

BLACKROCK FLOATING RATE INCOME TRUST
Form N-CSR
January 08, 2010

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: Anne F. Ackerley, Chief Executive Officer, BlackRock
Floating Rate Income Trust, 55 East 52nd Street, New York, NY 10055.

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

Date of fiscal year end: 10/31/2009

Date of reporting period: 10/31/2009

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

OCTOBER 31, 2009

[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 Enhanced Capital and Income Fund, Inc. \(CII\)](#)

[BlackRock Floating Rate Income Trust \(BGT\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

Table of Contents

	Page
Section 19(b) Disclosure	2
Dear Shareholder	3
Annual Report:	
Fund Summaries	4
The Benefits and Risks of Leveraging	10
Derivative Financial Instruments	10
Financial Statements:	
Schedules of Investments	11
Statements of Assets and Liabilities	36
Statements of Operations	37
Statements of Changes in Net Assets	38
Statement of Cash Flows	40
Financial Highlights	41
Notes to Financial Statements	47
Report of Independent Registered Public Accounting Firm	58
Important Tax Information	59
Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements	60
Automatic Dividend Reinvestment Plans	64
Officers and Directors	66
Additional Information	69

Section 19(b) Disclosure

BlackRock Credit Allocation Income Trust IV (BTZ) and BlackRock Enhanced Capital and Income Fund, Inc. (CII) (collectively, the Funds), acting pursuant to a Securities and Exchange Commission (SEC) exemptive order and with the approval of each Fund s Board of Directors/Trustees (the Board), each have adopted a plan, consistent with its investment objectives and policies to support a level distribution of income, capital gains and/or return of capital (Plan). In accordance with the Plans, the Funds currently distribute the following fixed amounts per share on a monthly basis for BTZ and a quarterly basis for CII:

Exchange Symbol	Amount Per Common Share
BTZ	\$ 0.100
CII	\$ 0.485

The fixed amounts distributed per share are subject to change at the discretion of each Fund s Board. Under its Plan, each Fund will distribute all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the Code). If sufficient investment income is not available on a monthly/quarterly basis, the Funds will distribute long-term capital

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

gains and/or return of capital to shareholders in order to maintain a level distribution. Each monthly/quarterly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Funds to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about the Funds' investment performance from the amount of these distributions or from the terms of the Plan.

Each Fund's total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate a Fund's Plan without prior notice if it deems such actions to be in the best interests of the Fund or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Fund's stock is trading at or above net asset value) or widening an existing trading discount. The Funds are subject to risks that could have an adverse impact on their ability to maintain level distributions. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, decreased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code. Please refer to each Fund's prospectus for a more complete description of its risks.

Please refer to Additional Information for a cumulative summary of the Section 19(a) notices for each Fund's current fiscal period. Section 19(a) notices for the Funds, as applicable, are available on the BlackRock website www.blackrock.com.

2 ANNUAL REPORT OCTOBER 31, 2009

Dear Shareholder

Over the past 12 months, we have witnessed a seismic shift in market sentiment from fear and pessimism during the worst economic decline and crisis

of confidence in financial markets since The Great Depression to increasing optimism amid emerging signs of recovery. The period began in the midst of an

intense deterioration in global economic activity and financial markets in the final months of 2008 and the early months of 2009. The collapse of confi-

dence resulted in massive government policy intervention on a global scale in the financial system and the economy. The tide turned dramatically in March

2009, however, on the back of new US government initiatives, as well as better-than-expected economic data and upside surprises in corporate earnings.

Not surprisingly, global equity markets endured extreme volatility over the past 12 months, starting with steep declines and heightened risk aversion in the

early part of the reporting period, which eventually gave way to an impressive rally that began in March. Although there have been fits and starts along the

way and a few modest corrections, the new bull market has pushed all major US indices well into positive territory for 2009. The experience in international

markets was similar to that in the United States. In particular, emerging markets (which were less affected by the global credit crunch and are experiencing

faster economic growth rates when compared to the developed world) have posted impressive gains since the rally began.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, which drove yields sharply lower,

but concerns about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields range bound in recent months. As economic

and market conditions began to improve in early 2009, near-zero interest rates on risk-free assets prompted many investors to reallocate money from cash

investments into higher-yielding and riskier non-Treasury assets. The high yield sector was the greatest beneficiary of this move, having decisively outpaced

all other taxable asset classes since the start of 2009. Similarly, the municipal bond market is on pace for its best performance year ever in 2009, following

one of its worst years in 2008. Investor demand remains strong for munis, helping to create a highly favorable technical backdrop. Municipal bond mutual

funds are seeing record inflows, reflecting the renewed investor interest in the asset class.

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

As a result of the rebound in sentiment and global market conditions, most major benchmark indexes are now in positive territory for both the

6- and 12-month periods.

Total Returns as of October 31, 2009	6-month	12-month
US equities (S&P 500 Index)	20.04%	9.80%
Small cap US equities (Russell 2000 Index)	16.21	6.46
International equities (MSCI Europe, Australasia, Far East Index)	31.18	27.71
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(0.79)	8.12
Taxable fixed income (Barclays Capital US Aggregate Bond Index)		5.61 13.79
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)		4.99 13.60
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	27.72	48.65

* Formerly a Merrill Lynch index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market turbulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional market perspective and investment insight, visit the most recent issue of our award-winning Shareholder® magazine at www.blackrock.com/shareholdermagazine. As always, we thank you for entrusting BlackRock with your investments, and we look forward to continuing to serve you in the months and years ahead.

Announcement to Shareholders

On December 1, 2009, BlackRock, Inc. and Barclays Global Investors, N.A. combined to form one of the world's preeminent investment management firms.

The new company, operating under the BlackRock name, manages \$3.19 trillion in assets** and offers clients worldwide a full complement of active man-

agement, enhanced and index investment strategies and products, including individual and institutional separate accounts, mutual funds and other pooled

investment vehicles, and the industry-leading iShares platform of exchange traded funds.

** Data is as of September 30, 2009, is subject to change, and is based on a pro forma estimate of assets under management and other data at BlackRock, Inc. and Barclays Global Investors.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust I, Inc.

Investment Objective

BlackRock Credit Allocation Income Trust I, Inc. (PSW) (formerly BlackRock Preferred and Corporate Income Strategies Fund, Inc.) (the Fund) seeks to provide shareholders with high current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred and Corporate Income Strategies Fund, Inc. was renamed BlackRock Credit Allocation Income Trust I, Inc.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 37.59% based on market price and 46.46% based on net asset value (NAV). For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. 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. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

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.

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

Fund Information	
Symbol on New York Stock Exchange (NYSE)	PSW
Initial Offering Date	August 1, 2003
Yield based on Closing Market Price as of October 31, 2009 (\$8.24) ¹	8.74%
Current Monthly Distribution per Common Share ²	\$0.06
Current Annualized Distribution per Common Share ²	\$0.72
Leverage as of October 31, 2009 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 is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ Represents reverse repurchase agreements and Auction Market Preferred Shares (Preferred Shares) as a percentage of total managed assets,

which is the total assets of the Fund (including any assets attributable to any borrowings and Preferred Shares) 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 10.

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$8.24	\$7.00	17.71%	\$8.52	\$3.44
Net Asset Value	\$9.31	\$7.43	25.30%	\$9.31	\$4.55

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

Portfolio Composition	Credit Quality Allocations ⁴			
	10/31/09	10/31/08	10/31/09	10/31/08
Preferred Securities	58%	87%	AA/Aa	14%
Short-Term Securities	29	11	A/A	26%
Corporate Bonds	13	2	BBB/Baa	62
			BB/Ba	8
			B/B	2
			Not Rated	2
				10

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

⁴ Using the higher of Standard & Poor's (S&P's) or Moody's Investor

Service (Moody's)

ratings.

4 ANNUAL REPORT OCTOBER 31, 2009

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust II, Inc.

Investment Objective

BlackRock Credit Allocation Income Trust II, Inc. (PSY) (formerly BlackRock Preferred Income Strategies Fund, Inc.) (the Fund) seeks to provide share-holders with current income and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred Income Strategies Fund, Inc. was renamed BlackRock Credit Allocation Income Trust II, Inc.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 29.37% based on market price and 48.36% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. All returns reflect reinvestment of dividends. The Fund moved from a premium to a discount to NAV by year-end, which accounts for the difference between performance based on price and performance based on NAV. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

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.

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

**Fund
Information**

Symbol on NYSE	PSY
Initial Offering Date	March 28, 2003
Yield on Closing Market Price as of October 31, 2009 (\$8.90) ¹	10.11%
Current Monthly Distribution per Common Share ²	\$ 0.075
Current Annualized Distribution per Common Share ²	\$ 0.900
Leverage as of October 31, 2009 ³	30%

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

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) 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 10.

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$ 8.90	\$8.10	9.88%	\$ 9.20	\$3.69
Net Asset Value	\$10.03	\$7.96	26.01%	\$10.03	\$4.60

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

	Portfolio Composition		Credit Quality Allocations ⁴		
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	88%	93%	AA/Aa	1%	15%
Short-Term Securities	9	4	A/A	26	34
Corporate Bonds	3	3	BBB/Baa	56	28
			BB/Ba	14	6
			B/B	3	
			Not Rated		17

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

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust III

Investment Objective

BlackRock Credit Allocation Income Trust III (BPP) (formerly BlackRock Preferred Opportunity Trust) (the Fund) seeks high current income consistent with capital preservation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred Opportunity Trust was renamed BlackRock Credit Allocation Income Trust III.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 36.42% based on market price and 47.16% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. 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. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well – most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

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.

**Fund
Information**

Symbol on NYSE	BPP
Initial Offering Date	February 28, 2003
Yield on Closing Market Price as of October 31, 2009 (\$9.94) ¹	8.75%
Current Monthly Distribution per Common Share ²	\$0.0725
Current Annualized Distribution per Common Share ²	\$0.8700
Leverage as of October 31, 2009 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.

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

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) 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 10.

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$ 9.94	\$8.51	16.80%	\$10.35	\$4.00
Net Asset Value	\$11.05	\$8.77	26.00%	\$11.13	\$5.06

The following unaudited charts show the portfolio composition and credit quality allocations of the Fund's total investments:

	Portfolio Composition		Credit Quality Allocations ⁴		
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	69%	90%	AA/Aa	4%	16%
Short-Term Securities	23	3	A/A	28	39
Corporate Bonds	8	7	BBB/Baa	45	24
			BB/Ba	13	5
			B	5	
			CCC/Caa	5	
			Not Rated		16

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

Fund Summary as of October 31, 2009 BlackRock Credit Allocation Income Trust IV

Investment Objective

BlackRock Credit Allocation Income Trust IV (BTZ) (formerly BlackRock Preferred and Equity Advantage Trust) (the Fund) seeks to achieve high current income, current gains and capital appreciation. The Fund seeks to achieve its objectives by investing primarily in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.

Effective November 13, 2009, BlackRock Preferred and Equity Advantage Trust was renamed BlackRock Credit Allocation Income Trust IV.

The Board approved a change to the Fund's non-fundamental investment policies during the period. Please refer to page 70 in the Additional Information section.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 38.38% based on market price and 41.06% based on NAV. For the same period, the closed-end Lipper Income & Preferred Stock Funds category posted an average return of 39.55% on a market price basis and 40.36% on a NAV basis. 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. Strong annual performance has been driven by the Fund's positioning to fully capture the near-term strength anticipated in the preferred sector during 2009. The Fund benefited from an overweight allocation to institutional hybrids (preferred securities available only over-the-counter to institutional investors) as the sector continued its dramatic outperformance during 2009 relative to retail preferred securities, which are exchange traded. This position also served as a performance detractor when the preferred sector deteriorated during the fourth quarter of 2008. Performance benefited from participation in several additional issuer-related tenders in preferred equity exchanges, along with an overweight in the insurance sector. A generally large position in short-term securities proved beneficial as well—most notably during 2008 and into the first quarter of 2009 as it preserved NAV better than had the Fund been fully invested. Finally, the Fund notably reduced leverage in response to rating agency methodology changes for preferred securities requiring greater collateral due to increased volatility in the sector, which detracted from performance.

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.

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

**Fund
Information**

Symbol on NYSE	BTZ
Initial Offering Date	December 27, 2006
Yield on Closing Market Price as of October 31, 2009 (\$10.96) ¹	10.95%
Current Monthly Distribution per Common Share ²	\$ 0.10
Current Annualized Distribution per Common Share ²	\$ 1.20
Leverage as of October 31, 2009 ³	31%

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

³ Represents reverse repurchase agreements and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund

(including any assets attributable to any borrowings and Preferred Shares) 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 10.

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$10.96	\$ 9.36	17.09%	\$11.49	\$4.56
Net Asset Value	\$12.64	\$10.59	19.36%	\$12.69	\$6.89

The following unaudited charts show the portfolio composition of the Fund's total investments and credit quality allocations of the

Fund's total investments excluding Common Stocks:

Portfolio Composition	Credit Quality Allocations ⁴				
	10/31/09	10/31/08		10/31/09	10/31/08
Preferred Securities	57%	59%	AA/Aa	4%	15%
Short-Term Securities	33	21	A/A	33	37
Corporate Bonds	4	4	BBB/Baa	53	30
Common Stocks	6	16	BB/Ba	6	2
			B/B	4	16

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

Fund Summary as of October 31, 2009

Investment Objective

BlackRock Enhanced Capital and Income Fund, Inc. (CII) (the Fund) seeks to provide investors with a combination of current income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of common stocks in an attempt to generate current income and by employing a strategy of writing (selling) call options on equity indexes in an attempt to generate gains from option premiums primarily on the S&P 500 Index. The Board approved a change to the Fund's option writing policy during the period. Please refer to page 70 in the Additional Information section.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 29.88% based on market price and 22.01% based on NAV. For the same period, the benchmark S&P 500 Citigroup Value Index returned 2.98% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which narrowed significantly during the period, accounts for the difference between performance based on price and performance based on NAV. The main contributor to Fund performance relative to the S&P 500 Citigroup Value Index was the Option strategy that was implemented by the Fund. The option strategy contributed almost 75% of the outperformance over the index. From an equity holdings standpoint, the main contributors were an underweight and stock selection in financials, stock selection in health care and industrials, and overweights in the information technology and energy sectors. The main detractors from performance for the one-year period included stock selection in materials and consumer staples, as well as an underweight in the consumer discretionary sector.

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.

Fund
Information

Symbol on NYSE	CII
Initial Offering Date	April 30, 2004
Yield on Closing Market Price as of October 31, 2009 (\$13.76) ¹	14.10%
Current Quarterly Distribution per share ²	\$ 0.485
Current Annualized Distribution per share ²	\$ 1.940

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price.

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

Past performance does not guarantee future results.

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

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$13.76	\$12.37	11.24%	\$15.70	\$ 7.92
Net Asset Value	\$14.40	\$13.78	4.50%	\$14.99	\$10.62

The following unaudited charts show the ten largest holdings and sector allocations of the Fund's long-term investments:

Ten Largest Holdings	Sector Allocations			
	10/31/09		10/31/09	10/31/08
The Travelers Cos., Inc.	4%	Financials	19%	16%
		Information		
JPMorgan Chase & Co.	3	Technology	17	15
LSI Corp.	3	Health Care	13	4
		Consumer		
Chevron Corp.	3	Staples	12	23
Schering-Plough Corp.	3	Energy	11	15
Bristol-Myers Squibb Co.	3	Industrials	9	7
		Telecommunication		
Exxon Mobil Corp.	3	Services	7	6
Kimberly-Clark Corp.	3	Consumer Discretionary	6	6
Kraft Foods, Inc.	3	Materials	3	3
Time Warner, Inc.	3	Utilities	3	5

For Fund compliance purposes, the Fund's sector classifications refer

to any one or more of the sector sub-classifications used by one or

more widely recognized market indexes or ratings group indexes,

and/or as defined by Fund management. This definition may not

apply for purposes of this report, which may combine sector sub-

classifications for reporting ease.

Fund Summary as of October 31, 2009 **BlackRock Floating Rate Income Trust**

Investment Objective

BlackRock Floating Rate Income Trust (BGT) (formerly BlackRock Global Floating Rate Income Trust) (the Fund) seeks to provide a high level of current income and to seek the preservation of capital. The Fund seeks to achieve its objective by investing in a global portfolio of primarily floating and variable rate securities.

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

Performance

For the 12 months ended October 31, 2009, the Fund returned 54.14% based on market price and 39.51% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 39.76% on a market price basis and 25.60% on a NAV basis. All returns reflect reinvestment of dividends. (The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds that employ leverage and continuously offered closed-end funds that do not. For this reporting period, those Lipper peers that do not employ leverage were at a disadvantage given the market rally.) The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. For the first two months of the reporting period, the high yield loan market was under extreme pressure and lost 10.9%, as measured by the Credit Suisse Leveraged Loan Index. However, this brief period of underperformance was followed by the market's strongest results ever, as the sector gained more than 40% for the period January 1, 2009 to October 31, 2009. On average, market performance was positive and the Fund's reduction of leverage in response to higher collateral requirements imposed by the major rating agencies had a negative effect on absolute performance. Relative to its Lipper peers, the Fund gained from both maintaining leverage and focusing on higher-quality sectors and structures, which benefited most during the sharp rally in 2009. Conversely, the Fund's cash position hurt performance during the period.

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.

Fund Information

Symbol on NYSE	BGT
Initial Offering Date	August 30, 2004
Yield on Closing Market Price as of October 31, 2009 (\$12.58) ¹	6.44%
Current Monthly Distribution per Common Share ²	\$0.0675
Current Annualized Distribution per Common Share ²	\$0.8100

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

Leverage as of October 31, 2009³

19%

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

³ Represents loan outstanding and Preferred Shares as a percentage of total managed assets, which is the total assets of the Fund (including any

assets attributable to any borrowings and Preferred Shares) 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 10.

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

	10/31/09	10/31/08	Change	High	Low
Market Price	\$12.58	\$ 9.63	30.63%	\$12.98	\$6.88
Net Asset Value	\$13.29	\$11.24	18.24%	\$13.35	\$8.86

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

of the Fund's long-term investments excluding floating rate loan interests:

Portfolio Composition	Credit Quality Allocations ⁴			
	10/31/09	10/31/08	10/31/09	10/31/08
Floating Rate Loan Interests	76%	79%	AAA/Aaa	16%
Corporate Bonds	20	14	A/A	4
Foreign Government Obligations	3	7	BBB/Baa	27
Other Interests	1		BB/Ba	17
			B/B	22
			CCC/Caa	6
			C/C	5
			D	1
			Not Rated	2
				1

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

The Benefits and Risks of Leveraging

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

The Funds may utilize leverage through borrowings, the issuance of Preferred Shares or by entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will 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 Common Shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to Common Shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV of each Fund's Common Shares. However, in order to benefit Common 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 Common Shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it borrows and/or issues Preferred Shares for an additional \$50 million, creating a total value of \$150 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 interest expense and/or dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings and/or issuance of Preferred Shares can earn income based on long-term interest rates. In this case, the interest expense and/or dividends paid to Preferred Shareholders are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common 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 on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of a Fund's portfolio investments generally varies

inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' borrowings and/or Preferred Shares 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 leverage from borrowings.

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 to each Fund's NAV, market price and dividend rates than a comparable portfolio without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, each Fund's 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 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, such as in the case of certain restrictions imposed by ratings agencies that rate Preferred Shares issued by each Fund. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by the Common Shareholders and may reduce income on the Common Shares.

Under the Investment Company Act of 1940, BGT is permitted to borrow through a credit facility up to $33\frac{1}{3}\%$ of its total managed assets and the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares, reverse repurchase agreements and credit facility borrowings will not exceed 50% of its total managed assets at the time such leverage is incurred. As of October 31, 2009, the Funds had economic leverage from Preferred Shares, reverse repurchase agreements and/or credit facility borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
PSW	32%
PSY	30%
BPP	29%
BTZ	31%
BGT	19%

Derivative Financial Instruments

The Funds may invest in various derivative instruments, including financial futures contracts, swaps, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which constitute forms of economic leverage. Such 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 and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction and illiquidity of the derivative instrument. Each Fund's ability to success-

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

10 ANNUAL REPORT OCTOBER 31, 2009

Schedule of Investments October 31, 2009

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

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Insurance 2.5%			Multi-Utilities 2.8%		
Oil Insurance Ltd., 7.56% (a)(b)(c)	\$ 1,000	\$ 706,200	Dominion Resources Capital Trust I,		
QBE Insurance Group Ltd., 9.75%, 3/14/14 (a)	1,484	1,695,246	7.83%, 12/01/27 (f)	\$ 1,200	\$ 1,202,650
		2,401,446	Dominion Resources, Inc., 7.50% (c)	1,051	1,029,980
			Puget Sound Energy, Inc. Series A, 6.97%, 6/01/67 (c)	475	415,587
Media 12.5%					
COX Communications, Inc., 8.38%, 3/01/39 (a)	10,000	11,988,640			2,648,217
Total Corporate Bonds 15.0%		14,390,086	Oil, Gas & Consumable Fuels 1.3%		
			Enterprise Products Operating LLC, 8.38%, 8/01/66 (c)	825	808,500
			TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)	500	465,397
Preferred Securities			Total Capital Trusts		1,273,897
			33.5%		32,110,050
Capital Trusts					
Building Products 0.7%			Preferred Stocks	Shares	
C8 Capital SPV Ltd., 6.64% (a)(b)(c)	980	691,018			
Capital Markets 5.8%			Commercial Banks 8.1%		
Ameriprise Financial, Inc., 7.52%, 6/01/66 (c)	1,900	1,615,000	First Tennessee Bank NA, 3.90% (a)(c)	1,176	589,838
Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d)(e)	1,600	160	HSBC USA, Inc.: Series D, 4.50% (c)	35,000	734,300
State Street Capital Trust III, 8.25% (b)(c)	725	731,257	Series H, 6.50%	168,000	3,410,400
State Street Capital Trust IV, 1.30%, 6/01/67 (c)	4,740	3,180,090	Provident Financial Group, Inc., 7.75%	42,000	1,013,250
		5,526,507	Royal Bank of Scotland Group Plc, Series M, 6.40%	5,000	51,700
			Santander Finance Preferred SA Unipersonal, 6.80%	72,807	1,992,000
Commercial Banks 3.3%					
Bank of Ireland Capital Funding II, LP, 5.57% (a)(b)(c)	429	188,760			7,791,488
Bank of Ireland Capital Funding III, LP, 6.11% (a)(b)(c)	740	325,600	Diversified Financial Services		
Barclays Bank Plc, 5.93% (a)(b)(c)	500	390,000	2.0%		
	910	691,337	Cobank ACB, 7.00% (a)	38,000	1,326,439
			ING Groep NV, 7.20%	35	612,942

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

First Empire Capital Trust II, 8.28%, 6/01/27					
National City Preferred Capital Trust I, 12.00% (b)(c)	300	343,359			
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c)	875	948,675			1,939,381
Santander Perpetual SA Unipersonal, 6.67% (a)(b)(c)	250	228,123	Electric Utilities 3.6%		
SunTrust Preferred Capital I, 5.85% (b)(c)	135	88,087	Alabama Power Co., 6.50%	25,000	750,000
		3,203,941	Entergy Arkansas, Inc., 6.45%	28,800	609,301
			Entergy Louisiana LLC, 6.95%	22,650	2,119,747
Diversified Financial Services 3.0%					
Farm Credit Bank of Texas Series 1, 7.56% (b)(c)	1,000	701,550			3,479,048
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (c)	3,085	2,172,873	Insurance 5.8%		
		2,874,423	Aspen Insurance Holdings Ltd., 7.40% (c)	55,000	1,116,500
			Axis Capital Holdings Ltd.:		
			Series A, 7.25%	35,000	789,250
PPL Capital Funding, 6.70%, 3/30/67 (c)	500	430,000	Series B, 7.50% (c)	9,000	673,875
			Endurance Specialty Holdings Ltd. Series A, 7.75%	35,200	770,880
Insurance 16.1%			RenaissanceRe Holding Ltd. Series D, 6.60%	110,000	2,267,100
AXA SA, 6.38% (a)(b)(c)	3,585	3,038,287			
Ace Capital Trust II, 9.70%, 4/01/30	500	552,614			5,617,605
The Allstate Corp., 6.50%, 5/15/57 (c)(f)	3,200	2,736,000			
			Real Estate Investment Trusts (REITs) 7.4%		
Chubb Corp., 6.38%, 3/29/67 (c)(g)	500	453,750			
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	500	428,271	BRE Properties, Inc. Series D, 6.75%	10,000	205,200
Genworth Financial, Inc., 6.15%, 11/15/66 (c)	750	502,500	First Industrial Realty Trust, Inc., 6.24% (c)	610	270,116
Great West Life & Annuity Insurance Co.,			HRPT Properties Trust:		
7.15%, 5/16/46 (a)(c)	500	415,000	Series B, 8.75%	97,917	2,257,966
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(c)	500	525,000	Series C, 7.13%	125,000	2,332,500
Lincoln National Corp., 7.00%, 5/17/66 (c)	500	410,000	iStar Financial, Inc. Series I, 7.50%	59,500	416,500
MetLife, Inc., 6.40%, 12/15/66 (f)	500	433,125	Public Storage:		
Nationwide Life Global Funding I, 6.75%, 5/15/67	500	378,967	Series F, 6.45%	10,000	212,500
Oil Casualty Insurance Ltd., 8.00%, 9/15/34 (a)	915	576,450	Series I, 7.25%	40,000	954,000
Progressive Corp., 6.70%, 6/15/67 (c)	500	437,973	Series M, 6.63%	20,000	429,000

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

Reinsurance Group of America, 6.75%, 12/15/65 (c)	700	542,500			7,077,782
The Travelers Cos., Inc., 6.25%, 3/15/67 (c)	500	450,000	Wireless Telecommunication Services 2.8%		
ZFS Finance (USA) Trust II, 6.45%, 12/15/65 (a)(c)(h)	1,800	1,620,000	9.08% (a)	2,720	2,729,350
ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(c)	146	118,040			
ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)	1,097	888,570	29.7%		28,634,654
Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a)	1,000	955,000			
		15,462,047			

Portfolio Abbreviations

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:

ADR American Depositary Receipts	MXN Mexican New Peso
EUR Euro	USD US Dollar
GBP British Pound	

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2009

11

Schedule of Investments
(continued)

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

(Percentages shown are based on Net Assets)

Trust Preferreds	Shares (000)	Value					
Consumer Finance 2.2% Capital One Capital II, 7.50%, 6/15/66	93	\$ 2,060,649	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 ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.				
Electric Utilities 1.3% PPL Energy Supply LLC, 7.00%, 7/15/46	49	1,263,610					
Insurance 2.0% ABN AMRO North America Capital Funding Trust II, 2.87% (a)(b)(c) Lincoln National Capital VI Series F, 6.75%, 9/11/52	2 90	85,988 1,827,781					
		1,913,769					
Total Trust Preferreds 5.5%		5,238,028					
			Interest	Trade	Maturity	Net	
						Closing	
						Face	
			Counterparty	Rate	Date	Date	Amount
							Amount
Total Preferred Securities 68.7%		65,982,732					
Total Long Term Investments			Financial futures contracts purchased as of October 31, 2009 were as follows:				
(Cost \$94,148,823) 83.7%		80,372,818					
			Contracts	Issue	Expiration	Notional	Unrealized
						Value	Appreciation
				2-Year			
			50	U.S.			
				Treasury Bond			
			December 2009			\$ 10,793,860	\$ 86,609
				30-Year			
			6	U.S.			
				Treasury			
Short-Term Securities	Shares		Bond		December 2009	\$ 712,575	8,363
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.18% (i)(j)	33,286,296	33,286,296					
Total Short-Term Securities							
(Cost \$33,286,296) 34.6%		33,286,296					\$ 94,972
			Credit default swaps on single-name issue buy protection outstanding as of October 31, 2009 were as follows:				

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

Total Investments (Cost \$127,435,119*)								
118.3%	113,659,114							
Other Assets Less Liabilities								
23.6%	22,648,143							
Preferred Shares, at Redemption Value (41.9)%	(40,258,949)							
Net Assets Applicable to Common Shares 100.0%	\$ 96,048,308	Issuer	Rate	party	Expiration	Notional Amount (000)	Unrealized Depreciation	
* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows:		Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$ 1,000	\$ (168,952)	
	\$							
Aggregate cost	127,460,901							
Gross unrealized appreciation	\$ 2,075,593							
Gross unrealized depreciation	(15,877,380)							
Net unrealized depreciation	\$ (13,801,787)							

(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.

These securities may be resold in transactions exempt from registration to qualified

institutional investors.

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

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

(d) Non-income producing security.

(e) Issuer filed for bankruptcy and/or is in default of interest payments.

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

(g) All or a portion of the security has been pledged as collateral in connection with open swaps.

(h) All or a portion of the security has been pledged as collateral in connection with open financial futures contracts.

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

	Net	
Affiliate	Activity	Income

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

BlackRock Liquidity
Funds, TempFund,

Institutional Class	\$ 33,286,296	\$ 73,357
---------------------	---------------	-----------

BlackRock Liquidity
Series, LLC

Cash Sweep Series	\$(15,938,424)	\$ 56,701
-------------------	----------------	-----------

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

See Notes to Financial
Statements.

12

ANNUAL REPORT

OCTOBER 31, 2009

Schedule of Investments (concluded)

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

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>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)</p> <p>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)</p> <p>The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.</p> <p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p>	<p>Valuation Inputs</p> <p>Level 1</p> <p>Level 2</p> <p>Level 3</p> <p>Total</p>	<p>Other Financial Instruments¹</p> <table border="0"> <tr> <td style="text-align: right;">Assets</td> <td style="text-align: right;">Liabilities</td> </tr> <tr> <td style="text-align: right;">\$ 94,972</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">\$ (168,952)</td> </tr> <tr> <td style="text-align: right;">\$ 94,972</td> <td style="text-align: right;">\$ (168,952)</td> </tr> </table>	Assets	Liabilities	\$ 94,972			\$ (168,952)	\$ 94,972	\$ (168,952)
Assets	Liabilities									
\$ 94,972										
	\$ (168,952)									
\$ 94,972	\$ (168,952)									
		<p>¹ Other financial instruments are financial futures contracts and swaps. Financial futures contracts and swaps are valued at the unrealized appreciation/depreciation on the instrument.</p> <p>The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:</p>								
<p>Valuation Inputs</p>	<p>Investments in Securities</p>	<p>Investments in Securities</p> <p>Capital Trusts</p>								
	<p>Balance, as of October 31, 2008</p> <p>Accrued discounts/premiums</p> <p>Realized gain (loss)</p> <p>Change in unrealized appreciation/depreciation</p> <p>Net purchases (sales)</p> <p>Net transfers in/out Level 3</p>	<p>\$ 576,450</p>								

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

Level 1	Balance, as of October 31, 2009	\$ 576,450
Long-Term Investments:		
Preferred Stocks	\$ 19,302,737	
Trust Preferreds	5,152,040	
Short-Term Securities	33,286,296	
Total Level 1	57,741,073	
Level 2		
Long-Term Investments:		
Capital Trusts	31,533,600	
Corporate Bonds	14,390,086	
Preferred Stocks	9,331,917	
Trust Preferreds	85,988	
Total Level 2	55,341,591	
Level 3		
Long-Term Investments:		
Capital Trusts	576,450	
Total	\$ 113,659,114	

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2009

13

Schedule of Investments October 31, 2009

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

(Percentages shown are based on Net Assets)

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Insurance 2.6%			Insurance (concluded)		
Oil Insurance Ltd., 7.56% (a)(b)(c)	\$ 5,000	\$ 3,531,000	Principal Life Insurance Co., 8.00%, 3/01/44 (a)	6,325	\$ 5,663,683
QBE Insurance Group Ltd., 9.75%, 3/14/14 (a)	5,967	6,816,396	Progressive Corp., 6.70%, 6/15/67 (c)(f)	2,000	1,751,894
Structured Asset Repackaged Trust, Series 2004-1, 0.78%, 4/21/11 (a)(c)	299	266,121	Reinsurance Group of America, 6.75%, 12/15/65 (c)	3,000	2,325,000
Total Corporate Bonds 2.6%		10,613,517	The Travelers Cos., Inc., 6.25%, 3/15/67 (c)	3,000	2,700,000
			ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (a)(c)	379	306,418
			ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (a)(c)	4,312	3,492,720
Preferred Securities			Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (a)	3,750	3,581,250
					85,641,493
Capital Trusts			Multi-Utilities 3.8%		
Building Products 0.7%			Dominion Resources Capital Trust I, 7.83%, 12/01/27	10,000	10,022,080
C8 Capital SPV Ltd., 6.64% (a)(b)(c)	3,915	2,760,545	Dominion Resources, Inc., 7.50% (c)	5,449	5,340,020
Capital Markets 5.3%					15,362,100
Ameriprise Financial, Inc., 7.52%, 6/01/66 (c)	7,600	6,460,000			
Lehman Brothers Holdings Capital Trust V, 3.64% (b)(c)(d)(e)	6,400	640	Oil, Gas & Consumable Fuels 1.4%		
State Street Capital Trust III, 8.25% (b)(c)	2,920	2,945,200	Enterprise Products Operating LLC, 8.38%, 8/01/66 (c)	2,000	1,960,000
State Street Capital Trust IV, 1.30%, 6/01/67 (c)	18,235	12,233,953	TransCanada PipeLines Ltd., 6.35%, 5/15/67 (c)	4,000	3,723,180
		21,639,793			5,683,180
Commercial Banks 12.0%			Road & Rail 0.9%		
ABN AMRO North America Holding, Preferred			BNSF Funding Trust I, 6.61%, 12/15/55 (c)	3,750	3,548,437
Capital Repackaging Trust I, 6.52% (a)(b)(c)	12,035	8,544,850	Total Capital Trusts 49.3%		201,733,947
Bank One Capital III, 8.75%, 9/01/30	2,000	2,252,786			

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

Bank of Ireland Capital Funding II, LP, 5.57% (a)(b)(c)	1,715	754,600			
Bank of Ireland Capital Funding III, LP, 6.11% (a)(b)(c)	2,951	1,298,440	Preferred Stocks		Shares
Barclays Bank Plc, 5.93% (a)(b)(c)	2,500	1,950,000	Capital Markets 0.0%		
First Empire Capital Trust II, 8.28%, 6/01/27	3,630	2,757,751	Deutsche Bank Contingent Capital Trust II, 6.55%	530	10,817
HSBC America Capital Trust I, 7.81%, 12/15/26 (a)	2,000	1,978,198			
HSBC Capital Funding LP/Jersey Channel Islands, 10.18% (a)(b)(c)(f)	4,835	5,753,650	Commercial Banks 8.3% Barclays Bank Plc, 8.13%	225,000	5,298,750
HSBC Finance Capital Trust IX, 5.91%, 11/30/35 (c)	7,300	5,767,000	First Tennessee Bank NA, 3.90% (a)(c)	4,650	2,332,266
Lloyds Banking Group Plc, 6.66%, 11/21/49 (a)(c)	5,000	3,250,000	HSBC USA, Inc.:		
National City Preferred Capital Trust I, 12.00% (b)(c)	1,100	1,258,983	Series D, 4.50% (c)(g)	131,700	2,763,066
NationsBank Capital Trust III, 0.83%, 1/15/27 (c)	13,470	8,627,037	Series H, 6.50%	120,000	2,436,000
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(b)(c)	3,550	3,848,910	Provident Financial Group, Inc., 7.75%	166,800	4,024,050
Santander Perpetual SA Unipersonal, 6.67%, 10/29/49 (a)(b)(c)	1,125	1,026,555	Royal Bank of Scotland Group Plc, Series M, 6.40%	15,000	155,100
SunTrust Preferred Capital I, 5.85% (b)(c)	307	200,318	SG Preferred Capital II, 6.30% (a)(c)	23,000	13,800,000
		49,269,078	Santander Finance Preferred SA Unipersonal, 6.80%	117,094	3,203,692
					34,012,924
Diversified Financial Services 3.7%			Diversified Financial Services 1.9%		
AgFirst Farm Credit Bank, 8.39%, 12/15/16 (c)	4,000	3,041,668	Cobank ACB, 7.00% (a)(b)	152,000	5,305,758
Farm Credit Bank of Texas, Series 1, 7.56% (b)(c)	2,500	1,753,875	ING Groep NV, 7.20%	140	2,451,769
ING Capital Funding Trust III, 8.44% (b)(c)	6,066	5,171,265			7,757,527
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (c)	7,500	5,282,513	Electric Utilities 3.4% Alabama Power Co.:		
		15,249,321	5.83%	14,000	349,300
Electric Utilities 0.6% PPL Capital Funding, 6.70%, 3/30/67 (c)	3,000	2,580,000	6.50%	145,000	4,350,000
			Entergy Arkansas, Inc., 6.45%	114,400	2,420,281
Insurance 20.9% AON Corp., 8.21%, 1/01/27	2,500	2,475,000	Entergy Louisiana LLC, 6.95%	49,850	4,665,314
			Interstate Power & Light Co., Series B, 8.38%	80,000	2,220,000

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

AXA SA, 6.38%					
(a)(b)(c)	13,470	11,415,825			
Ace Capital Trust II, 9.70%, 4/01/30	5,000	5,526,140			14,004,895
The Allstate Corp., 6.50%, 5/15/57					
(c)	12,775	10,922,625	Insurance	12.5%	
Chubb Corp., 6.38%, 3/29/67 (c)	2,000	1,815,000	Aspen Insurance Holdings Ltd., 7.40% (c)	194,000	3,938,200
Farmers Exchange Capital, 7.05%, 7/15/28 (a)	2,500	2,141,357	Axis Capital Holdings Ltd.:		
GE Global Insurance Holding Corp., 7.75%, 6/15/30	10,000	10,207,480	Series A, 7.25%	129,300	2,915,715
Genworth Financial, Inc., 6.15%, 11/15/66 (c)	3,000	2,010,000	Series B, 7.50% (c)	36,000	2,695,500
Liberty Mutual Group, Inc., 10.75%, 6/15/88 (a)(c)	2,925	3,071,250	Endurance Specialty Holdings Ltd., Series A, 7.75%	139,200	3,048,480
Lincoln National Corp., 7.00%, 5/17/66 (c)	3,350	2,747,000	MetLife, Inc., Series B, 6.50%	904,400	19,652,612
MetLife, Inc., 6.40%, 12/15/66	6,825	5,912,156	Prudential Plc, 6.50%	92,400	1,931,160
Nationwide Life Global Funding I, 6.75%, 5/15/67	7,000	5,305,545	RenaissanceRe Holding Ltd., Series D, 6.60%	435,000	8,965,350
Oil Casualty Insurance Ltd., 8.00%, 9/15/34 (a)	3,605	2,271,150	Zurich RegCaPS Funding Trust, 6.58% (a)(c)	9,800	7,699,125
					50,846,142

See Notes to Financial Statements.

14 ANNUAL REPORT 2009 OCTOBER 31,

Schedule of Investments
(continued)

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

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value	Short-Term Securities	Shares	Value
Multi-Utilities 0.9%			BlackRock Liquidity Funds, TempFund,		
Pacific Gas & Electric Co., Series A, 6.00%	140,000	\$ 3,738,000	Institutional Class, 0.18% (h)(i)	41,019,397	\$ 41,019,397
Real Estate Investment Trusts (REITs) 5.3%			Total Short-Term Securities		
BRE Properties, Inc., Series D, 6.75%	35,000	718,200	(Cost \$41,019,397) 10.0%		41,019,397
Developers Diversified Realty Corp., 8.00%	400,000	7,156,000	Total Investments (Cost \$524,066,199*) 107.5%		440,148,651
First Industrial Realty Trust, Inc., 6.24% (c)	2,390	1,058,322	Other Assets Less Liabilities 33.8%		138,235,005
Firststar Realty LLC, 8.88% (a)	4,000	3,412,500	Preferred Shares, at Redemption Value (41.3)%		(169,090,727)
Kimco Realty Corp., Series F, 6.65%	50,000	1,011,500			
Public Storage:			Net Assets Applicable to Common Shares		
Series F, 6.45%	40,000	850,000	100.0%		\$ 409,292,929
Series I, 7.25%	160,000	3,816,000	* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows:		
Series M, 6.63%	71,900	1,542,255			
Regency Centers Corp., Series D, 7.25%	100,000	2,175,000	Aggregate cost		\$ 525,840,523
		21,739,777	Gross unrealized appreciation		\$ 9,977,374
			Gross unrealized depreciation		(95,669,246)
Wireless Telecommunication Services 0.6%			Net unrealized depreciation		\$ (85,691,872)
Centaur Funding Corp., 9.08% (a)	2,423	2,431,329	(a) Security exempt from registration under Rule 144A of the Securities Act of 1933.		
Total Preferred Stocks 32.9%		134,541,411	These securities may be resold in transactions exempt from registration to qualified institutional investors.		
	Shares		(b) Security is perpetual in nature and has no stated maturity date.		
	(000)		(c) Variable rate security. Rate shown is as of report date.		
Trust Preferreds Communications Equipment 0.4%			(d) Non-income producing security.		
Corporate-Backed Trust Certificates, Motorola					

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

Debtenture Backed Series 2002-14,			(e) Issuer filed for bankruptcy and/or is in default of interest payments.					
8.38%, 11/15/28	80	1,778,167	(f) All or a portion of security held as collateral in connection with open reverse repurchase agreements.					
Consumer Finance 3.6%								
Capital One Capital II, 7.50%, 6/15/66	668	14,799,807	(g) All or a portion of security has been pledged as collateral in connection with open financial futures contracts.					
Electric Utilities 2.3%								
Georgia Power Co., Series O, 1.48%, 4/15/33	50	1,229,393	(h) Investments in companies considered to be an affiliate of the Fund, for purposes of					
HECO Capital Trust III, 6.50%, 3/18/34	50	1,167,634	Section 2(a)(3) of the Investment Company Act of 1940, were as follows:					
National Rural Utilities Cooperative Finance Corp., 6.75%, 2/15/43	50	1,236,387					Net	
PPL Energy Supply LLC, 7.00%, 7/15/46	233	5,970,175	Affiliate				Activity	Income
		9,603,589	BlackRock Liquidity Funds, TempFund, Institutional Class				\$ 41,019,397	\$ 70,651
Gas Utilities 3.7%								
Southwest Gas Capital II, 7.70%, 9/15/43	605	14,940,766	BlackRock Liquidity Series, LLC Cash Sweep Series				\$(28,803,004)	\$ 80,088
Insurance 2.7%								
ABN AMRO North America Capital Funding Trust II, 2.87% (a)(b)(c)	11	477,570	(i) Represents the current yield as of report date.					
Lincoln National Capital VI, Series F, 6.75%, 9/11/52	200	4,061,735	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 ratings group indexes, and/or as defined by Fund management.					
W.R. Berkley Capital Trust II, 6.75%, 7/26/45	295	6,578,745	This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.					
		11,118,050	Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:					
Total Trust Preferreds 12.7%		52,240,379						
Total Preferred Securities 94.9%		388,515,737					Net	
Total Long-Term Investments							Closing	Face
(Cost \$483,046,802) 97.5%							Amount	Amount
		399,129,254	Barclays Bank Plc				\$ 9,516,732	\$ 9,510,590
			0.75%					
			10/16/09					
			11/16/09					
			Financial futures contracts purchased as of October 31, 2009 were as follows:					
							Expiration	Notional
							Date	Amount
			Contracts				Issue	Unrealized
							Date	Appreciation

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

30-Year
U.S.

Treasury Bonds December 2009 \$2,969,061 \$ 34,845

Credit default swaps on single-name issue buy protection outstanding as of
October 31, 2009 were as follows:

Issuer	Pay		Expiration	Notional Amount (000)	Unrealized Depreciation
	Fixed Rate	Counter- party			
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$ 2,000	\$ (337,904)

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2009

15

Schedule of Investments (concluded)

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>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)</p> <p>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)</p> <p>The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.</p>	<p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p> <p>Valuation Inputs</p> <p>Level 1 Long-Term Investments:</p> <p>Preferred Stocks \$ 84,696,966</p> <p>Trust Preferreds 51,762,809</p> <p>Short-Term Securities 41,019,397</p> <p>Total Level 1 177,479,172</p> <p>Level 2 Long-Term Investments:</p> <p>Capital Trusts 199,462,797</p> <p>Corporate Bonds 10,347,396</p> <p>Preferred Stocks 36,044,445</p> <p>Trust Preferreds 477,570</p> <p>Total Level 2 246,332,208</p> <p>Level 3 Long-Term Investments:</p> <p>Capital Trusts 2,271,150</p> <p>Corporate Bonds 266,121</p> <p>Preferred Stocks 13,800,000</p> <p>Total Level 3 16,337,271</p> <p>Total 440,148,651</p> <p>Valuation Inputs</p>	<p>Investments in Securities Assets</p> <p>\$</p> <p>Other Financial Instruments¹</p>
--	---	--

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

	Assets	Liabilities
Level 1	\$ 34,845	
Level 2		\$ (337,904)
Level 3		
Total	\$ 34,845	\$ (337,904)

¹ Other financial instruments are financial futures contracts and swaps. Financial futures contracts and swaps are valued at the unrealized appreciation/

depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

	Investments in Securities			Total
	Capital Trusts	Corporate Bonds	Preferred Stocks	
Balance, as of October 31, 2008				
Accrued discounts/premiums				
Realized gain (loss)				
Change in unrealized appreciation/depreciation				
Net purchases (sales)				\$
Net transfers in/out of Level 3	\$ 2,271,150	\$ 266,121	13,800,000	\$ 16,337,271
Balance, as of October 31, 2009	\$ 2,271,150	\$ 266,121	13,800,000	\$ 16,337,271

See Notes to Financial Statements.

Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust III (BPP)

(Percentages shown are based on Net Assets)

	Par (000)	Value	Capital Trusts	Par (000)	Value
Corporate Bonds					
Commercial Banks 0.5%			Insurance 12.2%		
RESPARCS Funding LP I, 8.00%					\$
(a)(b)(c)	\$ 4,000	\$ 1,000,000	AXA SA, 6.38% (a)(d)(e)	\$ 7,150	6,059,625
Containers & Packaging 0.1%			The Allstate Corp., 6.50%, 5/15/57 (e)	6,350	5,429,250
Impress Holdings BV, 3.41%, 9/15/13			Chubb Corp., 6.38%, 3/29/67 (e)(h)	900	816,750
(d)(e)	240	228,300	Genworth Financial, Inc., 6.15%, 11/15/66 (e)	1,475	988,250
			Liberty Mutual Group, Inc., 10.75%, 6/15/88 (d)(e)	900	945,000
Hotels, Restaurants & Leisure 0.0%			Lincoln National Corp., 7.00%, 5/17/66 (e)	900	738,000
Greektown Holdings, LLC, 10.75%, 12/01/13			MetLife, Inc., 6.40%, 12/15/66	900	779,625
(b)(c)(d)	362	72,400	Nationwide Life Global Funding I, 6.75%, 5/15/67	900	682,141
Insurance 5.2%			Progressive Corp., 6.70%, 6/15/67 (e)	900	788,352
Kingsway America, Inc., 7.50%, 2/01/14	9,000	7,200,000	Reinsurance Group of America, 6.75%, 12/15/65 (e)	1,300	1,007,500
QBE Insurance Group Ltd., 9.75%, 3/14/14 (d)	2,975	3,398,488	The Travelers Cos., Inc., 6.25%, 3/15/67 (e)(h)	900	810,000
		10,598,488	White Mountains Re Group Ltd., 7.51% (a)(d)(e)	2,600	2,147,808
Machinery 0.2%			ZFS Finance (USA) Trust IV, 5.88%, 5/09/32 (d)(e)	190	153,613
AGY Holding Corp., 11.00%, 11/15/14	460	374,900	ZFS Finance (USA) Trust V, 6.50%, 5/09/67 (d)(e)	2,209	1,789,290
			Zenith National Insurance Capital Trust I, 8.55%, 8/01/28 (d)	1,800	1,719,000
Media 1.7%					
CMP Susquehanna Corp., 4.75%, 5/15/14 (d)	9	180			
Comcast Holdings Corp., 2.00%, 11/15/29 (f)	110	3,089,285			
Local Insight Regatta Hldgs, Inc., 11.00%, 12/01/17	700	343,000			24,854,204
		3,432,465	Multi-Utilities 0.4%		
			Puget Sound Energy, Inc., Series A, 6.97%, 6/01/67 (e)	925	809,301
Oil, Gas & Consumable Fuels 0.0%					
EXCO Resources, Inc., 7.25%, 1/15/11	75	74,625	Oil, Gas & Consumable Fuels 0.4%		
			TransCanada PipeLines Ltd., 6.35%, 5/15/67 (e)	900	837,716
Paper & Forest Products 0.5%					

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

International Paper Co., 8.70%, 6/15/38	900	1,037,019	Total Capital Trusts 31.9%		65,062,367
Professional Services 0.1%					
FTI Consulting, Inc., 7.75%, 10/01/16	100	100,500			
Specialty Retail 0.0%			Preferred Stocks		Shares
Lazy Days R.V. Center, Inc., 11.75%, 5/15/12 (b)(c)	1,182	11,820			
			Capital Markets 0.0%		
			Lehman Brothers Holdings Inc., Series D, 5.67% (b)(c)	31,100	9,641
Total Corporate Bonds 8.3%		16,930,517			
			Commercial Banks 8.6%		
			Banesto Holdings, Ltd. Series A, 10.50% (d)	30,000	669,375
Preferred Securities			Barclays Bank Plc, 8.13%	100,000	2,355,000
			First Republic Preferred Capital Corp., 7.25%	117,045	2,130,219
Capital Trusts			HSBC USA, Inc., Series H, 6.50%	330,000	6,699,000
			Royal Bank of Scotland Group Plc, Series M, 6.40%	10,000	103,400
			Santander Finance Preferred SA		
Building Products 0.7%			Unipersonal 6.80%	38,500	1,053,360
			Union Planter Preferred Funding Corp., 7.75% (d)	60	4,550,625
C8 Capital SPV Ltd., 6.64% (a)(d)(e)	1,945	1,371,458			17,560,979
Capital Markets 3.9%					
State Street Capital Trust III, 8.25% (a)(e)	1,385	1,396,952			
			Diversified Financial Services 2.3%		
State Street Capital Trust IV, 1.30%, 6/01/67 (e)	9,675	6,491,006	ING Groep NV, 7.20%	70	1,225,885
		7,887,958	JPMorgan Chase & Co., Series E, 6.15%	75,000	3,531,750
					4,757,635
Commercial Banks 9.4%					
Bank of Ireland Capital Funding II, LP, 5.57% (a)(d)(e)	854	375,760	Electric Utilities 0.7%		
Bank of Ireland Capital Funding III, LP, 6.11% (a)(d)(e)	1,471	647,240	Alabama Power Co., 6.50%	50,000	1,500,000
Barclays Bank Plc, 5.93% (a)(d)(e)	890	694,200			
CBA Capital Trust I, 5.81% (a)(d)	5,000	4,550,000	Insurance 15.9%		
FCB/NC Capital Trust I, 8.05%, 3/01/28	1,100	936,369	Arch Capital Group Ltd., Series A, 8.00%	117,414	2,841,419
			Aspen Insurance Holdings Ltd., 7.40% (e)	115,000	2,334,500
Lloyds TSB Bank Plc, 6.90% (a)	4,399	3,343,240			
			Endurance Specialty Holdings Ltd., Series A, 7.75%	172,400	3,775,560
NBP Capital Trust III, 7.38% (a)	2,000	1,485,000			
			MetLife, Inc., Series B, 6.50%	314,500	6,834,085
National City Preferred Capital Trust I, 12.00% (a)(e)	600	686,718	PartnerRe Ltd., Series C, 6.75%	209,400	4,634,022
SMFG Preferred Capital USD 3 Ltd., 9.50% (a)(d)(e)	1,725	1,870,245	Prudential Plc, 6.50%	62,000	1,295,800

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

Santander Perpetual SA Unipersonal, 6.67%(a)(d)(e)	625	570,308	Prudential Plc, 6.50% (a)	6,000	4,875,000
SunTrust Preferred Capital I, 5.85% (a)(e)	303	197,708	RenaissanceRe Holding Ltd., Series D, 6.60%	210,000	4,328,100
Wells Fargo Capital XIII Series GMTN, 7.70% (a)(e)	1,700	1,581,000	Zurich RegCaPS Funding Trust, 6.58% (d)(e)	2,000	1,571,250
Westpac Capital Trust IV, 5.26% (a)(d)(e)	3,000	2,367,210			
					32,489,736
		19,304,998			
			Media 0.0%		
Diversified Financial Services 4.5%			CMP Susquehanna Radio Holdings Corp., 0.00% (b)(d)(e)	2,052	
JPMorgan Chase Capital XXI, Series U, 1.23%, 2/02/37 (e)(g)	7,125	4,862,898			
			Real Estate Investment Trusts (REITs) 2.3%		
JPMorgan Chase Capital XXIII, 1.44%, 5/15/77 (e)	6,190	4,359,834	BRE Properties, Inc., Series D, 6.75%	20,000	410,400
		9,222,732	Public Storage: Series F, 6.45%	20,000	425,000
Electric Utilities 0.4%			Series M, 6.63%	35,000	750,750
PPL Capital Funding, 6.70%, 3/30/67 (e)	900	774,000	SunTrust Real Estate Investment Trust, 9.00% (d)	30	3,027,189
					4,613,339
See Notes to Financial Statements.			Total Preferred Stocks 29.8%		60,931,330

ANNUAL REPORT

OCTOBER 31, 2009

17

Schedule of Investments
(continued)

BlackRock Credit Allocation Income Trust III (BPP)
(Percentages shown are based on Net Assets)

	Shares		Short-Term		
Trust Preferreds	(000)	Value	Securities	Shares	Value
Capital Markets					
1.2%					
Structured Asset Trust Unit			BlackRock Liquidity Funds, TempFund,		
Repackagings:			Institutional Class, 0.18% (j)(k)	51,450,797	\$ 51,450,797
Credit Suisse First Boston (USA), Inc., Debenture			Total Short-Term		
Backed, Series 2003-13, 6.25%, 7/15/32	11	\$ 250,671	Securities		
Goldman Sachs Group, Inc., Debenture Backed,			(Cost \$51,450,797) 25.2%		51,450,797
Series 2003-06, 6.00%, 2/15/33	103	2,179,215	Total Investments (Cost \$256,459,826*) 109.6%		223,807,066
			Other Assets Less Liabilities 24.9%		50,753,074
		2,429,886	Preferred Shares, at Redemption Value (34.5%)		(70,426,884)
			Net Assets Applicable to Common Shares		
			100.0%		\$ 204,133,256
Commercial					
Banks 2.0%					
Mizuho Capital Investment 1 Ltd., 6.69% (a)(d)(e)	5,000	4,170,930			
Diversified Financial Services					
0.1%					
PPLUS Trust Certificates, Series VAL-1 Class A,			* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2009, as computed for federal income tax purposes, were as follows:		
7.25%, 4/15/32	11	263,407	Aggregate cost		\$ 257,997,371
Food Products					
1.2%					
Corporate-Backed Trust Certificates, Kraft Foods, Inc., Debenture Backed, Series 2003-11,			Gross unrealized appreciation		\$ 3,697,471
5.88%, 11/01/31	100	2,417,000	Gross unrealized depreciation		(37,887,776)
			Net unrealized depreciation		\$ (34,190,305)
			(a) Security is perpetual in nature and has no stated maturity date.		
			(b) Non-income producing security.		
			(c) Issuer filed for bankruptcy and/or is in default of interest payments.		
			(d) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration to qualified institutional investors.		
Everest Re Capital Trust, 6.20%, 3/29/34	30	597,330			
Financial Security Assurance Holdings Ltd.,					
5.60%, 7/15/03	15	193,235			
The Phoenix Cos., Inc., 7.45%, 1/15/32	79	1,423,286			
		2,213,851			

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

			(e) Variable rate security. Rate shown is as of report date.		
Media 6.0%					
Comcast Corp.:			(f) Convertible security.		
7.00%, 9/15/55	50	1,210,942	(g) All or a portion of security held as collateral in connection with open financial futures contracts.		
6.63%, 5/15/56	470	10,786,500	(h) All or a portion of security held as collateral in connection with open reverse repurchase agreements.		
Corporate-Backed Trust Certificates, News America Debenture Backed, Series 2002-9,					
8.13%, 12/01/45	7	169,606	(i) Warrants entitle the Fund to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.		
		12,167,048	(j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:		
Oil, Gas & Consumable Fuels 1.8%					
Nexen, Inc., 7.35%, 11/01/43	155	3,623,900			
Wireless Telecommunication Services 0.7%					
Structured Repackaged Asset-Backed Trust Securities, Sprint Capital Corp., Debenture Backed, Series 2004-2, 6.50%, 11/15/28					
	103	1,526,233	BlackRock Liquidity Funds, TempFund, Institutional Class	Net	
Total Trust Preferreds 14.1%		28,812,555		Activity	Income
Total Preferred Securities 75.8%		154,805,952	(k) 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 ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease. Reverse repurchase agreements outstanding as of October 31, 2009 were as follows:		
Warrants (i)	Shares				
Media 0.0%					
CMP Susquehanna Radio Holdings Corp. (expires 3/26/19)					
(d)	2,345				
Total Warrants 0.0%					
				Net	
				Interest	Trade
				Maturity	Closing
				Face	
			Counterparty	Rate	Date
			Date	Amount	Amount
			Barclays Bank Plc	0.75%	10/16/09
					11/02/09
				\$13,239,375	\$13,234,688

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

Financial futures contracts purchased as of October 31, 2009 were as follows:

Investment Companies			Contracts	Issue	Expiration Date	Notional Value	Unrealized Appreciation
Ultra Short Real Estate Proshares	60,000	619,800					
Total Investment Companies				30-Year			
0.3%		619,800	14	U.S.			
					Treasury Bond December 2009	\$ 1,662,675	\$ 19,513

Total Long Term Investments

(Cost \$205,009,029) 84.4% 172,356,269 Credit default swaps on single-name issue buy protection outstanding as of October 31, 2009 were as follows:

Issuer	Pay Fixed Rate	Counter-party	Expiration	Notional Amount (000)	Unrealized Depreciation
Nordstrom, Inc.	5.20%	Deutsche Bank AG	June 2014	\$1,000	\$ (168,952)

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock Credit Allocation Income Trust III (BPP)

<p>Fair Value Measurements Various inputs are used in determining the fair value of investments, which are as follows:</p> <p>Level 1 price quotations in active markets/exchanges for identical assets and liabilities</p> <p>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)</p> <p>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)</p> <p>The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.</p>	<p>The following tables summarize the inputs used as of October 31, 2009 in determining the fair valuation of the Fund's investments:</p> <p>Valuation Inputs</p> <p>Level 1</p> <p>Long-Term Investments:</p> <p>Preferred Stocks \$ 46,237,891</p> <p>Trust Preferreds 24,448,090</p> <p>Investment Companies 619,800</p> <p>Short-Term Securities 51,450,797</p> <p>Total Level 1 122,756,578</p> <p>Level 2</p> <p>Long-Term Investments:</p> <p>Corporate Bonds 16,918,517</p> <p>Capital Trusts 65,062,367</p> <p>Preferred Stocks 11,666,250</p> <p>Trust Preferreds 4,364,165</p> <p>Total Level 2 98,011,299</p> <p>Level 3</p> <p>Long-Term Investments:</p> <p>Corporate Bonds 12,000</p> <p>Preferred Stocks 3,027,189</p> <p>Total Level 3 3,039,189</p> <p>Total \$ 223,807,066</p> <p>Valuation Inputs</p>	<p>Investments in Securities Assets</p> <p>Other Financial Instruments¹</p> <p>Assets Liabilities</p>
--	--	---

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

Level 1	\$ 19,513	
Level 2		\$ (168,952)
Level 3		
Total	\$ 19,513	\$ (168,952)

¹ Other financial instruments are financial futures contracts and swaps.

Financial futures contracts and swaps are valued at the unrealized

appreciation/depreciation on the instrument.

The following is a reconciliation of investments for unobservable inputs (Level 3) used in determining fair value:

	Investments in Securities		Total
	Corporate Bonds	Preferred Stocks	
Balance, as of October 31, 2008			
Accrued discounts/premiums			
Realized gain (loss)			
Change in unrealized appreciation/depreciation			
Net purchases (sales)			
Net transfers in/out of Level 3	\$ 12,000	\$ 3,027,189	\$ 3,039,189
Balance, as of October 31, 2009	\$ 12,000	\$ 3,027,189	\$ 3,039,189

See Notes to Financial Statements.

ANNUAL REPORT

OCTOBER 31, 2009

19

Schedule of Investments October 31, 2009

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value	Common Stocks	Shares	Value
Aerospace & Defense 0.1%			Diversified Financial Services 0.3%		
Honeywell International, Inc.	1,800	\$ 64,602	Bank of America Corp.	36,800	\$ 536,544
Lockheed Martin Corp.	3,800	261,402	JPMorgan Chase & Co.	21,100	881,347
Northrop Grumman Corp.	5,200	260,676	NYSE Euronext	9,100	235,235
United Technologies Corp.	1,800	110,610			1,653,126
			Diversified Telecommunication Services 0.3%		
			AT&T Inc.	38,887	998,229
Air Freight & Logistics 0.1%			CenturyTel, Inc.	4,339	140,844
United Parcel Service, Inc. Class B	8,800	472,384	Verizon Communications, Inc.	20,900	618,431
Auto Components 0.0%					1,757,504
Johnson Controls, Inc.	3,700	88,504	Electric Utilities 0.1%		
			American Electric Power Co., Inc.	2,200	66,484
Beverages 0.2%			Duke Energy Corp.	20,200	319,564
The Coca-Cola Co.	14,300	762,333	FirstEnergy Corp.	1,300	56,264
PepsiCo, Inc.	5,800	351,190	Progress Energy, Inc.	5,400	202,662
		1,113,523	The Southern Co.	8,700	271,353
Biotechnology 0.2%					
Amgen, Inc. (a)	6,900	370,737	Electrical Equipment 0.1%		
Biogen Idec, Inc. (a)	2,500	105,325	Emerson Electric Co.	10,900	411,475
Celgene Corp. (a)	3,500	178,675	Rockwell Automation, Inc.	5,400	221,130
Genzyme Corp. (a)	1,700	86,020			632,605
Gilead Sciences, Inc. (a)	7,100	302,105	Electronic Equipment, Instruments & Components 0.0%		
		1,042,862	Corning, Inc.	8,600	125,646
Capital Markets 0.1%			Tyco Electronics Ltd.	5,200	110,500
Federated Investors, Inc. Class B	6,700	175,875			236,146
The Goldman Sachs Group, Inc.	1,360	231,431	Energy Equipment & Services 0.1%		
Morgan Stanley	3,000	96,360	National Oilwell Varco, Inc. (a)	5,600	229,544
		503,666	Schlumberger Ltd.	5,500	342,100
Chemicals 0.2%			Smith International, Inc.	5,418	150,241
Air Products & Chemicals, Inc.	900	69,417			721,885
E.I. du Pont de Nemours & Co.	14,800	470,936	Food & Staples Retailing 0.2%		
Monsanto Co.	2,900	194,822			
PPG Industries, Inc.	3,900	220,077			
		955,252			

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

Commercial Banks

0.8%			CVS Caremark Corp.	3,400	120,020
			Citizens Banking Corp.		
(a)	6,406,596	3,856,771	SUPERVALU, Inc.	8,300	131,721
	4,200	263,970	SYSCO Corp.	9,600	253,920
			Regions Financial Corp.		
	38,400	185,856	Wal-Mart Stores, Inc.	15,200	755,136
	33,300	916,416	Walgreen Co.	6,400	242,112
		5,223,013			1,502,909

Commercial Services & Supplies 0.1%

	7,900	281,635	Kraft Foods, Inc.	12,135	333,955
	10,800	264,600	Sara Lee Corp.	20,200	228,058
	7,700	230,076			562,013

Food Products 0.1%

Health Care Equipment & Supplies 0.1%

			Baxter International, Inc.	1,900	102,714
	23,400	534,690	Becton Dickinson & Co.	3,400	232,424
	34,800	298,236	Boston Scientific Corp. (a)	5,900	47,908
	8,900	368,549	Covidien Plc	5,200	219,024
		1,201,475	Medtronic, Inc.	2,000	71,400
					673,470

Communications Equipment 0.2%

	6,000	1,131,000			
	14,900	215,901	Aetna, Inc.	2,400	62,472
	13,900	228,933	Express Scripts, Inc. (a)	3,400	271,728
	8,800	417,648	Medco Health Solutions, Inc. (a)	4,300	241,316
	5,800	699,538	UnitedHealth Group, Inc.	2,400	62,280
		2,693,020	WellPoint, Inc. (a)	4,500	210,420
					848,216

Computers & Peripherals 0.4%

	7,300	255,427			
			McDonald's Corp.	8,700	509,907
			Starwood Hotels & Resorts Worldwide, Inc.	12,300	357,438
					867,345

Distributors 0.0%

See Notes to Financial Statements.

20 ANNUAL REPORT 31, 2009 OCTOBER

Schedule of Investments (continued)

BlackRock Credit Allocation Income Trust IV (BTZ)

(Percentages shown are based on Net Assets)

Common Stocks			Common Stocks		
	Shares	Value		Shares	Value
Household Durables 0.2%			Multiline Retail 0.1%		
Black & Decker Corp.	5,700	\$ 269,154	Macy's, Inc.	18,400	\$ 323,288
Fortune Brands, Inc.	6,400	249,280	Oil, Gas & Consumable Fuels 0.9%		
KB Home	15,100	214,118	Anadarko Petroleum Corp.	5,000	304,650
Whirlpool Corp.	5,800	415,222	Apache Corp.	1,800	169,416
		1,147,774	Chevron Corp.	13,400	1,025,636
			ConocoPhillips	13,000	652,340
Household Products 0.2%			Exxon Mobil Corp.	27,800	1,992,426
Clorox Co.	4,200	248,766	Hess Corp.	3,700	202,538
The Procter & Gamble Co.	17,400	1,009,200	Massey Energy Co.	5,400	157,086
			Occidental Petroleum Corp.	1,700	128,996
			Peabody Energy Corp.	5,500	217,745
IT Services 0.1%			Southwestern Energy Co. (a)	5,500	239,690
Automatic Data Processing, Inc.	6,700	266,660	Spectra Energy Corp.	14,700	281,064
Cognizant Technology Solutions Corp. (a)	3,400	131,410	XTO Energy, Inc.	6,900	286,764
MasterCard, Inc. Class A	409	89,579			5,658,351
Paychex, Inc.	9,700	275,577	Paper & Forest Products 0.1%		
		763,226	MeadWestvaco Corp.	15,300	349,299
Industrial Conglomerates 0.2%			Weyerhaeuser Co.	5,600	203,504
3M Co.	6,900	507,633			552,803
General Electric Co.	43,400	618,884			
Textron, Inc.	23,400	416,			