

BLACKROCK LTD DURATION INCOME TRUST
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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 811-21349

Name of Fund: BlackRock Limited Duration Income Trust (BLW)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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Date of fiscal year end: 08/31/2012

Date of reporting period: 08/31/2012

Item 1 – Report to Stockholders

August 31, 2012
Annual Report

BlackRock Defined Opportunity Credit Trust (BHL)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

BlackRock Limited Duration Income Trust (BLW)

Not FDIC Insured No Bank Guarantee May Lose Value

Table of Contents

Page

<u>Dear Shareholder</u>	3
Annual Report:	
<u>Fund Summaries</u>	4
<u>The Benefits and Risks of Leveraging</u>	12
<u>Derivative Financial Instruments</u>	12
Financial Statements	
<u>Schedules of Investments</u>	13
<u>Statements of Assets and Liabilities</u>	57
<u>Statements of Operations</u>	58
<u>Statements of Changes in Net Assets</u>	59
<u>Statements of Cash Flows</u>	63
<u>Financial Highlights</u>	64
<u>Notes to Financial Statements</u>	68
<u>Report of Independent Registered Public Accounting Firm</u>	80
<u>Important Tax Information</u>	80
<u>Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements</u>	81
<u>Automatic Dividend Reinvestment Plans</u>	85
<u>Officers and Directors</u>	86
<u>Additional Information</u>	89

2 ANNUAL REPORT AUGUST 31, 2012

Dear Shareholder

About this time one year ago, financial markets had been upended by sovereign debt turmoil in the United States and Europe as well as growing concerns about the future of the global economy. Since then, asset prices have waxed and waned in broad strokes as investors reacted to developments in Europe's financial situation, mixed US economic news and global central bank policy action.

After confidence crumbled in the third quarter of 2011, October brought improving economic data and more concerted efforts among European leaders toward stemming the region's debt crisis, gradually drawing investors back to the markets. Improving sentiment carried over into early 2012 as investors felt some relief from the world's financial woes. Volatility abated and risk assets (including stocks, commodities and high yield bonds) moved boldly higher through the first two months of 2012 while climbing Treasury yields pressured higher-quality fixed income assets.

Markets reversed course in the spring when Europe's debt problems boiled over once again. High levels of volatility returned as political instability in Greece threatened the country's membership in the euro zone. Spain faced severe deficit issues while the nation's banks clamored for liquidity. Yields on Spanish and Italian government debt rose to levels deemed unsustainable. European leaders conferred and debated vehemently over the need for fiscal integration among the 17 nations comprising the euro currency bloc as a means to resolve the crisis for the long term.

Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, became particularly worrisome. In the United States, disappointing jobs reports dealt a crushing blow to sentiment. Risk assets sold off in the second quarter as investors again retreated to safe haven assets.

Despite the continuation of heightened market volatility, most asset classes enjoyed a robust summer rally. Global economic data continued to be mixed, but the spate of downside surprises seen in the second quarter began to recede and, outside of Europe, the risk of recession largely subsided. Central bank policy action has been a major driver of market sentiment in 2012. Investors' anticipation for economic stimulus drove asset prices higher over the summer as the European Central Bank stepped up its efforts to support the region's troubled nations and the US Federal Reserve reiterated its readiness to take action if economic conditions warrant.

On the whole, most asset classes advanced during the reporting period. US large cap stocks delivered strong returns for the 12 months ended August 31, 2012, while small cap stocks and high yield bonds also performed well. Despite the risk-asset rally in recent months, higher-quality investments including tax-exempt municipal bonds and US Treasury bonds posted exceptional gains by historical standards and outperformed investment-grade corporate bonds. International and emerging equities, however, lagged other asset classes amid ongoing global uncertainty. Near-zero short term interest rates kept yields on money market securities near their all-time lows.

We know that investors continue to face a world of uncertainty and volatile markets, but we also believe these challenging times present many opportunities. We remain committed to working with you and your financial professional to identify actionable ideas for your portfolio. We encourage you to visit www.blackrock.com/newworld for more information.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

We know that investors continue to face a world of uncertainty and volatile markets, but we also believe these challenging times present many opportunities.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of August 31, 2012

US large cap equities (S&P 500® Index)	4.14%	18.00%
US small cap equities (Russell 2000® Index)	0.89	13.40
International equities (MSCI Europe, Australasia, Far East Index)	(4.00)	(0.04)
Emerging market equities (MSCI Emerging Markets Index)	(10.51)	(5.80)
3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)	0.06	0.06
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	5.25	9.14
US investment grade bonds (Barclays US Aggregate Bond Index)	2.97	5.78
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.24	9.37
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	4.80	13.84

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

Fund Summary as of August 31, 2012 **BlackRock Defined Opportunity Credit Trust**

Investment Objective

BlackRock Defined Opportunity Credit Trust s (BHL) (the Fund) primary investment objective is to provide high current income, with a secondary objective of long-term capital appreciation. The Fund seeks to achieve its investment objectives by investing substantially all of its assets in loan and debt instruments and loan-related and debt-related instruments (collectively credit securities). The Fund invests, under normal market conditions, at least 80% of its assets in any combination of the following credit securities: (i) senior secured floating rate and fixed rate loans; (ii) second lien or other subordinated or unsecured floating rate and fixed rate loans or debt; (iii) credit securities that are rated below investment grade quality; and (iv) investment grade corporate bonds. 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 August 31, 2012, the Fund returned 17.12% based on market price and 13.94% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 22.06% based on market price and 14.37% based on NAV. All returns reflect reinvestment of dividends. 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. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among loan instruments across the credit quality spectrum had a positive impact on performance, with particular strength from the Fund s higher-quality non-investment grade loan holdings. From a sector perspective, security selection within the consumer services, electric and gaming segments benefited results. The Fund s tactical allocation to high yield bonds also boosted returns as the asset class outperformed loans and higher-duration fixed income instruments.

Conversely, on a sector basis, security selection in non-cable media, metals, and non-captive diversified financials detracted from performance during the period.

Describe recent portfolio activity.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data along with global policy uncertainty and an overall weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. The European Central Bank s long-term refinancing operations, introduced in December 2011, were supportive of risk markets in first half of 2012. However, this development did not have a significant influence on the Fund s view on risk within the loan market. More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macroeconomic risks.

Describe portfolio positioning at period end.

At period end, the Fund held 90% of its total portfolio in floating rate loan interests (bank loans), 7% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest sector exposures included healthcare, technology and wireless. The Fund ended the period with economic leverage at 30% 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.

4 ANNUAL REPORT AUGUST 31, 2012

BlackRock Defined Opportunity Credit Trust**Fund Information**

Symbol on New York Stock Exchange (“NYSE”)	BHL
Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2012 (\$13.94) ¹	5.90%
Current Monthly Distribution per Common Share ²	\$0.0685
Current Annualized Distribution per Common Share ²	\$0.8220
Economic Leverage as of August 31, 2012 ³	30%

¹Yield 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.

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

³Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 12.

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

	8/31/12	8/31/11	Change	High	Low
Market Price	\$13.94	\$12.65	10.20%	\$13.94	\$11.59
Net Asset Value	\$14.12	\$13.17	7.21%	\$14.12	\$12.93

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

Portfolio Composition

	8/31/12		8/31/11	
Floating Rate Loan Interests	90	%	86	%
Corporate Bonds	7		11	
Asset-Backed Securities	2		2	
Common Stocks	1			
Other Interests			1	

Credit Quality Allocations⁴

	8/31/12		8/31/11	
BBB/Baa	12	%	12	%
BB/Ba	40		33	
B	46		55	
CCC/Caa	2			

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

Fund Summary as of August 31, 2012 **BlackRock Diversified Income Strategies Fund, Inc.**

Investment Objective

BlackRock Diversified Income Strategies Fund, Inc. s (DVF) (the Fund) investment objective is to provide shareholders with high current income. The Fund seeks to achieve its investment objective by investing primarily in floating rate debt securities and instruments, including floating rate loans, bonds, certain preferred securities (including certain convertible preferred securities), notes or other debt securities or instruments which pay a floating or variable rate of interest until maturity. The Fund considers floating rate debt securities to include fixed rate debt securities held by the Fund where the Fund has entered into certain derivative transactions at either the portfolio level or with respect to an individual security held by the Fund, including interest rate swap agreements, in an attempt to convert the fixed rate payments it receives with respect to such securities into floating rate payments. The Fund may invest, under normal market conditions, a substantial portion of its assets in below investment grade quality 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

On May 23, 2012, the Board of Directors of DVF approved a plan of reorganization whereby BlackRock Floating Rate Income Strategies Fund, Inc. (FRA) will acquire all of the assets and assume all of the liabilities of DVF in exchange for newly issued shares of FRA in a merger transaction. At a shareholder meeting on September 13, 2012, DVF and FRA shareholders approved the plan of reorganization. The reorganization took place on October 5, 2012.

How did the Fund perform?

For the 12 months ended August 31, 2012, the Fund returned 14.97% based on market price and 14.08% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 22.06% based on market price and 14.37% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed slightly during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among loan instruments across the credit quality spectrum had a positive impact on performance, with particular strength from the Fund s higher-quality non-investment grade loan holdings. From a sector perspective, security selection within the consumer services, electric and gaming segments benefited results. The Fund s tactical allocation to high yield bonds also boosted returns as the asset class outperformed loans and higher-duration fixed income instruments.

Conversely, on a sector basis, security selection in non-cable media and independent energy detracted from performance during the period.

Describe recent portfolio activity.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data along with global policy uncertainty and an overall weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. The European Central Bank s long-term refinancing operations, introduced in December 2011, were supportive of risk markets in first half of 2012. However, this development did not have a significant influence on the Fund s view on risk within the loan market.

More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macroeconomic risks.

Describe portfolio positioning at period end.

At period end, the Fund held 87% of its total portfolio in floating rate loan interests (bank loans), 9% in corporate bonds, with the remainder in asset-backed securities, common stocks and other interests. The Fund's largest sector exposures included healthcare, technology and wireless. The Fund ended the period with economic leverage at 31% 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.

6 ANNUAL REPORT AUGUST 31, 2012

BlackRock Diversified Income Strategies Fund, Inc.**Fund Information**

Symbol on NYSE	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2012 (\$10.54) ¹	6.66%
Current Monthly Distribution per Common Share ²	\$0.0585
Current Annualized Distribution per Common Share ²	\$0.7020
Economic Leverage as of August 31, 2012 ³	31%

¹Yield 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.

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

³Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 12.

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

	8/31/12	8/31/11	Change	High	Low
Market Price	\$10.54	\$9.84	7.11 %	\$10.59	\$8.84
Net Asset Value	\$10.83	\$10.19	6.28 %	\$10.83	\$9.95

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

Portfolio Composition

	8/31/12		8/31/11	
	%		%	
Floating Rate Loan Interests	87	%	80	%
Corporate Bonds	9		14	
Asset-Backed Securities	2		2	
Common Stocks	1		2	
Other Interests	1		2	

Credit Quality Allocations⁴

	8/31/12		8/31/11	
	%		%	
BBB/Baa	9	%	8	%
BB/Ba	38		30	
B	41		47	
CCC/Caa	11		8	
Not Rated	1		7	

⁴Using the higher of S&P's or Moody's ratings.
AUGUST 31, 2012 ANNUAL REPORT 7

Fund Summary as of August 31, 2012 **BlackRock Floating Rate Income Strategies Fund, Inc.**

Investment Objective

BlackRock Floating Rate Income Strategies Fund, Inc. s (FRA) (the Fund) investment objective is to provide shareholders with high current income and such preservation of capital as is consistent with investment in a diversified, leveraged portfolio consisting primarily of floating rate debt securities and instruments. The Fund seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in floating rate debt securities, including floating or variable rate debt securities that pay interest at rates that adjust whenever a specified interest rate changes and/or which reset on predetermined dates (such as the last day of a month or calendar quarter). The Fund invests a substantial portion of its investments in floating rate debt securities consisting of secured or unsecured senior floating rate loans that are rated below investment grade. 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

On May 23, 2012, the Board of Directors of FRA approved separate plans of reorganization whereby FRA will acquire all of the assets and assume all of the liabilities of DVF and Floating Rate Income Strategies Fund II, Inc. (FRB and with DVF, each a Target Fund) in exchange for newly issued shares of FRA in a merger transaction. At a shareholder meeting on September 13, 2012, each Target Fund s and FRA s shareholders approved their respective plan of reorganization. The reorganizations took place on October 5, 2012.

How did the Fund perform?

For the 12 months ended August 31, 2012, the Fund returned 21.74% based on market price and 13.91% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 22.06% based on market price and 14.37% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection among loan instruments in the middle and upper credit quality tiers had a positive impact on performance, with particular strength from the Fund s higher-quality non-investment grade loan holdings. From a sector perspective, security selection within the consumer services, electric and gaming segments benefited results. The Fund s tactical allocation to high yield bonds also boosted returns as the asset class outperformed loans and higher-duration fixed income instruments.

Conversely, on a sector basis, security selection among lower quality loan instruments detracted from performance during the period. On a sector basis, selection within non-cable media and paper had a negative impact on returns.

Describe recent portfolio activity.

During the period, the Fund maintained its focus on the higher quality portions of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data along with global policy uncertainty and an overall weak outlook for global growth, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. The European Central Bank s long-term refinancing operations, introduced in December 2011, were supportive of risk markets in first half of 2012. However, this development did not have a significant influence on the Fund s view on risk within the loan market.

More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macroeconomic risks.

Describe portfolio positioning at period end.

At period end, the Fund held 88% of its total portfolio in floating rate loan interests (bank loans), 10% in corporate bonds, with the remainder in asset-backed securities. The Fund's largest sector exposures included healthcare, technology and wireless. The Fund ended the period with economic leverage at 30% 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.

8 ANNUAL REPORT AUGUST 31, 2012

BlackRock Floating Rate Income Strategies Fund, Inc.**Fund Information**

Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2012 (\$15.20) ¹	6.08%
Current Monthly Distribution per Common Share ²	\$0.077
Current Annualized Distribution per Common Share ²	\$0.924
Economic Leverage as of August 31, 2012 ³	30%

¹Yield 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.

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

³Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to 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 12.

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

	8/31/12	8/31/11	Change	High	Low
Market Price	\$15.20	\$13.33	14.03%	\$15.31	\$12.33
Net Asset Value	\$14.98	\$14.04	6.70%	\$14.98	\$13.74

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

Portfolio Composition

	8/31/12		8/31/11	
Floating Rate Loan Interests	88	%	81	%
Corporate Bonds	10		15	
Asset-Backed Securities	2		3	
Common Stocks				
Other Interests			1	

Credit Quality Allocations⁴

	8/31/12		8/31/11	
BBB/Baa	8	%	9	%
BB/Ba	34		36	
B	44		49	
CCC/Caa	8		3	
Not Rated	6		3	

⁴Using the higher of S&P's or Moody's ratings.
AUGUST 31, 2012 ANNUAL REPORT 9

Fund Summary as of August 31, 2012 **BlackRock Limited Duration Income Trust**

Investment Objective

BlackRock Limited Duration Income Trust s (BLW) (the Fund) investment objective is to provide current income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in three distinct asset classes:

intermediate duration, investment grade corporate bonds, mortgage-related securities, asset-backed securities and US Government and agency securities;
senior, secured floating rate loans made to corporate and other business entities; and
US dollar-denominated securities of US and non-US issuers rated below investment grade and, to a limited extent, non-US dollar denominated securities of non-US issuers rated below investment grade.
The Fund s portfolio normally has an average portfolio duration of less than five years (including the effect of anticipated leverage), although it may be longer from time to time depending on market conditions. 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 August 31, 2012, the Fund returned 21.68% based on market price and 13.86% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 22.72% based on market price and 16.49% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

Security selection in the wireless, consumer services and electric sectors had a positive impact on the Fund s performance. The Fund s tactical exposure to equity securities proved beneficial as demand for riskier assets improved over the 12-month period.

The Fund differs from its Lipper category competitors, which invest primarily in high yield bonds, in that the Fund also invests in floating rate loan interests (bank loans), investment grade credits and securitized assets. While the Fund s allocations to these other asset classes did not detract from performance on an absolute basis, they underperformed high yield bonds for the period. Security selection in the non-cable media, independent energy and paper sectors hindered returns for the period.

Describe recent portfolio activity.

The 12-month period began with severe market volatility in reaction to headwinds from Europe s debt crisis and a possible US government shutdown. However, the environment shifted in December when the European Central Bank announced its program of long-term refinancing operations. As financial market conditions improved, the Trust selectively added back some risk in names with appealing risk-reward characteristics. Over the first eight months of 2012, the high yield market surged, prompting the Trust to moderate its risk profile. The Trust s view on high yield remained positive throughout this period; however, as average prices moved north of par for the market, the Trust became increasingly focused on higher-quality, income-oriented credit names with stable fundamentals and an

attractive coupon rate, since the potential for price appreciation had largely diminished. Given global growth concerns posing a persistent threat and fueling uncertainty, the Trust continued to favor issuers in mature industries that exhibit consistent cash flows and good earnings visibility and debt instruments that are backed by profitable assets. The Trust generally remained cautious of cyclical credits that tend to be more vulnerable to slower economic growth and/or macroeconomic weakness.

Describe portfolio positioning at period end.

At period end, the Fund held 46% of its total portfolio in corporate bonds, 34% in floating rate loan interests (bank loans) and 8% in non-agency mortgage-backed securities, with the remainder in US Government sponsored agency securities, asset-backed securities, common stocks and taxable municipal bonds. The Fund's largest sector exposures included healthcare, non-captive diversified financials and wireless. The Fund ended the period with economic leverage at 32% 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.

10 ANNUAL REPORT AUGUST 31, 2012

BlackRock Limited Duration Income Trust**Fund Information**

Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Yield on Closing Market Price as of August 31, 2012 (\$18.00) ¹	7.17%
Current Monthly Distribution per Common Share ²	\$0.1075
Current Annualized Distribution per Common Share ²	\$1.2900
Economic Leverage as of August 31, 2012 ³	32%

¹Yield 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.

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

³Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) 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 12.

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

	8/31/12	8/31/11	Change	High	Low
Market Price	\$18.00	\$16.01	12.43%	\$18.24	\$15.00
Net Asset Value	\$17.38	\$16.52	5.21%	\$17.38	\$15.92

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

Portfolio Composition

	8/31/12		8/31/11	
Corporate Bonds	46	%	40	%
Floating Rate Loan Interests	34		31	
Non-Agency Mortgage-Backed Securities	8		10	
US Government Sponsored Agency Securities	6		11	
Asset-Backed Securities	4		5	
Common Stocks	1		1	
Taxable Municipal Bonds	1		1	
Other Interests			1	

Credit Quality Allocations⁴

	8/31/12		8/31/11	
AAA/Aaa ⁵	12	%	17	%
AA/Aa	1		2	
A	6		5	
BBB/Baa	15		15	

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BB/Ba	26	26
B	30	27
CCC/Caa	8	7
D		1
Not Rated	2	

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

⁵Includes US Government Sponsored Agency securities and US Treasury Obligations, which were deemed AAA/Aaa by the investment advisor.

AUGUST 31, 2012 ANNUAL REPORT 11

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. 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 for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the 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' debt securities does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or negatively in addition to the impact on Fund performance from leverage from borrowings discussed above.

The use of leverage may enhance opportunities for increased income to the Funds, 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 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, as amended (the 1940 Act), the Funds are permitted to issue senior securities representing indebtedness up to 33¹/₃% of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). If the Funds segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of August 31, 2012, the Funds had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

	Percent of Economic Leverage	
BHL	30	%
DVF	31	%
FRA	30	%
BLW	32	%

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 and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The 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.

12 ANNUAL REPORT AUGUST 31, 2012

Schedule of Investments August 31, 2012 **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	USD 215	\$ 191,049
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.81%, 10/27/20 (b)	265	223,263
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.66%, 4/17/22 (a)(b)	350	318,185
Goldman Sachs Asset Management CLO Plc, Series 2007-1A, Class B, 0.89%, 8/01/22 (a)(b)	580	490,100
Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b)(c)	350	323,050
ING Investment Management, Series 2012-2A, Class D, 4.99%, 10/15/22 (a)(b)	350	312,063
LCM LP, Series 11A, Class D2, 4.41%, 4/19/22 (a)(b)	375	328,125
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.42%, 12/21/17 (a)(b)	260	246,662
Race Point CLO, Series 2012-6A, Class D, 4.93%, 5/24/23 (a)(b)	250	225,925
Symphony CLO Ltd., Class D (a)(b): Series 2012-10A, 5.69%, 7/23/23	350	323,750
Series 2012-9A, 4.71%, 4/16/22	500	445,600
Total Asset-Backed Securities 2.7%		3,427,772

	Shares	
Common Stocks (d)		
Auto Components 0.3%		
Delphi Automotive Plc	13,881	420,455
Hotels, Restaurants & Leisure 0.2%		
BLB Worldwide Holdings, Inc.	21,020	241,730
Software 0.3%		
HMH Holdings/EduMedia	13,505	330,866
Total Common Stocks 0.8%		993,051

	Par (000)	
Corporate Bonds		
Airlines 0.2%		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 10/15/21	USD 125	132,704
Delta Air Lines, Inc., Series 2009-1 Series B, 9.75%, 6/17/18	53	57,610
		190,314
Auto Components 0.9%		

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Icahn Enterprises LP:

7.75%, 1/15/16	785	824,250
8.00%, 1/15/18	340	362,100
		1,186,350

Chemicals 0.2%

Hexion US Finance Corp., 6.63%, 4/15/20	130	131,300
INEOS Finance Plc, 8.38%, 2/15/19 (a)	110	115,775
		247,075

Commercial Banks 0.1%

CIT Group, Inc., 7.00%, 5/02/16 (a)	144	144,731
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Corporate Bonds

**Par
(000) Value**

Commercial Services & Supplies 0.3%

ARAMARK Corp., 3.94%, 2/01/15 (b)	USD 65	\$ 64,838
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)	322	339,558
		404,396

Communications Equipment 0.5%

Zayo Group LLC/Zayo Capital, Inc.:		
8.13%, 1/01/20	380	403,750
10.13%, 7/01/20	250	268,125
		671,875

Consumer Finance 0.3%

Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	325	353,437
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Diversified Financial Services 0.7%

Ally Financial, Inc., 2.62%, 12/01/14 (b)	440	432,458
FCE Bank Plc, 7.13%, 1/15/13	EUR 50	64,148
Reynolds Group Issuer, Inc.:		
7.13%, 4/15/19	USD 120	129,300
6.88%, 2/15/21	185	200,263
		826,169

Diversified Telecommunication Services 0.1%

ITC Deltacom, Inc., 10.50%, 4/01/16	140	150,850
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Energy Equipment & Services 0.1%

FTS International Services LLC / FTS International Bonds Inc., 8.13%, 11/15/18 (a)	155	160,038
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Health Care Providers & Services 0.8%

CHS/Community Health Systems, Inc.,		
5.13%, 8/15/18	358	369,187
HCA, Inc., 6.50%, 2/15/20	400	439,500
Tenet Healthcare Corp., 6.25%, 11/01/18	185	200,841
		1,009,528

Health Care Technology 0.8%

IMS Health, Inc., 12.50%, 3/01/18 (a)	850	998,750
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Household Durables 0.1%

Beazer Homes USA, Inc., 6.63%, 4/15/18 (a)	180	184,050
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Independent Power Producers & Energy Traders 1.7%

Calpine Corp., 7.25%, 10/15/17 (a)	245	262,150
Energy Future Holdings Corp., 10.00%, 1/15/20	285	314,213

Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20	1,405	1,577,112 2,153,475
IT Services 0.2%		
First Data Corp., 6.75%, 11/01/20 (a)	245	243,163
Machinery 0.1%		
UR Financing Escrow Corp., 5.75%, 7/15/18 (a)	80	84,600
Media 1.4%		
AMC Networks, Inc., 7.75%, 7/15/21	105	118,913
Clear Channel Worldwide Holdings, Inc.: Series A, 9.25%, 12/15/17	185	200,262
Series B, 9.25%, 12/15/17	850	923,312
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	500	541,250 1,783,737

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated

according to the following list:

CAD	Canadian Dollar	GBP	British Pound
DIP	Debtor-In-Possession	GO	General Obligation Bonds
EBITDA	Taxes, Depreciation and Amortization		London Interbank Offered LIBOR Rate
EUR	Euro	USD	US Dollar
FKA	Formerly Known As		

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 13

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Oil, Gas & Consumable Fuels 0.2%		
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	USD 126	\$ 134,190
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (a)	145	155,512 289,702
Paper & Forest Products 0.1%		
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	155	160,425
Pharmaceuticals 0.2%		
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	185	195,175
Real Estate Management & Development 0.1%		
Realogy Corp., 7.63%, 1/15/20 (a)	165	179,850
Wireless Telecommunication Services 1.7%		
Cricket Communications, Inc., 7.75%, 5/15/16	1,125	1,186,875
Sprint Nextel Corp. (a):		
9.00%, 11/15/18	290	342,200
7.00%, 3/01/20	550	602,250 2,131,325
Total Corporate Bonds 10.8%		13,749,015
Floating Rate Loan Interests (b)		
Aerospace & Defense 1.6%		
DynCorp International, Term Loan B, 6.25%, 7/07/16	302	301,703
SI Organization, Inc., Term Loan B, 4.50%, 11/22/16	416	404,947
Spirit Aerosystems, Inc., Term Loan B, 3.75%, 4/18/19	369	369,691
TransDigm, Inc.:		
Add on Term Loan B2, 4.00%, 2/14/17	179	180,071
Term Loan B, 4.00%, 2/14/17	533	534,513
Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17	294	293,433 2,084,358
Airlines 0.8%		
Delta Air Lines, Inc., Credit, Term Loan B, 5.50%, 4/20/17	1,002	1,009,413
US Airways Group, Inc., Term Loan, 2.74%, 3/21/14	55	53,144 1,062,557
Auto Components 2.8%		

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Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17	645	632,222
Federal-Mogul Corp.:		
Term Loan B, 2.17% 2.18%, 12/29/14	869	829,503
Term Loan C, 2.17% 2.18%, 12/28/15	296	282,464
The Goodyear Tire & Rubber Co., Term Loan (Second Lien), 4.75%, 4/30/19	1,150	1,145,687
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	380	381,110
UCI International, Inc., Term Loan B, 5.50%, 7/26/17	345	345,612
		3,616,598

Biotechnology 0.5%

Grifols, Inc., Term Loan B, 4.50%, 6/01/17	638	639,354
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Building Products 3.4%

Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	764	761,307
CPG International, Inc., Term Loan B, 6.00%, 2/18/17	788	775,195

Floating Rate Loan Interests (b)

**Par
(000) Value**

Building Products (concluded)

Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/28/16	USD 2,094	\$2,096,218
Momentive Performance Materials, Inc. (Nautilus), Extended Term Loan, 3.62%, 5/05/15	EUR 560	644,937
		4,277,657

Capital Markets 2.0%

American Capital Holdings, Term Loan, 5.50%, 7/19/16	USD 513	514,924
HarbourVest Partners LLC, Term Loan B, 6.25%, 12/16/16	754	753,082
Nuveen Investments, Inc.:		
Extended (First Lien), Term Loan, 5.95% 5.96%, 5/13/17	391	391,256
Extended Term Loan, 5.92% 5.95%, 5/12/17	782	784,338
Incremental Term Loan, 7.25%, 5/13/17	160	160,720
		2,604,320

Chemicals 6.0%

American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17	607	589,749
Ashland, Inc., Term Loan B, 3.75%, 8/23/18	278	279,085
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16	750	752,190
Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19	355	358,330
Gentek, Inc., Term Loan, 5.00% 5.75%, 10/06/15	384	381,623
INEOS US Finance LLC:		
3 Year Term Loan, 5.50%, 5/04/15	90	90,448
6 Year Term Loan, 6.50%, 5/04/18	1,883	1,886,112

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Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17	568	552,555
PolyOne Corp., Term Loan, 5.00%, 12/20/17	184	184,627
PQ Corp.(FKA Niagara Acquisition, Inc.), Term Loan B, 3.98%, 7/30/14	1,071	1,051,505
Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17	251	233,755
Tronox, Inc.:		
Delayed Draw Term Loan, 4.25%, 2/08/18	159	158,189
Term Loan B, 4.25%, 2/08/18	581	580,027
Univar, Inc., Term Loan B, 5.00%, 6/30/17	600	595,791
		7,693,986
Commercial Services & Supplies 5.7%		
ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19	856	854,990
Altegrity, Inc.(FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15	629	625,877
ARAMARK Corp.:		
Extended Term Loan B, 3.48%, 7/26/16	211	210,008
Extended Term Loan C, 3.48% 3.71%, 7/26/16	116	115,948
Letter of Credit, 3.50%, 7/26/16	14	13,811
Letter of Credit Facility, 3.50%, 7/26/16	9	9,341
AWAS Finance Luxembourg 2012 SA, Term Loan, 5.75%, 7/16/18	315	315,000
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	353	353,155
Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16	825	833,250
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17	1,187	1,186,365
Protection One, Inc., Term Loan, 5.75%, 3/21/19	564	569,223
Synagro Technologies, Inc., Term Loan B, 2.24%, 4/02/14	861	763,746
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	491	491,250
West Corp., Term Loan B6, 5.75%, 6/29/18	900	902,817
		7,244,781

See Notes to Financial Statements.

14 ANNUAL REPORT AUGUST 31, 2012

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Floating Rate Loan Interests (b)		
Communications Equipment 3.0%		
Avaya, Inc.:		
Extended Term Loan B3, 4.93%, 10/26/17	USD 128	\$ 114,492
Term Loan B1, 3.18%, 10/24/14	790	758,261
CommScope, Inc., Term Loan, 4.25%, 1/12/18	814	813,775
Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19	2,085	2,115,629
		3,802,157
Construction & Engineering 0.9%		
BakerCorp. International, Inc., Term Loan B, 4.75%, 6/01/18		
	361	359,876
Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17		
	750	750,000
		1,109,876
Construction Materials 2.0%		
HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17	2,500	2,554,175
Consumer Finance 0.8%		
Springleaf Financial Funding Co., Term Loan, 5.50%, 5/10/17		
	1,060	1,023,695
Containers & Packaging 0.7%		
Berry Plastics Holding Corp., Term Loan C, 2.23%, 4/03/15		
	248	245,707
Sealed Air Corp., Term Loan B, 4.75%, 10/03/18		
	610	613,708
		859,415
Diversified Consumer Services 3.3%		
Coinmach Service Corp.:		
Delayed Draw Term Loan, 3.24% 3.33%, 11/20/14		
	242	232,031
Term Loan B, 3.33%, 11/20/14		
	891	854,720
Education Management LLC, Term Loan C3, 8.25%, 3/29/18		
	309	272,061
Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18		
	1,021	995,728
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.74%, 7/24/14		
	113	112,218
Term Loan, 2.75% 2.97%, 7/24/14		
	1,134	1,126,895
Weight Watchers International, Inc., Term Loan F, 4.00%, 3/15/19		
	603	595,818
		4,189,471
Diversified Financial Services 2.4%		
Residential Capital LLC:		
DIP Term Loan A1, 5.00%, 11/18/13		
	580	581,450
DIP Term Loan A2, 6.75%, 11/18/13		
	85	85,992

Reynolds Group Holdings, Inc.:		
Term Loan B, 6.50%, 2/09/18	1,211	1,218,224
Term Loan C, 6.50%, 8/09/18	1,113	1,127,380
		3,013,046

Diversified Telecommunication Services 5.2%

Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17	530	536,625
Integra Telecom Holdings, Inc., Term Loan B, 9.25%, 4/15/15	809	796,372
Level 3 Financing, Inc.:		
2016 Term Loan B, 4.75%, 2/01/16	795	796,590
2019 Term Loan B, 5.25%, 8/01/19	650	650,949
Term Loan B2, 5.75%, 9/03/18	1,800	1,804,752
Term Loan B3, 5.75%, 8/31/18	550	551,452
Telesat LLC, Term Loan B, 4.25%, 3/28/19	745	743,257
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	742	708,450
		6,588,447

	Par	
	(000)	Value

Floating Rate Loan Interests (b)**Electronic Equipment, Instruments & Components****0.9%**

CDW LLC, Extended Term Loan, 4.00%, 7/14/17	USD 519	\$ 512,160
Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18	602	602,723
		1,114,883

Energy Equipment & Services 2.9%

Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16	514	533,286
Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16	578	604,663
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18	1,538	1,540,113
Tervita Corp. (FKA CCS Corp.):		
Incremental Term Loan, 6.50%, 10/17/14	348	347,961
Term Loan B, 3.23%, 11/14/14	742	728,205
		3,754,228

Food & Staples Retailing 1.9%

AB Acquisitions UK Topco 2, Term Loan B1, 3.52%, 7/09/15	GBP 900	1,348,681
Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19	USD 485	486,212
US Foods, Inc.(FKA U.S. Foodservice, Inc.), Extended Term Loan B, 5.75%, 3/31/17	620	599,115
		2,434,008

Food Products 3.1%

Advance Pierre Foods:		
Term Loan (First Lien), 7.00%, 9/30/16	848	852,259
Term Loan (Second Lien), 11.25%, 9/29/17	550	553,300
Del Monte Foods Co., Term Loan, 4.50%, 3/08/18	1,113	1,097,527

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Michael Foods Group, Inc., Term Loan, 4.25%, 2/23/18	181	181,149
Pinnacle Foods Finance LLC: Extended Term Loan B, 3.75%, 10/03/16	40	39,244
Term Loan E, 4.75%, 10/17/18	502	499,900
Solvest Ltd. (Dole): Term Loan B-2, 5.00% 6.00%, 7/06/18	279	279,281
Term Loan C-2, 5.00% 6.00%, 7/06/18	499	499,767
		4,002,427

Health Care Equipment & Supplies 5.3%

Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19	1,330	1,334,429
Biomet, Inc., Term Loan B, 3.23% 3.47%, 3/25/15	312	310,911
BSN Medical Acquisition Holding GmbH, Term Loan B, 6.00%, 7/27/19	385	385,962
DJO Finance LLC: Extended Term Loan B2, 5.23%, 11/01/16	190	189,731
Term Loan B3, 6.25%, 9/15/17	1,057	1,058,228
Hologic, Inc., Term Loan B, 4.50%, 8/01/19	1,760	1,770,683
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	354	355,440
Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	348	342,109
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	819	821,883
LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18	215	216,612
		6,785,988

Health Care Providers & Services 4.7%

Community Health Systems, Inc., Extended Term Loan B, 3.92% 3.96%, 1/25/17	41	41,442
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	581	581,894
DaVita, Inc.: Term Loan B, 4.50%, 10/20/16	1,011	1,013,396
Term Loan B2, 4.00%, 9/02/19	630	626,951
Emergency Medical Services Corp., Term Loan, 5.25%, 5/25/18	662	660,696

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 15

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Floating Rate Loan Interests (b)		
Health Care Providers & Services (concluded)		
Harden Healthcare LLC:		
Add on Term Loan A, 7.75%, 3/02/15	USD 443	\$ 429,154
Term Loan A, 8.50%, 3/02/15	294	288,005
HCA, Inc., Extended Term Loan B3, 3.48%, 5/01/18	235	231,292
inVentiv Health, Inc.:		
Combined Term Loan, 6.50%, 8/04/16	345	321,137
Incremental Term Loan B-3, 6.75%, 5/15/18	406	379,036
Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17	527	502,881
Sheridan Holdings, Inc., First Lien Term Loan, 6.00%, 6/29/18	300	300,249
US Renal Care, Inc., First Lien Term Loan, 6.25% 7.25%, 7/02/19	515	518,862
Vanguard Health Holding Co. II LLC (Vanguard Health Systems, Inc.), Term Loan B, 5.00%, 1/29/16	60	59,812
		5,954,807
Health Care Technology 1.4%		
IMS Health, Inc., Term Loan B, 4.50%, 8/25/17	550	551,425
Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18	926	933,800
MedAssets, Inc., Term Loan, 5.25%, 11/16/16	345	346,324
		1,831,549
Hotels, Restaurants & Leisure 7.1%		
Alpha D2 Ltd., Term Loan B, 5.75%, 4/28/17	589	591,585
Ameristar Casinos, Inc., Term Loan B, 4.00%, 4/16/18	563	564,289
Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15	385	388,221
Caesars Entertainment Operating Co., Inc.:		
Extended Term Loan B6, 5.49%, 1/26/18	95	83,511
Incremental Term Loan B4, 9.50%, 10/31/16	492	501,908
Term Loan B1, 3.24%, 1/28/15	177	167,610
Term Loan B3, 3.24% 3.46%, 1/28/15	2,260	2,143,089
DineEquity, Inc., Term Loan B, 4.25% 5.25%, 10/19/17	37	37,170
Dunkin' Brands, Inc., Term Loan B2, 4.00%, 11/23/17	1,140	1,127,861
Golden Living, Term Loan, 5.00%, 5/04/18	147	140,156
OSI Restaurant Partners LLC:		

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Revolver, 2.49% 2.56%, 6/14/13	4	4,454
Term Loan B, 2.56%, 6/14/14	45	44,893
Sabre, Inc., Non-Extended Initial Term Loan, 2.23%, 9/30/14	146	144,811
SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17	442	442,104
Six Flags Theme Parks, Inc., Term Loan B, 4.25%, 12/20/18	690	691,615
Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16	393	373,057
Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15	485	486,347
Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19	1,085	1,089,839
		9,022,520

Household Products 0.5%

Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19	591	595,195
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Independent Power Producers & Energy Traders 1.0%

The AES Corp., Term Loan, 4.25%, 6/01/18	988	989,969
Calpine Corp., Term Loan B, 4.50%, 4/02/18	215	215,297
GenOn Energy, Inc., Term Loan B, 6.00%, 12/01/17	125	125,899
		1,331,165

Floating Rate Loan Interests (b)

Industrial Conglomerates 2.0%

Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	USD 199	\$ 199,235
Term Loan, 3.69% 3.72%, 12/03/14	2,388	2,371,737
		2,570,972

Insurance 0.8%

Asurion LLC, Term Loan (First Lien), 5.50%, 5/24/18	299	299,376
CNO Financial Group, Inc., Term Loan B, 6.25%, 9/30/16	716	717,687
		1,017,063

Internet Software & Services 0.4%

Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17	528	525,524
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IT Services 5.7%

Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17	697	696,219
First Data Corp.:		
Extended 2018 Term Loan B, 4.24%, 3/23/18	2,910	2,747,073
Non-Extended Term Loan B-1, 2.99%, 9/24/14	140	137,612
Non-Extended Term Loan B-3, 2.99%, 9/24/14	86	84,349
Genpact International, Inc., Term Loan B, 4.25, 8/16/19	765	765,000

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InfoGroup, Inc., Term Loan, 5.75%, 5/25/18	345	305,143
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	494	493,500
Neustar, Inc., Term Loan B, 5.00%, 11/08/18	407	408,959
SunGard Data Systems, Inc. (Solar Capital Corp.), Term Loan B, 3.86% 4.06%, 2/26/16	143	142,656
TransUnion LLC, Term Loan B, 5.50%, 2/12/18	1,450	1,459,345
		7,239,856

Leisure Equipment & Products 0.8%

Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	522	517,493
FGI Operating Company, LLC, Term Loan, 5.50% 6.50%, 4/19/19	515	516,612
		1,034,105

Machinery 2.7%

Intelligrated, Inc., First Lien Term Loan, 6.75%, 7/30/18	400	396,000
Navistar International Corp., Term Loan B, 7.00%, 8/17/17	437	438,909
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	313	314,657
Terex Corp.:		
Term Loan, 6.00%, 4/28/17	EUR 60	74,528
Term Loan B, 5.50%, 4/28/17	USD 601	603,727
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	1,113	1,115,910
Wabash National Corp., Term Loan B, 6.00%, 5/02/19	549	552,054
		3,495,785

Media 17.1%

Acosta, Inc., Term Loan B, 5.75%, 3/01/18	236	236,982
Affinion Group, Inc., Term Loan B, 5.00%, 7/15/15	263	223,092
AMC Entertainment, Inc., Term Loan B3, 4.25%, 2/22/18	323	323,698
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	792	791,509
Atlantic Broadband Finance LLC, 1st Lien Term Loan, 5.25%, 4/04/19	455	455,428
BBHI Acquisition LLC (FKA Bresnan Telecommunications Co. LLC), Term Loan B, 4.50%, 12/14/17	1,180	1,183,391
Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18	569	570,125
Catalina Marketing Corp., Extended Term Loan B, 5.73%, 9/29/17	538	530,240

See Notes to Financial Statements.

16ANNUAL REPORT AUGUST 31, 2012

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Floating Rate Loan Interests (b)		
Media (concluded)		
Cengage Learning Acquisitions, Inc.:		
Non-Extended Term Loan, 2.49%, 7/03/14	USD 228	\$ 209,873
Tranche 1 Incremental, 7.50%, 7/03/14	369	355,431
Charter Communications Operating LLC:		
Extended Term Loan C, 3.49%, 9/06/16	807	805,398
Term Loan D, 4.00%, 5/15/19	314	314,112
Clarke American Corp., Term Facility B, 2.73% 2.96%, 6/30/14	89	79,996
Clear Channel Communications, Inc.:		
Term Loan B, 3.88%, 1/28/16	846	655,456
Term Loan C, 3.88%, 1/28/16	158	119,790
Cumulus Media, Inc., First Lien Term Loan, 5.75%, 9/17/18	612	612,773
EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18	360	362,430
Gray Television, Inc., Term Loan B, 3.75%, 12/31/14	637	633,649
Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18	434	438,794
Hubbard Broadcasting, Term Loan B, 5.25%, 4/28/17	438	438,970
Intelsat Jackson Holdings SA, Tranche B Term Loan, 5.25%, 4/02/18	2,713	2,721,949
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	1,312	1,313,665
Kabel Deutschland GmbH, Term Loan F, 4.25%, 2/01/19	770	768,606
Lavena Holding 4 GmbH (Prosiebensat.1 Media AG):		
Term Loan B, 2.95%, 3/06/15	EUR 460	530,082
Term Loan C, 3.32%, 3/04/16	460	532,978
LIN Television Corp., Term Loan B, 5.00%, 12/21/18	USD 323	325,196
Mediacom LLC, Term Loan E, 4.50%, 10/23/17	490	482,650
Newsday LLC:		
Fixed Rate Term Loan, 10.50%, 8/01/13	800	804,336
Term Loan, 6.71%, 8/01/13	500	500,625
Nielsen Finance LLC, Class B Term Loan, 3.99%, 5/02/16	631	632,595
Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/28/16	548	547,606

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Univision Communications, Inc., Extended Term Loan, 4.48%, 3/31/17	866	836,746
UPC Broadband Holding BV, Term Loan U, 4.15%, 12/29/17	EUR 196	244,730
UPC Financing Partnership: Term Loan, 4.75%, 12/29/17	USD 585	586,708
Term Loan T, 3.75%, 12/30/16	80	79,250
WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18	185	184,085
Weather Channel, Term Loan B, 4.25%, 2/13/17	831	833,904
WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18	520	519,678
		21,786,526

Metals & Mining 2.6%

Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18	520	509,600
Novelis, Inc., Term Loan, 4.00%, 3/10/17	1,160	1,152,614
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18	446	443,273
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18	1,289	1,266,904
		3,372,391

Multiline Retail 2.7%

99¢ Only Stores, Term Loan, 5.25%, 1/11/19	522	525,309
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	316	316,121

	Par	(000) Value
Floating Rate Loan Interests (b)		
Multiline Retail (concluded)		
Hema Holding BV, Second Lien Term Loan, 5.14%, 1/05/17	EUR 1,800	\$2,122,537
The Neiman Marcus Group, Inc., Term Loan, 4.75%, 5/16/18	USD 435	435,000
		3,398,967

Oil, Gas & Consumable Fuels 2.0%

Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	545	546,172
Everest Acquisition LLC, Term Loan B1, 5.00%, 4/24/18	660	661,650
Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18	742	744,923
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	533	533,308
		2,486,053

Paper & Forest Products 0.3%

Ainsworth Lumber Co. Ltd., Term Loan, 5.25%, 6/26/14	175	169,312
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	200	201,876
		371,188

Pharmaceuticals 4.1%

Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	1,115	1,110,819
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Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	1,399	1,414,039
Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18	589	590,158
RPI Finance Trust:		
Incremental Tranche 2, 4.00%, 11/09/18	90	89,869
Term Loan Tranche 2, 4.00%, 5/09/18	494	494,516
Valeant Pharmaceuticals International, Inc.:		
Add-On Term Loan B, 4.75%, 2/13/19	588	589,402
Series A Tranche B, 4.75%, 2/13/19	435	436,009
Warner Chilcott Corp.:		
Incremental Term Loan B-1, 4.25%, 3/15/18	102	101,681
Term Loan B-1, 4.25%, 3/15/18	269	267,760
Term Loan B-2, 4.25%, 3/15/18	135	133,880
		5,228,133
Professional Services 1.8%		
Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19	645	645,806
Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18	791	791,813
ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19	268	266,288
Truven Health Analytics, Term Loan B, 6.75%, 6/06/19	605	609,283
		2,313,190
Real Estate Investment Trusts (REITs) 0.8%		
iStar Financial, Inc.:		
Term Loan A1, 5.00%, 6/28/13	1,035	1,035,290
Term Loan A2, 7.00%, 6/30/14	35	35,033
		1,070,323
Real Estate Management & Development 1.5%		
Realogy Corp.:		
Extended Letter of Credit Loan, 4.50%, 10/10/16	98	94,448
Extended Synthetic Letter of Credit, 3.25%, 10/10/13	25	23,432
Extended Term Loan, 4.49%, 10/10/16	1,723	1,662,859
Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	85	84,575
		1,865,314

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 17

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**
(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Floating Rate Loan Interests (b)		
Road & Rail 0.8%		
Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18	USD 274	\$ 274,873
RailAmerica, Inc., Term Loan B, 4.00%, 3/01/19	449	448,597
Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18	234	233,240
		956,710
Semiconductors & Semiconductor Equipment 0.9%		
Freescale Semiconductor, Inc., Extended Term Loan B, 4.50%, 12/01/16	784	751,928
NXP BV, Term Loan A-2, 5.50%, 3/03/17	392	396,303
		1,148,231
Software 3.7%		
Blackboard, Inc., Term Loan B, 7.50%, 10/04/18	254	249,445
Infor US, Inc. (FKA Lawson Software, Inc.), Term Loan B, 6.25%, 4/05/18	1,781	1,798,841
Sophia, LP, Term Loan B, 6.25%, 7/19/18	648	653,724
SS&C Technologies, Inc.:		
Term Loan B-1, 5.00%, 6/07/19	895	896,091
Term Loan B-2, 5.00%, 6/07/19	93	92,699
Vertafore, Inc., Term Loan B, 5.25%, 7/29/16	305	305,047
WaveDivision Holdings LLC, Term Loan B, 5.50%, 8/23/19	700	702,611
		4,698,458
Specialty Retail 6.5%		
Academy Ltd., Term Loan, 6.00%, 8/03/18	796	798,786
Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17	565	568,843
Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17	164	164,778
Claire s Stores, Inc., Term Loan B, 2.98% 3.20%, 5/29/14	812	796,621
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	870	868,773
The Gymboree Corp., Term Loan, 5.00%, 2/23/18	146	141,602
Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17	460	459,352
Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18	285	284,745
Michaels Stores, Inc.:		
Extended Term Loan B3, 5.00%, 7/29/16	334	336,002
Term Loan B2, 5.00%, 7/29/16	671	674,176
Party City Holdings, Inc., Term Loan B, 5.75%, 7/26/19	855	858,916

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PETCO Animal Supplies, Inc., Term Loan, 4.50%, 11/24/17	983	983,619
Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18	315	308,700
Toys R Us Delaware, Inc.: Term Loan, 6.00%, 9/01/16	300	294,418
Term Loan B3, 5.25%, 5/25/18	95	90,972
The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19	633	635,870
		8,266,173

Textiles, Apparel & Luxury Goods 1.2%

Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	923	914,227
Wolverine Worldwide, Inc., Term Loan B, 4.21%, 6/26/19	580	583,613
		1,497,840

Wireless Telecommunication Services 1.8%

Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	203	202,500
MetroPCS Wireless, Inc., Tranche B-2 Term Loan, 4.07%, 11/03/16	761	759,946

	Par (000)	Value
Floating Rate Loan Interests (b)		
Wireless Telecommunication Services (concluded)		
Vodafone Americas Finance 2, Inc. (e):		
Term Loan, 6.88%, 8/11/15	USD 934	\$971,486
Term Loan B, 6.25%, 7/11/16	413	420,750
		2,354,682
Total Floating Rate Loan Interests 130.1%		165,888,147

Warrants (f) 0.0%

Software 0.0%

	Shares	
HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)	691	
Total Long-Term Investments (Cost \$181,792,608) 144.4%		184,057,985

Short-Term Securities

BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (g)(h)	2,326,441	2,326,441
Total Short-Term Securities (Cost \$2,326,441) 1.8%		2,326,441
Total Investments (Cost \$184,119,049) 146.2%		186,384,426
Liabilities in Excess of Other Assets (46.2)%		(58,929,833)
Net Assets 100.0%		\$127,454,593

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(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

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

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

Counterparty	Value	Unrealized	
		Value	Appreciation
Credit Suisse Group AG	\$323,050		

(d) Non-income producing security.

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

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, if any.

(g) Investments in issuers considered to be an affiliate of the Fund during the year ended August 31 2012, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares		Income
	Held at August 31, 2011	Activity	
BlackRock Liquidity Funds, Temp Fund, Institutional Class	2,230,753	95,688	2,326,441 \$662

(h) Represents the current yield as of report date.
See Notes to Financial Statements.

18 ANNUAL REPORT AUGUST 31, 2012

Schedule of Investments (continued) **BlackRock Defined Opportunity Credit Trust (BHL)**

Foreign currency exchange contracts as of August 31, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 99,943	CAD 101,500	UBS AG	10/17/12	\$ (2,931)
USD 101,840	GBP 65,000	Citigroup Inc.	10/17/12	(1,355)
USD 1,178,267	GBP 759,000	UBS AG	10/17/12	(26,734)
EUR 29,000	USD 36,350	Citigroup Inc.	10/22/12	145
USD 3,756,464	EUR 3,064,000	Citigroup Inc.	10/22/12	(99,423)
USD 124,244	EUR 100,000	Citigroup Inc.	10/22/12	(1,601)
Total				\$ (131,899)

Credit default swaps on traded indexes buy protection outstanding as of August 31, 2012 were as follows:

Index	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Index Series 18, Version 2	5.00%	JPMorgan Chase & Co.	6/20/17	USD 1,634	\$(66,320)

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.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instrument. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level1 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)

Level3 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 instrument)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instrument is based on the pricing transparency of the investment and derivative

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financial instrument and is not necessarily an indication of the risks associated with 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.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of August 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities	—	—	\$3,427,772	\$3,427,772
Common Stocks	\$420,455	\$572,596	—	993,051
Corporate Bonds	—	13,749,015	—	13,749,015
Floating Rate Loan				
Interests	—	155,684,119	10,204,028	165,888,147
Short-Term Securities.	\$2,326,441	—	—	2,326,441
Total	\$2,746,896	\$170,005,730	\$13,631,800	\$186,384,426

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Foreign currency exchange contracts	—	\$145	—	\$145
Liabilities:				
Foreign currency exchange contracts	—	(132,044)	—	(132,044)
Credit contracts	—	(66,320)	—	(66,320)
Total	—	\$(198,219)	—	\$(198,219)

¹ Derivative financial instruments are swaps and foreign currency exchange contracts. Swaps and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument.

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign currency				

at value	\$12,292	—	—	\$12,292
Liabilities:				
Loan payable	—	\$(55,000,000)	—	(55,000,000)
Total	\$12,292	\$(55,000,000)	—	\$(54,987,708)

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2012.

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 19

Schedule of Investments (concluded) **BlackRock Defined Opportunity Credit Trust (BHL)**

The following table summarizes the valuation techniques used and unobservable inputs developed by the BlackRock Global Valuation Methodologies Committee (Global Valuation Committee) to determine the fair value of certain of the Fund's Level 3 investments as of August 31, 2012:

	Value	Valuation Techniques	Unobservable Inputs ¹	Range of Unobservable Inputs	Weighted Average of Unobservable Inputs ²
Assets:					
Floating Rate Loan Interests	\$1,467,159	Market Comparable Companies Cost	Yield N/A ³	9.65%	9.65%
Total⁴	\$1,467,159				

¹A change to the unobservable input may result in a significant change to the value of the investment as follows:

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Yield	Decrease	Increase

²Unobservable inputs are weighted based on the value of the investments included in the range.

The Fund fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are

³reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public companies are not identical to the investments being fair valued by the Fund.

Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for ⁴values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

	Asset-Backed Securities	Common Stocks	Floating Rate Loan Interests	Total
Assets:				
Opening balance, as of August 31, 2011	\$2,378,561	\$106,534	\$10,822,191	\$13,307,286

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Transfers into Level 3 ⁵	—	—	812,985	812,985
Transfers out of Level 3 ⁶	—	—	(5,478,303)	(5,478,303)
Accrued discounts/premiums	37,938	—	21,250	59,188
Net realized gain (loss)	(38,467)	(503,772)	22,536	(519,703)
Net change in unrealized appreciation/depreciation ⁷	143,076	397,245	195,347	735,668
Purchases	2,494,764	—	5,135,597	7,630,361
Sales	(1,588,100)	(7)	(1,327,575)	(2,915,682)
Closing Balance, as of August 31, 2012	\$3,427,772	—	\$10,204,028	\$13,631,800

As of August 31, 2011, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$812,985 transferred from Level 2 to Level 3 in the disclosure hierarchy.

As of August 31, 2011, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$5,478,303 transferred from Level 3 to Level 2 in the disclosure hierarchy.

Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$249,362. See Notes to Financial Statements.

20 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments August 31, 2012 **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	USD 230	\$ 204,378
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.81%, 10/27/20 (b)	280	235,900
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.66%, 4/17/22 (a)(b)	375	340,912
Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b)(c)	350	323,050
ING Investment Management, Series 2012-2A, Class D, 4.99%, 10/15/22 (a)(b)	375	334,354
LCM LP, Series 11A, Class D2, 4.41%, 4/19/22 (a)(b)	400	350,000
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.42%, 12/21/17 (a)(b)	275	260,893
Race Point CLO, Series 2012-6A, Class D, 4.93%, 5/24/23 (a)(b)	250	225,925
Symphony CLO Ltd. (a)(b): Series 2012-10A, Class D, 5.69%, 7/23/23	350	323,750
Series 2012-9A, Class D, 4.71%, 4/16/22	500	445,600
Total Asset-Backed Securities 2.3%		3,044,762
Common Stocks (d)		
Auto Components 0.3%		
Delphi Automotive Plc	14,778	447,638
Diversified Financial Services 0.8%		
Kcad Holdings I Ltd.	170,157,152	1,128,312
Electrical Equipment 0.0%		
Medis Technologies Ltd.	176,126	528
Metals & Mining 0.1%		
Euramax International	468	99,733
Paper & Forest Products 0.5%		
Ainsworth Lumber Co. Ltd. (a)	275,167	602,953
Software 0.3%		
Bankruptcy Management Solutions, Inc.	536	5
HMH Holdings/EduMedia	16,048	393,182
		393,187
Total Common Stocks 2.0%		2,672,351

	Par (000)	
Corporate Bonds		
Airlines 0.1%		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	USD 129	136,818
Delta Air Lines, Inc., Series 2009-1 Series B, 9.75%, 6/17/18	53	57,610 194,428
Auto Components 0.8%		
Icahn Enterprises LP:		
7.75%, 1/15/16	735	771,750
8.00%, 1/15/18	330	351,450 1,123,200
Capital Markets 0.1%		
E*Trade Financial Corp., 2.25%, 8/31/19 (a)(e)(f)	83	70,965

	Par (000) Value	
Corporate Bonds		
Capital Markets (concluded)		
KKR Group Finance Co. LLC, 6.38%, 9/29/20 (a)	USD 80	\$ 90,556 161,521
Chemicals 0.2%		
Hexion US Finance Corp., 6.63%, 4/15/20	135	136,350
INEOS Finance Plc, 8.38%, 2/15/19 (a)	115	121,037 257,387
Commercial Banks 0.1%		
CIT Group, Inc., 7.00%, 5/02/16 (a)	104	104,528
Glitnir Banki HF, 6.38%, 9/25/12 (a)(d)(g)	365	104,528
Commercial Services & Supplies 0.3%		
ARAMARK Corp., 3.94%, 2/01/15 (b)	65	64,838
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)	324	342,267
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	14	14,140 421,245
Communications Equipment 0.5%		
Zayo Group LLC/Zayo Capital, Inc.:		
8.13%, 1/01/20	400	425,000
10.13%, 7/01/20	265	284,212 709,212
Consumer Finance 0.3%		
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	350	380,625
Diversified Financial Services 1.0%		
Ally Financial, Inc.:		

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7.50%, 12/31/13	20	21,375
2.67%, 12/01/14 (b)	325	319,429
7.50%, 9/15/20	160	183,200
8.00%, 11/01/31	70	82,775
8.00%, 11/01/31	80	94,960
Reynolds Group Issuer, Inc.:		
7.75%, 10/15/16	EUR 200	259,736
6.88%, 2/15/21	USD 380	411,350
		1,372,825
Diversified Telecommunication Services 0.1%		
ITC Deltacom, Inc., 10.50%, 4/01/16	180	193,950
Energy Equipment & Services 0.1%		
FTS International Services LLC / FTS		
International Bonds Inc,		
8.13%, 11/15/18 (a)	165	170,363
Health Care Providers & Services 0.8%		
CHS/Community Health Systems, Inc.,		
5.13%, 8/15/18	378	389,812
HCA, Inc., 6.50%, 2/15/20	420	461,475
Tenet Healthcare Corp., 6.25%, 11/01/18	195	211,697
		1,062,984
Health Care Technology 0.6%		
IMS Health, Inc.,		
12.50%, 3/01/18 (a)	700	822,500
Hotels, Restaurants & Leisure 0.6%		
Little Traverse Bay Bands of Odawa Indians,		
9.00%, 8/31/20 (a)	192	174,720
Travelport LLC:		
5.09%, 9/01/14 (b)	665	472,150
9.88%, 9/01/14	145	115,275

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 21

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

	Par (000) Value	
Corporate Bonds		
Hotels, Restaurants & Leisure (concluded)		
Tropicana Entertainment LLC, 9.63%, 12/15/14 (d)(g)	USD 120	\$ 762,145
Household Durables 0.1%		
Beazer Homes USA, Inc., 6.63%, 4/15/18 (a)	190	194,275
Independent Power Producers & Energy Traders 1.7%		
Calpine Corp., 7.25%, 10/15/17 (a)	325	347,750
Energy Future Holdings Corp., 10.00%, 1/15/20	285	314,213
Energy Future Intermediate Holding Co. LLC, 10.00%, 12/01/20	1,405	1,577,112 2,239,075
Industrial Conglomerates 0.6%		
Sequa Corp., 13.50%, 12/01/15 (a)	722	764,863
IT Services 0.2%		
First Data Corp., 6.75%, 11/01/20 (a)	260	258,050
Machinery 0.1%		
UR Financing Escrow Corp., 5.75%, 7/15/18 (a)	85	89,888
Media 2.0%		
AMC Networks, Inc., 7.75%, 7/15/21	110	124,575
Checkout Holding Corp., 16.03%, 11/15/15 (a)(f)	325	198,250
Clear Channel Worldwide Holdings, Inc., Series B, 9.25%, 12/15/17	884	960,245
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	270	301,050
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	1,000	1,082,500 2,666,620
Metals & Mining 0.0%		
RathGibson, Inc., 11.25%, 2/15/14 (d)(g)	1,390	
Oil, Gas & Consumable Fuels 0.2%		
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	60	63,900
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (a)	155	166,238 230,138
Paper & Forest Products 0.5%		
Ainsworth Lumber Co. Ltd.,		

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11.00%, 7/29/15 (a)(h)	303	275,821
Clearwater Paper Corp., 10.63%, 6/15/16	190	212,325
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	165	170,775 658,921
Pharmaceuticals 0.2%		
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	195	205,725
Real Estate Management & Development 0.1%		
Realogy Corp., 7.63%, 1/15/20 (a)	175	190,750
Wireless Telecommunication Services 1.9%		
Cricket Communications, Inc., 7.75%, 5/15/16	850	896,750
Digicel Group Ltd. (a):		
9.13%, 1/15/15	279	281,790
8.25%, 9/01/17	255	270,300
Sprint Nextel Corp. (a):		
9.00%, 11/15/18	380	448,400
7.00%, 3/01/20	585	640,575 2,537,815
Total Corporate Bonds 13.2%		17,773,033

	Par (000)	Value
Floating Rate Loan Interests (b)		
Aerospace & Defense 1.6%		
DynCorp International, Term Loan B, 6.25%, 7/07/16	USD 301	\$ 299,974
SI Organization, Inc., Term Loan B, 4.50%, 11/22/16	415	403,984
Spirit Aerosystems, Inc., Term Loan B, 3.75%, 4/18/19	384	384,679
TransDigm, Inc.:		
Add on Term Loan B2, 4.00%, 2/14/17	189	190,075
Term Loan B, 4.00%, 2/14/17	602	603,912
Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17	337	336,593 2,219,217
Airlines 0.8%		
Delta Air Lines, Inc., Credit Term Loan B, 5.50%, 4/20/17	993	999,947
US Airways Group, Inc., Term Loan, 2.74%, 3/21/14	60	57,975 1,057,922
Auto Components 2.8%		
Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17	695	680,855
Federal-Mogul Corp.:		
Term Loan B, 2.17% 2.18%, 12/29/14	921	878,565
Term Loan C, 2.17% 2.18%, 12/28/15	312	297,410
The Goodyear Tire & Rubber Co., Term Loan (Second Lien), 4.75%, 4/30/19	1,215	1,210,444

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Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	380	381,109
UCI International, Inc., Term Loan B, 5.50%, 7/26/17	345	345,612 3,793,995
Biotechnology 0.5%		
Grifols, Inc., Term Loan B, 4.50%, 6/01/17	648	649,184
Building Products 3.1%		
Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	897	894,392
CPG International, Inc., Term Loan B, 6.00%, 2/18/17	837	823,645
Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/28/16	2,094	2,096,218
Momentive Performance Materials, Inc. (Nautilus), Extended Term Loan, 3.62%, 5/05/15	EUR 313	360,816 4,175,071
Capital Markets 2.0%		
American Capital Holdings, Term Loan, 5.50%, 7/19/16	USD 539	541,021
HarbourVest Partners LLC, Term Loan B, 6.25%, 12/16/16	754	753,082
Nuveen Investments, Inc.: Extended (First Lien), Term Loan, 5.95% 5.96%, 5/13/17	438	438,255
Extended Term Loan, 5.92% 5.96%, 5/12/17	862	864,443
Incremental Term Loan, 7.25%, 5/13/17	85	85,383 2,682,184
Chemicals 6.0%		
American Rock Salt Holdings LLC, Term Loan, 5.50%, 4/25/17	602	584,906
Ashland, Inc., Term Loan B, 3.75%, 8/23/18	271	271,637
Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16	700	702,044
Evergreen Acqco 1 LP, Term Loan B, 6.25%, 7/09/19	370	373,471
Gentek, Inc., Term Loan, 10/06/15	338	336,177

See Notes to Financial Statements.

22 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (b)	Par (000) Value	
Chemicals (concluded)		
INEOS US Finance LLC:		
3 Year Term Loan, 5.50%, 5/04/15	USD 95	\$ 95,473
6 Year Term Loan, 6.50%, 5/04/18	1,983	1,985,845
MacDermid, Inc., Tranche C Term Loan, 2.32%, 4/11/14	EUR 208	259,161
Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17	USD 593	576,580
PolyOne Corp., Term Loan, 5.00%, 12/20/17	194	194,607
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan B, 3.98%, 7/30/14	1,077	1,057,275
Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17	268	249,927
Tronox, Inc.:		
Delayed Draw Term Loan, 4.25%, 2/08/18	167	166,740
Term Loan B, 4.25%, 2/08/18	613	611,380
Univar, Inc., Term Loan B, 5.00%, 6/30/17	633	629,453
		8,094,676
Commercial Services & Supplies 5.5%		
ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19	905	904,699
Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15	713	709,327
ARAMARK Corp.:		
Extended Term Loan B, 3.48%, 7/26/16	148	147,531
Extended Term Loan C, 3.48% 3.71%, 7/26/16	86	85,666
Letter of Credit, 3.50%, 7/26/16	10	9,702
Letter of Credit Facility, 3.50%, 7/26/16	7	6,901
AWAS Finance Luxembourg 2012 SA, Term Loan, 5.75%, 7/16/18	320	320,000
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	395	394,586
Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16	925	934,250
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17	1,236	1,235,797
Protection One, Inc., Term Loan, 5.75%, 3/21/19	594	599,448
Synagro Technologies, Inc., Term Loan B, 2.24%, 4/02/14	632	560,779
Volume Services America, Inc., Term Loan B,		

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10.50% 10.75%, 9/16/16	491	491,250
West Corp., Term Loan B6, 5.75%, 6/29/18	945	947,958
		7,347,894

Communications Equipment 2.9%

Avaya, Inc.:

Extended Term Loan B3, 4.93%, 10/26/17	133	118,890
Term Loan B1, 3.18%, 10/24/14	849	815,319
CommScope, Inc., Term Loan, 4.25%, 1/12/18	765	764,232
Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19	2,195	2,227,244
		3,925,685

Construction & Engineering 0.9%

BakerCorp. International, Inc., Term Loan B, 4.75%, 6/01/18	431	428,820
Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17	800	800,000
		1,228,820

Construction Materials 2.0%

HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17	2,620	2,676,775
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Consumer Finance 0.8%

Springleaf Financial Funding Co.(FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	1,115	1,076,811
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Floating Rate Loan Interests (b) **Par (000) Value**

Containers & Packaging 0.5%

Sealed Air Corp., Term Loan B, 4.75%, 10/03/18	USD 645	\$ 647,993
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Diversified Consumer Services 3.3%

Coinmach Service Corp., Term Loan B, 3.33%, 11/20/14	1,204	1,155,088
Education Management LLC, Term Loan C3, 8.25%, 3/29/18	324	285,226
Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18	1,069	1,042,565
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.74%, 7/24/14	115	114,149
Term Loan, 2.75% 2.97%, 7/24/14	1,154	1,146,283
Weight Watchers International, Inc., Term Loan F, 4.00%, 3/15/19	633	625,362
		4,368,673

Diversified Financial Services 1.9%

Residential Capital LLC:

DIP Term Loan A1, 5.00%, 11/18/13	615	616,538
DIP Term Loan A2, 6.75%, 11/18/13	90	91,050
Reynolds Group Holdings, Inc.:		
Term Loan B, 6.50%, 2/09/18	562	564,902

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Term Loan C, 6.50%, 8/09/18	1,205	1,220,163	
			2,492,653

Diversified Telecommunication Services 5.4%

Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17	1,105	1,118,812	
Integra Telecom Holdings, Inc., Term Loan B, 9.25%, 4/15/15	809	796,373	
Level 3 Financing, Inc.: 2016 Term Loan B, 4.75%, 2/01/16	780	781,560	
2019 Term Loan B, 5.25%, 8/01/19	635	635,927	
Term Loan B2, 5.75%, 9/03/18	1,675	1,679,422	
Term Loan B3, 5.75%, 8/31/18	750	751,980	
Telesat LLC, Term Loan B, 4.25%, 3/28/19	785	783,163	
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	742	708,450	7,255,687

Electronic Equipment, Instruments & Components

0.9%

CDW LLC, Extended Term Loan, 4.00%, 7/14/17	543	536,113	
Flextronics International Ltd. Delay Draw: Term Loan A-2, 2.48%, 10/01/14	20	20,202	
Term Loan A-3, 2.48%, 10/01/14	24	23,568	
Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18	642	642,323	1,222,206

Energy Equipment & Services 2.9%

Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16	482	499,999	
Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16	610	638,255	
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18	1,588	1,589,794	
Tervita Corp.: Incremental Term Loan, 6.50%, 10/17/14	368	367,844	
Term Loan B, (FKA CCS Corp.), 3.23%, 11/14/14	792	777,270	3,873,162

Food & Staples Retailing 1.7%

AB Acquisitions UK Topco 2, Term Loan B1, 3.52%, 7/09/15	GBP 750	1,123,901	
Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19	USD 510	511,275	

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 23

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (b)	Par (000) Value
Food & Staples Retailing (concluded)	
US Foods, Inc. (FKA U.S. Foodservice, Inc.), Extended Term Loan B, 5.75%, 3/31/17	USD 661 \$ 638,416 2,273,592
Food Products 3.0%	
Advance Pierre Foods: Term Loan (First Lien), 7.00%, 9/30/16	824 827,822
Term Loan (Second Lien), 11.25%, 9/29/17	550 553,300
Del Monte Foods Co., Term Loan, 4.50%, 3/08/18	1,130 1,114,339
Michael Foods Group, Inc., Term Loan, 4.25%, 2/23/18	162 161,885
Pinnacle Foods Finance LLC: Extended Term Loan B, 3.75%, 10/03/16	45 44,150
Term Loan E, 4.75%, 10/17/18	547 544,600
Solvest Ltd. (Dole): Term Loan B-2, 5.00% 6.00%, 7/06/18	265 265,347
Term Loan C-2, 5.00% 6.00%, 7/06/18	474 474,833 3,986,276
Health Care Equipment & Supplies 5.2%	
Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19	1,405 1,409,679
Biomet, Inc., Term Loan B, 3.23% 3.47%, 3/25/15	193 192,468
BSN Medical Acquisition Holding GmbH, Term Loan B, 6.00%, 7/27/19	405 406,013
DJO Finance LLC: Extended Term Loan B2, 5.23%, 11/01/16	199 198,765
Term Loan B3, 6.25%, 9/15/17	1,117 1,118,127
Hologic, Inc., Term Loan B, 4.50%, 8/01/19	1,850 1,861,230
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	379 380,471
Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	368 361,693
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	868 871,694
LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18	225 226,688 7,026,828
Health Care Providers & Services 4.7%	
Community Health Systems, Inc., Extended	

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Term Loan B, 3.92% 3.96%, 1/25/17	35	35,363
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	581	581,894
DaVita, Inc.:		
Term Loan B, 4.50%, 10/20/16	917	919,637
Term Loan B2, 4.00%, 9/02/19	660	656,806
Emergency Medical Services Corp., Term Loan, 5.25%, 5/25/18	695	694,246
Harden Healthcare LLC:		
Add on Term Loan A, 7.75%, 3/02/15	469	454,188
Term Loan A, 8.50%, 3/02/15	294	288,005
HCA, Inc.:		
Extended Term Loan B3, 3.48%, 5/01/18	354	347,982
Tranche B-2 Term Loan, 3.71%, 3/31/17	57	55,927
inVentiv Health, Inc.:		
Combined Term Loan, 6.50%, 8/04/16	277	257,959
Incremental Term Loan B-3, 6.75%, 5/15/18	540	503,444
Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17	574	548,597
Sheridan Holdings, Inc., First Lien Term Loan, 6.00%, 6/29/18	315	315,262
US Renal Care, Inc., First Lien Term Loan, 6.25% 7.25%, 7/02/19	545	549,088

**Par
(000) Value**

Floating Rate Loan Interests (b)

Health Care Providers & Services (concluded)

Vanguard Health Holding Co. II LLC (Vanguard Health Systems, Inc.), Term Loan B,
5.00%, 1/29/16

USD 65 \$ 64,796
6,273,194

Health Care Technology 1.4%

IMS Health, Inc., Term Loan B,
4.50%, 8/25/17

580 582,072

Kinetic Concepts, Inc., Term Loan B,
7.00%, 5/04/18

971 978,898

MedAssets, Inc., Term Loan, 5.25%, 11/16/16

341 342,200
1,903,170

Hotels, Restaurants & Leisure 7.0%

Alpha D2 Ltd., Term Loan B, 5.75%, 4/28/17

658 661,773

Ameristar Casinos, Inc., Term Loan B,
4.00%, 4/16/18

588 588,775

Boyd Gaming Corp., Incremental Term Loan,
6.00%, 12/17/15

414 417,707

Caesars Entertainment Operating Co., Inc.:

Extended Term Loan B6, 5.49%, 1/26/18

100 87,906

Incremental Term Loan B4,

9.50%, 10/31/16

634 646,057

Term Loan B1, 3.24%, 1/28/15

3 3,238

Term Loan B3, 3.24% 3.46%, 1/28/15

2,543 2,411,538

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DineEquity, Inc., Term Loan B, 4.25% 5.25%, 10/19/17	37	37,170
Dunkin Brands, Inc., Term Loan B2, 4.00%, 11/23/17	1,180	1,167,023
Golden Living, Term Loan, 5.00%, 5/04/18	152	144,894
OSI Restaurant Partners LLC: Revolver, 2.49% 4.50%, 6/14/13	4	4,454
Term Loan B, 2.56%, 6/14/14	45	44,893
Sabre, Inc., Non-Extended Initial Term Loan, 2.23%, 9/30/14	156	154,256
SeaWorld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/17/17	465	465,322
Six Flags Theme Parks, Inc., Term Loan B, 4.25%, 12/20/18	735	736,720
Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16	413	392,691
Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15	340	340,688
Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19	1,135	1,140,062 9,445,167
Household Products 0.5%		
Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19	621	625,386
Independent Power Producers & Energy Traders 1.0%		
The AES Corp., Term Loan, 4.25%, 6/01/18	988	989,969
Calpine Corp., Term Loan B, 4.50%, 4/02/18	225	225,310
GenOn Energy, Inc., Term Loan B, 6.00%, 12/01/17	135	135,965 1,351,244
Industrial Conglomerates 1.9%		
Sequa Corp.: Incremental Term Loan, 6.25%, 12/03/14	209	209,197
Term Loan, 3.69% 3.72%, 12/03/14	2,387	2,370,212 2,579,409
Insurance 0.8%		
Asurion LLC, Term Loan (First Lien), 5.50%, 5/24/18	318	318,384

See Notes to Financial Statements.

24 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

	Par (000) Value	
Floating Rate Loan Interests (b)		
Insurance (concluded)		
CNO Financial Group, Inc., Term Loan B, 6.25%, 9/30/16	USD 716	\$ 717,687 1,036,071
Internet Software & Services 0.4%		
Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17	557	554,189
IT Services 5.4%		
Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17	737	736,354
First Data Corp.: Extended 2018 Term Loan B, 4.24%, 3/23/18	3,059	2,888,604
Non-Extended Term Loan B-1, 2.99%, 9/24/14	139	137,101
Non-Extended Term Loan B-3, 2.99%, 9/24/14	46	44,978
Genpact International, Inc., Term Loan B, 4.25%, 8/16/19	805	805,000
InfoGroup, Inc., Term Loan, 5.75%, 5/25/18	345	305,143
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	330	330,500
Neustar, Inc., Term Loan B, 5.00%, 11/08/18	432	433,896
SunGard Data Systems, Inc. (Solar Capital Corp.), Term Loan B, 3.86% 4.06%, 2/26/16	150	149,788
TransUnion LLC, Term Loan B, 5.50%, 2/12/18	1,450	1,459,344 7,290,708
Leisure Equipment & Products 1.2%		
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	541	536,621
EB Sports Corp., Term Loan, 11.50%, 12/31/15	562	551,026
FGI Operating Company, LLC, Term Loan, 5.50% 6.50%, 4/19/19	510	511,596 1,599,243
Machinery 2.9%		
Intelligrated, Inc., First Lien Term Loan, 6.75%, 7/30/18	500	495,000
Navistar International Corp., Term Loan B, 7.00%, 8/17/17	461	462,794
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	348	349,618
Terex Corp.:		

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Term Loan, 6.00%, 4/28/17	EUR 65	80,738
Term Loan B, 5.50%, 4/28/17	USD 636	638,726
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	1,287	1,290,282
Wabash National Corp., Term Loan B, 6.00%, 5/02/19	579	582,166 3,899,324

Media 16.3%

Acosta, Inc., Term Loan B, 5.75%, 3/01/18	246	246,591
Affinion Group, Inc., Term Loan B, 5.00%, 7/16/15	268	227,587
AMC Entertainment, Inc., Term Loan B3, 4.25%, 2/22/18	348	348,598
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	792	791,509
Atlantic Broadband Finance LLC, 1st Lien Term Loan, 5.25%, 4/04/19	485	485,456
BBHI Acquisition LLC (FKA Bresnan Telecommunications Co. LLC), Term Loan B, 4.50%, 12/14/17	1,172	1,175,306
Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18	602	603,227
Catalina Marketing Corp., Extended Term Loan B, 5.73%, 9/29/17	567	559,456

Floating Rate Loan Interests (b)

**Par
(000) Value**

Media (concluded)

Cengage Learning Acquisitions, Inc.:		
Non-Extended Term Loan, 2.49%, 7/03/14	USD 74	\$ 68,305
Tranche 1 Incremental, 7.50%, 7/03/14	475	457,100
Charter Communications Operating LLC:		
Extended Term Loan C, 3.49%, 9/06/16	788	785,815
Term Loan D, 4.00%, 5/15/19	307	306,475
Clarke American Corp., Term Facility B, 2.73% 2.96%, 6/30/14	65	57,849
Clear Channel Communications, Inc.:		
Term Loan B, 3.88%, 1/28/16	1,060	821,193
Term Loan C, 3.88%, 1/28/16	167	127,277
Cumulus Media, Inc., First Lien Term Loan, 5.75%, 9/17/18	547	548,008
EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18	475	478,206
Gray Television, Inc., Term Loan B, 3.75%, 12/31/14	677	672,944
Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18	459	464,012
Hubbard Broadcasting, Term Loan B, 5.25%, 4/28/17	438	438,970
Intelsat Jackson Holdings SA (FKA Intelsat		

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Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	2,698	2,706,938
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	1,411	1,412,810
Kabel Deutschland GmbH, Term Loan F, 4.25%, 2/01/19	810	808,534
Lavena Holding 4 GmbH (Prosiebensat.1 Media AG), Term Loan B, 2.95%, 3/06/15	EUR 304	349,790
LIN Television Corp., Term Loan B, 5.00%, 12/21/18	USD 343	345,208
Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	2,000	2,010,840
Nielsen Finance LLC, Class B Term Loan, 3.99%, 5/02/16	671	673,338
Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/28/16	590	589,907
Univision Communications, Inc., Extended Term Loan, 4.48%, 3/31/17	912	881,739
UPC Broadband Holding BV, Term Loan U, 4.15%, 12/29/17	EUR 209	261,735
UPC Financing Partnership: Term Loan, 4.75%, 12/29/17	USD 415	416,212
Term Loan T, 3.75%, 12/30/16	88	87,512
WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18	185	184,085
Weather Channel, Term Loan B, 4.25%, 2/13/17	890	892,566
WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18	545	544,662 21,829,760
Metals & Mining 2.6%		
Constellium Holdco BV, Term Loan B, 9.25%, 5/25/18	545	534,100
Novelis, Inc., Term Loan, 4.00%, 3/10/17	1,218	1,210,759
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18	446	443,273
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18	1,334	1,311,097 3,499,229
Multiline Retail 2.2%		
99¢ Only Stores, Term Loan, 5.25%, 1/11/19	547	550,324
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	270	270,766

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 25

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

	Par (000) Value
Floating Rate Loan Interests (b)	
Multiline Retail (concluded)	
Hema Holding BV, Second Lien Term Loan, 5.14%, 1/05/17	EUR 1,400 \$1,650,862
The Neiman Marcus Group, Inc., Term Loan, 4.75%, 5/16/18	USD 455 455,000 2,926,952
Oil, Gas & Consumable Fuels 2.3%	
Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	975 977,096
Everest Acquisition LLC, Term Loan B1, 6.50%, 4/24/18	695 696,738
Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18	787 789,603
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	581 580,608 3,044,045
Paper & Forest Products 0.3%	
Ainsworth Lumber Co. Ltd., Term Loan, 5.25%, 6/26/14	185 178,988
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	200 201,876 380,864
Pharmaceuticals 4.1%	
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	1,169 1,164,865
Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	1,473 1,489,526
Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18	683 684,384
RPI Finance Trust:	
Incremental Tranche 2, 4.00%, 11/09/18	95 94,862
Term Loan Tranche 2, 4.00%, 5/09/18	494 494,517
Valeant Pharmaceuticals International, Inc.:	
Add-On Term Loan B, 4.75%, 2/13/19	623 624,358
Series A Tranche B, 4.75%, 2/13/19	460 461,067
Warner Chilcott Corp.:	
Incremental Term Loan B-1, 4.25%, 3/15/18	102 101,681
Term Loan B-1, 4.25%, 3/15/18	269 267,760
Term Loan B-2, 4.25%, 3/15/18	135 133,880 5,516,900
Professional Services 1.8%	

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Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19	680	680,850
Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18	861	861,678
ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19	282	280,554
Truven Health Analytics, Term Loan B, 6.75%, 6/06/19	635	639,496 2,462,578

Real Estate Investment Trusts (REITs) 0.8%

iStar Financial, Inc.:

Term Loan A1, 5.00%, 6/28/13	1,043	1,043,334
Term Loan A2, 7.00%, 6/30/14	40	40,038 1,083,372

Real Estate Management & Development 1.4%

Realogy Corp.:

Extended Letter of Credit Loan, 4.50%, 10/10/16	77	74,749
Extended Synthetic Letter of Credit, 3.25%, 10/10/13	27	24,734
Extended Term Loan, 4.49%, 10/10/16	1,823	1,760,245

Floating Rate Loan Interests (b) Par (000) Value

Real Estate Management & Development (concluded)

Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	USD 90	\$ 89,550 1,949,278
---	--------	------------------------

Road & Rail 0.7%

Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18	290	291,875
RailAmerica, Inc., Term Loan B, 4.00%, 3/01/19	464	463,550
Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18	249	248,128 1,003,553

Semiconductors & Semiconductor Equipment 0.8%

Freescale Semiconductor, Inc., Extended Term Loan B, 4.50%, 12/01/16	810	777,469
NXP BV, Term Loan A-2, 5.50%, 3/03/17	357	360,838 1,138,307

Software 3.7%

Blackboard, Inc., Term Loan B, 7.50%, 10/04/18	244	239,662
Infor US, Inc. (FKA Lawson Software, Inc.), Term Loan B, 6.25%, 4/05/18	1,875	1,894,578
Sophia, LP, Term Loan B, 6.25%, 7/19/18	683	688,925
SS&C Technologies, Inc.:		
Term Loan B-1, 5.00%, 6/07/19	944	944,888

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Term Loan B-2, 5.00%, 6/07/19	98	97,747
Vertafore, Inc., Term Loan B, 5.25%, 7/29/16	330	329,647
WaveDivision Holdings LLC, Term Loan B, 5.50%, 8/23/19	740	742,760 4,938,207
Specialty Retail 6.4%		
Academy Ltd., Term Loan, 6.00%, 8/03/18	896	898,634
Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17	594	598,667
Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17	151	151,222
Claire s Stores, Inc., Term Loan B, 2.98% 3.20%, 5/29/14	848	832,446
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	920	918,703
The Gymboree Corp., Term Loan, 5.00%, 2/23/18	132	127,346
Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17	485	484,316
Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18	275	275,060
Michaels Stores, Inc.:		
Extended Term Loan B3, 5.00%, 7/29/16	223	223,620
Term Loan B2, 5.00%, 7/29/16	671	673,944
Party City Holdings, Inc., Term Loan B, 5.75%, 7/26/19	895	899,099
PETCO Animal Supplies, Inc., Term Loan, 4.50%, 11/24/17	1,032	1,032,650
Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18	330	323,400
Toys R Us Delaware, Inc.:		
Incremental Term Loan B2, 5.25%, 5/25/18	198	189,231
Term Loan, 6.00%, 9/01/16	267	261,680
Term Loan B3, 5.25%, 5/25/18	100	95,760
The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19	673	675,925 8,661,703

See Notes to Financial Statements.

26 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Diversified Income Strategies Fund, Inc. (DVF)**
(Percentages shown are based on Net Assets)

	Par (000)	Value
Floating Rate Loan Interests (b)		
Textiles, Apparel & Luxury Goods 1.2%		
Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	USD 973	\$ 963,644
Wolverine Worldwide, Inc., Term Loan B, 6/26/19	610	613,800 1,577,444
Wireless Telecommunication Services 1.8%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	292	291,440
MetroPCS Wireless, Inc.: Term Loan B-3, 4.00%, 3/16/18	147	146,733
Tranche B-2 Term Loan, 4.07%, 11/03/16	498	497,678
Vodafone Americas Finance 2, Inc. (h): Term Loan, 6.88%, 8/11/15	1,211	1,259,443
Term Loan B, 6.25%, 7/11/16	206	210,375 2,405,669
Total Floating Rate Loan Interests 127.3%		171,050,270

	Beneficial Interest (000)	
Other Interests (i)		
Auto Components 0.0%		
Intermet Liquidating Trust (d)	256	
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate	3,000	30
Diversified Financial Services 0.6%		
J.G. Wentworth LLC Preferred Equity Interests (d)	(j)	728,708
Hotels, Restaurants & Leisure 0.0%		
Buffets, Inc. (d)	360	4
Household Durables 1.2%		
Stanley Martin, Class B Membership Units (d)	1	1,633,649
Total Other Interests 1.8%		2,362,391

Preferred Securities

	Shares	
Preferred Stocks 0.1%		
Diversified Financial Services 0.1%		
Ally Financial, Inc., 7.00% (a)	270	245,860

Trust Preferreds 0.1%**Diversified Financial Services 0.1%**

GMAC Capital Trust I, Series 2,

8.13%, 2/15/40 (b)

3,160 78,092

Total Preferred Securities 0.2%

323,952

Warrants (k)**Shares Value****Software 0.0%**

Bankruptcy Management Solutions, Inc.,

Expires 9/28/17

357

HMH Holdings/EduMedia (Issued/Exercisable

3/09/10, 19 Shares for 1 Warrant, Expires

6/22/19, Strike Price \$42.27)

591

Total Warrants 0.0%**Total Long-Term Investments****(Cost \$202,231,745) 146.8%**

\$197,226,759

Short-Term Securities

BlackRock Liquidity Funds, TempFund,

Institutional Class, 0.15% (l)(m)

1,177,221 1,177,221

Total Short-Term Securities**(Cost \$1,177,221) 0.9%**

1,177,221

Options Purchased**Contracts****Over-the-Counter Call Options 0.0%**

Marsico Parent Superholdco LLC, Strike Price

USD 942.86, Expires 12/14/19, Broker

Goldman Sachs Group, Inc.

13

Total Options Purchased**(Cost \$12,711) 0.0%****Total Investments (Cost \$203,421,677) 147.7%**

198,403,980

Liabilities in Excess of Other Assets (47.7)%

(64,072,066)

Net Assets 100.0%

\$134,331,914

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

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

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

Counterparty	Value	Unrealized Appreciation
Credit Suisse Group AG	\$323,050	

(d) Non-income producing security.

(e) Convertible security.

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

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

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

(i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(j) Amount is less than \$500.

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, if any.

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 27

Consolidated Schedule of Investments (continued) BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(1) Investments in issuers considered to be an affiliate of the Fund during the year ended August 31, 2012, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2011	Net Activity	Shares Held at August 31, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class		1,177,221	1,177,221	\$588

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

Foreign currency exchange contracts as of August 31, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Depreciation
USD 62,671	GBP 40,000	Citigroup, Inc.	10/17/12	\$ (834)
USD 975,680	GBP 628,500	UBS AG	10/17/12	(22,138)
USD 2,900,716	EUR 2,366,000	Citigroup, Inc.	10/22/12	(76,773)
Total				\$ (99,745)

Credit default swaps on traded indexes buy protection outstanding as of August 31, 2012 were as follows:

Index	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Index Series 18, Version 2	5.00%	JPMorgan Chase & Co.	6/20/17	USD 1,733	\$(70,339)

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.

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instrument. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

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

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,

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prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs) Level3 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 instrument)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instrument is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the 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.

The following tables summarize the Fund's investments and derivative financial instrument categorized in the disclosure hierarchy as of August 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed Securities	—	—	\$3,044,762	\$3,044,762
Common Stocks	\$1,051,119	\$492,915	1,128,317	2,672,351
Corporate Bonds	—	17,598,313	174,720	17,773,033
Floating Rate Loan Interests	—	159,237,029	11,813,241	171,050,270
Other Interests	—	—	2,362,391	2,362,391
Preferred Securities	78,092	245,860	—	323,952
Short-Term Securities	1,177,221	—	—	1,177,221
Total	\$2,306,432	\$177,574,117	\$18,523,431	\$198,403,980

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Liabilities:				
Foreign currency exchange contracts	—	\$(99,745)	—	\$(99,745)
Credit contracts	—	(70,339)	—	(70,339)
Total	—	\$(170,084)	—	\$(170,084)

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.

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Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012 such assets and liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$23,952	—	—	\$23,952
Foreign currency at value	29,476	—	—	29,476
Liabilities:				
Loan payable	—	\$(60,000,000)	—	(60,000,000)
Total	\$53,428	\$(60,000,000)	—	\$(59,946,572)

There were no transfers between Level 1 and Level 2 during the year ended August 31, 2012.

See Notes to Financial Statements.

28 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (concluded) BlackRock Diversified Income Strategies Fund, Inc. (DVF)

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of August 31, 2012:

	Value	Valuation Techniques	Unobservable Inputs ¹	Range of Unobservable Inputs	Weighted Average of Unobservable Inputs ²
Assets:					
Common					
Stocks	\$1,128,312	Market Comparable Companies	EBITDA Multiple	5.9x	5.9x
			Forward EBITDA Multiple	4.6x	4.6x
Floating					
Rate Loan					
Interests	1,542,193	Market Comparable Companies	Yield	9.65%	9.65%
		Cost	N/A ³		
Other					
Interests.	1,633,649	Market Comparable Companies	Tangible Book Value Multiple	1.44x	1.44x
Total⁴	\$4,304,154				

¹A change to the unobservable input may result in a significant change to the value of the investment as follows:

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
EBITDA Multiple	Increase	Decrease
Forward EBITDA Multiple	Increase	Decrease
Tangible Book Value Multiple	Increase	Decrease
Yield	Decrease	Increase

²Unobservable inputs are weighted based on the value of the investments included in the range.

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

³Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

	Asset-Backed Common		Corporate	Floating Rate Loan	Other		
	Securities	Stocks	Bonds	Interests	Interests	Warrants	
Assets:							
Opening balance, as of August 31, 2011	\$2,753,115	\$1,701,248	\$1,621,040	\$12,355,482	\$2,550,707	\$7	
Transfers into Level 3 ⁵	—	3	—	812,985	—	—	
Transfers out of Level 3 ⁶	—	—	—	(6,717,669)	—	—	
Accrued discounts/premiums	38,599	—	2,251	25,434	—	—	
Net realized gain (loss)	(48,393)	(523,489)	(2,483,821)	20,906	553,993	(107,610)	
Net change in unrealized appreciation/depreciation ⁷	97,411	(178,802)	2,536,709	223,641	339,443	107,603	
Purchases	2,575,485	136,539	—	5,994,593	—	—	
Sales	(2,371,455)	(7,182)	(1,501,459)	(902,131)	(1,081,752)	—	
Closing Balance, as of August 31, 2012	\$3,044,762	\$1,128,317	\$174,720	\$11,813,241	\$2,362,391	—	

As of August 31, 2011, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used significant unobservable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$812,988 transferred from Level 2 to Level 3 in the disclosure hierarchy.

As of August 31, 2011, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used observable inputs in determining the value on the same investments. As a result, investments with a beginning of year value of \$6,717,669 transferred from Level 3 to Level 2 in the disclosure hierarchy.

⁷Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held as of August 31, 2012 was \$647,964. See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 29

Consolidated Schedule of Investments August 31, 2012 **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	USD 470	\$ 417,642
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.81%, 10/27/20 (b)	575	484,438
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.66%, 4/17/22 (a)(b)	775	704,552
Goldman Sachs Asset Management CLO Plc, Series 2007-1A, Class B, 0.89%, 8/01/22 (a)(b)	1,255	1,060,475
Highbridge Loan Management Ltd., Series 2012-1A, Class C, 5.71%, 9/20/22 (a)(b)(c)	750	692,250
ING Investment Management, Series 2012-2A, Class D, 4.99%, 10/15/22 (a)(b)	775	690,998
LCM LP, Series 11A, Class D2, 4.41%, 4/19/22 (a)(b)	800	700,000
MAPS CLO Fund LLC, Series 2005-1A, Class C, 1.42%, 12/21/17 (a)(b)	575	545,502
Race Point CLO, Series 2012-6A, Class D, 4.93%, 5/24/23 (a)(b)	550	497,035
Symphony CLO Ltd. (a)(b): Series 2012-10A, Class D, 5.69%, 7/23/23	750	693,750
Series 2012-9A, Class D, 4.71%, 4/16/22	625	557,000
Total Asset-Backed Securities 2.5%		7,043,642

	Shares	
Common Stocks (d)		
Auto Components 0.3%		
Delphi Automotive Plc	31,554	955,774
Chemicals 0.0%		
GEO Specialty Chemicals, Inc. (a)	13,117	6,034
Electrical Equipment 0.0%		
Medis Technologies Ltd.	71,654	215
Paper & Forest Products 0.3%		
Ainsworth Lumber Co. Ltd.	133,089	291,628
Ainsworth Lumber Co. Ltd. (a)	152,951	335,150
Western Forest Products, Inc.	84,448	91,665
		718,443
Software 0.3%		
HMH Holdings/EduMedia	32,192	788,716
Total Common Stocks 0.9%		2,469,182

	Par (000)	
Corporate Bonds		
Airlines 0.1%		
American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 4/15/23	USD 268	283,923
Delta Air Lines, Inc., Series 2009-1-B, 9.75%, 6/17/18	107	115,220 399,143
Auto Components 0.8%		
Icahn Enterprises LP: 7.75%, 1/15/16	1,535	1,611,750
8.00%, 1/15/18	680	724,200 2,335,950
Chemicals 0.9%		
GEO Specialty Chemicals, Inc.: 7.50%, 3/31/15	857	1,028,384
10.00%, 3/31/15	987	987,390
	Par (000)	Value
Corporate Bonds		
Chemicals (concluded)		
Hexion US Finance Corp., 6.63%, 4/15/20	USD 280	\$ 282,800
INEOS Finance Plc, 8.38%, 2/15/19 (a)	230	242,075 2,540,649
Commercial Services & Supplies 0.3%		
ARAMARK Corp., 3.94%, 2/01/15 (b)	135	134,662
AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)	663	698,984
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	26	26,260 859,906
Communications Equipment 0.5%		
Zayo Group LLC/Zayo Capital, Inc.: 8.13%, 1/01/20	820	871,250
10.13%, 7/01/20	540	579,150 1,450,400
Consumer Finance 0.3%		
Inmarsat Finance Plc, 7.38%, 12/01/17 (a)	775	842,813
Containers & Packaging 0.1%		
OI European Group BV, 6.88%, 3/31/17	EUR 143	185,711
Diversified Financial Services 0.8%		
Ally Financial, Inc., 2.67%, 12/01/14 (b)	USD 1,120	1,100,803
Reynolds Group Issuer, Inc.: 7.75%, 10/15/16	EUR 472	612,976
6.88%, 2/15/21	USD 530	573,725 2,287,504
Diversified Telecommunication Services 0.2%		
ITC Deltacom, Inc., 10.50%, 4/01/16	430	463,325

Energy Equipment & Services 0.1%

FTS International Services LLC / FTS

International Bonds Inc.,

8.13%, 11/15/18 (a)

340 351,050

Health Care Equipment & Supplies 0.2%

DJO Finance LLC:

10.88%, 11/15/14

263 274,506

7.75%, 4/15/18

210 192,150

466,656

Health Care Providers & Services 0.8%

CHS/Community Health Systems, Inc.,

5.13%, 8/15/18

778 802,312

HCA, Inc., 6.50%, 2/15/20

865 950,419

Tenet Healthcare Corp., 8.88%, 7/01/19

380 432,250

2,184,981

Health Care Technology 0.8%

IMS Health, Inc., 12.50%, 3/01/18 (a)

1,860 2,185,500

Hotels, Restaurants & Leisure 0.1%

Little Traverse Bay Bands of Odawa Indians,

9.00%, 8/31/20 (a)

373 339,430

Household Durables 0.2%

Beazer Homes USA, Inc., 6.63%, 4/15/18 (a)

395 403,888

Independent Power Producers & Energy Traders 1.9%

Calpine Corp., 7.25%, 10/15/17 (a)

1,180 1,262,600

Energy Future Holdings Corp.,

10.00%, 1/15/20

725 799,313

Energy Future Intermediate Holding Co. LLC,

10.00%, 12/01/20

2,875 3,227,187

5,289,100

Industrial Conglomerates 0.6%

Sequa Corp., 13.50%, 12/01/15 (a)

1,557 1,650,776

See Notes to Financial Statements.

30 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Corporate Bonds		
IT Services 0.2%		
First Data Corp., 6.75%, 11/01/20 (a)	USD 535	\$ 530,988
Machinery 0.1%		
UR Financing Escrow Corp., 5.75%, 7/15/18 (a)	175	185,063
Media 2.1%		
AMC Networks, Inc., 7.75%, 7/15/21	225	254,813
Checkout Holding Corp., 16.03%, 11/15/15 (a)(e)	665	405,650
Clear Channel Worldwide Holdings, Inc.: Series A, 9.25%, 12/15/17	401	434,082
Series B, 9.25%, 12/15/17	1,834	1,992,182
NAI Entertainment Holdings LLC, 8.25%, 12/15/17 (a)	553	616,595
Unitymedia Hessen GmbH & Co. KG, 8.13%, 12/01/17 (a)	2,000	2,165,000 5,868,322
Oil, Gas & Consumable Fuels 0.2%		
Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	275	292,875
EP Energy LLC/EP Energy Finance, Inc., 6.88%, 5/01/19 (a)	315	337,838 630,713
Paper & Forest Products 0.3%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(f)	576	523,849
Longview Fibre Paper & Packaging, Inc., 8.00%, 6/01/16 (a)	340	351,900 875,749
Pharmaceuticals 0.2%		
Valeant Pharmaceuticals International, 6.50%, 7/15/16 (a)	395	416,725
Real Estate Management & Development 0.2%		
Realogy Corp., 7.63%, 1/15/20 (a)	365	397,850
Wireless Telecommunication Services 2.2%		
Cricket Communications, Inc., 7.75%, 5/15/16	1,700	1,793,500
Digicel Group Ltd. (a): 9.13%, 1/15/15	278	280,780
8.25%, 9/01/17	315	333,900
iPCS, Inc., 2.57%, 5/01/13 (b)	1,500	1,488,750
Sprint Nextel Corp. (a): 9.00%, 11/15/18	750	885,000
7.00%, 3/01/20	1,195	1,308,525

	6,090,455
Total Corporate Bonds 14.2%	39,232,647

Floating Rate Loan Interests (b)**Aerospace & Defense 1.6%**

DynCorp International, Term Loan B, 6.25% , 7/07/16	703	701,684
SI Organization, Inc., Term Loan B, 4.50%, 11/22/16	832	809,051
Spirit Aerosystems, Inc., Term Loan B, 3.75%, 4/18/19	793	794,337
TransDigm, Inc.: Add on Term Loan B2, 4.00%, 2/14/17	443	445,175
Term Loan B, 4.00%, 2/14/17	1,134	1,137,799
Wesco Aircraft Hardware Corp., Term Loan B, 4.25%, 4/07/17	650	649,435
		4,537,481

Floating Rate Loan Interests (b)	Par	(000) Value
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Airlines 0.8%

Delta Air Lines, Inc., Credit, Term Loan B, 5.50%, 4/20/17	USD 2,075	\$2,090,155
US Airways Group, Inc., Term Loan, 2.74%, 3/21/14	125	120,781
		2,210,936

Auto Components 2.8%

Autoparts Holdings Ltd., First Lien Term Loan, 6.50%, 7/28/17	1,439	1,410,343
Federal-Mogul Corp.: Term Loan B, 2.17% 2.18%, 12/29/14	1,886	1,799,422
Term Loan C, 2.17% 2.18%, 12/28/15	639	610,150
The Goodyear Tire & Rubber Co., Term Loan (Second Lien), 4.75%, 4/30/19	2,490	2,480,662
GPX International Tire Corp. (d)(g): Term Loan, 8.37%, 3/30/12	549	
Term Loan, 12.00%, 3/30/12	9	
Schaeffler AG, Term Loan C2, 6.00%, 1/27/17	785	787,292
UCI International, Inc., Term Loan B, 5.50%, 7/26/17	739	740,597
		7,828,466

Biotechnology 0.5%

Grifols, Inc., Term Loan B, 4.50%, 6/01/17	1,345	1,348,078
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Building Products 3.2%

Armstrong World Industries, Inc., Term Loan B, 4.00%, 3/09/18	1,844	1,838,254
CPG International, Inc., Term Loan B, 6.00%, 2/18/17	1,773	1,744,189
Goodman Global, Inc., Initial Term Loan (First Lien), 5.75%, 10/28/16	4,421	4,425,349

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Momentive Performance Materials, Inc.
(Nautilus), Extended Term Loan,
3.62%, 5/05/15

EUR 641 738,546
8,746,338

Capital Markets 2.0%

American Capital Holdings, Term Loan,
5.50%, 7/19/16

USD 1,114 1,118,177

HarbourVest Partners LLC, Term Loan B,
6.25%, 12/16/16

1,508 1,506,163

Nuveen Investments, Inc.:

Extended (First Lien), Term Loan,
5.95% 5.96%, 5/13/17

897 897,639

Extended Term Loan, 5.92% 5.96%,
5/12/17

1,753 1,757,852

Incremental Term Loan, 7.25%, 5/13/17

345 346,553
5,626,384

Chemicals 6.1%

American Rock Salt Holdings LLC, Term Loan,
5.50%, 4/25/17

1,210 1,174,607

Ashland, Inc., Term Loan B, 3.75%, 8/23/18

605 606,543

Chemtura Corp., Exit Term Loan B,
5.50%, 8/27/16

1,400 1,404,088

Evergreen Acqco 1 LP, Term
Loan B, 6.25%, 7/09/19

765 772,176

Gentek, Inc., Term Loan, 5.00% 5.75%,
10/06/15

838 833,913

INEOS US Finance LLC:

3 Year Term Loan, 5.50%, 5/04/15

195 195,971

6 Year Term Loan, 6.50%, 5/04/18

4,100 4,106,474

MacDermid, Inc., Tranche C Term Loan,
2.32%, 4/11/14

EUR 479 596,069

Nexeo Solutions LLC, Term Loan B,
5.00%, 9/08/17

USD 1,185 1,153,159

PolyOne Corp., Term Loan, 5.00%, 12/20/17

403 404,184

PQ Corp. (FKA Niagara Acquisition, Inc.),
Term Loan B, 3.98%, 7/30/14

2,375 2,332,057

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 31

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Floating Rate Loan Interests (b)		
Chemicals (concluded)		
Styron Sarl LLC, Term Loan B, 8.00%, 8/02/17	USD 545	\$ 507,585
Tronox, Inc.:		
Delayed Draw Term Loan, 4.25%, 2/08/18	342	340,962
Term Loan B, 4.25%, 2/08/18	1,253	1,250,194
Univar, Inc., Term Loan B, 5.00%, 6/30/17	1,301	1,292,569
		16,970,551
Commercial Services & Supplies 5.5%		
ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19	1,861	1,859,106
Altegrity, Inc. (FKA US Investigations Services, Inc.), Tranche D Term Loan, 7.75%, 2/20/15	1,468	1,460,380
ARAMARK Corp.:		
Extended Term Loan B, 3.48%, 7/26/16	358	356,422
Extended Term Loan C, 3.48% 3.71%, 7/26/16	203	202,119
Letter of Credit, 3.50%, 7/26/16	24	23,440
Letter of Credit Facility, 3.50%, 7/26/16	16	16,281
AWAS Finance Luxembourg 2012 SA, Term Loan, 5.75%, 7/16/18	660	660,000
AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16	811	811,023
Delos Aircraft, Inc., Term Loan B2, 4.75%, 4/12/16	1,875	1,893,750
KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17	2,571	2,570,458
Protection One, Inc., Term Loan, 5.75%, 3/21/19	1,217	1,229,120
Synagro Technologies, Inc., Term Loan B, 2.24%, 4/02/14	1,504	1,333,747
Volume Services America, Inc., Term Loan B, 10.50% 10.75%, 9/16/16	983	982,500
West Corp., Term Loan B6, 5.75%, 6/02/18	1,950	1,956,103
		15,354,449
Communications Equipment 3.5%		
Avaya, Inc.:		
Extended Term Loan B3, 4.93%, 10/26/17	281	251,065
Term Loan B1, 3.18%, 10/24/14	1,744	1,674,531
CommScope, Inc., Term Loan, 4.25%, 1/12/18	1,579	1,578,006
Telesat Canada, Term Loan A, 4.41%, 3/24/17	CAD 1,630	1,579,153

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Zayo Group, LLC, Term Loan B, 7.13%, 7/02/19	USD 4,525	4,591,472 9,674,227
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Construction & Engineering 0.9%

BakerCorp. International, Inc., Term Loan B, 4.75%, 6/01/18	856	852,711
Safway Services LLC, First Out Term Loan, 9.00%, 12/16/17	1,700	1,700,000 2,552,711

Construction Materials 2.0%

HD Supply, Inc., Senior Debt B, 7.25%, 10/12/17	5,460	5,578,318
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Consumer Finance 0.8%

Springleaf Financial Funding Co. (FKA AGFS Funding Co.), Term Loan, 5.50%, 5/10/17	2,300	2,221,225
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Containers & Packaging 0.5%

Sealed Air Corp., Term Loan B, 4.75%, 10/03/18	1,323	1,330,372
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Diversified Consumer Services 3.3%

Coinmach Service Corp., Term Loan B, 3.33%, 11/20/14	2,452	2,352,779
Education Management LLC, Term Loan C3, 8.25%, 3/29/18	668	588,004

**Par
(000) Value**

Floating Rate Loan Interests (b)

Diversified Consumer Services (concluded)

Laureate Education, Inc., Extended Term Loan, 5.25%, 6/18/18	USD 2,217	\$2,162,021
ServiceMaster Co.:		
Delayed Draw Term Loan, 2.74%, 7/24/14	238	236,146
Term Loan, 2.75% 2.97%, 7/24/14	2,387	2,371,381
Weight Watchers International, Inc., Term Loan F, 4.00%, 3/15/19	1,306	1,290,108 9,000,439

Diversified Financial Services 1.8%

Residential Capital LLC:		
DIP Term Loan A1, 5.00%, 11/18/13	1,265	1,268,163
DIP Term Loan A2, 6.75%, 11/18/13	185	187,159
Reynolds Group Holdings, Inc.:		
Term Loan B, 6.50%, 2/09/18	1,397	1,404,887
Term Loan C, 6.50%, 8/09/18	2,227	2,254,760 5,114,969

Diversified Telecommunication Services 4.4%

Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17	1,095	1,108,688
Integra Telecom Holdings, Inc., Term Loan B, 9.25%, 4/15/15	1,593	1,568,612
Level 3 Financing, Inc.:		
2016 Term Loan B, 4.75%, 2/01/16	1,675	1,678,350

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2019 Term Loan B, 5.25%, 8/01/19	1,370	1,372,000
Term Loan B2, 5.75%, 9/03/18	3,425	3,434,042
Term Loan B3, 5.75%, 8/31/18	1,475	1,478,894
US Telepacific Corp., Term Loan B, 5.75%, 2/23/17	1,483	1,416,900
		12,057,486

Electronic Equipment, Instruments & Components

0.9%

CDW LLC (FKA CDW Corp.), Extended Term Loan, 4.00%, 7/14/17	1,124	1,109,923
Flextronics International Ltd. Delay Draw: Term Loan A-2, 2.48%, 10/01/14	38	38,159
Term Loan A-3, 2.48%, 10/01/14	45	44,518
Sensata Technologies Finance Co. LLC, Term Loan, 4.00%, 5/11/18	1,337	1,338,914
		2,531,514

Energy Equipment & Services 2.9%

Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16	932	966,710
Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16	1,252	1,310,102
MEG Energy Corp., Term Loan B, 4.00%, 3/16/18	3,325	3,328,632
Tervita Corp.: Incremental Term Loan, 6.50%, 10/17/14	761	760,544
Term Loan B, 3.23%, 11/14/14	1,601	1,570,466
		7,936,454

Food & Staples Retailing 1.8%

AB Acquisitions UK Topco 2, Term Loan B1, 3.52%, 7/09/15	GBP 1,825	2,734,825
Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19	USD 1,055	1,057,638
US Foods, Inc. (FKA U.S. Foodservice, Inc.), Extended Term Loan B, 5.75%, 3/31/17	1,351	1,305,365
		5,097,828

Food Products 3.0%

Advance Pierre Foods: Term Loan (First Lien), 7.00%, 9/30/16	1,741	1,749,188
Term Loan (Second Lien), 11.25%, 9/29/17	1,205	1,212,230

See Notes to Financial Statements.

32 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Floating Rate Loan Interests (b)		
Food Products (concluded)		
Del Monte Foods Co., Term Loan, 4.50%, 3/08/18	USD 2,326	\$2,294,529
Michael Foods Group, Inc., Term Loan, 4.25%, 2/23/18	391	391,139
Pinnacle Foods Finance LLC:		
Extended Term Loan B, 3.75%, 10/03/16	89	88,299
Term Loan E, 4.75%, 10/17/18	1,139	1,134,251
Solvest Ltd. (Dole):		
Term Loan B-2, 5.00% 6.00%, 7/06/18	553	553,358
Term Loan C-2, 5.00% 6.00%, 7/06/18	989	990,222
		8,413,216
Health Care Equipment & Supplies 5.3%		
Bausch & Lomb, Inc., Term Loan B, 5.25%, 5/17/19	2,890	2,899,624
Biomet, Inc., Term Loan B, 3.23% 3.47%, 3/25/15	678	676,107
BSN Medical Acquisition Holding GmbH, Term Loan B, 6.00%, 7/27/19	835	837,088
DJO Finance LLC:		
Extended Term Loan B2, 5.23%, 11/01/16	437	436,682
Term Loan B3, 6.25%, 9/15/17	2,279	2,281,179
Hologic, Inc., Term Loan B, 4.50%, 8/01/19	3,820	3,843,187
Hupah Finance, Inc., Term Loan B, 6.25%, 1/21/19	773	775,961
Iasis Healthcare LLC, Term Loan, 5.00%, 5/03/18	759	747,353
Immucor, Inc., Term Loan B, 7.25%, 8/17/18	1,791	1,798,180
LHP Hospital Group, Inc., Term Loan, 9.00%, 7/03/18	465	468,488
		14,763,849
Health Care Providers & Services 4.9%		
Community Health Systems, Inc., Extended Term Loan B, 3.92% 3.96%, 1/25/17	91	90,648
ConvaTec, Inc., Term Loan, 5.75%, 12/22/16	1,258	1,260,770
DaVita, Inc.:		
Term Loan B, 4.50%, 10/20/16	1,943	1,947,994
Term Loan B2, 4.00%, 9/02/19	1,365	1,358,393
Emergency Medical Services Corp., Term Loan, 5.25%, 5/25/18	1,437	1,435,453
Harden Healthcare LLC:		
Add on Term Loan A, 7.75%, 3/02/15	959	929,833

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Term Loan A, 8.50%, 3/02/15	588	576,011
HCA, Inc.:		
Extended Term Loan B3, 3.48%, 5/01/18	515	506,873
Tranche B-2 Term Loan, 3.71%, 3/31/17	787	776,137
inVentiv Health, Inc.:		
Combined Term Loan, 6.50%, 8/04/16	707	657,438
Incremental Term Loan B-3, 6.75%, 5/15/18	1,001	933,382
Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17	1,197	1,142,911
Sheridan Holdings, Inc., First Lien Term Loan, 6.00%, 6/29/18	660	660,548
US Renal Care, Inc., First Lien Term Loan, 6.25% 7.25%, 7/02/19	1,120	1,128,400
Vanguard Health Holding Co. II LLC (Vanguard Health Systems, Inc.), Term Loan B, 5.00%, 1/29/16	134	134,577 13,539,368
Health Care Technology 1.4%		
IMS Health, Inc., Term Loan B, 4.50%, 8/25/17	1,195	1,197,842
Kinetic Concepts, Inc., Term Loan B, 7.00%, 5/04/18	1,981	1,997,916

	Par (000) Value	
Floating Rate Loan Interests (b)		
Health Care Technology (concluded)		
MedAssets, Inc., Term Loan, 5.25%, 11/16/16	USD 670	\$ 672,028 3,867,786
Hotels, Restaurants & Leisure 7.1%		
Alpha D2 Ltd., Term Loan B, 5.75%, 4/28/17	1,357	1,363,654
Ameristar Casinos, Inc., Term Loan B, 4.00%, 4/16/18	1,225	1,226,645
Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15	839	845,242
Caesars Entertainment Operating Co., Inc.:		
Extended Term Loan B6, 5.49%, 1/26/18	205	180,207
Incremental Term Loan B4, 9.50%, 10/31/16	1,100	1,121,459
Term Loan B1, 3.24%, 1/28/15	197	187,187
Term Loan B3, 3.24% 3.46%, 1/28/15	5,318	5,042,960
DineEquity, Inc., Term Loan B, 4.25% 5.25%, 10/19/17	79	78,985
Dunkin' Brands, Inc., Term Loan B2, 4.00%, 11/23/17	2,457	2,430,444
Golden Living, Term Loan, 5.00%, 5/04/18	323	308,536
OSI Restaurant Partners LLC:		
Revolver, 2.49% 2.56%, 6/14/13	9	9,354
Term Loan B, 2.56%, 6/14/14	95	94,275

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Sabre, Inc., Non Extended Initial Term Loan, 2.23%, 9/30/14	318	314,807
SeaWorld Parks & Entertainment, Inc. (FKA SW Acquisitions Co., Inc.), Term Loan B, 4.00%, 8/17/17	963	963,272
Six Flags Theme Parks, Inc., Term Loan B, 4.25%, 12/20/18	1,510	1,513,533
Station Casinos, Inc., Term Loan B1, 3.23%, 6/17/16	847	805,017
Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15	708	710,120
Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19	2,340	2,350,436 19,546,133
Household Products 0.5%		
Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19	1,284	1,293,901
Independent Power Producers & Energy Traders 1.0%		
The AES Corp., Term Loan, 4.25%, 6/01/18	1,975	1,979,937
Calpine Corp., Term Loan B, 4.50%, 4/01/18	465	465,642
GenOn Energy, Inc., Term Loan B, 6.00%, 12/01/17	270	271,930 2,717,509
Industrial Conglomerates 1.9%		
Sequa Corp.:		
Incremental Term Loan, 6.25%, 12/03/14	427	428,345
Term Loan, 3.69% 3.72%, 12/03/14	4,898	4,864,090 5,292,435
Insurance 0.8%		
Asurion LLC, Term Loan (First Lien), 5.50%, 5/24/18	654	655,776
CNO Financial Group, Inc., Term Loan B, 6.25%, 9/30/16	1,447	1,450,326 2,106,102
Internet Software & Services 0.4%		
Web.com Group, Inc., Term Loan B, 7.00%, 10/27/17	1,147	1,141,820
IT Services 5.5%		
Ceridian Corp., Extended Term Loan, 5.99%, 5/09/17	1,512	1,511,581

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 33

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

Floating Rate Loan Interests (b)	Par (000) Value
IT Services (concluded)	
First Data Corp.:	
2018 Term Loan B, 4.24%, 3/23/18	USD 6,251 \$5,901,683
Non-Extended Term Loan B-1, 2.99%, 9/24/14	298 294,155
Non-Extended Term Loan B-3, 2.99%, 9/24/14	66 64,840
Genpact International, Inc., Term Loan B, 4.25%, 8/16/19	1,660 1,660,000
InfoGroup, Inc., Term Loan, 5.75%, 5/25/18	707 625,934
iPayment, Inc., Term Loan B, 5.75%, 5/08/17	681 681,000
Neustar, Inc., Term Loan B, 5.00%, 11/08/18	883 887,742
SunGard Data Systems, Inc. (Solar Capital Corp.), Term Loan B, 3.86% 4.06%, 2/26/16	307 306,710
TransUnion LLC, Term Loan B, 5.50%, 2/12/18	3,195 3,215,516
	15,149,161
Leisure Equipment & Products 0.8%	
Eastman Kodak Co., DIP Term Loan B, 8.50%, 7/19/13	1,122 1,112,189
FGI Operating Company, LLC, Term Loan, 5.50% 6.50%, 4/19/19	1,120 1,123,506
	2,235,695
Machinery 2.9%	
Intelligrated, Inc., First Lien Term Loan, 6.75%, 7/30/18	1,000 990,000
Navistar International Corp., Term Loan B, 7.00%, 8/17/17	950 954,213
Rexnord Corp., Term Loan B, 5.00%, 4/02/18	697 699,237
Terex Corp.:	
Term Loan, 6.00%, 4/28/17	EUR 134 167,687
Term Loan B, 5.50%, 4/28/17	USD 1,306 1,312,451
Tomkins LLC, Term Loan B, 4.25%, 9/29/16	2,574 2,580,563
Wabash National Corp., Term Loan B, 6.00%, 5/02/19	1,197 1,204,481
	7,908,632
Media 16.0%	
Acosta, Inc., Term Loan B, 5.75%, 3/01/18	512 512,683
Affinion Group, Inc., Term Loan B, 5.00%, 7/15/15	565 479,667
AMC Entertainment, Inc., Term Loan B3,	

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4.25%, 2/22/18	697	697,197
AMC Networks, Inc., Term Loan B, 4.00%, 12/31/18	1,683	1,681,957
Atlantic Broadband Finance LLC, 1st Lien Term Loan, 5.25%, 4/04/19	1,030	1,030,968
BBHI Acquisition LLC (FKA Bresnan Telecommunications Co. LLC), Term Loan B, 4.50%, 12/14/17	2,505	2,511,388
Capsugel Holdings US, Inc., Term Loan B, 4.75%, 8/01/18	1,234	1,235,270
Catalina Marketing Corp., Extended Term Loan B, 5.73%, 9/29/17	1,169	1,152,316
Cengage Learning Acquisitions, Inc.:		
Non-Extended Term Loan, 2.49%, 7/03/14	529	487,267
Tranche 1 Incremental, 7.50%, 7/03/14	759	730,623
Charter Communications Operating LLC:		
Extended Term Loan C, 3.49%, 9/06/16	1,639	1,634,919
Term Loan D, 4.00%, 5/15/19	638	637,632
Clarke American Corp., Term Facility B, 2.73% 2.96%, 6/30/14	160	143,042
Clear Channel Communications, Inc.:		
Term Loan B, 3.88%, 1/28/16	1,859	1,439,764
Term Loan C, 3.88%, 1/28/16	340	258,298
Cumulus Media, Inc., First Lien Term Loan, 5.75%, 9/17/18	1,393	1,394,929

	Par	Value
Floating Rate Loan Interests (b)	(000)	
Media (concluded)		
EMI Music Publishing Ltd., Term Loan B, 5.50%, 6/29/18	USD 985	\$ 991,649
Gray Television, Inc., Term Loan B, 3.75%, 12/31/14	1,388	1,380,249
Houghton Mifflin Harcourt Publishing Co., DIP Term Loan B, 7.25%, 6/01/18	943	953,242
Hubbard Broadcasting, Term Loan B, 5.25%, 4/28/17	877	877,940
Intelsat Jackson Holdings SA (FKA Intelsat Jackson Holdings Ltd.), Tranche B Term Loan, 5.25%, 4/02/18	5,875	5,894,220
Interactive Data Corp., Term Loan B, 4.50%, 2/12/18	2,896	2,899,978
Kabel Deutschland GmbH, Term Loan F, 4.25%, 2/01/19	1,650	1,647,013
Lavena Holding 4 GmbH (Prosiebensat.1 Media AG):		
Term Loan B, 2.95%, 3/06/15	EUR 304	349,790
Term Loan C, 3.32%, 3/04/16	304	351,701
LIN Television Corp., Term Loan B, 5.00%, 12/21/18	USD 701	705,424

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Newsday LLC, Fixed Rate Term Loan, 10.50%, 8/01/13	2,500	2,513,550
Nielsen Finance LLC, Class B Term Loan, 3.99%, 5/02/16	1,377	1,380,764
Sinclair Television Group, Inc., Term Loan B, 4.00%, 10/28/16	1,218	1,217,194
Univision Communications, Inc., Extended Term Loan, 4.48%, 3/31/17	1,864	1,802,259
UPC Broadband Holding BV, Term Loan U, 4.15%, 12/29/17	EUR 494	617,354
UPC Financing Partnership: Term Loan, 4.75%, 12/29/17	USD 895	897,613
Term Loan T, 3.75%, 12/30/16	165	163,454
WC Luxco Sarl, Term Loan B3, 4.25%, 3/15/18	370	368,170
Weather Channel, Term Loan B, 4.25%, 2/13/17	1,818	1,823,932
WideOpenWest Finance LLC, First Lien Term Loan, 6.25%, 7/17/18	1,125	1,124,303 43,987,719
Metals & Mining 2.6%		
Constellium Holding Co BV, Term Loan B, 9.25%, 5/25/18	1,125	1,102,500
Novelis, Inc., Term Loan, 4.00%, 3/10/17	2,511	2,496,113
SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18	941	935,799
Walter Energy, Inc., Term Loan B, 4.00%, 4/02/18	2,803	2,755,379 7,289,791
Multiline Retail 1.3%		
99¢ Only Stores, Term Loan, 5.25%, 1/11/19	1,129	1,135,667
Dollar General Corp., Tranche B-2 Term Loan, 2.98%, 7/07/14	616	617,176
Hema Holding BV: Term Loan B, 2.14%, 7/06/15	EUR 393	476,489
Term Loan C, 2.89%, 7/05/16	393	478,962
The Neiman Marcus Group, Inc., Term Loan, 4.75%, 5/16/18	USD 930	930,000 3,638,294

See Notes to Financial Statements.

34 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Floating Rate Loan Interests (b)		
Oil, Gas & Consumable Fuels 2.3%		
Chesapeake Energy Corp., Unsecured Term Loan, 8.50%, 12/01/17	USD 2,010	\$2,014,321
Everest Acquisition LLC, Term Loan B1, 5.00%, 4/24/18	1,430	1,433,575
Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18	1,672	1,678,580
Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15	1,176	1,176,408
		6,302,884
Paper & Forest Products 0.7%		
Ainsworth Lumber Co. Ltd., Term Loan, 5.25%, 6/26/14	385	372,488
NewPage Corp., DIP Term Loan, 8.00%, 3/07/13	450	454,221
Verso Paper Finance Holdings LLC, Term Loan, 6.49% 7.24%, 2/01/13 (f)	2,429	1,214,560
		2,041,269
Pharmaceuticals 4.1%		
Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17	2,447	2,437,824
Pharmaceutical Product Development, Inc., Term Loan B, 6.25%, 12/05/18	3,026	3,059,555
Quintiles Transnational Corp., Term Loan B, 5.00%, 6/08/18	1,346	1,348,931
RPI Finance Trust:		
Incremental Tranche 2, 4.00%, 11/09/18	200	199,709
Term Loan Tranche 2, 4.00%, 5/09/18	988	989,033
Valeant Pharmaceuticals International, Inc.:		
Add-On Term Loan B, 4.75%, 2/13/19	1,281	1,283,684
Series A Tranche B, 4.75%, 2/13/19	940	942,181
Warner Chilcott Corp.:		
Incremental Term Loan B-1, 4.25%, 3/15/18	204	203,362
Term Loan B-1, 4.25%, 3/15/18	539	535,521
Term Loan B-2, 4.25%, 3/15/18	269	267,760
		11,267,560
Professional Services 1.8%		
Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19	1,400	1,401,750
Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18	1,769	1,769,933

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ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19	583	580,128
Truven Health Analytics, Term Loan B, 6.75%, 6/06/19	1,315	1,324,310 5,076,121

Real Estate Investment Trusts (REITs) 0.8%

iStar Financial, Inc.:		
Term Loan A1, 5.00%, 6/28/13	2,202	2,203,727
Term Loan A2, 7.00%, 6/30/14	75	75,070 2,278,797

Real Estate Management & Development 1.6%

Mattamy Funding Partnership, Term Loan B, 2.69%, 4/11/13	400	395,385
Realogy Corp.:		
Extended Letter of Credit Loan, 4.50%, 10/10/16	119	114,847
Extended Synthetic Letter of Credit, 3.25%, 10/10/13	55	51,204
Extended Term Loan, 4.49%, 10/10/16	3,747	3,616,901
Stockbridge SBE Holdings LLC, Term Loan B, 13.00%, 5/02/17	190	189,050 4,367,387

Floating Rate Loan Interests (b)

Road & Rail 0.7%

	Par (000)	Value
Avis Budget Car Rental LLC, Incremental Term Loan, 6.25%, 9/21/18	USD 598	\$ 600,753
RailAmerica, Inc., Term Loan B, 4.00%, 3/01/19	958	957,006
Road Infrastructure Investment LLC, Term Loan B, 6.25%, 3/30/18	509	506,182 2,063,941

Semiconductors & Semiconductor Equipment 0.9%

Freescale Semiconductor, Inc., Extended Term Loan B, 4.50%, 12/01/16	1,733	1,662,617
NXP BV, Term Loan A-2, 5.50%, 3/03/17	853	862,831 2,525,448

Software 3.7%

Blackboard, Inc., Term Loan B, 7.50%, 10/04/18	552	542,909
Infor US, Inc. (FKA Lawson Software, Inc.), Term Loan B, 6.25%, 4/05/18	3,865	3,905,048
Sophia, LP, Term Loan B, 6.25%, 7/19/18	1,416	1,428,136
SS&C Technologies, Inc.:		
Term Loan B-1, 5.00%, 6/07/19	1,945	1,947,445
Term Loan B-2, 5.00%, 6/07/19	201	201,460
Vertafore, Inc., Term Loan B, 5.25%, 7/29/16	675	674,054
WaveDivision Holdings LLC, Term Loan B, 5.50%, 8/23/19	1,530	1,535,707

10,234,759

Specialty Retail 6.5%

Academy Ltd., Term Loan, 6.00%, 8/03/18	1,692	1,697,420
Bass Pro Group LLC, Term Loan, 5.25%, 6/13/17	1,224	1,232,180
Burlington Coat Factory Warehouse Corp., Term Loan B1, 5.50%, 2/23/17	346	346,796
Claire's Stores, Inc., Term Loan B, 2.98% 3.20%, 5/29/14	1,753	1,720,338
General Nutrition Centers, Inc., Term Loan B, 4.25%, 3/02/18	1,870	1,867,363
The Gymboree Corp., Term Loan, 5.00%, 2/23/18	286	276,771
Harbor Freight Tools USA, Inc., Term Loan B, 5.50%, 11/14/17	995	993,597
Jo-Ann Stores, Inc., Term Loan, 4.75%, 3/16/18	642	641,887
Michaels Stores, Inc.:		
Extended Term Loan B3, 5.00%, 7/29/16	736	739,544
Term Loan B2, 5.00%, 7/29/16	1,365	1,371,536
Party City Holdings, Inc., Term Loan B, 5.75%, 7/26/19	1,855	1,863,496
PETCO Animal Supplies, Inc., Term Loan, 4.50%, 11/24/17	2,123	2,123,837
Things Remembered, Inc., Term Loan B, 8.00%, 5/24/18	680	666,400
Toys 'R Us Delaware, Inc.:		
Incremental Term Loan B2, 5.25%, 5/25/18	395	378,462
Term Loan, 6.00%, 9/01/16	566	555,951
Term Loan B3, 5.25%, 5/25/18	209	201,096
The Yankee Candle Co., Inc., Term Loan B, 5.25%, 4/02/19	1,377	1,381,891
		18,058,565

Textiles, Apparel & Luxury Goods 1.2%

Ascend Performance Materials LLC, Term Loan B, 6.75%, 4/10/18	1,995	1,976,706
Wolverine Worldwide, Inc., Term Loan B, 4.21%, 6/06/19	1,250	1,257,787
		3,234,493

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 35

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**
 (Percentages shown are based on Net Assets)

Floating Rate Loan Interests (b)	Par (000)	Value
Wireless Telecommunication Services 1.7%		
Crown Castle International Corp., Term Loan B, 4.00%, 1/31/19	USD 608	\$ 607,561
MetroPCS Wireless, Inc.:		
Term Loan B-3, 4.00%, 3/16/18	245	244,144
Tranche B-2 Term Loan, 4.07%, 11/03/16	971	969,697
Vodafone Americas Finance 2, Inc. (f):		
Term Loan, 6.88%, 8/11/15	2,093	2,177,122
Term Loan B, 6.25%, 7/11/16	722	736,312
		4,734,836
Total Floating Rate Loan Interests 126.7%		350,795,697

Other Interests (h)	Beneficial Interest (000)	
Chemicals 0.0%		
Wellman Holdings, Inc., Litigation Trust Certificate	4,750	48
Diversified Financial Services 0.3%		
J.G. Wentworth LLC Preferred Equity Interests (d)	(i)	835,717
Total Other Interests 0.3%		835,765

Warrants (j) 0.0%	Shares	
Software 0.0%		
HMH Holdings/EduMedia (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27)	1,202	
Total Long-Term Investments (Cost \$400,628,030) 144.6%		400,376,933

Short-Term Securities		
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.15% (k)(l)	1,779,337	1,779,337
Total Short-Term Securities (Cost \$1,779,337) 0.6%		1,779,337

Options Purchased	Contracts	
Over-the-Counter Call Options 0.0%		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, Expires 12/14/19, Broker Goldman Sachs Group, Inc.	20	
Total Options Purchased		

(Cost \$19,556) 0.0%	
Total Investments (Cost \$402,426,923) 145.2%	402,156,270
Liabilities in Excess of Other Assets (45.2)%	(125,166,270)
Net Assets 100.0%	\$276,990,000

(a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.

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

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

Counterparty	Value	Unrealized Appreciation
Credit Suisse Group AG	\$692,250	

(d) Non-income producing security.

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

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

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

(h) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.

(i) Amount is less than \$500.

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, if any.

(k) Investments in issuers considered to be an affiliate of the Fund during the year ended August 31, 2012, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

Affiliate	Shares Held at August 31, 2011	Net Activity	Shares Held at August 31, 2012	Income
BlackRock Liquidity Funds, TempFund, Institutional Class	5,396,667	(3,617,330)	1,779,337	\$1,172

(l) 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.

Foreign currency exchange contracts as of August 31, 2012 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
USD 30,190	EUR 24,000	Deutsche Bank AG	9/05/12	\$ 3
USD 1,756,637	CAD 1,784,000	UBS AG	10/17/12	(51,520)
USD 219,347	GBP 140,000	Citibank NA	10/17/12	(2,919)
USD 2,400,001	GBP 1,546,000	UBS AG	10/17/12	(54,454)
USD 4,273,223	EUR 3,485,500	Citibank NA	10/22/12	(113,100)
Total				\$ (221,990)

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Credit default swaps on traded indexes buy protection outstanding as of August 31, 2012 were as follows:

Index	Pay Fixed Rate	Counterparty	Expiration Date	Notional Amount (000)	Unrealized Depreciation
Dow Jones CDX North America High Yield Index Series 18, Version 2	5.00%	JPMorgan Chase & Co.	6/20/17	USD 3,614	\$(146,707)

Fair Value Measurements Various inputs are used in determining the fair value of investments and derivative financial instrument. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

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

See Notes to Financial Statements.

36 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**

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 instrument)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instrument is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the 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.

The following tables summarize the Fund's investments and derivative financial instrument categorized in the disclosure hierarchy as of August 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments:				
Asset-Backed				
Securities	—	—	\$7,043,642	\$7,043,642
Common				
Stocks	\$1,674,432	\$788,716	6,034	2,469,182
Corporate				
Bonds	—	36,877,443	2,355,204	39,232,647
Floating				
Rate Loan				
Interests	—	327,615,178	23,180,519	350,795,697
Other Interests	—	—	835,765	835,765
Short-Term				
Securities	1,779,337	—	—	1,779,337
Total	\$3,453,769	\$365,281,337	\$33,421,164	\$402,156,270

	Level 1	Level 2	Level 3	Total
Derivative Financial Instruments ¹				
Assets:				
Foreign currency				
exchange				
contracts	—	\$3	—	\$3
Liabilities:				

Credit contracts	—	(146,707)	—	(146,707)
Foreign currency exchange contracts	—	(221,993)	—	(221,993)
Total	—	\$(368,697)	—	\$(368,697)

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of August 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

Valuation Inputs	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$3,216	—	—	\$3,216
Foreign currency at value	74,079	—	—	74,079
Liabilities:				
Loan payable	—	\$(117,000,000)	—	(117,000,000)
Total	\$77,295	\$(117,000,000)	—	\$(116,922,705)

There were no transfers between levels during the year ended August 31, 2012.

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 37

Consolidated Schedule of Investments (concluded) BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of August 31, 2012:

	Value	Valuation Techniques	Unobservable Inputs ¹	Range of Unobservable Inputs	Weighted Average of Unobservable Inputs ²
Assets:					
Common Stocks	\$ 6,034	Market Comparable Companies	EBITDA Multiple Illiquidity Discount Proforma Revenue Increase	5.0x 20% 37%	5.0x 20% 37%
Corporate Bonds	2,015,774	Market Comparable Companies	EBITDA Multiple Illiquidity Discount Proforma Revenue Increase	5.0x 20% 37%	5.0x 20% 37%
Floating Rate Loan Interests	4,420,404	Market Comparable Companies	Illiquidity Discount Yield	50% 9.65%	50% 9.65%
		Cost	N/A ³		
Total⁴	\$6,442,212				

¹A change to the unobservable input may result in a significant change to the value of the investment as follows:

Unobservable Input	Impact to	
	Value if Input Increases	Value if Input Decreases
EBITDA Multiple	Increase	Decrease
Illiquidity Discount	Decrease	Increase
Proforma Revenue Increase	Increase	Decrease
Yield	Decrease	Increase

²Unobservable inputs are weighted based on the value of the investments included in the range.

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

³Does not include Level 3 investments with values derived utilizing prices from recent prior transactions or third party pricing information without adjustment for which such inputs are unobservable. See above valuation input table for values of such Level 3 investments. A significant change in third party pricing information could result in a significantly lower or higher value in such Level 3 investments.

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

	Asset-Backed Common		Corporate	Floating	Other	Total
	Securities	Stocks	Bonds	Rate Loan Interests	Interests	
Assets:						
Opening balance, as of August 31, 2011	\$7,328,370	\$191,645	\$2,293,544	\$23,078,475	\$742,860	\$33,634,894
Transfers into Level 3 ⁵	—	—	—	3,624,442	—	3,624,442
Transfers out of Level 3 ⁶	—	—	—	(12,473,405)	—	(12,473,405)
Accrued discounts/premiums	102,532	—	82,157	120,872	—	305,561
Net realized gain (loss)	(113,969)	(1,361,242)	(4,362,357)	40,452	—	(5,797,116)
Net change in unrealized appreciation/depreciation ⁷	369,528	1,177,556	4,597,146	(561,315)	92,905	5,675,820
Purchases	5,001,366	—	143,230	11,197,600	—	16,342,196
Sales	(5,644,185)	(1,925)	(398,516)	(1,846,602)	—	(7,891,228)
Closing Balance, as of August 31, 2012.	\$7,043,642	\$6,034	\$2,355,204	\$23,180,519	\$835,765	\$33,421,164

As of August 31, 2011, the Fund used observable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used significant unobservable inputs in determining the value on the same investments. ⁵ As a result, investments with a beginning of year value of \$3,624,442 transferred from Level 2 to Level 3 in the disclosure hierarchy.

As of August 31, 2011, the Fund used significant unobservable inputs in determining the value of certain investments. As of August 31, 2012, the Fund used observable inputs in determining the value on the same ⁶ investments. As a result, investments with a beginning of year value of \$12,473,405 transferred from Level 3 to Level 2 in the disclosure hierarchy.

⁷The change in unrealized appreciation/depreciation on investments still held as of August 31, 2012 was \$(162,162). See Notes to Financial Statements.

38 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments August 31, 2012

BlackRock Limited Duration Income Trust (BLW)
(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
Asset-Backed Securities 6.2%		
321 Henderson Receivables I LLC, Series 2010-3A, Class A, 3.82%, 12/15/48 (a)	USD 4,369	\$4,566,048
AmeriCredit Automobile Receivables Trust, Series 2012-2, Class D, 3.38%, 4/09/18	1,990	2,043,706
Capital One Multi-Asset Execution Trust, Series 4-3C, 6.63%, 4/19/17 (b)	GBP 2,650	4,302,523
Conseco Financial Corp., Series 1995-5, Class M1, 7.65%, 9/15/26 (b)	USD 631	642,083
Countrywide Asset-Backed Certificates (b):		
Series 2007-10, Class 2A1, 0.29%, 6/25/47	414	411,851
Series 2007-12, Class 2A1, 0.59%, 8/25/47	945	934,253
Series 2007-7, Class 2A2, 0.40%, 10/25/47	3,230	3,004,507
CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 (a)	750	757,800
Ford Credit Floorplan Master Owner Trust:		
Series 2010-5, Class C, 2.07%, 9/15/15 (a)	890	896,004
Series 2011-2, Class C, 2.37%, 9/15/15	1,125	1,127,976
Series 2011-2, Class D, 2.86%, 9/15/15	1,145	1,147,944
Fraser Sullivan CLO Ltd., Series 2012-7A, Class C, 4.47%, 4/20/23 (a)(b)	1,090	968,574
Gannett Peak CLO Ltd., Series 2006-1X, Class A2, 0.81%, 10/27/20 (b)	1,330	1,120,525
Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.66%, 4/17/22 (a)(b)	1,500	1,363,650
GSAA Trust, Series 2007-3, Class 1A2, 0.41%, 3/25/47 (b)	3,102	1,346,850
ING Investment Management, Series 2012-2A, Class D, 4.99%, 10/15/22 (a)(b)	1,800	1,604,898
Santander Consumer Acquired Receivables Trust, Series 2011-S1A, Class D, 3.15%, 8/15/16 (a)	2,331	2,321,397
Santander Drive Auto Receivables Trust:		
Series 2011-S1A, Class D, 3.10%, 5/15/17 (a)	1,069	1,071,802
Series 2011-S2A, Class B,		

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2.06%, 6/15/17 (a) Series 2011-S2A, Class C,	560	560,521
2.86%, 6/15/17 (a) Series 2012-3, Class D, 3.64%, 5/15/18	580	585,926
SLC Student Loan Trust, Series 2006-A, Class A4, 0.58%, 1/15/19 (b)	2,865	2,920,532
Spirit Issuer Plc, Series A2, 3.60%, 12/28/31	1,003	999,959
World Financial Network Credit Card Master Trust, Series 2012-C, Class B,	GBP 1,800	1,943,530
3.57%, 8/15/22	USD 3,000	3,013,596
		39,656,455

Interest Only Asset-Backed Securities 0.3%

Sterling Bank Trust, Series 2004-2, Class Note, 2.08%, 3/30/30 (a)	11,663	922,072
Sterling Coofs Trust, Series 1, 2.36%, 4/15/29	10,312	786,325
		1,708,397
Total Asset-Backed Securities 6.5%		41,364,852

Common Stocks (c)	Shares	Value
Auto Components 0.6%		
Delphi Automotive Plc	121,926	\$3,693,135
Construction & Engineering 0.0%		
USI United Subcontractors	6,454	16,135
Diversified Financial Services 0.3%		
Kcad Holdings I Ltd.	300,277,327	1,991,139
Hotels, Restaurants & Leisure 0.1%		
BLB Worldwide Holdings, Inc.	51,947	597,391
Travelport Worldwide Ltd. (b)	176,501	22,945
		620,336
Media 0.0%		
Cumulus Media, Inc., Class A	113,813	315,262
Metals & Mining 0.0%		
Euramax International	234	49,856
Software 0.3%		
Bankruptcy Management Solutions, Inc.	880	9
HMH Holdings/EduMedia	71,219	1,744,868
		1,744,877
Total Common Stocks 1.3%		8,430,740

Corporate Bonds	Par (000)	
Aerospace & Defense 0.5%		
Huntington Ingalls Industries, Inc., 7.13%, 3/15/21 (d)	USD 650	703,625
Kratos Defense & Security Solutions, Inc., 10.00%, 6/01/17 (d)	1,966	2,093,790
Meccanica Holdings USA, Inc., 6.25%, 7/15/19 (a)(d)	559	505,809
		3,303,224
Airlines 1.0%		

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American Airlines Pass-Through Trust, Series 2011-2, Class A, 8.63%, 10/15/21 (d)	871	923,779
Continental Airlines, Inc., 6.75%, 9/15/15 (a)(d)	1,350	1,398,937
Delta Air Lines, Inc., Series 2009-1 Series B, 9.75%, 6/17/18 (d)	253	273,071
US Airways Pass Through Trust: Series 2011-1, Class C 10.88%, 10/22/14	1,599	1,638,817
Series 2012-1, Class C 9.13%, 10/01/15	2,706	2,760,120
		6,994,724
Auto Components 1.1%		
Icahn Enterprises LP (b)(e): 4.00%, 8/15/13	1,240	1,240,000
4.00%, 8/15/13 (a)	3,620	3,620,000
Jaguar Land Rover Plc, 8.25%, 3/15/20	GBP 554	927,840
Titan International, Inc., 7.88%, 10/01/17 (d)	USD 1,330	1,393,175
		7,181,015
Beverages 0.2%		
Crown European Holdings SA: 7.13%, 8/15/18	EUR 428	592,172
7.13%, 8/15/18 (a)	544	752,668
		1,344,840

See Notes to Financial Statements.

AUGUST 31, 2012 ANNUAL REPORT 39

Consolidated Schedule of Investments (continued) **BlackRock Limited Duration Income Trust (BLW)**
(Percentages shown are based on Net Assets)

	Par	(000) Value
Corporate Bonds		
Building Products 0.6%		
Building Materials Corp. of America (a)(d):		
7.00%, 2/15/20	USD 1,345	\$1,455,962
6.75%, 5/01/21	1,030	1,125,275
USG Corp., 9.75%, 1/15/18	1,390	1,490,775
		4,072,012
Capital Markets 0.7%		
E*Trade Financial Corp.:		
12.50%, 11/30/17	2,515	2,870,244
2.25%, 8/31/19 (a)(e)(f)	249	212,895
SteelRiver Transmission Co. LLC,		
4.71%, 6/30/17 (a)	1,204	1,243,800
		4,326,939
Chemicals 2.9%		
Ashland, Inc., 4.75%, 8/15/22 (a)(d)	675	676,687
Celanese US Holdings LLC,		
5.88%, 6/15/21 (d)	805	889,525
Hexion US Finance Corp.:		
6.63%, 4/15/20 (c)	395	398,950
9.00%, 11/15/20	735	628,425
Huntsman International LLC,		
8.63%, 3/15/21 (d)	655	749,975
INEOS Finance Plc (a)(d):		
8.38%, 2/15/19	1,665	1,752,412
7.50%, 5/01/20	515	525,300
INEOS Group Holdings Plc, 8.50%, 2/15/16		
(a)	345	325,163
LyondellBasell Industries NV,		
5.75%, 4/15/24 (d)(c)	2,520	2,853,900
Nova Chemicals Corp., 8.38%, 11/01/16 (d)	5,500	6,105,000
Orion Engineered Carbons Bondco GmbH,		
9.63%, 6/15/18 (a)	898	947,390
Tronox Finance LLC, 6.38%, 8/15/20 (a)(d)	2,880	2,908,800
		18,761,527
Commercial Banks 2.4%		
CIT Group, Inc. (d):		
5.25%, 4/01/14 (a)	3,614	3,754,043
4.75%, 2/15/15 (a)	2,409	2,505,360
5.00%, 5/15/17	890	927,825
5.50%, 2/15/19 (a)	2,040	2,126,700
HSBC Bank Plc, 3.10%, 5/24/16 (a)(d)	2,560	2,683,313
HSBC Holdings Plc, 6.25%, 3/19/18	EUR 1,000	1,424,999

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Nordea Bank AB, 4.50%, 3/26/20	1,020	1,304,907
Regions Financial Corp., 4.88%, 4/26/13 (d)	USD 907	911,535
		15,638,682

Commercial Services & Supplies 1.0%

ARAMARK Corp., 8.50%, 2/01/15 (d)	980	1,004,510
ARAMARK Holdings Corp., 8.63%, 5/01/16 (a)(g)	890	911,146
Brickman Group Holdings, Inc., 9.13%, 11/01/18 (a)	63	63,630
Clean Harbors, Inc., 5.25%, 8/01/20 (a)(d)	607	622,934
Covanta Holding Corp., 6.38%, 10/01/22 (d)	1,130	1,235,510
Mead Products LLC/ACCO Brands Corp., 6.75%, 4/30/20 (a)	290	306,675
Mobile Mini, Inc., 7.88%, 12/01/20 (d)	915	981,337
Verisure Holding AB: 8.75%, 9/01/18	EUR 526	661,603
8.75%, 12/01/18	221	246,007
West Corp., 8.63%, 10/01/18	USD 165	167,475
		6,200,827

Communications Equipment 1.8%

ADC Telecommunications, Inc., 3.50%, 7/15/15 (d)(f)	6,670	6,811,137
Avaya, Inc., 9.75%, 11/01/15 (d)	510	442,425

Corporate Bonds

**Par
(000) Value**

Communications Equipment (concluded)

Hughes Satellite Systems Corp., 6.50%, 6/15/19 (d)	USD 850	\$ 910,563
Zayo Group LLC/Zayo Capital, Inc.: 8.13%, 1/01/20	1,890	2,008,125
10.13%, 7/01/20	1,460	1,565,850
		11,738,100

Construction Materials 0.5%

HD Supply, Inc., 8.13%, 4/15/19 (a)(d)	3,085	3,347,225
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Consumer Finance 0.7%

Ford Motor Credit Co. LLC (d): 3.88%, 1/15/15	2,475	2,575,341
7.00%, 4/15/15	400	445,272
Hyundai Capital America, 3.75%, 4/06/16 (a)(d)	1,285	1,353,586
		4,374,199

Containers & Packaging 0.6%

Ardagh Packaging Finance Plc: 7.38%, 10/15/17	EUR 200	266,025
7.38%, 10/15/17	100	133,012
7.38%, 10/15/17 (a)(d)	USD 299	320,304
7.38%, 10/15/17 (a)	EUR 587	780,783
Berry Plastics Corp.: 4.34%, 9/15/14 (b)	USD 700	689,500

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8.25%, 11/15/15 (d)	490	515,725
9.75%, 1/15/21	670	742,025
Beverage Packaging Holdings Luxembourg II SA, 8.00%, 12/15/16	EUR 274	337,744
Sealed Air Corp., 8.38%, 9/15/21 (a)(d)	USD 215	241,875
		4,026,993
Distributors 0.2%		
VWR Funding, Inc., 7.25%, 9/15/17 (a)(h)	1,029	1,041,862
Diversified Consumer Services 0.1%		
Laureate Education, Inc., 9.25%, 9/01/19 (a)	835	835,000
Diversified Financial Services 5.2%		
Ally Financial, Inc. (d):		
8.30%, 2/12/15	2,460	2,730,600
7.50%, 9/15/20	1,630	1,866,350
8.00%, 11/01/31	2,140	2,530,550
8.00%, 11/01/31	950	1,127,644
Banque Paribas, 6.95%, 7/22/13 (d)	2,100	2,172,330
CNG Holdings, Inc., 9.38%, 5/15/20 (a)	700	714,000
DPL, Inc., 7.25%, 10/15/21 (a)(d)	255	290,700
Gala Group Finance Plc, 8.88%, 9/01/18	GBP 400	592,268
The Goldman Sachs Group, Inc. (d):		
6.00%, 5/01/14	USD 1,150	1,227,728
5.13%, 1/15/15	3,515	3,757,219
3.30%, 5/03/15	3,285	3,391,253
Intesa Sanpaolo SpA, 2.38%, 12/21/12 (d)	3,335	3,282,107
Morgan Stanley (d):		
5.25%, 11/02/12	795	800,641
5.30%, 3/01/13	825	841,545
Reynolds Group Issuer, Inc.:		
7.75%, 10/15/16	EUR 63	81,817
7.13%, 4/15/19 (d)	USD 1,990	2,144,225
9.88%, 8/15/19 (a)	1,710	1,808,325
6.88%, 2/15/21 (d)	1,070	1,158,275
8.25%, 2/15/21 (a)	220	216,150
SLM Corp., Series A, 5.00%, 10/01/13 (d)	150	154,500
Spirit Issuer Plc, 5.86%, 12/28/21	GBP 1,570	2,050,432
WMG Acquisition Corp., 9.50%, 6/15/16 (a)(d)	USD 280	305,900
		33,244,559

See Notes to Financial Statements.

40 ANNUAL REPORT AUGUST 31, 2012

Consolidated Schedule of Investments (continued) **BlackRock Limited Duration Income Trust (BLW)**
(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Corporate Bonds		
Diversified Telecommunication Services 1.9%		
ITC Deltacom, Inc., 10.50%, 4/01/16	USD 1,350	\$1,454,625
Level 3 Communications, Inc., 8.88%, 6/01/19 (a)(d)	735	749,700
Level 3 Financing, Inc.: 4.47%, 2/15/15 (b)	1,725	1,707,750
8.13%, 7/01/19	3,083	3,229,443
7.00%, 6/01/20 (a)	655	651,725
OTE Plc, 5.00%, 8/05/13	EUR 120	130,820
Qwest Communications International, Inc., 8.00%, 10/01/15 (d)	USD 2,500	2,616,250
Telefonica Emisiones SAU, 4.69%, 11/11/19	EUR 50	58,042
Telenet Finance V Luxembourg SCA: 6.25%, 8/15/22	171	216,159
6.75%, 8/15/24	397	506,837
Windstream Corp., 8.13%, 8/01/13 (d)	USD 590	622,450
		11,943,801
Electric Utilities 0.3%		
Mirant Mid Atlantic Pass Through Trust, Series B, 9.13%, 6/30/17	677	727,398
Nisource Finance Corp. (d): 6.40%, 3/15/18	440	526,631
5.25%, 2/15/43	800	884,331
		2,138,360
Electrical Equipment 0.1%		
Belden, Inc., 5.50%, 9/01/22 (a)	510	511,275
Electronic Equipment, Instruments & Components 1.1%		
Agilent Technologies, Inc., 4.45%, 9/14/12 (d)	7,325	7,331,197
Energy Equipment & Services 1.9%		
Calfrac Holdings LP, 7.50%, 12/01/20 (a)(d)	1,105	1,082,900
Compagnie Ge'ne'rale de Ge'ophysique, Veritas (d): 7.75%, 5/15/17	330	344,850
6.50%, 6/01/21	2,115	2,202,244
FTS International Services LLC / FTS International Bonds Inc, 8.13%, 11/15/18 (a)	1,690	1,744,925
Gulfmark Offshore, Inc., 6.38%, 3/15/22 (a)(d)	185	188,700
Hornbeck Offshore Services, Inc., 5.88%, 4/01/20 (d)	375	382,500

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Key Energy Services, Inc., 6.75%, 3/01/21 (d)	1,040	1,058,200
MEG Energy Corp., 6.38%, 1/30/23 (a)(d)	445	463,913
Oil States International, Inc., 6.50%, 6/01/19 (d)	725	770,312
Peabody Energy Corp., 6.25%, 11/15/21 (a)(d)	2,085	2,121,487
Transocean, Inc. (d): 4.95%, 11/15/15	1,040	1,133,936
5.05%, 12/15/16	180	199,372
6.00%, 3/15/18	230	266,334
		11,959,673

Food & Staples Retailing 0.2%

Bakkavor Finance 2 Plc, 8.25%, 2/15/18	GBP 214	299,024
Rite Aid Corp., 9.25%, 3/15/20	USD 1,095	1,125,113
		1,424,137

Food Products 0.4%

Constellation Brands, Inc., 6.00%, 5/01/22 (d)	660	741,675
Post Holdings, Inc., 7.38%, 2/15/22 (a)(d)		