9/15/16	244	280,409
6.38%, 9/15/17	10	11,767

Arch Coal, Inc. (a):

7.00%, 6/15/19	50	51,750
7.25%, 6/15/21	165	169,950

BP Capital Markets Plc, 3.88%, 3/10/15 (c)

350	374,701
-----	---------

Buckeye Partners LP, 4.88%, 2/01/21

225	236,963
-----	---------

Chesapeake Energy Corp., 6.13%, 2/15/21

770	806,575
-----	---------

Chesapeake Midstream Partners LP, 5.88%, 4/15/21 (a)

140	141,400
-----	---------

Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a)

65	66,788
----	--------

Consol Energy, Inc., 6.38%, 3/01/21 (a)

105	104,475
-----	---------

Copano Energy LLC, 7.13%, 4/01/21

130	132,925
-----	---------

Corporate Bonds

**Par
(000) Value**

Oil, Gas & Consumable Fuels (concluded)

DCP Midstream LLC, 4.75%, 9/30/21 (a)	USD 325	\$ 339,213
Denbury Resources, Inc., 6.38%, 8/15/21	135	139,050
El Paso Corp., 7.00%, 6/15/17	335	375,200
El Paso Pipeline Partners Operating Co., LLC, 5.00%, 10/01/21	125	128,184
Enbridge Energy Partners LP, 9.88%, 3/01/19	475	636,165
Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19	240	242,400
Enterprise Products Operating LLC, 6.65%, 4/15/18 (c)	1,000	1,176,342
Forest Oil Corp., 8.50%, 2/15/14	295	318,600
Hilcorp Energy I LP, 7.75%, 11/01/15 (a)	165	169,274
Kinder Morgan Energy Partners LP, 6.85%, 2/15/20	1,000	1,194,906
Linn Energy LLC, 7.75%, 2/01/21	225	240,187
Marathon Petroleum Corp., 3.50%, 3/01/16 (a)(c)	325	333,402
MarkWest Energy Partners LP, 6.25%, 6/15/22 (f)	125	128,125
Newfield Exploration Co., 5.75%, 1/30/22	115	121,900
Oasis Petroleum, Inc.:		
7.25%, 2/01/19 (a)	80	84,400
6.50%, 11/01/21 (f)	70	70,350
OGX Petroleo e Gas Participacoes SA, 8.50%, 6/01/18 (a)	280	277,200
ONEOK Partners LP, 8.63%, 3/01/19	800	1,034,405
Petrobras International Finance Co., 3.88%, 1/27/16	875	895,388
Petrohawk Energy Corp.:		

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10.50%, 8/01/14	145	162,581
6.25%, 6/01/19	165	186,450
Pioneer Natural Resources Co.:		
6.65%, 3/15/17	150	162,908
6.88%, 5/01/18	115	124,351
Plains Exploration & Production Co.:		
7.75%, 6/15/15	185	191,937
10.00%, 3/01/16	95	105,450
Precision Drilling Corp., 6.50%, 12/15/21 (a)	95	100,225
Premier Oil, 5.00%, 6/09/18	825	858,000
Range Resources Corp., 6.75%, 8/01/20	200	222,000
SandRidge Energy, Inc., 7.50%, 3/15/21 (a)	170	164,050
SM Energy Co., 6.63%, 2/15/19 (a)	55	55,550
Western Gas Partners LP, 5.38%, 6/01/21	350	372,204
The Williams Cos., Inc., 8.75%, 3/15/32	275	374,410
		13,584,998
Paper & Forest Products 2.8%		
Boise Paper Holdings LLC, 8.00%, 4/01/20	150	157,875
Georgia-Pacific LLC, 8.25%, 5/01/16 (a)	785	870,439
International Paper Co.:		
7.50%, 8/15/21	775	941,845
7.30%, 11/15/39	800	932,843
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	80	81,200
Verso Paper Holdings LLC, 11.50%, 7/01/14	85	89,250
		3,073,452
Pharmaceuticals 9.8%		
Bristol-Myers Squibb Co., 5.88%, 11/15/36 (c)	892	1,133,257
Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)	EUR 100	141,137
GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 (c)	USD 1,690	2,284,327
Merck & Co., Inc. (c):		
6.50%, 12/01/33	475	649,655
6.55%, 9/15/37	1,504	2,093,809
Pfizer, Inc., 7.20%, 3/15/39 (c)	2,500	3,734,135
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	65	65,000
Watson Pharmaceuticals, Inc., 6.13%, 8/15/19 (c)	490	572,398
		10,673,718
Real Estate Investment Trusts (REITs) 2.8%		
AvalonBay Communities, Inc., 6.10%, 3/15/20 (c)	800	907,763
Developers Diversified Realty Corp.:		
4.75%, 4/15/18	155	145,864
7.88%, 9/01/20	175	189,420
ERP Operating LP, 5.75%, 6/15/17	800	894,065

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Real Estate Investment Trusts (REITs) (concluded)		
HCP, Inc., 5.38%, 2/01/21	USD 250	\$256,759
UDR, Inc., 4.25%, 6/01/18	350	359,902
Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21	270	264,397
		3,018,170
Real Estate Management & Development 0.2%		
Realogy Corp., 7.88%, 2/15/19 (a)	135	121,500
Shea Homes LP, 8.63%, 5/15/19 (a)	110	99,550
		221,050
Road & Rail 1.6%		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	100	99,750
Florida East Coast Railway Corp., 8.13%, 2/01/17	40	40,000
The Hertz Corp., 6.75%, 4/15/19	207	211,140
Norfolk Southern Corp., 6.00%, 3/15/2105 (c)	1,200	1,388,004
		1,738,894
Semiconductors & Semiconductor Equipment 0.7%		
Advanced Micro Devices, Inc., 7.75%, 8/01/20	190	192,850
KLA-Tencor Corp., 6.90%, 5/01/18	461	524,795
		717,645
Specialty Retail 1.2%		
AutoNation, Inc., 6.75%, 4/15/18	445	461,688
Best Buy Co., Inc., 5.50%, 3/15/21	150	143,380
Limited Brands, Inc., 7.00%, 5/01/20	230	244,950
QVC, Inc., 7.38%, 10/15/20 (a)	25	27,250
VF Corp., 5.95%, 11/01/17	350	414,480
		1,291,748
Tobacco 2.0%		
Altria Group, Inc.:		
9.25%, 8/06/19	115	152,876
10.20%, 2/06/39	937	1,447,508
Lorillard Tobacco Co., 3.50%, 8/04/16	600	602,329
		2,202,713
Wireless Telecommunication Services 3.6%		
America Movil SAB de CV, 2.38%, 9/08/16	585	584,060
American Tower Corp.:		
4.50%, 1/15/18	450	462,846
5.90%, 11/01/21	295	326,046
Cricket Communications, Inc., 7.75%, 5/15/16	155	160,812
Crown Castle International Corp., 9.00%, 1/15/15	210	228,900
Crown Castle Towers LLC (a):		
5.50%, 1/15/37	275	299,543
6.11%, 1/15/40	300	331,498
Digicel Group Ltd., 8.25%, 9/01/17 (a)	125	127,500

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Intelsat Jackson Holdings SA, 7.25%, 4/01/19 (a)	50	50,250
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	195	192,562
SBA Tower Trust, 5.10%, 4/15/42 (a)	1,000	1,089,500
Sprint Capital Corp., 6.88%, 11/15/28	110	80,300
		3,933,817
Total Corporate Bonds	118.4%	128,492,584

Preferred Securities

Capital Trusts

Capital Markets 4.2%

Ameriprise Financial, Inc., 7.52%, 6/01/66 (b)	500	505,000
State Street Capital Trust III, 5.34% (b)(e)	725	726,232
State Street Capital Trust IV, 1.35%, 6/01/37 (b)	4,740	3,319,991
		4,551,223

Capital Trusts

Commercial Banks 2.7%

	Par (000)	Value
Barclays Bank Plc (a)(b)(e):		
5.93%	USD425	\$344,250
7.43% (c)	150	140,250
BNP Paribas, 7.20% (a)(b)(c)(e)	300	247,500
Credit Agricole SA (a)(b)(e):		
6.64% (c)	350	236,425
8.38%	350	308,000
Dresdner Funding Trust I, 8.15%, 6/30/31 (a)	530	413,400
M&T Capital Trust II, 8.28%, 6/01/27	910	919,115
National City Preferred Capital Trust I, 12.00% (b)(e)	300	311,298
		2,920,238

Diversified Financial Services 2.3%

ING Capital Funding Trust III, 3.97% (b)(e)	400	338,890
JPMorgan Chase Capital XXIII, 1.29%, 5/15/77 (b)	3,085	2,129,921
		2,468,811

Electric Utilities 0.4%

PPL Capital Funding, 6.70%, 3/30/67 (b)	500	482,500
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Insurance 7.4%

Ace Capital Trust II, 9.70%, 4/01/30	500	648,966
The Allstate Corp., 6.50%, 5/15/67 (b)	500	465,625
American International Group, Inc., 8.18%, 5/15/68 (b)	225	217,125
AXA SA, 6.38% (a)(b)(e)	1,000	747,500
Chubb Corp., 6.38%, 3/29/67 (b)(c)	500	502,500
Farmers Exchange Capital, 7.05%, 7/15/28 (a)(c)	500	542,153
Great-West Life & Annuity Insurance Co., 7.15%, 5/16/46 (a)(b)	500	487,500
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(b)	500	607,500
Lincoln National Corp., 7.00%, 5/17/66 (b)(c)	500	470,000
MetLife, Inc., 6.40%, 12/15/66	500	491,169
Reinsurance Group of America, 6.75%, 12/15/65 (b)	700	607,480
Swiss Re Capital I LP, 6.85% (a)(b)(e)	450	405,782

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ZFS Finance (USA), Trust II, 6.45%, 12/15/65 (a)(b)	1,800	1,728,000
ZFS Finance (USA), Trust IV, 5.88%, 5/09/32 (a)(b)	146	141,620
		8,062,920
Multi-Utilities 0.9%		
Dominion Resources Capital Trust I, 7.83%, 12/01/27	500	504,057
Dominion Resources, Inc., 7.50%, 6/30/66 (b)	500	525,000
		1,029,057
Oil, Gas & Consumable Fuels 1.3%		
Enterprise Products Operating LLC, 8.38%, 8/01/66 (b)	825	853,875
TransCanada PipeLines Ltd., 6.35%, 5/15/67 (b)	500	509,587
		1,363,462
Total Capital Trusts 19.2%		20,878,211

Preferred Stocks	Shares	
Auto Components 0.1%		
Dana Holding Corp., 4.00% (a)	1,000	123,750
Commercial Banks 1.0%		
SG Preferred Capital II, 6.30% (a)(b)	1,000	1,004,687
Diversified Financial Services 0.3%		
Ally Financial, Inc., 7.00% (a)	440	328,144
Thriffs & Mortgage Finance 0.0%		
Fannie Mae, Series S, 8.25% (b)(g)	3,000	5,880
Freddie Mac, Series Z, 8.38% (b)(g)	3,000	6,420
		12,300
Wireless Telecommunication Services 2.9%		
Centaur Funding Corp., 9.08% (a)	2,720	3,144,150
Total Preferred Stocks 4.3%		4,613,031

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)
(Percentages shown are based on Net Assets)

Trust Preferreds	Shares	Value
Diversified Financial Services 0.3%		
GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b)	16,010	\$328,614
Total Trust Preferreds 0.3%		328,614
Total Preferred Securities 23.8%		25,819,856
	Par	
	(000)	
Taxable Municipal Bonds		
Metropolitan Transportation Authority, RB, Build America Bonds, 6.55%, 11/15/31	USD800	903,248
Total Taxable Municipal Bonds 0.8%		903,248
US Government Sponsored Agency Securities		
Agency Obligations 0.3%		
Fannie Mae, 4.23%, 10/09/19 (c)(h)	390	294,830
Total US Government Sponsored Agency Securities 0.3%		294,830
US Treasury Obligations		
US Treasury Notes, 2.13%, 8/15/21 (c)	780	776,592
Total US Treasury Obligations 0.7%		776,592
Total Long-Term Investments		
(Cost \$151,118,071) 144.9%		157,284,431
Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.14% (i)(j)	1,362,932	1,362,932
Total Short-Term Securities		
(Cost \$1,362,932) 1.3%		1,362,932
	Notional	
	Amount	
	(000)	
Options Purchased		
Over-the-Counter Put Swaptions 0.0%		
Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 9/16/13, Broker Credit Suisse International	EUR1,300	26,527

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Pay a fixed rate of 4.50% and receive a floating rate based on 3-month LIBOR, Expires 10/21/13,

Broker Deutsche Bank AG	1,300	28,902
Total Options Purchased		
(Cost \$66,622) 0.0%		55,429
Total Investments Before Options Written		
(Cost \$152,547,625*) 146.2%		158,702,792

Options Written

Over-the-Counter Call Swaptions (0.2)%

Pay a fixed rate of 4.03% and receive a floating rate based on 3-month LIBOR, Expires 4/16/12,

Broker UBS AG	USD 1,800	(255,028)
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Options Written

Over-the-Counter Put Swaptions (0.0)%

Receive a fixed rate of 4.03% and pay a floating rate based on 3-month LIBOR, Expires 4/16/12,

Broker UBS AG	USD 1,800	\$(2,881)
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Total Options Written

(Premiums Received \$129,600) (0.2)% (257,909)

Total Investments, Net of Options Written 146.0% 158,444,883

Liabilities in Excess of Other Assets (46.0)% (49,915,746)

Net Assets 100.0% \$108,529,137

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	152,469,279
Gross unrealized appreciation	\$	9,163,076
Gross unrealized depreciation		(2,929,563)
Net unrealized appreciation	\$	6,233,513

(a) Security exempt from registration pursuant to Rule 144A of the Securities Act of 1933. 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) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.

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

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

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

Counterparty	Value	Unrealized Appreciation
Barclays Capital, Inc.	\$128,125	\$3,125
JPMorgan Chase Bank NA	\$ 70,350	\$ 350

(g) Non-income producing security.

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

(i)

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Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliate	Shares Held at October 31, 2010	Net Activity	Shares Held at October 31, 2011	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	5,884,098	(4,521,166)	1,362,932	\$824

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

For Fund compliance purposes, the Fund'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 Fund 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.

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BlackRock Credit Allocation Income Trust I, Inc.
(PSW)

Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of October 31, 2011 were as follows:

Counterparty	Interest Rate	Trade Date	Maturity Date ¹	Net	
				Closing Amount	Face Amount
Credit Suisse Securities (USA) LLC	0.40 %	5/18/11	Open	\$1,041,022	\$1,039,093
UBS Securities LLC	0.38 %	5/18/11	Open	1,967,462	1,964,000
UBS Securities LLC	0.38 %	5/19/11	Open	873,528	872,000
Credit Suisse Securities (USA) LLC	0.40 %	5/20/11	Open	1,298,940	1,296,562
UBS Securities LLC	0.35 %	6/08/11	Open	2,227,658	2,224,500
UBS Securities LLC	0.38 %	6/14/11	Open	1,126,663	1,125,000
Credit Suisse Securities (USA) LLC	0.40 %	6/15/11	Open	1,016,129	1,014,562
UBS Securities LLC	0.37 %	6/27/11	Open	957,919	956,670
Deutsche Bank Securities, Inc.	0.36 %	7/01/11	Open	537,210	536,550
Credit Suisse Securities (USA) LLC	0.35 %	7/05/11	Open	1,290,116	1,288,624
Credit Suisse Securities (USA) LLC	0.35 %	7/11/11	Open	862,359	861,412
UBS Securities LLC	0.32 %	7/12/11	Open	526,048	525,525
UBS Securities LLC	0.28 %	7/16/11	Open	196,165	196,000
Credit Suisse Securities (USA) LLC	0.35 %	7/18/11	Open	416,066	415,638
Deutsche Bank Securities, Inc.	0.35 %	7/20/11	Open	2,357,006	2,354,625
UBS Securities LLC	0.35 %	8/01/11	Open	872,780	872,000
UBS Securities LLC	0.32 %	8/02/11	Open	382,509	382,200
BNP Paribas Securities Corp.	0.03 %	8/04/11	Open	285,209	285,188
Credit Suisse Securities (USA) LLC	0.40 %	8/05/11	Open	597,584	597,000
BNP Paribas Securities Corp.	0.37 %	8/16/11	Open	1,018,656	1,017,850
BNP Paribas Securities Corp.	0.37 %	8/17/11	Open	956,447	955,700
Barclays Capital, Inc.	0.35 %	8/26/11	Open	557,238	556,875

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Barclays Capital, Inc.	0.35 %	8/31/11	Open	1,194,470	1,193,750
Credit Suisse Securities (USA) LLC	0.35 %	9/08/11	Open	1,043,172	1,042,626
Deutsche Bank Securities, Inc.	0.35 %	9/08/11	Open	310,413	310,250
UBS Securities LLC	0.37 %	9/08/11	Open	302,418	302,250
Credit Suisse Securities (USA) LLC	0.35 %	9/09/11	Open	491,253	491,000
Barclays Capital, Inc.	0.35 %	9/14/11	Open	1,626,821	1,626,063
Deutsche Bank Securities, Inc.	0.35 %	9/14/11	Open	418,495	418,300
UBS Securities LLC	0.35 %	9/14/11	Open	357,167	357,000
UBS Securities LLC	0.38 %	9/14/11	Open	3,690,869	3,689,000

Reverse repurchase agreements outstanding as of October 31, 2011 were as follows (concluded):

Counterparty	Interest Rate	Trade Date	Maturity Date	Net Closing Amount	Face Amount
Barclays Capital, Inc.	0.40 %	9/23/11	Open	\$738,320	\$738,000
Barclays Capital, Inc.	0.40 %	9/30/11	Open	748,001	747,736
Deutsche Bank Securities, Inc.	0.40 %	10/04/11	Open	591,434	591,250
Deutsche Bank Securities, Inc.	0.35 %	10/14/11	Open	1,233,903	1,233,688
Deutsche Bank Securities, Inc.	0.38 %	10/20/11	Open	208,526	208,500
Barclays Capital, Inc.	0.40 %	10/26/11	Open	4,293,701	4,293,415
BNP Paribas Securities Corp.	0.40 %	10/26/11	Open	9,757,010	9,756,360
Deutsche Bank Securities, Inc.	0.40 %	10/26/11	Open	2,955,546	2,955,350
Credit Suisse Securities (USA) LLC	0.35 %	10/27/11	Open	1,197,526	1,197,468
BNP Paribas Securities Corp.	0.08 %	10/31/11	Open	778,051	778,051
Total				\$53,301,810	\$53,267,631

¹ Certain agreements have no stated maturity and can be terminated by either party at anytime.

Financial futures contracts sold as of October 31, 2011 were as follows:

Contracts	Issue	Exchange	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
95	Euro-Schatz	Eurex	December 2011	EUR 10,421,025	\$ (8,689)

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1	German Euro Bund	Chicago Mercantile	December 2011	EUR	135,470	(306)
219	10-Year US Treasury Note	Chicago Board of Trade	December 2011	USD	28,264,688	49,508	
13	Ultra US Treasury Bond	Chicago Board of Trade	December 2011	USD	1,980,875	82,070	
Total							\$ 122,583

Foreign currency exchange contracts as of October 31, 2011 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Depreciation
USD 342,375	EUR 249,000	Citibank NA	1/25/12	\$ (1,979)
USD 33,064	EUR 24,000	Deutsche Bank AG	1/25/12	(127)
Total				\$ (2,106)

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)

Credit default swaps on single-name issues buy protection outstanding as of October 31, 2011 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
Raytheon Co.	1.00 %	Citibank NA Deutsche	9/20/16	USD 225	\$ 1,272
Raytheon Co. General Dynamics Corp.	1.00 %	Bank AG JPMorgan Chase & Co.	9/20/16	USD 270	(212)
Computer Sciences Corp. General Dynamics Corp.	1.00 %	Morgan Stanley & Co., Inc.	9/20/16	USD 625	5,383
Raytheon Co.	1.00 %	Morgan Stanley & Co., Inc.	9/20/16	USD 275	1,295
Dell, Inc.	1.00 %	Morgan Stanley & Co., Inc.	9/20/16	USD 400	1,225
Computer Sciences Corp. Lockheed Martin Corp. STMicroelectronics NV	1.00 %	Barclays Bank Plc Credit Suisse Securities (USA) LLC Deutsche Bank AG Deutsche Bank AG	9/20/16 12/20/16 12/20/16 12/20/16 12/20/16 12/20/16	USD 150 USD 630 USD 280 USD 750 EUR 285	(187) (4,234) (5,686) 7,956 (348)
Southwest Airlines Co. Southwest Airlines Co.	1.00 %	Goldman Sachs Capital Markets LP Royal Bank of Scotland Plc	12/20/16 12/20/16 12/20/16 12/20/16	USD 280 USD 280 USD 280	(66) (1,272)
Total					\$ 5,126

Credit default swaps on single-name issues sold protection outstanding as of October 31, 2011 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Issuer Credit Rating ¹	Notional Amount (000) ²	Appreciation (Depreciation)
Aviva USA Corp. Assured	1.00 %	Deutsche Bank AG	5/25/12	AA-	USD 650	\$ 1,175

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Guaranty Corp. Assured	5.00	%	Citibank NA	12/20/14	AA+	USD 40	(223)
Guaranty Corp.	5.00	%	Citibank NA	3/20/15	AA+	USD 185	296	
MetLife, Inc.	1.00	%	Deutsche Bank AG	3/20/18	A+	USD 200	(9,776)
Total							\$ (8,528)

¹ Using S&P's rating.

² The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of agreement.

Credit default swaps on traded indexes buy protection outstanding as of October 31, 2011 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Index Series 17	5.00%	JPMorgan Chase Bank & Co.	12/20/16	USD 1,050	\$(100,610)

Interest rate swaps outstanding as of October 31, 2011 were as follows:

Fixed Rate	Floating Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Appreciation (Depreciation)
1.43% ^(b)	3-month LIBOR	Deutsche Bank AG	9/13/13	EUR 10,600	\$ (8,635)
2.72% ^(b)	3-month LIBOR	Deutsche Bank AG	8/08/21	USD 1,400	52,236
4.35% ^(a)	3-month LIBOR	Deutsche Bank AG	4/15/41	USD 600	(167,211)
3.93% ^(a)	3-month LIBOR	Citibank NA	7/21/41	USD 1,600	(311,632)
3.01% ^(b)	3-month LIBOR	Deutsche Bank AG	9/13/41	USD 200	1,780
2.63% ^(b)	3-month LIBOR	Deutsche Bank AG	9/26/41	USD 400	(27,485)
2.81% ^(a)	3-month LIBOR	Credit Suisse Securities (USA) LLC	10/11/41	USD 400	13,186
3.00% ^(a)	3-month LIBOR	Credit Suisse Securities (USA) LLC	10/18/41	USD 300	(1,882)
Total					\$ (449,643)

(a) Fund pays a fixed interest rate and receives floating rate.

(b) Fund pays a floating interest rate and receives fixed rate.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs 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

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 Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. 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 does not necessarily correspond to the Fund's perceived risk of investing in those securities. For information about the Fund'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.

See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust I, Inc.
(PSW)

The following tables summarize the inputs used as of October 31, 2011 in determining the fair valuation of the Fund's investments and derivative financial instruments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term				
Investments:				
Asset-Backed				
Securities		\$493,571	\$503,750	\$997,321
Corporate				
Bonds		127,634,584	858,000	128,492,584
Preferred				
Securities	\$340,913	25,478,943		25,819,856
Taxable				
Municipal				
Bonds		903,248		903,248
US Government				
Sponsored				
Agency				
Securities		294,830		294,830
US Treasury				
Obligations		776,592		776,592
Short-Term				
Securities	1,362,932			1,362,932
Total	\$1,703,845	\$155,581,768	\$1,361,750	\$158,647,363

Valuation Inputs	Level 1	Level 2	Level 3	Total
Derivative Financial				
Instruments ¹				
Assets:				
Interest rate				
contracts	\$131,578	\$122,631		\$254,209
Credit				
contracts		17,427	\$1,175	18,602
Liabilities:				
Interest rate				
contracts	(8,995)	(774,754)		(783,749)
Foreign currency				
exchange				
contracts		(2,106)		(2,106)
Credit				
contracts		(122,614)		(122,614)
Total	\$122,583	\$(759,416)	\$1,175	\$(635,658)

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

The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Asset-Backed Corporate		
	Securities	Bonds	Total
Assets:			
Balance, as of October 31, 2010			
Accrued discounts/premiums			
Net realized gain (loss)			
Net change in unrealized appreciation/depreciation ²	\$ (52,364)	\$ 33,000	\$(19,364)
Purchases	556,114	825,000	1,381,114
Sales			
Transfers in ³			
Transfers out ³			
Balance, as of October 31, 2011	\$ 503,750	\$ 858,000	\$ 1,361,750

² Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The net change in unrealized appreciation/depreciation on investments still held at October 31, 2011 was \$(19,364).

³ The Fund's policy is to recognize transfers in and transfers out as of the beginning of the period of the event or the change in circumstances that caused the transfer.

The following is a reconciliation of Level 3 derivative financial instruments for which significant unobservable inputs were used to determine fair value:

	Credit
	Contracts
Assets:	
Balance, as of October 31, 2010	
Accrued discounts/premiums	\$ 1,984
Net realized gain (loss)	
Net change in unrealized appreciation/depreciation ⁴	1,175
Purchases	
Issuances ⁵	3,440
Sales	
Settlements ⁶	(5,424)
Transfers in ³	
Transfers out ³	
Balance, as of October 31, 2011	\$ 1,175

Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on derivative financial instruments still held at October 31, 2011 was \$1,175.

⁵ Issuances represent upfront cash received on certain derivative financial instruments.

⁶ Settlements represent periodic contractual cash flows and/or cash flows to terminate certain derivative financial instruments.

A reconciliation of Level 3 investments and derivative financial instruments is presented when the Fund had a significant amount of Level 3 investments and derivative financial instruments at the beginning and/or end of the year in relation to net assets.

See Notes to Financial Statements.

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Schedule of Investments October 31, 2011

BlackRock Credit Allocation Income Trust II, Inc.
(PSY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Atrium CDO Corp., Series 5A, Class A4, 0.69%, 7/20/20 (a)(b)	USD2,650	\$2,053,750
SLM Student Loan Trust, Series 2004-B, Class A2, 0.55%, 6/15/21 (b)	2,170	2,077,112
Total Asset-Backed Securities 0.9%		4,130,862
Corporate Bonds		
Aerospace & Defense 1.9%		
BE Aerospace, Inc., 8.50%, 7/01/18	2,500	2,731,250
Bombardier, Inc., 7.75%, 3/15/20 (a)	3,205	3,525,500
Huntington Ingalls Industries, Inc. (a): 6.88%, 3/15/18	610	614,575
7.13%, 3/15/21	600	607,500
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17	1,014	1,049,490
		8,528,315
Airlines 1.0%		
American Airlines Pass-Through Trust: Series 2011-1, Class A, 5.25%, 7/31/22	1,408	1,281,203
Series 2011-2, Class A, 8.63%, 4/15/23	570	570,000
Continental Airlines Pass-Through Certificates, Series 2009-2, Class B, 9.25%, 5/10/17	1,453	1,493,424
Delta Air Lines, Inc., Series 02G1, 6.72%, 7/02/24	1,146	1,131,963
		4,476,590
Auto Components 1.5%		
Daimler Finance North America LLC, 2.63%, 9/15/16 (a)(c)	3,425	3,404,015
Delphi Corp., 6.13%, 5/15/21 (a)	570	581,400
Icahn Enterprises LP: 7.75%, 1/15/16	880	902,000
8.00%, 1/15/18	2,000	2,035,000
		6,922,415
Beverages 0.5%		
Constellation Brands, Inc., 7.25%, 5/15/17	1,970	2,167,000
Building Products 0.3%		
Building Materials Corp. of America (a): 7.00%, 2/15/20	375	397,500
6.75%, 5/01/21	1,160	1,203,500
		1,601,000
Capital Markets 5.5%		

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Ameriprise Financial, Inc., 5.30%, 3/15/20 (c)	3,250	3,541,723
E*Trade Financial Corp., 12.50%, 11/30/17 (d)	1,865	2,149,412
The Goldman Sachs Group, Inc.:		
5.25%, 7/27/21	2,900	2,927,272
6.25%, 2/01/41 (c)	4,450	4,588,871
Macquarie Bank Ltd., 6.63%, 4/07/21 (a)(c)	1,745	1,709,072
Morgan Stanley (c):		
5.75%, 1/25/21	3,915	3,866,427
5.50%, 7/28/21	1,910	1,865,560
UBS AG:		
2.25%, 1/28/14	1,627	1,621,268
5.88%, 7/15/16 (c)	2,800	2,892,512
		25,162,117

Chemicals 1.0%

Ashland, Inc., 9.13%, 6/01/17	505	564,338
Celanese US Holdings LLC, 5.88%, 6/15/21	1,545	1,641,562
Lyondell Chemical Co., 11.00%, 5/01/18	1,250	1,392,188
Solutia, Inc., 7.88%, 3/15/20	860	920,200
		4,518,288

Commercial Banks 4.9%

Amsouth Bank, Series AI, 4.85%, 4/01/13	1,050	1,010,625
Asciano Finance Ltd., 5.00%, 4/07/18 (a)	900	956,833

	Par (000)	Value
Corporate Bonds		
Commercial Banks (concluded)		
Associated Banc-Corp, 5.13%, 3/28/16	USD 2,200	\$ 2,269,958
BNP Paribas, 3.60%, 2/23/16 (c)	998	995,203
Branch Banking & Trust Co. (b)(c):		
0.66%, 9/13/16	1,100	1,019,176
0.60%, 5/23/17	675	612,830
CIT Group, Inc.:		
7.00%, 5/01/15	260	260,000
7.00%, 5/02/16 (a)	1,570	1,566,075
7.00%, 5/01/17	1,263	1,263,000
7.00%, 5/02/17 (a)	350	349,125
City National Corp., 5.25%, 9/15/20 (c)	2,350	2,395,733
Discover Bank, 8.70%, 11/18/19	1,200	1,357,248
HSBC Holdings Plc, 5.10%, 4/05/21 (c)	1,625	1,750,235
Regions Financial Corp.:		
4.88%, 4/26/13	2,525	2,461,875
5.75%, 6/15/15	1,800	1,732,500
SVB Financial Group, 5.38%, 9/15/20	2,300	2,373,490
		22,373,906
Commercial Services & Supplies 3.8%		
Aviation Capital Group Corp. (a):		
7.13%, 10/15/20 (c)	9,300	9,001,917
6.75%, 4/06/21	2,325	2,238,766
Casella Waste Systems, Inc., 7.75%, 2/15/19	721	692,160
Clean Harbors, Inc., 7.63%, 8/15/16	1,314	1,389,555
Corrections Corp. of America, 7.75%, 6/01/17	3,375	3,653,438

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Iron Mountain, Inc., 7.75%, 10/01/19	390	404,625
Mobile Mini, Inc., 7.88%, 12/01/20	275	275,000
		17,655,461
Communications Equipment 0.9%		
Avaya, Inc., 9.75%, 11/01/15	900	796,500
Brocade Communications Systems, Inc., 6.88%, 1/15/20	2,965	3,105,838
EH Holding Corp., 6.50%, 6/15/19 (a)	420	429,450
		4,331,788
Consumer Finance 4.2%		
American Express Credit Corp., 2.75%, 9/15/15 (c)	5,850	5,922,920
Capital One Bank USA NA, 8.80%, 7/15/19	3,325	3,949,475
Ford Motor Credit Co., LLC, 7.00%, 4/15/15	2,580	2,812,200
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	1,815	1,942,050
SLM Corp., 6.25%, 1/25/16	4,870	4,870,000
		19,496,645
Containers & Packaging 1.4%		
Ball Corp.:		
7.13%, 9/01/16	1,750	1,894,375
6.75%, 9/15/20	2,210	2,381,275
Crown Americas LLC, 6.25%, 2/01/21 (a)	825	866,250
Graphic Packaging International, Inc., 9.50%, 6/15/17	665	726,512
Rock-Tenn Co., 9.25%, 3/15/16	325	345,313
Sealed Air Corp., 8.38%, 9/15/21 (a)	130	140,725
		6,354,450
Diversified Financial Services 7.8%		
Ally Financial, Inc.:		
4.50%, 2/11/14	1,775	1,735,062
8.30%, 2/12/15	1,230	1,291,500
8.00%, 11/01/31	1,620	1,615,950
Bank of America Corp.:		
5.30%, 3/15/17 (c)	3,640	3,480,892
5.00%, 5/13/21	50	46,946
Citigroup, Inc.:		
6.38%, 8/12/14	1,300	1,403,407
4.59%, 12/15/15 (c)	975	1,018,696
Dolphin Subsidiary II, Inc., 7.25%, 10/15/21 (a)	890	954,525
General Electric Capital Corp., 5.30%, 2/11/21 (c)	4,600	4,895,610
General Motors Financial Co., Inc., 6.75%, 6/01/18 (a)	500	504,576
ING Bank NV, 5.00%, 6/09/21 (a)(c)	2,350	2,412,087

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust II, Inc.
(PSY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Diversified Financial Services (concluded)		
Intesa Sanpaolo SpA (c):		
2.38%, 12/21/12	USD3,500	\$3,408,608
6.50%, 2/24/21 (a)	600	553,624
JPMorgan Chase & Co., 3.15%, 7/05/16 (c)	4,075	4,081,915
Moody's Corp., 6.06%, 9/07/17	6,000	6,342,174
Reynolds Group Issuer, Inc. (a):		
7.13%, 4/15/19	245	249,900
7.88%, 8/15/19	870	909,150
6.88%, 2/15/21	215	217,150
8.25%, 2/15/21	485	444,988
WMG Acquisition Corp., 9.50%, 6/15/16 (a)	205	217,300
		35,784,060
Diversified Telecommunication Services 5.4%		
AT&T, Inc., 6.30%, 1/15/38 (c)	4,000	4,806,916
France Telecom SA, 4.13%, 9/14/21	675	695,404
Level 3 Financing, Inc.:		
8.75%, 2/15/17	675	690,188
8.13%, 7/01/19 (a)	2,489	2,464,110
Qwest Corp., 8.38%, 5/01/16	2,795	3,193,287
Telecom Italia Capital SA, 6.18%, 6/18/14	975	990,404
Telefonica Emisiones SAU, 5.46%, 2/16/21	1,360	1,378,365
Verizon Communications, Inc.:		
1.95%, 3/28/14 (c)	3,650	3,748,189
7.35%, 4/01/39	4,025	5,556,339
Windstream Corp., 7.88%, 11/01/17	1,150	1,242,000
		24,765,202
Electric Utilities 1.1%		
Progress Energy, Inc., 7.00%, 10/30/31 (c)	4,000	5,245,584
Electronic Equipment, Instruments & Components		
0.8%		
Jabil Circuit, Inc., 8.25%, 3/15/18	800	928,000
NXP BV, 3.15%, 10/15/13 (b)	2,950	2,891,000
		3,819,000
Energy Equipment & Services 1.2%		
EnSCO Plc, 4.70%, 3/15/21 (c)	1,965	2,067,565
Frac Tech Services LLC, 7.63%, 11/15/18 (a)	1,085	1,133,825
Key Energy Services, Inc., 6.75%, 3/01/21	745	761,763
MEG Energy Corp., 6.50%, 3/15/21 (a)	955	995,587
Oil States International, Inc., 6.50%, 6/01/19	505	528,988
SunCoke Energy, Inc., 7.63%, 8/01/19 (a)	190	191,900
		5,679,628
Food & Staples Retailing 2.4%		

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CVS Caremark Corp., 6.30%, 6/01/62 (b)	3,650	3,545,062
Wal-Mart Stores, Inc. (c):		
5.25%, 9/01/35	2,500	2,913,065
6.20%, 4/15/38	3,375	4,400,764
		10,858,891

Food Products 1.0%

Kraft Foods, Inc.:		
6.50%, 8/11/17	1,665	1,990,176
6.13%, 8/23/18	1,660	1,975,415
Smithfield Foods, Inc., 10.00%, 7/15/14	374	434,775
		4,400,366

Gas Utilities 0.1%

Targa Resources Partners LP, 6.88%, 2/01/21 (a)	495	488,813
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Health Care Equipment & Supplies 0.7%

Fresenius US Finance II, Inc., 9.00%, 7/15/15 (a)	2,250	2,542,500
Teleflex, Inc., 6.88%, 6/01/19	490	507,150
		3,049,650

Health Care Providers & Services 4.3%

Aetna, Inc., 6.75%, 12/15/37 (c)	1,700	2,163,106
Aviv Healthcare Properties LP, 7.75%, 2/15/19	460	443,900

Corporate Bonds

**Par
(000) Value**

Health Care Providers & Services (concluded)

HCA, Inc.:		
8.50%, 4/15/19	USD240	\$264,000
6.50%, 2/15/20	2,380	2,493,050
7.25%, 9/15/20	3,435	3,679,744
7.50%, 2/15/22	2,020	2,060,400
INC Research LLC, 11.50%, 7/15/19 (a)	695	625,500
inVentiv Health, Inc., 10.00%, 8/15/18 (a)	510	489,600
Tenet Healthcare Corp.:		
10.00%, 5/01/18	1,530	1,755,675
8.88%, 7/01/19	1,125	1,271,250
UnitedHealth Group, Inc., 6.88%, 2/15/38	3,400	4,483,430
		19,729,655

Household Durables 0.3%

Cemex Espana Luxembourg, 9.25%, 5/12/20 (a)	1,462	1,158,635
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Independent Power Producers & Energy Traders 1.3%

AES Corp.:		
9.75%, 4/15/16	985	1,117,975
7.38%, 7/01/21 (a)	325	347,750
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)	535	569,775
Calpine Corp., 7.25%, 10/15/17 (a)	440	457,600
Energy Future Intermediate Holding Co., LLC, 10.00%, 12/01/20	1,745	1,832,250
NRG Energy, Inc., 7.38%, 1/15/17	1,710	1,780,537
		6,105,887

Insurance 8.3%

Allianz Finance II BV, 5.75%, 7/08/41 (b)	EUR700	867,169
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The Allstate Corp., 7.45%, 5/16/19 (c)	USD5,600	6,963,757
American International Group, Inc., 6.40%, 12/15/20 (c)	1,690	1,770,017
Aon Corp., 5.00%, 9/30/20 (c)	4,600	5,041,016
Fairfax Financial Holdings Ltd., 5.80%, 5/15/21 (a)	2,800	2,638,549
Forethought Financial Group, Inc., 8.63%, 4/15/21 (a)	1,000	1,015,846
Genworth Financial, Inc., 7.63%, 9/24/21	970	876,812
Manulife Financial Corp., 4.90%, 9/17/20 (c)	4,700	4,827,379
MPL 2 Acquisition Canco, Inc., 9.88%, 8/15/18 (a)	430	369,800
Muenchener Rueckversicherungs AG, 6.00%, 5/26/41 (b)	EUR 300	399,239
Northwestern Mutual Life Insurance, 6.06%, 3/30/40 (a)	USD3,800	4,453,520
Principal Financial Group, Inc., 8.88%, 5/15/19	980	1,241,662
Prudential Financial, Inc., 6.63%, 12/01/37 (c)	3,400	4,042,855
XL Group Ltd., 5.75%, 10/01/21 (c)	3,430	3,616,602
		38,124,223
IT Services 0.7%		
Eagle Parent Canada, Inc., 8.63%, 5/01/19 (a)	720	673,200
First Data Corp. (a): 7.38%, 6/15/19	725	717,750
8.25%, 1/15/21	90	85,500
12.63%, 1/15/21	905	855,225
SunGard Data Systems, Inc., 7.38%, 11/15/18	970	991,825
		3,323,500
Life Sciences Tools & Services 1.9%		
Bio-Rad Laboratories, Inc., 8.00%, 9/15/16	3,825	4,169,250
Life Technologies Corp., 6.00%, 3/01/20 (c)	4,200	4,681,072
		8,850,322
Machinery 1.1%		
Ingersoll-Rand Global Holding Co. Ltd., 9.50%, 4/15/14 (c)	3,400	3,996,829
Navistar International Corp., 8.25%, 11/01/21	931	1,012,463
		5,009,292

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust II, Inc.
(PSY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Media 9.3%		
AMC Networks, Inc., 7.75%, 7/15/21 (a)	USD395	\$428,575
CCH II LLC, 13.50%, 11/30/16	2,317	2,670,342
Cengage Learning Acquisitions, Inc., 10.50%, 1/15/15 (a)	700	553,000
Comcast Corp., 6.30%, 11/15/17 (c)	3,400	4,017,022
Cox Communications, Inc., 8.38%, 3/01/39 (a)	3,400	4,754,193
CSC Holdings LLC:		
8.50%, 4/15/14	680	746,300
8.50%, 6/15/15	1,500	1,627,500
8.63%, 2/15/19	1,200	1,362,000
DIRECTV Holdings LLC, 5.00%, 3/01/21	2,575	2,818,822
DISH DBS Corp., 7.00%, 10/01/13	1,750	1,850,625
Intelsat Luxembourg SA (d):		
11.50%, 2/04/17 (a)	140	140,000
11.50%, 2/04/17	400	400,000
The Interpublic Group of Cos., Inc., 10.00%, 7/15/17	1,175	1,345,375
Kabel BW Erste Beteiligungs GmbH, 7.50%, 3/15/19 (a)	1,040	1,081,600
News America, Inc., 6.15%, 3/01/37 (c)	4,200	4,612,528
Time Warner Cable, Inc., 6.75%, 6/15/39	4,050	4,922,759
Time Warner, Inc., 7.70%, 5/01/32	4,150	5,403,968
Unitymedia Hessen GmbH & Co. KG (FKA UPC Germany GmbH), 8.13%, 12/01/17 (a)	1,030	1,096,950
Virgin Media Secured Finance Plc, 6.50%, 1/15/18	2,675	2,882,312
		42,713,871
Metals & Mining 2.6%		
Alcoa, Inc., 5.40%, 4/15/21 (c)	2,455	2,432,561
Barrick Gold Corp., 2.90%, 5/30/16	1,150	1,194,001
Barrick North America Finance LLC, 5.70%, 5/30/41	1,325	1,539,975
FMG Resources August 2006 Property Ltd. (a):		
6.88%, 2/01/18	235	225,600
8.25%, 11/01/19	190	191,900
Freeport-McMoRan Corp., 7.13%, 11/01/27	2,900	3,369,641
Novelis, Inc., 8.75%, 12/15/20	975	1,062,750
Teck Resources Ltd., 10.75%, 5/15/19 (c)	1,750	2,161,250
		12,177,678
Multi-Utilities 1.6%		
CenterPoint Energy, Inc.:		
5.95%, 2/01/17	3,150	3,547,177
6.50%, 5/01/18	3,350	3,902,881
		7,450,058

Multiline Retail 1.3%

JC Penney Co., Inc., 5.65%, 6/01/20	6,300	5,937,750
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Oil, Gas & Consumable Fuels 13.0%

Alpha Natural Resources, Inc.:

6.00%, 6/01/19	255	253,088
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6.25%, 6/01/21	705	696,188
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Anadarko Petroleum Corp.:

5.95%, 9/15/16	994	1,142,322
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6.38%, 9/15/17	23	27,065
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Arch Coal, Inc. (a):

7.00%, 6/15/19	220	227,700
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7.25%, 6/15/21	720	741,600
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BP Capital Markets Plc (c):

3.88%, 3/10/15	1,500	1,605,862
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3.20%, 3/11/16	1,875	1,969,978
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Buckeye Partners LP, 4.88%, 2/01/21	1,000	1,053,169
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Chesapeake Energy Corp., 6.13%, 2/15/21	3,445	3,608,637
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Chesapeake Midstream Partners LP, 5.88%, 4/15/21 (a)	595	600,950
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Chesapeake Oilfield Operating LLC, 6.63%, 11/15/19 (a)	270	277,425
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Consol Energy, Inc., 6.38%, 3/01/21 (a)	450	447,750
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Copano Energy LLC, 7.13%, 4/01/21	560	572,600
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DCP Midstream LLC, 4.75%, 9/30/21 (a)	1,200	1,252,478
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Denbury Resources, Inc., 6.38%, 8/15/21	575	592,250
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El Paso Corp., 7.00%, 6/15/17	1,430	1,601,600
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Corporate Bonds**Par
(000) Value****Oil, Gas & Consumable Fuels (concluded)**

El Paso Pipeline Partners Operating Co., LLC,

5.00%, 10/01/21	USD 525	\$ 538,374
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Enbridge Energy Partners LP, 9.88%, 3/01/19	2,100	2,812,517
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Energy XXI Gulf Coast, Inc., 7.75%, 6/15/19	1,025	1,035,250
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Enterprise Products Operating LLC, 6.65%, 4/15/18	4,200	4,940,636
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Forest Oil Corp., 8.50%, 2/15/14	1,240	1,339,200
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Hilcorp Energy I LP, 7.75%, 11/01/15 (a)	710	728,389
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Kinder Morgan Energy Partners LP, 6.85%, 2/15/20	4,200	5,018,605
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Linn Energy LLC, 7.75%, 2/01/21	955	1,019,463
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Marathon Petroleum Corp., 3.50%, 3/01/16 (a)	1,375	1,410,545
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MarkWest Energy Partners LP, 6.25%, 6/15/22 (e)	530	543,250
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Newfield Exploration Co., 5.75%, 1/30/22	495	524,700
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Oasis Petroleum, Inc.:

7.25%, 2/01/19 (a)	340	358,700
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6.50%, 11/01/21 (e)	305	306,525
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OGX Petroleo e Gas Participacoes SA, 8.50%, 6/01/18 (a)	1,200	1,188,000
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ONEOK Partners LP, 8.63%, 3/01/19	3,400	4,396,220
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Petrobras International Finance Co., 3.88%, 1/27/16	3,725	3,811,796
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Petrohawk Energy Corp.:

10.50%, 8/01/14	615	689,569
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6.25%, 6/01/19	715	807,950
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Pioneer Natural Resources Co.:

6.65%, 3/15/17	650	705,933
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6.88%, 5/01/18	490	529,845
Plains Exploration & Production Co.:		
7.75%, 6/15/15	785	814,438
10.00%, 3/01/16	405	449,550
Precision Drilling Corp., 6.50%, 12/15/21 (a)	425	448,375
Premier Oil, 5.00%, 6/09/18	3,400	3,536,000
Range Resources Corp., 6.75%, 8/01/20	855	949,050
SandRidge Energy, Inc., 7.50%, 3/15/21 (a)	720	694,800
SM Energy Co., 6.63%, 2/15/19 (a)	220	222,200
Western Gas Partners LP, 5.38%, 6/01/21	1,525	1,621,746
The Williams Cos., Inc., 8.75%, 3/15/32	1,150	1,565,715
		59,678,003

Paper & Forest Products 2.9%

Boise Paper Holdings LLC, 8.00%, 4/01/20	645	678,862
Georgia-Pacific LLC, 8.25%, 5/01/16 (a)	3,400	3,770,053
International Paper Co.:		
7.50%, 8/15/21	3,325	4,040,819
7.30%, 11/15/39	3,400	3,964,584
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	330	334,950
Verso Paper Holdings LLC, 11.50%, 7/01/14	355	372,750
		13,162,018

Pharmaceuticals 7.5%

Bristol-Myers Squibb Co., 5.88%, 11/15/36 (c)	2,214	2,812,814
Capsugel Finance Co. SCA, 9.88%, 8/01/19 (a)	EUR300	423,412
GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38 (c)	USD7,250	9,799,629
Merck & Co., Inc. (c):		
6.50%, 12/01/33	2,070	2,831,129
6.55%, 9/15/37	4,572	6,364,956
Pfizer, Inc., 7.20%, 3/15/39 (c)	6,250	9,335,337
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	250	250,000
Watson Pharmaceuticals, Inc., 6.13%, 8/15/19	2,075	2,423,930
		34,241,207

Real Estate Investment Trusts (REITs) 2.8%

AvalonBay Communities, Inc., 6.10%, 3/15/20	3,400	3,857,994
Developers Diversified Realty Corp.:		
4.75%, 4/15/18	645	606,981
7.88%, 9/01/20	775	838,861
ERP Operating LP, 5.75%, 6/15/17 (c)	3,405	3,805,363
HCP, Inc., 5.38%, 2/01/21	1,025	1,052,710
UDR, Inc., 4.25%, 6/01/18	1,475	1,516,731
Ventas Realty LP/Ventas Capital Corp., 4.75%, 6/01/21	1,135	1,111,449
		12,790,089

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust II, Inc.
(PSY)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Real Estate Management & Development 0.2%		
Realogy Corp., 7.88%, 2/15/19 (a)	USD 570	\$ 513,000
Shea Homes LP, 8.63%, 5/15/19 (a)	480	434,400
		947,400
Road & Rail 1.6%		
Avis Budget Car Rental LLC, 8.25%, 1/15/19	435	433,912
Florida East Coast Railway Corp., 8.13%, 2/01/17	200	200,000
The Hertz Corp., 6.75%, 4/15/19	933	951,660
Norfolk Southern Corp., 6.00%, 3/15/2105 (c)	5,000	5,783,350
		7,368,922
Semiconductors & Semiconductor Equipment 0.6%		
Advanced Micro Devices, Inc., 7.75%, 8/01/20	775	786,625
KLA-Tencor Corp., 6.90%, 5/01/18	1,928	2,194,802
		2,981,427
Specialty Retail 1.2%		
AutoNation, Inc., 6.75%, 4/15/18	1,965	2,038,688
Best Buy Co., Inc., 5.50%, 3/15/21	550	525,727
Limited Brands, Inc., 7.00%, 5/01/20	980	1,043,700
QVC, Inc., 7.38%, 10/15/20 (a)	105	114,450
VF Corp., 5.95%, 11/01/17	1,475	1,746,736
		5,469,301
Tobacco 2.0%		
Altria Group, Inc.:		
9.25%, 8/06/19	485	644,737
10.20%, 2/06/39	3,929	6,069,649
Lorillard Tobacco Co., 3.50%, 8/04/16	2,450	2,459,508
		9,173,894
Wireless Telecommunication Services 3.6%		
America Movil SAB de CV, 2.38%, 9/08/16	2,675	2,670,701
American Tower Corp.:		
4.50%, 1/15/18	1,925	1,979,951
5.90%, 11/01/21	1,295	1,431,287
Cricket Communications, Inc., 7.75%, 5/15/16	670	695,125
Crown Castle International Corp., 9.00%, 1/15/15	890	970,100
Crown Castle Towers LLC (a):		
5.50%, 1/15/37	1,175	1,279,864
6.11%, 1/15/40	1,300	1,436,491
Intelsat Jackson Holdings SA, 7.25%, 4/01/19 (a)	190	190,950
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	840	829,500
SBA Tower Trust, 5.10%, 4/15/42 (a)	4,225	4,603,138
Sprint Capital Corp., 6.88%, 11/15/28	470	343,100
		16,430,207
Total Corporate Bonds 115.5%		530,502,508

Preferred Securities**Capital Trusts****Capital Markets 4.0%**

Ameriprise Financial, Inc., 7.52%, 6/01/66 (b)	2,500	2,525,000
State Street Capital Trust III, 5.34% (b)(f)	2,920	2,924,964
State Street Capital Trust IV, 1.35%, 6/01/37 (b)	18,235	12,772,159
		18,222,123

Commercial Banks 5.4%

Barclays Bank Plc, 7.43% (a)(b)(c)(f)	650	607,750
BNP Paribas, 7.20% (a)(b)(c)(f)	1,500	1,237,500
Credit Agricole SA (a)(b)(c)(f):		
6.64%	1,475	996,363
8.38%	1,475	1,298,000
Dresdner Funding Trust I, 8.15%, 6/30/31 (a)	2,240	1,747,200

Capital Trusts**Commercial Banks (concluded)**

	Par (000)	Value
HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f)	USD4,835	\$6,055,837
M&T Capital Trust II, 8.28%, 6/01/27	3,630	3,666,358
National City Preferred Capital Trust I, 12.00% (b)(f)	1,100	1,141,426
NationsBank Capital Trust III, 0.95%, 1/15/27 (b)	13,470	8,021,708
		24,772,142

Diversified Financial Services 1.7%

ING Capital Funding Trust III, 3.97% (b)(f)	1,800	1,525,003
JPMorgan Chase Capital XXIII, 1.29%, 5/15/77 (b)(c)	8,775	6,058,365
		7,583,368

Electric Utilities 0.6%

PPL Capital Funding, 6.70%, 3/30/67 (b)	3,000	2,895,000
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Insurance 8.6%

Ace Capital Trust II, 9.70%, 4/01/30	2,500	3,244,830
The Allstate Corp., 6.50%, 5/15/67 (b)	5,000	4,656,250
American General Capital II, 8.50%, 7/01/30		