

BLACKROCK LTD DURATION INCOME TRUST  
Form N-CSR  
November 08, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES**

Investment Company Act file number 811-21349

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Anne F. Ackerley, Chief Executive Officer, BlackRock  
Limited Duration Income Trust, 55 East 52<sup>nd</sup> Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 08/31/2010

Item 1 Report to Stockholders

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## 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)

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.

**August 31, 2010**

Not FDIC Insured No Bank Guarantee May Lose Value

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AUGUST 31, 2010

## Dear Shareholder

The global economic recovery continues, although global and US economic statistics show that the pace of economic growth has slowed. The sovereign debt

crisis in Europe, slowing growth in China and concerns over the possibility that the United States and other developed markets are heading for a double-dip

recession have all acted to depress investor sentiment. Despite broadening evidence of a slowdown in global economic activity, market volatility has normal-

ized from the extreme levels seen in recent months. In the United States, economic data continues to be mixed, but it is our view that the preponderance of

data suggests that the recovery is continuing. The critical issue for investors remains the question of whether the economy will experience a double-dip

recession. We are on the optimistic side of this debate and would point out that while the recovery has been slow, we have made significant progress.

Global equity markets have moved unevenly higher since bottoming out in early 2009 as investors were enticed by depressed valuations, improved

corporate earnings, and their desire for higher yields. Several significant downturns, however, have occurred primarily as a result of mixed economic

data and concerns about the possibility of prolonged deflation (especially in Europe). As the period drew to a close, equity markets lost ground on weaker-

than-expected economic data, most notably from the United States. International equities posted negative returns on both a six- and 12-month basis while

US equities posted negative returns over the six months, but were still showing positive returns on a 12-month basis as the domestic economic recovery

had been more pronounced and credit-related issues held European markets down. Within the United States, smaller cap stocks continue to outperform

large caps year-to-date.

In fixed income markets, yields have fluctuated significantly over the past year as economic data has been mixed. Risk aversion and credit issues have kept

interest rates low and US Treasury yields have fallen significantly as investors favored safe haven assets. As the period drew to a close, Treasuries modestly

outperformed the spread sectors of the market (those driven by changes in credit risk.) Corporate credit spreads benefited from the low rate environment

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and high yield fixed income remains attractive due to low default rates and better-than-expected results on European bank stress tests. Meanwhile, tax-

exempt municipal bonds slightly outperformed US investment grade bonds on a 12-month basis, but underperformed year-to-date as investors rotated to

the relative safety of Treasuries.

Regarding cash investments, yields on money market securities remain near all-time lows (producing returns only marginally above zero percent), with

the Federal Open Market Committee reiterating that economic circumstances are likely to necessitate an accommodative interest rate stance for an

extended period.

Against this backdrop, the major market averages posted the following returns:

<b>Total Returns as of August 31, 2010</b>	<b>6-month</b>	<b>12-month</b>
US large cap equities (S&P 500 Index)	(4.04)%	4.91%
US small cap equities (Russell 2000 Index)	(3.60)	6.60
International equities (MSCI Europe, Australasia, Far East Index)	(3.04)	(2.34)
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.07	0.14
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	11.49	11.58
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.81	9.18
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	5.42	9.78
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	6.62	21.40

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

Although conditions have improved over the past couple of years, investors across the globe continue to face uncertainty about the future direction of

economic growth. Through periods of uncertainty, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. For additional

market perspective and investment insight, visit [www.blackrock.com/shareholdermagazine](http://www.blackrock.com/shareholdermagazine), where you'll find the most recent issue of our award-winning

Shareholder® magazine, as well as its quarterly companion newsletter, Shareholder Perspectives. We thank you for entrusting BlackRock with your

investments, and we look forward to your continued partnership in the months and years ahead.

THIS PAGE NOT PART OF YOUR FUND REPORT



## Fund Summary as of August 31, 2010

### BlackRock Defined Opportunity Credit Trust

#### Fund Overview

BlackRock Defined Opportunity Credit Trust's (BHL) (the Fund) investment objective is 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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 23.33% based on market price and 14.39% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 31.82% based on market price and 15.79% 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. We focused on higher quality loan structures and borrowers with relatively stable cash flows and the ability to generate steady income. The Fund's bias towards higher quality sectors and credits detracted from relative performance as high quality generally underperformed lower quality sectors and credits during the period except during the credit market correction in the second quarter of 2010. The Fund maintained leverage at an average amount between 15% to 16% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. The Fund's allocation to high yield bonds benefited performance as the sector outperformed most other sectors of the fixed income market. Investments in a few special situations and recovery stories, most notably in the automotive sector, also contributed positively to performance.

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

#### Fund Information

Symbol on New York Stock Exchange (NYSE)

BHL

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Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2010 (\$12.86) <sup>1</sup>	5.97%
Current Monthly Distribution per Share <sup>2</sup>	\$0.064
Current Annualized Distribution per Share <sup>2</sup>	\$0.768
Leverage as of August 31, 2010 <sup>3</sup>	16%

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

<sup>2</sup> A change in the distribution rate was declared on September 1, 2010. The Monthly Distribution per Share was increased to \$0.066. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> Represents 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 10.

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

	8/31/10	8/31/09	Change	High	Low
Market Price	\$12.86	\$11.03	16.59%	\$13.56	\$10.96
Net Asset Value	\$13.55	\$12.53	8.14%	\$13.80	\$12.51

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	Credit Quality Allocations <sup>4</sup>				
	8/31/10	8/31/09		8/31/10	8/31/09
Floating Rate Loan Interests	83%	94%	BBB/Baa	11%	16%
Corporate Bonds	15	6	BB/Ba	44	57
Other Interests	1		B	44	27
Common Stocks	1		CCC/Caa	1	

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

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## Fund Summary as of August 31, 2010

### BlackRock Diversified Income Strategies Fund, Inc.

#### Fund Overview

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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 29.13% based on market price and 30.27% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 31.82% based on market price and 15.79% based on NAV. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds and unleveraged continuously offered closed-end funds. All returns reflect reinvestment of dividends. The Fund moved from a premium to NAV to a discount by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s exposure to high yield bonds benefited performance as the sector outperformed the broader market. Investments in special situations, most notably in the automotive sector, also contributed positively. The Fund s low amount of leverage detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing.

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#### Fund Information

Symbol on NYSE

DVF

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Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2010 (\$10.45) <sup>1</sup>	7.87%
Current Monthly Distribution per Share <sup>2</sup>	\$0.0685
Current Annualized Distribution per Share <sup>2</sup>	\$0.8220
Leverage as of August 31, 2010 <sup>3</sup>	18%

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

<sup>2</sup> A change in the distribution rate was declared on September 1, 2010. The Monthly Distribution per Share was decreased to \$0.0635. The Yield on Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

<sup>3</sup> Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including 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 10.

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

	8/31/10	8/31/09	Change	High	Low
Market Price	\$10.45	\$8.80	18.75%	\$12.15	\$8.65
Net Asset Value	\$10.47	\$8.74	19.79%	\$10.89	\$8.74

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	Credit Quality Allocations <sup>4</sup>				
	8/31/10	8/31/09		8/31/10	8/31/09
Floating Rate Loan Interests	76%	49%	BBB/Baa	4%	
Corporate Bonds	20	49	BB/Ba	32	17%
Common Stocks	2	2	B	46	37
Other Interests	2		CCC/Caa	11	34
			CC/Ca	1	4
			D		3
			Not Rated	6	5

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

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## Fund Summary as of August 31, 2010

### BlackRock Floating Rate Income Strategies Fund, Inc.

#### Fund Overview

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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 27.59% based on market price and 18.91% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 31.82% based on market price and 15.79% based on NAV. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group comprises both closed-end funds and unleveraged continuously offered closed-end funds. 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. The Fund's exposure to high yield bonds aided performance as the sector outperformed most other sectors of the fixed income market as well as the broad US equity market. Investments in a few special situations and recovery stories, most notably in the automotive sector, contributed positively. We focused on higher quality loan structures and borrowers with relatively stable cash flows and the ability to generate steady income, which detracted from relative performance as riskier sectors and credits generally outperformed, except during the credit market correction in the second quarter of 2010. The Fund maintained leverage at an average amount between 17% to 18% of its total managed assets, which detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing.

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## Fund Information

Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2010 (\$14.61) <sup>1</sup>	6.32%
Current Monthly Distribution per Share <sup>2</sup>	\$0.077
Current Annualized Distribution per Share <sup>2</sup>	\$0.924
Leverage as of August 31, 2010 <sup>3</sup>	17%

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

<sup>2</sup> The distribution is not constant and is subject to change.

<sup>3</sup> Represents loan outstanding as a percentage of managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) that may be outstanding, minus the sum of accrued liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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

	8/31/10	8/31/09	Change	High	Low
Market Price	\$14.61	\$12.26	19.17%	\$16.96	\$12.15
Net Asset Value	\$14.36	\$12.93	11.06%	\$14.67	\$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	Credit Quality Allocations <sup>4</sup>				
	8/31/10	8/31/09		8/31/10	8/31/09
Floating Rate Loan Interests	76%	75%	BBB/Baa	5%	12%
Corporate Bonds	22	24	BB/Ba	33	15
Other Interests	1		B	50	46
Common Stocks	1	1	CCC/Caa	6	21
			CC/Ca	1	
			D		4
			Not Rated	5	2

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

## Fund Summary as of August 31, 2010

### BlackRock Limited Duration Income Trust

#### Fund Overview

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 and 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, in 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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 26.04% based on market price and 19.00% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 34.35% based on market price and 26.92% based on NAV. All returns reflect reinvestment of dividends. The Trust's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund's allocation to high yield loans and investment-grade bonds detracted from performance as these sectors underperformed high yield bonds during the period. The Fund's focus on sectors that are less sensitive to the economy, the consumer and the housing market also had a negative impact. The Fund's relatively low amount of leverage detracted from relative performance versus competitors that maintained higher leverage, as would be expected when markets are advancing. Conversely, an overweight in the automobiles sector and investments in a number of special situations and distressed credits (including automobiles) contributed positively to performance.

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#### Fund Information

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Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Yield on Closing Market Price as of August 31, 2010 (\$16.76) <sup>1</sup>	6.09%
Current Monthly Distribution per Share <sup>2</sup>	\$0.085
Current Annualized Distribution per Share <sup>2</sup>	\$1.020
Leverage as of August 31, 2010 <sup>3</sup>	17%

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

<sup>2</sup> A change in the distribution rate was declared on September 1, 2010. The Monthly Distribution per Share was increased to \$0.0875. The Yield on Closing Market Price, Current

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

<sup>3</sup> Represents reverse repurchase agreements and the Term Asset-Backed Securities Loan Facility ( TALF ) loan 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 10.

The table below summarizes the Fund's market price and net asset value per share:

	8/31/10	8/31/09	Change	High	Low
Market Price	\$16.76	\$14.09	18.95%	\$16.94	\$13.10
Net Asset Value	\$16.79	\$14.95	12.31%	\$16.88	\$14.95

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

Portfolio Composition	Credit Quality Allocations <sup>4</sup>				
	8/31/10	8/31/09		8/31/10	8/31/09
Floating Rate Loan Interests	39%	45%	AAA/Aaa <sup>5</sup>	18%	53%
Corporate Bonds	34	24	AA/Aa	2	
U.S. Government Sponsored Agency Securities	7	26	A	6	
Non-Agency Mortgage-Backed Securities	11		BBB/Baa	8	6
Asset-Backed Securities	5	2	BB/Ba	30	11
Foreign Agency Obligations	2	2	B	28	10
Taxable Municipal Bonds	1		CCC/Caa	6	16
Other Interests	1		C		1
U.S. Treasury Obligations		1	D		1
			Not Rated	2	2

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

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

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## Fund Summary as of August 31, 2010

### BlackRock Senior Floating Rate Fund, Inc.

#### Fund Overview

BlackRock Senior Floating Rate Fund, Inc. s (the Fund) investment objective is to provide as high a level of current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans ( corporate loans ) primarily in the form of participation interests, as defined below, in corporate loans made by banks or other financial institutions. The Fund seeks to achieve its investment objective by investing its assets in the Master Senior Floating Rate LLC ("Master LLC"), a separate closed-end, non-diversified management investment company. Master LLC may invest in a corporate loan either by participating as a co-lender at the time the loan is originated or by buying a participation or assignment interest in the corporate loan from a co-lender or a participant (collectively, participation interests ). Master LLC invests, under normal market conditions, at least 80% of its assets in corporate loans or participating in such loans that have floating or variable interest rates and, under normal market conditions, at least 65% of its assets in floating rate or variable rate loans made to corporate borrowers or participating in such loans. Master LLC 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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 11.20% based on NAV while the closed-end Lipper Loan Participation Funds category posted an average NAV return of 15.79% for the same period. All returns reflect reinvestment of dividends. The Fund invests all of its assets in Master LLC. Master LLC does not employ leverage and is therefore expected to underperform the Fund s Lipper category under strong market conditions as the category includes many leveraged competitors. The Fund performed as expected relative to its peer group as markets generally advanced over the past 12 months. Master LLC maintained relatively conservative positioning weighted toward higher quality credits and loan structures. This positioning had a negative impact on relative performance during much of the period as lower quality credit outperformed, with the exception of the credit correction during the second quarter of 2010. We continue to believe this positioning is the appropriate stance in a low-growth environment. Master LLC s overweight position in the automobiles sector and investments in special situations and distressed credits had a positive impact on performance, as did an underweight position in health care. Master LLC frequently held cash committed for pending transactions; these cash balances did not have a significant impact on performance.

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views are not intended to be a forecast of future events and are no guarantee of future results.

### Fund Information<sup>1</sup>

Initial Offering Date	November 3, 1989
Yield based on Net Asset Value as of August 31, 2010 (\$7.59) <sup>2</sup>	4.81%
Current Monthly Distribution per Share <sup>3</sup>	\$0.031032
Current Annualized Distribution per Share <sup>3</sup>	\$0.365377

<sup>1</sup> The Fund is a continuously offered closed-end fund that does not trade on an exchange.

<sup>2</sup> Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value. Past performance does not guarantee future results.

<sup>3</sup> The distribution is not constant and is subject to change.

The table below summarizes the change in the Fund's NAV per share:

	8/31/10	8/31/09	Change	High	Low
Net Asset Value	\$7.59	\$7.16	6.01%	\$7.74	\$7.16

### Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical <sup>5</sup>			
	Beginning Account Value	Ending Account Value	Expenses Paid During the Period <sup>4</sup>	Beginning Account Value	Ending Account Value	Expenses Paid During the Period <sup>4</sup>	Annualized Expense Ratio
	March 1, 2010	August 31, 2010		March 1, 2010	August 31, 2010		
BlackRock Senior Floating Rate Fund, Inc.	\$1,000	\$1,029.90	\$ 7.83	\$1,000	\$1,017.49	\$ 7.78	1.53%

<sup>4</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown).

Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

<sup>5</sup> Hypothetical 5% annual return before expenses is calculated by multiplying the number of days in the most recent fiscal half year divided by 365. See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 11 for further information on how expenses were calculated.

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## Fund Summary as of August 31, 2010

### BlackRock Senior Floating Rate Fund II, Inc.

#### Fund Overview

BlackRock Senior Floating Rate Fund II, Inc. (the Fund) has an investment objective to provide as high a level of current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans (corporate loans) primarily in the form of participation interests, as defined below, in corporate loans made by banks or other financial institutions. The Fund seeks to achieve its investment objective by investing its assets in the Master Senior Floating Rate LLC ("Master LLC"), a separate closed-end, non-diversified management investment company. Master LLC may invest in a corporate loan either by participating as a co-lender at the time the loan is originated or by buying a participation or assignment interest in the corporate loan from a co-lender or a participant (collectively, participation interests). Master LLC invests, under normal market conditions, at least 80% of its assets in corporate loans or participating in such loans that have floating or variable interest rates and, under normal market conditions, at least 65% of its assets in floating rate or variable rate loans made to corporate borrowers or participating in such loans. Master LLC 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.

#### Performance

For the 12 months ended August 31, 2010, the Fund returned 10.97% based on NAV while the closed-end Lipper Loan Participation Funds category posted an average NAV return of 15.79% for the same period. All returns reflect reinvestment of dividends. The Fund invests all of its assets in Master LLC. Master LLC does not employ leverage and is therefore expected to underperform the Fund's Lipper category under strong market conditions as the category includes many leveraged competitors. The Fund performed as expected relative to its peer group as markets generally advanced over the past 12 months. Master LLC maintained relatively conservative positioning weighted toward higher quality credits and loan structures. This positioning had a negative impact on relative performance during much of the period as lower quality credit outperformed, with the exception of the credit correction during the second quarter of 2010. We continue to believe this positioning is the appropriate stance in a low-growth environment. Master LLC's overweight position in the automobiles sector and investments in special situations and distressed credits had a positive impact on performance, as did an underweight position in health care. Master LLC frequently held cash committed for pending transactions; these cash balances did not have a significant impact on performance.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These

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views are not intended to be a forecast of future events and are no guarantee of future results.

### Fund Information<sup>1</sup>

Initial Offering Date	March 26, 1999
Yield based on Net Asset Value as of August 31, 2010 (\$8.22) <sup>2</sup>	4.66%
Current Monthly Distribution per Share <sup>3</sup>	\$0.032518
Current Annualized Distribution per Share <sup>3</sup>	\$0.382873

<sup>1</sup> The Fund is a continuously offered closed-end fund that does not trade on an exchange.

<sup>2</sup> Yield based on net asset value is calculated by dividing the current annualized distribution per share by the net asset value. Past performance does not guarantee future results.

<sup>3</sup> The distribution is not constant and is subject to change.

The table below summarizes the change in the Fund's NAV per share:

	8/31/10	8/31/09	Change	High	Low
Net Asset Value	\$8.22	\$7.76	5.93%	\$8.38	\$7.75

### Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical <sup>5</sup>			
	Beginning Account Value	Ending Account Value	Expenses Paid During the Period <sup>4</sup>	Beginning Account Value	Ending Account Value	Expenses Paid During the Period <sup>4</sup>	Annualized Expense Ratio
	March 1, 2010	August 31, 2010		March 1, 2010	August 31, 2010		
BlackRock Senior Floating Rate Fund II, Inc.	\$1,000	\$1,028.60	\$ 8.59	\$1,000	\$1, 016.74	\$ 8.54	1.68%

<sup>4</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown).

Because the Fund is a feeder fund, the expense table reflects the expenses of both the feeder fund and the Master LLC in which it invests.

<sup>5</sup> Hypothetical 5% annual return before expenses is calculated by pro rating the number of days in the most recent fiscal half year divided by 365. See Disclosure of Expenses for Continuously Offered Closed-End Funds on page 11 for further information on how expenses were calculated.

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## The Benefits and Risks of Leveraging

BHL, DVF, FRA and BLW may utilize leverage to seek to enhance the yield and NAV. However, these objectives cannot be achieved in all interest rate environments.

The Funds may utilize leverage by borrowing through a credit facility, participation in the TALF, or through entering into reverse repurchase agreements and treasury roll transactions. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's 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 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 of 6%, the yield curve has a negative slope. In this case, the Fund pays interest expense on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies

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

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

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility, through participation in the TALF or entering into reverse repurchase agreements up to  $33\frac{1}{3}\%$  of their total managed assets. As of August 31, 2010, the Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	<b>Percent of Leverage</b>
BHL	16%
DVF	18%
FRA	17%
BLW	17%

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## Derivative Financial Instruments

The Funds may invest in various derivative instruments, including swaps, financial futures contracts, foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, interest rate, credit, equity and/or foreign currency exchange rate risks. Such derivative instruments involve risks, including the imperfect correlation between the value of a derivative instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative instrument. The Funds

ability to successfully use a derivative instrument depends on the investment advisor's ability to accurately predict pertinent market movements, which cannot be assured. The use of derivative instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio securities 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 a security that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

## Disclosure of Expenses for Continuously Offered Closed-End Funds

Shareholders of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. may incur the following charges:

- (a) expenses related to transactions, including early withdrawal fees; and
- (b) operating expenses, including administration fees, and other Fund

expenses. The examples on the previous pages (which are based on a hypothetical investment of \$1,000 invested on March 1, 2010 and held through August 31, 2010) are intended to assist shareholders both in calculating expenses based on an investment in each Fund and in comparing these expenses with similar costs of investing in other mutual funds.

The tables provide information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number corresponding to their Fund under the heading entitled Expenses Paid During the Period.

The tables also provide information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in these Funds and other funds, compare the 5% hypothetical example with the 5%

hypothetical examples that appear in other funds' shareholder reports.

The expenses shown in the tables are intended to highlight shareholders' ongoing costs only and do not reflect any transactional expenses, such as early withdrawal fees. Therefore, the hypothetical examples are useful in comparing ongoing expenses only, and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

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## Schedule of Investments August 31, 2010

### BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

Common Stocks (a)	Shares	Value
<b>Capital Markets 0.2%</b>		
E*Trade Financial Corp.	16,300	\$ 202,283
<b>Software 0.2%</b>		
HMH Holdings/EduMedia	54,036	270,181
<b>Total Common Stocks 0.4%</b>		472,464
	<b>Par</b>	
	<b>(000)</b>	
<b>Corporate Bonds</b>		
<b>Airlines 0.4%</b>		
Air Canada, 9.25%, 8/01/15 (b)	USD 250	245,000
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	285	299,325
		544,325
<b>Auto Components 0.9%</b>		
Delphi International Holdings Unsecured, 12.00%, 10/06/14	13	12,664
Icahn Enterprises LP: 7.75%, 1/15/16	375	372,188
8.00%, 1/15/18	750	746,250
		1,131,102
<b>Building Products 0.3%</b>		
Building Materials Corp. of America, 7.00%, 2/15/20 (b)	375	373,125
<b>Chemicals 0.4%</b>		
CF Industries, Inc., 6.88%, 5/01/18	415	436,788
<b>Commercial Banks 1.1%</b>		
CIT Group, Inc., 7.00%, 5/01/17	1,375	1,292,929
<b>Commercial Services &amp; Supplies 0.5%</b>		
Clean Harbors, Inc., 7.63%, 8/15/16	400	410,000
The Geo Group, Inc., 7.75%, 10/15/17 (b)	250	257,500
		667,500
<b>Consumer Finance 0.4%</b>		
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)	425	435,625
<b>Containers &amp; Packaging 0.8%</b>		
Berry Plastics Corp.:		
8.25%, 11/15/15	700	701,750
9.50%, 5/15/18 (b)	240	220,800

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Berry Plastics Holding Corp., 8.88%, 9/15/14		45	42,862
			965,412
<b>Diversified Financial Services 1.4%</b>			
Ally Financial, Inc., 8.30%, 2/12/15 (b)		850	884,000
FCE Bank Plc:			
7.13%, 1/16/12	EUR	600	786,963
7.13%, 1/15/13		50	65,580
			1,736,543
<b>Diversified Telecommunication Services 1.1%</b>			
Frontier Communications Corp., 8.25%, 4/15/17	USD	290	306,675
ITC Deltacom, Inc., 10.50%, 4/01/16		250	246,250
Qwest Corp., 8.38%, 5/01/16		640	745,600
			1,298,525
<b>Energy Equipment &amp; Services 0.4%</b>			
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)		500	467,500
		<b>Par</b>	<b>Value</b>
<b>Corporate Bonds</b>		<b>(000)</b>	
<b>Food &amp; Staples Retailing 0.1%</b>			
Rite Aid Corp., 8.00%, 8/15/20 (b)	USD	180	\$ 178,875
<b>Food Products 0.8%</b>			
B&G Foods, Inc., 7.63%, 1/15/18		300	308,625
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)		210	222,075
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		370	413,012
			943,712
<b>Health Care Providers &amp; Services 0.3%</b>			
American Renal Holdings, 8.38%, 5/15/18 (b)		135	135,000
HCA, Inc., 7.25%, 9/15/20		220	229,900
			364,900
<b>Health Care Technology 0.8%</b>			
IMS Health, Inc., 12.50%, 3/01/18 (b)		850	984,937
<b>Hotels, Restaurants &amp; Leisure 0.2%</b>			
MGM Resorts International, 11.13%, 11/15/17		240	268,200
<b>Household Durables 0.7%</b>			
Beazer Homes USA, Inc., 12.00%, 10/15/17		715	805,269
<b>IT Services 0.3%</b>			
SunGard Data Systems, Inc., 4.88%, 1/15/14		383	366,723
<b>Independent Power Producers &amp; Energy Traders 2.7%</b>			
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		1,165	1,223,250

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Energy Future Holdings Corp., 10.00%, 1/15/20 (b)	400	385,201
NRG Energy, Inc.:		
7.25%, 2/01/14	1,600	1,632,000
7.38%, 2/01/16	100	100,750
		3,341,201
<b>Media 1.6%</b>		
Clear Channel Worldwide Holdings, Inc.:		
9.25%, 12/15/17	185	191,938
Series B, 9.25%, 12/15/17	740	776,075
DISH DBS Corp., 7.00%, 10/01/13	425	442,531
UPC Germany GmbH, 8.13%, 12/01/17 (b)	500	513,750
		1,924,294
<b>Oil, Gas &amp; Consumable Fuels 0.6%</b>		
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)	140	143,850
OPTI Canada, Inc., 9.00%, 12/15/12 (b)	580	581,450
		725,300
<b>Paper &amp; Forest Products 0.9%</b>		
NewPage Corp., 11.38%, 12/31/14	1,115	905,937
Verso Paper Holdings LLC, 11.50%, 7/01/14	200	211,000
		1,116,937
<b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>		
Phillips-Van Heusen Corp., 7.38%, 5/15/20	445	458,350
<b>Wireless Telecommunication Services 1.5%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16	1,125	1,161,562
NexTel Communications, Inc., Series E, 6.88%, 10/31/13	525	523,687
Sprint Capital Corp., 8.38%, 3/15/12	175	185,063
		1,870,312
<b>Total Corporate Bonds 18.6%</b>		<b>22,698,384</b>

### Portfolio Abbreviations

<p>To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:</p> <p>See Notes to Financial Statements.</p>	<p><b>CAD</b> Canadian Dollar</p> <p><b>EUR</b> Euro</p> <p><b>FKA</b> Formerly Known As</p> <p><b>GBP</b> British Pound</p>	<p><b>GO</b> General Obligation</p> <p><b>MSCI</b> Morgan Stanley Capital International</p> <p><b>USD</b> US Dollar</p>	
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## Schedule of Investments (continued)

**BlackRock Defined Opportunity Credit Trust (BHL)**

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Aerospace &amp; Defense 1.7%</b>			
DynCorp International, Term Loan, 6.25%, 7/07/16	USD	700	\$ 694,575
Hawker Beechcraft Acquisition Co., LLC:			
Letter of Credit Linked Deposit, 0.43%, 3/26/14		37	29,768
Term Loan, 2.26% 2.53%, 3/26/14		627	499,209
TASC, Inc.:			
Tranche A Term Loan, 5.50%, 12/18/14		162	161,635
Tranche B Term Loan, 5.75%, 12/18/15		628	629,167
			2,014,354
<b>Auto Components 2.8%</b>			
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/09/16		748	719,756
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14		2,334	2,151,042
Dana Holding Corp., Term Advance, 4.52% 6.50%, 1/30/15		390	382,609
Exide Global Holdings Netherlands C.V., European Borrower, Term Loan, 3.94%, 5/15/12	EUR	146	171,032
			3,424,439
<b>Automobiles 1.3%</b>			
Ford Motor Co.:			
Tranche B-1 Term Loan, 3.03%, 12/15/13	USD	1,578	1,517,979
Tranche B-2 Term Loan, 3.03%, 12/15/13		24	22,720
			1,540,699
<b>Building Products 2.0%</b>			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14		257	251,638
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		1,223	1,227,465
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.88% 12/04/13	EUR	797	925,809
			2,404,912
<b>Capital Markets 0.4%</b>			
Nuveen Investments, Inc., Term Loan (First Lien),			

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3.48	3.53%%, 11/13/14	USD	623	550,125
<b>Chemicals 6.4%</b>				
	CF Industries, Inc., Term Loan B-1, 4.50%, 4/05/15		462	464,616
	Chemtura Corp.:			
	Debtor in Possession Term Facility,			
	6.00%, 2/11/11		850	847,875
	Exit Term Loan, 5.50%, 8/16/16		750	753,125
	Gentek Holding, LLC, Tranche B Term Loan, 7.00%,			
	10/29/14		453	452,596
	Huish Detergents, Inc., Tranche B Term Loan, 2.02%,			
	4/26/14		233	220,381
	Lyondell Chemical Co., Exit Term Loan, 5.50%, 4/08/16		255	256,771
	MacDermid, Inc., Tranche B Term Loan, 2.27%, 4/12/14		484	445,157
	Nalco Co., Term Loan, 6.50%, 5/13/16		1,213	1,216,792
	PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan			
	(First Lien), 3.52% 3.73%, 7/30/14		1,202	1,099,350
	Rockwood Specialties Group, Inc., Term Loan H, 6.00%,			
	5/15/14		586	586,003
	Solutia, Inc., Term Loan, 4.75%, 3/17/17		702	701,864
	Tronox Worldwide LLC:			
	Tranche B-1 Term Loan, 11.25%, 9/20/10		631	635,712
	Tranche B-2 Term Loan, 11.25%, 9/20/10		169	170,788
				7,851,030
<b>Commercial Banks 1.0%</b>				
	CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15		1,180	1,176,153
<b>Commercial Services &amp; Supplies 6.4%</b>				
	ARAMARK Corp.:			
	Letter of Credit-1 Facility, 0.11%, 1/26/14		19	17,694
	Letter of Credit-2 Facility, 0.11%, 7/26/16		31	29,737
	US Term Loan, 2.41%, 1/26/14		259	244,672
	US Term Loan B, 3.78%, 7/26/16		466	452,166

		Par	Value
		(000)	
<b>Floating Rate Loan Interests (c)</b>			
<b>Commercial Services &amp; Supplies (concluded)</b>			
	AWAS Finance Luxembourg Sarl, Term Loan, 7.75%,		
	6/10/16	USD	425
	Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan,		
	3.02%, 10/21/13		326
	Advanced Disposal Services, Inc., Term Loan B, 6.00%,		
			313,064

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1/14/15	398	398,000
Altegrity, Inc., Incremental Term Loan, 7.75%, 2/21/15	750	747,188
Casella Waste Systems, Inc., Term Loan B, 7.00%, 4/09/14	558	561,222
Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16	475	477,573
Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B Dollar Term Loan, 5.50%, 11/24/15	498	496,256
International Lease Finance Corp., Term Loan 1, 6.75%, 3/17/15	950	957,521
Protection One, Inc., Term Loan, 6.00%, 6/04/16	750	741,563
Quad Graphics, Term Loan, 5.50%, 4/20/16	275	262,350
Synagro Technologies, Inc., Term Loan (First Lien), 2.27% 2.28%, 4/02/14	977	825,844
West Corp., Incremental Term Loan B-3, 7.25%, 10/24/13	913	909,838
		7,862,167
<b>Communications Equipment 0.1%</b>		
Sorenson Communications, Tranche C Term Loan, 6.00%, 8/16/13	119	106,480
<b>Construction &amp; Engineering 0.7%</b>		
Aquilex Holdings LLC, Term Loan, 5.50%, 4/01/16	100	99,334
Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/18/17	750	750,000
		849,334
<b>Construction Materials 0.3%</b>		
Fairmount Minerals Ltd., Term Loan B, 6.25%, 8/05/16	425	425,177
<b>Consumer Finance 2.7%</b>		
AGFS Funding Co., Term Loan, 7.25%, 4/21/15	1,750	1,729,219
Daimler Chrysler Financial Services Americas LLC, Term Loan (Second Lien), 6.78%, 8/05/13	1,524	1,518,963
		3,248,182
<b>Containers &amp; Packaging 0.8%</b>		
Anchor Glass Container Corp., Term Loan (First Lien), 6.00%, 3/02/16	358	354,674
BWAY Holdings, Co., Term Loan B, 5.50% 6.00%, 6/16/17	169	168,932
Berry Plastics Holding Corp., Term Loan C, 2.38%, 4/03/15	520	473,835
ICL Industrial Containers ULC/ICL Contenant Industriels ULC (FKA BWAY) Term Loan C, 5.50% 6.00%, 6/16/17	16	15,847
		1,013,288

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### Diversified Consumer Services 3.4%

Coinmach Laundry Corp., Delayed Draw Term Loan, 3.29% 3.35%, 11/14/14	247	212,306
Coinmach Service Corp., Term Loan, 3.35%, 11/14/14	1,217	1,060,902
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14	1,985	1,951,751
ServiceMaster Co.:		
Closing Date Term Loan, 2.77% 3.04%, 7/24/14	873	802,448
Delayed Draw Term Loan, 2.77%, 7/24/14	87	79,912
		4,107,319

### Diversified Financial Services 2.4%

MSCI, Inc., Term Loan, 4.75%, 6/01/16	798	800,328
Reynolds Group Holdings, Inc., US Term Loan, 6.25%, 5/05/16	1,589	1,581,031
Whitelabel IV SA:		
Term Loan B2, 5.00%, 8/11/17	EUR 249	312,808
Term Loan B1, 5.00%, 8/11/17	151	189,023
		2,883,190

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Defined Opportunity Credit Trust (BHL)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>		
<b>Diversified Telecommunication Services 3.6%</b>		
Cincinnati Bell Inc., Tranche B Term Loan, 6.50%, 6/11/17	USD 673	\$ 668,263
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 (d)	516	361,183
Integra Telecom Holdings, Inc., Term Loan, 9.25%, 4/15/15	825	822,937
Level 3 Communications, Incremental Term Loan, 2.53% 2.78%, 3/13/14	1,400	1,254,093
Wind Finance SL SA, Euro Facility (Second Lien), 7.89%, 12/17/14	EUR 1,000	1,264,677
		4,371,153
<b>Electric Utilities 1.0%</b>		
New Development Holdings LLC, Term Loan, 7.00%, 7/03/17	USD 1,250	1,262,500
<b>Electrical Equipment 0.4%</b>		
Baldor Electric Co., Term Loan, 5.25% 5.50%, 1/31/14	506	505,968
<b>Electronic Equipment, Instruments &amp; Components 2.6%</b>		
CDW LLC (FKA CDW Corp.), Term Loan, 4.28%, 10/10/14	637	570,887
Deutsche Group SAS (FKA Matinvest 2 SAS)/Butterfly Wendel US, Inc.:		
Facility B-2, 3.91%, 6/22/14	319	271,533
Facility C-2, 4.16%, 6/22/15	268	228,042
Flextronics International Ltd.:		
Closing Date Loan A, 2.53% 2.56%, 10/01/14	103	96,528
Closing Date Loan B, 2.56%, 10/01/12	562	541,190
L-1 Identity Solutions Operating Co., Tranche B-1 Term Loan, 6.75%, 8/05/13	616	612,506
Styron Sarl, Term Loan, 7.50%, 6/17/16	825	831,443
		3,152,129
<b>Energy Equipment &amp; Services 0.6%</b>		
MEG Energy Corp., Tranche D Term Loan, 6.00%,		



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4/03/16		696	694,509
<b>Food &amp; Staples Retailing 2.3%</b>			
AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.55%, 7/09/15	GBP	500	713,338
Bolthouse Farms, Inc., Term Loan (First Lien), 5.50%, 2/11/16	USD	499	496,002
Pierre Foods, Term Loan, 7.00%, 3/03/16		488	486,078
Pilot Travel Centers LLC, Initial Tranche B Term Loan, 5.25%, 6/30/16		863	863,794
Rite Aid Corp., Term Loan B, 6.00%, 7/09/14		220	212,520
			2,771,732
<b>Food Products 3.1%</b>			
CII Investment, LLC (FKA Cloverhill):			
Term Loan A, 8.50%, 10/14/14		482	481,836
Term Loan B, 8.50%, 10/14/14		586	586,021
Dole Food Co., Inc. Tranche B-1 Term Loan, 5.00% 5.50%, 3/02/17		284	284,125
Michael Foods Group, Inc. (FKA M-Foods Holdings, Inc.), Term Loan B, 6.25%, 6/29/16		500	500,357
Pilgrim s Pride Corp., Term Loan A, 5.58%, 12/01/12		550	544,500
Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14		709	709,886
Solvest, Ltd. (Dole) Tranche C-1 Term Loan, 5.00% 5.50, 3/02/17		704	705,371
			3,812,096
<b>Health Care Equipment &amp; Supplies 1.4%</b>			
Biomet, Inc., Dollar Term Loan, 3.26% 3.54%, 3/25/15		407	393,293
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan, 3.26%, 5/20/14		729	691,199
Fresenius SE:			
Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14		418	418,318
Tranche C-2 Term Loan, 4.50%, 9/10/14		227	227,759
			1,730,569
		<b>Par</b>	
<b>Floating Rate Loan Interests (c)</b>		<b>(000)</b>	<b>Value</b>
<b>Health Care Providers &amp; Services 6.2%</b>			
CHS/Community Health Systems, Inc.:			
Delayed Draw Term Loan, 2.55%, 7/25/14	USD	86	\$ 80,719
Term Loan Facility, 2.55%, 7/25/14		1,680	1,583,641

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DaVita, Inc., Tranche B-1 Term Loan, 1.77% 2.04%, 10/05/12	200	196,916
Gentiva Health Services, Inc., Term Loan B, 6.75%, 8/12/16	600	592,125
HCA, Inc.:		
Tranche A-1 Term Loan, 2.03%, 11/16/12	1,655	1,592,364
Tranche B-1 Term Loan, 2.78%, 11/18/13	70	67,375
Harden Healthcare LLC:		
Add-on Term Loan, 7.75%, 3/02/15	600	588,000
Tranche A Term Loan, 8.50%, 2/22/15	396	388,436
inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16	1,200	1,197,750
Renal Advantage Holdings, Inc., Tranche B Term Loan, 6.00%, 6/03/16	525	525,000
Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16	813	803,229
		7,615,555
<b>Health Care Technology 0.8%</b>		
IMS Health, Inc., Tranche B Dollar Term Loan, 5.25%, 2/26/16	957	959,107
<b>Hotels, Restaurants &amp; Leisure 5.5%</b>		
BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 7/18/11	1,000	720,000
Harrah s Operating Co., Inc.:		
Term Loan B-3, 3.50% 3.53%, 1/28/15	1,002	855,793
Term Loan B-4, 9.50%, 10/31/16	746	761,590
Penn National Gaming, Inc., Term Loan B, 2.01% 2.24%, 10/03/12	566	552,251
SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16	1,120	1,120,737
Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 6.00%, 6/30/16	822	812,894
Travelport LLC (FKA Travelport, Inc.):		
Delayed Draw Term Loan, 2.76%, 8/23/13 Original Post-First Amendment and Restatement	220	208,734
Synthetic Letter of Credit Loan, 3.03%, 8/23/13	21	19,590
Tranche B Dollar Term Loan, 2.76%, 8/23/13	114	107,887
Universal City Development Partners, Ltd., Term Loan, 5.50%, 11/16/14	496	497,003
VML US Finance LLC (FKA Venetian Macau):		
Term B Delayed Draw Project Loan, 5.04%, 5/25/12	414	407,125
Term B Funded Project Loan, 5.04%, 5/27/13	723	709,996

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6,773,600

**IT Services 4.3%**

Ceridian Corp., US Term Loan, 3.26%, 11/09/14	746	663,493
EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16	450	439,875
First Data Corp.:		
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14	168	143,516
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14	501	426,755
Initial Tranche B-3 Term Loan, 3.01%, 9/24/14	1,451	1,237,338
SunGard Data Systems, Inc. (Solar Capital Corp.),		
Incremental Term Loan, 6.75%, 2/28/14	1,037	1,035,523
TransUnion LLC, Term Loan, 6.75%, 6/15/17	1,250	1,261,329
		5,207,829

**Independent Power Producers & Energy Traders 1.1%**

Dynegy Holdings, Inc.:		
Term Letter of Credit Facility, 4.02%, 4/02/13	204	200,689
Tranche B Term Loan, 4.02%, 4/02/13	16	16,073
Texas Competitive Electric Holdings Co., LLC (TXU),		
Initial Tranche B-3 Term Loan, 3.79% 4.03%, 10/10/14	1,454	1,096,171
		1,312,933

**Industrial Conglomerates 1.8%**

Sequa Corp., Term Loan, 3.79%, 12/03/14	2,339	2,151,724
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See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Defined Opportunity Credit Trust (BHL)**

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>			
<b>Insurance 0.6%</b>			
Alliant Holdings I, Inc., Term Loan, 3.53%, 8/21/14	USD	716	\$ 680,253
<b>Internet &amp; Catalog Retail 0.2%</b>			
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14		191	191,058
<b>Machinery 1.0%</b>			
LN Acquisition Corp. (Lincoln Industrial):			
Delayed Draw Term Loan (First Lien), 3.52%, 7/11/14		245	233,088
Initial U.S. Term Loan (First Lien), 3.52%, 7/11/14		637	604,871
Oshkosh Truck Corp., Term Loan B, 6.44% 6.54%, 12/06/13		419	421,618
			1,259,577
<b>Marine 0.2%</b>			
Horizon Lines, LLC:			
Revolving Loan, 3.52% 3.55%, 8/08/12		195	166,986
Term Loan, 3.79%, 8/08/12		148	134,762
			301,748
<b>Media 17.2%</b>			
Cengage Learning Acquisitions, Inc. (Thomson Learning),			
Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		1,881	1,874,539
Cequel Communications, LLC, New Term Loan, 2.30%, 11/05/13		532	511,065
Charter Communications Operating, LLC:			
New Term Loan, 7.25%, 3/06/14		341	322,724
Term Loan B1, 2.26%, 3/06/14		449	458,778
Term Loan C, 3.79%, 9/06/16		2,569	2,456,904
Clarke American Corp., Term Loan B, 2.76%, 6/30/14		619	533,832
FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15		652	626,686
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.79%, 6/12/14 (d)		876	797,990
Hanley-Wood, LLC, Term Loan, 2.56% 2.63%, 3/10/14		737	318,931
Intelsat Corp. (FKA PanAmSat Corp.):			
Tranche B-2-A Term Loan, 3.03%, 1/03/14		237	223,669

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Tranche B-2-B Term Loan, 3.03%, 1/03/14		237	223,601
Tranche B-2-C Term Loan, 3.03%, 1/03/14		237	223,601
Interactive Data Corp., Term Loan, 6.75%, 1/29/17		700	704,083
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):			
Facility B1, 3.52%, 6/28/15	EUR	510	488,690
Facility C1, 3.77%, 6/30/16		510	488,690
Local TV Finance, LLC, Term Loan, 2.27%, 5/07/13	USD	224	199,037
Mediacom Illinois, LLC (FKA Mediacom Communications, LLC):			
Tranche D Term Loan, 5.50%, 3/31/17		200	195,935
Tranche E Loan, 4.50%, 10/23/17		1,075	1,014,513
Newsday, LLC:			
Fixed Rate Term Loan, 10.50%, 8/01/13		800	849,000
Floating Rate Term Loan, 6.78%, 8/01/13		500	502,500
Nielsen Finance LLC:			
Class A Dollar Term Loan, 2.29%, 8/09/13		26	24,805
Class B Dollar Term Loan, 4.04%, 5/01/16		1,153	1,114,223
Class C Dollar Term Loan, 4.04%, 5/28/16		419	401,631
Regal Cinemas Corp., Term Loan, 4.03%, 11/19/16		349	344,761
Sinclair Television Group, Inc., New Tranche B Loan, 5.50%, 10/29/15		409	409,432
Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16	EUR	1,100	1,378,874
Sunshine Acquisition Ltd. (AKA HIT Entertainment), Term Facility, 5.68%, 6/01/12	USD	598	557,456
TWCC Holdings Corp., Replacement Term Loans, 5.00%, 9/14/15		1,027	1,025,658
UPC Financing Partnership, Facility U, 4.64%, 12/31/17 EUR		800	941,079
Virgin Media Investment Holdings Ltd., Facility B, 4.77%, 12/31/15	GBP	750	1,115,016
Yell Group Plc/Yell Finance (UK) Ltd., Facility A3, 2.60%, 8/09/11	USD	703	678,516
			21,006,219

### Floating Rate Loan Interests (c)

#### Multi-Utilities 0.2%

		Par (000)	Value
FirstLight Power Resources, Inc. (FKA NE Energy, Inc.):			
Synthetic Letter of Credit, 0.41%, 11/01/13	USD	4	\$ 3,705
Term B Advance (First Lien), 3.06%, 11/01/13		238	220,396

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			224,101
<b>Multiline Retail 2.6%</b>			
Dollar General Corp., Tranche B-2 Term Loan, 3.01%, 7/07/14		526	505,901
Hema Holding BV, Facility D, 5.65%, 1/01/17	EUR	1,800	2,109,972
The Neiman Marcus Group, Inc., Term Loan, 2.30%, 4/06/13	USD	524	496,386
			3,112,259
<b>Oil, Gas &amp; Consumable Fuels 0.3%</b>			
Big West Oil, LLC, Term Loan, 12.00%, 7/23/15		325	328,927
<b>Paper &amp; Forest Products 0.6%</b>			
Georgia-Pacific LLC, Term Loan B, 2.30% 2.53%, 12/23/12		752	741,240
<b>Personal Products 0.0%</b>			
American Safety Razor Co., LLC, Term Loan (First Lien), 6.75%, 7/31/13		43	39,646
<b>Pharmaceuticals 1.0%</b>			
Warner Chilcott Co., LLC, Term Loan A, 6.00%, 10/30/14		459	458,018
Warner Chilcott Corp.:			
Additional Term Loan, 6.25%, 4/30/15		198	197,657
Term Loan B-1, 6.25%, 4/30/15		197	196,363
Term Loan B-2, 6.25%, 4/30/15		326	325,290
Term Loan B-3, 6.50%, 2/20/16		68	68,182
Term Loan B-4, 6.50%, 2/20/16		22	22,123
			1,267,633
<b>Professional Services 0.8%</b>			
Booz Allen Hamilton, Inc., Tranche B Term Loan, 7.50%, 7/31/15		983	983,728
<b>Real Estate Management &amp; Development 1.7%</b>			
Realty Corp.:			
Delayed Draw Term Loan B, 3.30% 3.53%, 10/10/13		1,045	901,372
Initial Term Loan B, 3.30%, 10/10/13		588	507,692
Synthetic Letter of Credit, 0.11%, 10/10/13		101	87,031
Term Facility (Second Lien), 13.50%, 10/15/17		500	527,500
			2,023,595
<b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>			
Freescale Semiconductor, Inc., Extended Maturity Term Loan, 4.56%, 12/01/16		300	268,266
<b>Software 0.7%</b>			
Telcordia Technologies, Inc., Term Loan, 6.75%,			

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4/30/16		599	598,001
Vertafore, Inc., Term Loan B, 6.75%, 7/28/16		305	303,094
			901,095
<b>Specialty Retail 2.1%</b>			
Bass Pro Group LLC, Term Loan, 5.00% 5.75%, 4/10/15		195	194,449
Burlington Coat Factory Warehouse Corp., Term Loan, 2.54% 2.66%, 5/28/13		190	179,978
General Nutrition Centers, Inc., Term Loan, 2.52% 2.79%, 9/16/13		195	184,706
Matalan, Term Loan, 5.57%, 3/24/16	GBP	300	455,724
Michaels Stores, Inc.:			
Term Loan B-1, 2.63% 2.81%, 10/31/13	USD	511	482,103
Term Loan B-2, 4.88% 5.06%, 7/31/16		249	240,565
Toys R US, Inc., Term Loan B, 6.00%, 8/17/16		800	797,995
			2,535,520

See Notes to Financial Statements.

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## Schedule of Investments (continued)

**BlackRock Defined Opportunity Credit Trust (BHL)**

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Floating Rate Loan Interests (c)</b>		
<b>Textiles, Apparel &amp; Luxury Goods 1.0%</b>		
Hanesbrands, Inc., New Term Loan, 5.25%, 12/10/15	USD 461	\$ 463,863
Phillips Van Heusen Corp., US Tranche B Term Loan, 4.75%, 5/06/16	790	794,537
		1,258,400
<b>Wireless Telecommunication Services 3.3%</b>		
Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12 (d)	212	200,469
Digicel International Finance Ltd., US Term Loan (Non-Rollover), 3.06%, 3/30/12	1,938	1,892,350
MetroPCS Wireless, Inc.:		
Tranche B-1 Term Loan, 2.56%, 11/03/13	106	102,850
Tranche B-2 Term Loan, 3.81%, 11/03/16	1,153	1,131,072
Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15	750	750,000
		4,076,741
<b>Total Floating Rate Loan Interests 100.8%</b>		122,978,259
	<b>Beneficial Interest (000)</b>	
<b>Other Interests (e)</b>		
<b>Auto Components 1.0%</b>		
Delphi Debtor-in-Possession Holding Co. LLP		
Class B Membership Interests	(f)	1,247,163
<b>Total Other Interests 1.0%</b>		1,247,163
<b>Total Long-Term Investments</b>		
<b>(Cost \$146,852,174) 120.8%</b>		147,396,270
<b>Short-Term Securities</b>	<b>Shares</b>	
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.25% (g)(h)	1,172,197	1,172,197
<b>Total Short-Term Securities</b>		
<b>(Cost \$1,172,197) 0.9%</b>		1,172,197
<b>Total Investments (Cost \$148,024,371*) 121.7%</b>		148,568,467
<b>Liabilities in Excess of Other Assets (21.7%)</b>		(26,506,852)
<b>Net Assets 100.0%</b>		\$122,061,615



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\* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$148,023,821
Gross unrealized appreciation	\$ 3,598,216
Gross unrealized depreciation	(3,053,570)
Net unrealized appreciation	\$ 544,646

(a) Non-income producing security.

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

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

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

(e) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.

(f) Amount is less than \$1,000.

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

Affiliate	Shares Held at August 31, 2009	Net Activity	Shares Held at August 31, 2010	Income
BlackRock Liquidity Funds, TempFund, Institutional Class		1,172,197	1,172,197	\$4,642

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

Foreign currency exchange contracts as of August 31, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 59,000	USD 74,697	Citibank NA	9/15/10	\$ 69
USD 7,974,576	EUR 6,309,000	Citibank NA	9/15/10	(20,335)
USD 185,370	EUR 140,000	Citibank NA	9/15/10	7,959
USD 2,193,452	GBP 1,423,000	Royal Bank of Scotland	10/20/10	11,829
<b>Total</b>				<b>\$ (478)</b>

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

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market indexes or rating group indexes, and/or as defined by Fund management. This definition 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 derivatives, which are as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the inputs used as of August 31, 2010 in determining the fair valuation of the Fund's investments and derivatives:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				
Investments:				
Common Stocks	\$ 202,283		\$ 270,181	\$ 472,464
Corporate Bonds		\$ 22,685,720	12,664	22,698,384
Floating Rate				
Loan Interests		102,541,176	20,437,083	122,978,259
Other Interests		1,247,163		1,247,163
Short-Term				
Securities	1,172,197			1,172,197
Unfunded Loan				
Commitments			3,688	3,688
<b>Liabilities:</b>				
Unfunded Loan				
Commitments			(50,431)	(50,431)
<b>Total</b>	<b>\$ 1,374,480</b>	<b>\$126,474,059</b>	<b>\$20,673,185</b>	<b>\$148,521,724</b>

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See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Defined Opportunity Credit Trust (BHL)

Derivative Financial Instruments<sup>1</sup>

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Foreign currency exchange contracts		\$ 19,857		\$ 19,857
<b>Liabilities:</b>				
Foreign currency exchange contracts		(20,335)		(20,335)
<b>Total</b>		\$ (478)		\$ (478)

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

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

	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Unfunded Loan Commitments	Total
<b>Assets/Liabilities:</b>					
Balance, as of August 31, 2009			\$24,495,356	\$ 60,517	\$24,555,873
Accrued discounts/premiums			245,232		245,232
Net realized gain (loss)			390,156		390,156
Net change in unrealized appreciation/depreciation <sup>2</sup>			3,302,917	(107,260)	3,195,657
Purchases			6,258,629		6,258,629
Sales			(19,925,222)		(19,925,222)
Transfers in <sup>3</sup>	\$ 270,181	\$ 12,664	12,292,781		12,575,626
Transfers out <sup>3</sup>			(6,622,766)		(6,622,766)
<b>Balance, as of August 31, 2010</b>	<b>\$ 270,181</b>	<b>\$ 12,664</b>	<b>\$20,437,083</b>	<b>\$ (46,743)</b>	<b>\$20,673,185</b>

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on securities still held at August 31, 2010 was \$579,777.

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

See Notes to Financial Statements.

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## Schedule of Investments August 31, 2010

### BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Asset-Backed Securities</b>			
North Street Referenced Linked Notes 2000-1 Ltd., Series 2005-8A, Class D, 15.04%, 6/15/41 (a)(b)	USD	1,350	\$ 338,985
<b>Total Asset-Backed Securities</b> 0.2%			338,985
<b>Common Stocks (c)</b>			
<b>Building Products 0.2%</b>			
Masonite Worldwide Holdings		6,589	250,382
<b>Capital Markets 0.1%</b>			
E*Trade Financial Corp.		14,300	177,463
<b>Chemicals 0.0%</b>			
Wellman Holdings, Inc.		1,613	81
<b>Construction Materials 0.1%</b>			
Nortek, Inc.		1,570	65,155
<b>Electrical Equipment 0.0%</b>			
Medis Technologies Ltd.		176,126	5,460
<b>Hotels, Restaurants &amp; Leisure 0.0%</b>			
Buffets Restaurants Holdings, Inc.		688	2,890
<b>Metals &amp; Mining 0.1%</b>			
Euramax International		468	154,275
<b>Paper &amp; Forest Products 1.1%</b>			
Ainsworth Lumber Co. Ltd.		286,978	672,804
Ainsworth Lumber Co. Ltd. (a)		349,782	820,045
			1,492,849
<b>Software 0.3%</b>			
HMH Holdings/EduMedia		46,104	230,519
TiVo, Inc.		17,975	141,284
			371,803
<b>Total Common Stocks</b> 1.9%			2,520,358
<b>Corporate Bonds</b>			
<b>Airlines 0.5%</b>			
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	USD	285	299,325
United Air Lines, Inc., 12.75%, 7/15/12		297	331,557
			630,882

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**Auto Components 0.1%**

Delphi International Holdings Unsecured, 12.00%, 10/06/14	13	12,664
Icahn Enterprises LP, 7.75%, 1/15/16	105	104,213
		116,877

**Building Products 2.5%**

Building Materials Corp. of America, 7.00%, 2/15/20 (a)	400	398,000
CPG International I, Inc., 7.50%, 7/01/12 (b)	2,500	2,415,625
Ply Gem Industries, Inc., 11.75%, 6/15/13	400	412,000
		3,225,625

**Capital Markets 0.3%**

E*Trade Financial Corp., 3.95%, 8/31/19 (a)(d)(e)	83	99,600
Marsico Parent Co., LLC, 10.63%, 1/15/16 (a)	649	240,130
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (a)(f)	180	16,162
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (a)(f)	197	17,686
		373,578

**Chemicals 1.1%**

CF Industries, Inc., 6.88%, 5/01/18	445	468,362
Wellman Holdings, Inc., Subordinate Note (d): (Second Lien), 10.00%, 1/29/19 (a)	894	777,780
(Third Lien), 5.00%, 1/29/19 (f)	294	114,483
		1,360,625

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Commercial Banks 0.7%</b>			
CIT Group, Inc., 7.00%, 5/01/17	USD	705	\$ 662,920
Glitnir Banki HF (c)(g):			
4.15%, 4/20/10 (a)		65	18,525
6.38%, 9/25/12 (a)		365	104,025
Series EMTN, 5.07%, 1/27/10	EUR	100	35,483
Series EMTN, 3.00%, 6/30/10		120	42,580
			863,533
<b>Commercial Services &amp; Supplies 0.5%</b>			
Clean Harbors, Inc., 7.63%, 8/15/16	USD	400	410,000
The Geo Group, Inc., 7.75%, 10/15/17 (a)		250	257,500
			667,500
<b>Construction Materials 0.5%</b>			
Nortek, Inc., 11.00%, 12/01/13		639	672,899
<b>Consumer Finance 0.4%</b>			

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Inmarsat Finance Plc, 7.38%, 12/01/17 (a)		450	461,250
<b>Containers &amp; Packaging 0.7%</b>			
Berry Plastics Corp., 9.50%, 5/15/18 (a)		260	239,200
Berry Plastics Holding Corp., 8.88%, 9/15/14		45	42,862
Smurfit Kappa Acquisitions (a):			
7.25%, 11/15/17	EUR	250	323,149
7.75%, 11/15/19		240	311,744
			916,955
<b>Diversified Financial Services 1.6%</b>			
Ally Financial Inc.:			
6.88%, 9/15/11	USD	150	152,625
8.30%, 2/12/15 (a)		120	124,800
7.50%, 9/15/20 (a)		370	366,300
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16		90	90,112
FCE Bank Plc, 7.13%, 1/16/12	EUR	400	524,642
GMAC, Inc.:			
5.38%, 6/06/11		110	139,049
7.50%, 12/31/13		20	20,425
8.00%, 3/15/20 (a)		30	30,750
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (a)		400	403,000
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (a)		200	257,249
			2,108,952
<b>Diversified Telecommunication Services 0.9%</b>			
Frontier Communications Corp., 8.25%, 4/15/17	USD	290	306,675
ITC Deltacom, Inc., 10.50%, 4/01/16		300	295,500
Qwest Corp., 8.38%, 5/01/16		500	582,500
			1,184,675
<b>Energy Equipment &amp; Services 0.5%</b>			
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (a)		750	701,250
<b>Food &amp; Staples Retailing 0.1%</b>			
Rite Aid Corp., 8.00%, 8/15/20 (a)		130	129,187
<b>Food Products 0.7%</b>			
B&G Foods, Inc., 7.63%, 1/15/18		300	308,625
Bumble Bee Foods LLC, 7.75%, 12/15/15 (a)		220	232,650
Smithfield Foods, Inc., 10.00%, 7/15/14 (a)		320	357,200
			898,475
<b>Health Care Providers &amp; Services 0.2%</b>			
HCA, Inc., 7.25%, 9/15/20		235	245,575
<b>Health Care Technology 0.4%</b>			
IMS Health, Inc., 12.50%, 3/01/18 (a)		400	463,500
<b>Hotels, Restaurants &amp; Leisure 1.1%</b>			



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Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(c)(g)	800	270,000
MGM Resorts International, 11.13%, 11/15/17	390	435,825
Travelport LLC, 5.16%, 9/01/14 (b)	810	751,275
Tropicana Entertainment LLC, Series WI, 9.63%, 12/15/14 (a)(c)(g)	120	88
		1,457,188

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## Schedule of Investments (continued)

## BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Household Durables 0.4%</b>			
Beazer Homes USA, Inc., 12.00%, 10/15/17	USD	500	\$ 563,125
<b>IT Services 0.2%</b>			
SunGard Data Systems, Inc., 4.88%, 1/15/14		300	287,250
<b>Independent Power Producers &amp; Energy Traders 1.2%</b>			
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (a)		750	787,500
Energy Future Holdings Corp., 10.00%, 1/15/20 (a)		400	385,201
NRG Energy, Inc.:			
7.25%, 2/01/14		380	387,600
7.38%, 2/01/16		55	55,413
			1,615,714
<b>Industrial Conglomerates 0.6%</b>			
Sequa Corp., 13.50%, 12/01/15 (a)(f)		722	750,432
<b>Insurance 0.3%</b>			
USI Holdings Corp., 4.25%, 11/15/14 (a)(b)		490	415,275
<b>Leisure Equipment &amp; Products 0.3%</b>			
Brunswick Corp., 11.25%, 11/01/16 (a)		295	337,037
<b>Machinery 1.0%</b>			
ESCO Corp., 4.41%, 12/15/13 (a)(b)		920	837,200
Titan International, Inc., 8.00%, 1/15/12		460	478,400
			1,315,600
<b>Media 2.6%</b>			
Affinion Group, Inc., 10.13%, 10/15/13 (h)		550	563,750
CSC Holdings, Inc., 8.50%, 4/15/14		180	196,650
Clear Channel Worldwide Holdings, Inc., Series B, 9.25%, 12/15/17		774	811,733
DISH DBS Corp., 7.00%, 10/01/13		375	390,469
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (a)	EUR	91	107,247
TL Acquisitions, Inc., 10.50%, 1/15/15 (a)	USD	225	214,875
UPC Germany GmbH, 8.13%, 12/01/17 (a)		1,000	1,027,500
			3,312,224
<b>Metals &amp; Mining 0.8%</b>			
Aleris International, Inc. (c)(g):			

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9.00%, 12/15/14	370	740
10.00%, 12/15/16	500	190
RathGibson, Inc., 11.25%, 2/15/14 (c)(g)	1,390	14,943
Ryerson, Inc., 7.84%, 11/01/14 (b)	1,075	997,062
		1,012,935

**Multiline Retail 0.4%**

Dollar General Corp.:		
10.63%, 7/15/15	200	219,500
11.88%, 7/15/17 (f)	215	247,250
		466,750

**Oil, Gas & Consumable Fuels 0.6%**

Coffeyville Resources LLC, 9.00%, 4/01/15 (a)	150	154,125
OPTI Canada, Inc., 9.00%, 12/15/12 (a)	625	626,562
		780,687

**Paper & Forest Products 1.0%**

Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (a)(f)	703	600,990
Clearwater Paper Corp., 10.63%, 6/15/16	190	213,750
NewPage Corp., 11.38%, 12/31/14	250	203,125
Verso Paper Holdings LLC:		
11.50%, 7/01/14	160	168,800
Series B, 4.22%, 8/01/14 (b)	170	139,400
		1,326,065

**Pharmaceuticals 0.2%**

Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (b)	305	246,287
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**Software 0.0%**

BMS Holdings, Inc., 8.59%, 2/15/12 (a)(f)	511	10,211
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**Textiles, Apparel & Luxury Goods 0.2%**

Phillips-Van Heusen Corp., 7.38%, 5/15/20	280	288,400
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	Par (000)	Value
<b>Corporate Bonds</b>		
<b>Wireless Telecommunication Services 1.8%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16	USD 850	\$ 877,625
Digicel Group Ltd. (a):		
9.13%, 1/15/15 (f)	279	280,395
8.25%, 9/01/17	100	103,875
iPCS, Inc., 2.59%, 5/01/13 (b)	200	187,000
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	375	374,062
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (a)	325	308,750
Sprint Capital Corp., 8.38%, 3/15/12	175	185,063

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			2,316,770
<b>Total Corporate Bonds</b>	<b>24.4%</b>		31,523,288
<b>Floating Rate Loan Interests (b)</b>			
<b>Aerospace &amp; Defense 1.7%</b>			
DynCorp International, Term Loan, 6.25%, 7/07/16		600	595,350
Hawker Beechcraft Acquisition Co., LLC:			
Letter of Credit Linked Deposit, 0.43%, 3/26/14		45	35,806
Term Loan, 2.26% 2.53%, 3/26/14		754	600,461
TASC, Inc.:			
Tranche A Term Loan, 5.50%, 12/18/14		323	323,269
Tranche B Term Loan, 5.75%, 12/18/15		657	658,342
			2,213,228
<b>Auto Components 3.3%</b>			
Affinion Group Holdings, Inc., Term Loan, 8.51%, 3/01/12 (f)		901	865,298
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/09/16		748	719,756
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14		2,450	2,257,212
Dana Holding Corp., Term Advance, 4.52% 6.50%, 1/30/15		319	313,174
Exide Global Holdings Netherlands C.V., European Borrower Term Loan, 3.94%, 5/15/12	EUR	146	171,032
			4,326,472
<b>Automobiles 1.2%</b>			
Ford Motor Co.:			
Tranche B-1 Term Loan, 3.03%, 12/15/13	USD	1,600	1,538,633
Tranche B-2 Term Loan, 3.03%, 12/15/13		24	22,720
			1,561,353
<b>Building Products 1.6%</b>			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14		394	386,594
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		1,310	1,314,784
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.88%, 12/04/13	EUR	320	371,727
			2,073,105
<b>Capital Markets 0.3%</b>			
Nuveen Investments, Inc., Term Loan (First Lien), 3.48% 3.53%, 11/13/14	USD	475	419,336
<b>Chemicals 5.1%</b>			
CF Industries, Inc., Term Loan B-1, 4.50%, 4/05/15		486	488,651
Chemtura Corp.:			

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Debtor in Possession Term Facility, 6.00%, 2/11/11		800	798,000
Exit Term Loan, 0.0%, 8/16/16		700	702,917
Gentek Holding, LLC, Tranche B Term Loan, 7.00%, 10/29/14		362	362,077
Huish Detergents, Inc., Tranche B Term Loan, 2.02%, 4/26/14		239	226,381
Lyondell Chemical Co., Exit Term Loan, 5.50%, 4/08/16		245	246,701
MacDermid, Inc., Tranche C Term Loan, 2.27%, 4/12/14	EUR	237	273,841
Nalco Co., Term Loan, 6.50%, 5/13/16	USD	619	620,812

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Chemicals (concluded)</b>		
PQ Corp. (FKA Niagara Acquisition, Inc.), Term Loan (First Lien), 3.52% - 3.73%, 7/30/14	USD 988	\$ 903,835
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14	607	606,932
Solutia, Inc., Term Loan, 4.75%, 3/17/17	608	607,113
Tronox Worldwide LLC:		
Tranche B-1 Term Loan, 11.25%, 9/20/10	631	635,712
Tranche B-2 Term Loan, 11.25%, 9/20/10	169	170,788
		6,643,760
<b>Commercial Banks 1.2%</b>		
CIT Group, Inc., Tranche 3 Term Loan, 6.25%, 8/11/15	1,525	1,520,029
<b>Commercial Services &amp; Supplies 5.8%</b>		
ARAMARK Corp.:		
Letter of Credit-1 Facility, 0.11%, 1/26/14	14	13,073
Letter of Credit-2 Facility, 0.11%, 7/26/16	22	20,890
US Term Loan, 2.41%, 1/26/14	191	180,771
US Term Loan B, 3.78%, 7/26/16	328	317,648
AWAS Finance Luxembourg Sarl, Term Loan, 7.75%, 6/10/16	675	678,937
Advanced Disposal Services, Inc., Term Loan B, 6.00%, 1/14/15	498	497,500
Altegrity, Inc., Incremental Term Loan, 7.75%, 2/21/15	850	846,812
Casella Waste Systems, Inc., Term Loan B, 7.00%, 4/09/14	396	397,980
Delos Aircraft, Inc., Term Loan 2, 7.00%, 3/17/16	550	552,979
Diversey, Inc. (FKA Johnson Diversey, Inc.), Tranche B Dollar Term Loan, 5.50%, 11/24/15	423	421,818
International Lease Finance Corp., Term Loan 1, 6.75%, 3/17/15	1,025	1,033,115
Protection One, Inc., Term Loan, 6.00%, 6/04/16	750	741,563
Quad Graphics, Term Loan, 5.50%, 4/20/16	300	286,200
Synagro Technologies, Inc., Term Loan (First Lien),		

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2.27% 2.28%, 4/02/14		718	606,374
West Corp., Incremental Term Loan B-3, 7.25%, 10/24/13		911	907,957
			7,503,617
<b>Communications Equipment 0.1%</b>			
Sorenson Communications, Tranche C Term Loan, 6.00%, 8/16/13		124	110,911
<b>Construction &amp; Engineering 0.7%</b>			
Aquilex Holdings LLC, Term Loan, 5.50%, 4/01/16		100	99,334
Safway Services, LLC, First Out Tranche Loan, 9.00%, 12/18/17		800	800,000
			899,334
<b>Construction Materials 0.3%</b>			
Fairmount Minerals Ltd., Term Loan B, 6.25%, 8/05/16		425	425,177
<b>Consumer Finance 2.7%</b>			
AGFS Funding Co., Term Loan, 7.25%, 4/21/15		2,000	1,976,250
Daimler Chrysler Financial Services Americas LLC, Term Loan (Second Lien), 6.78%, 8/05/13		1,504	1,499,035
			3,475,285
<b>Containers &amp; Packaging 0.7%</b>			
Anchor Glass Container Corp., Term Loan (First Lien), 6.00%, 3/02/16		322	318,850
BWAY Holding Co., Term Loan B, 5.50% 6.00%, 6/16/17		151	150,669
Berry Plastics Holding Corp., Term Loan C, 2.38%, 4/03/15		411	374,257
ICL Industrial Containers ULC/ICL Contenants Industriels ULC (FKA BWAY) Term Loan C, 5.50% 6.00%, 6/16/17		14	14,134
			857,910
<b>Diversified Consumer Services 3.3%</b>			
Coinmach Service Corp., Term Loan, 3.35%, 11/14/14		1,461	1,273,954
Laureate Education, Series A New Term Loan, 7.00%, 8/15/14		2,135	2,099,111
		<b>Par</b>	<b>Value</b>
<b>Floating Rate Loan Interests (b)</b>		<b>(000)</b>	
<b>Diversified Consumer Services (concluded)</b>			
ServiceMaster Co.:			
Closing Date Loan, 2.77% 3.04%, 7/24/14	USD	914	\$ 840,063
Delayed Draw Term Loan, 2.77%, 7/24/14		91	83,658
			4,296,786

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**Diversified Financial Services 1.9%**

MSCI, Inc., Term Loan, 4.75%, 6/01/16		998	1,000,410
Reynolds Group Holdings, Inc.:			
Incremental US Term Loan, 6.25%, 5/05/16		400	397,167
US Term Loan, 6.25%, 5/05/16		596	593,120
Whitelabel IV SA:			
Term Loan B1, 0.0%, 8/11/17	EUR	160	200,837
Term Loan B2, 0.0%, 8/11/17		265	332,358
			2,523,892

**Diversified Telecommunication Services 3.2%**

Cincinnati Bell Inc., Tranche B Term Loan, 6.50%, 6/11/17	USD	698	693,013
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 (f)		1,548	1,083,548
Integra Telecom Holdings, Inc., Term Loan, 9.25%, 4/15/15		825	822,938
Level 3 Communications, Incremental Term Loan, 2.53% 2.78%, 3/13/14		1,450	1,298,882
Wind Telecomunicazioni SpA:			
Term Loan Facility B2, 4.66%, 5/26/14		149	144,587
Term Loan Facility C2, 3.66%, 5/24/13		149	144,587
			4,187,555

**Electric Utilities 1.2%**

New Development Holdings LLC, Term Loan, 7.00%, 7/03/17		1,500	1,515,000
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**Electrical Equipment 0.5%**

Baldor Electric Co., Term Loan, 5.25% 5.50%, 1/31/14		668	668,286
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**Electronic Equipment, Instruments & Components 1.5%**

CDW LLC (FKA CDW Corp.), Term Loan, 4.28%, 10/10/14		598	535,100
Flextronics International Ltd.:			
Closing Date Term Loan B, 2.56%, 10/01/12		518	498,691
Delayed Draw Term Loan A-2, 2.51%, 10/01/14		21	19,419
Delayed Draw Term Loan A-3, 2.56%, 10/01/14		24	22,656
Styron Sarl, Term Loan, 7.50%, 6/17/16		800	806,248
			1,882,114

**Energy Equipment & Services 0.4%**

MEG Energy Corp., Tranche D Term Loan, 6.00%, 4/03/16		544	542,837
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**Food & Staples Retailing 2.8%**

AB Acquisitions UK Topco 2 Ltd. (FKA Alliance Boots), Facility B1, 3.55%, 7/09/15	GBP	750	1,070,007
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Bolthouse Farms, Inc., Term Loan (First Lien), 5.50%, 2/11/16	USD	549	545,602
Pierre Foods, Term Loan, 7.00%, 3/03/16		512	510,382
Pilot Travel Centers LLC, Initial Tranche B Term Loan, 5.25%, 6/30/16		1,294	1,295,691
Rite Aid Corp., Term Loan B, 6.00%, 7/09/14		230	222,180
			3,643,862
 <b>Food Products 3.0%</b>			
CII Investment, LLC (FKA Cloverhill):			
Term Loan A, 8.50%, 10/14/14		408	407,707
Term Loan B, 8.50%, 10/14/14		496	495,864
Dole Food Co., Inc., Tranche B-1 Term Loan, 5.00% 5.50%, 3/02/17		307	307,069
Michael Foods Group, Inc. (FKA M-Foods Holdings, Inc.)			
Term Loan B, 6.25%, 6/29/16		500	500,357
Pilgrim s Pride Corp., Term Loan A, 5.53%, 12/01/12		630	623,700
Pinnacle Foods Finance LLC, Tranche D Term Loan, 6.00%, 4/02/14		774	774,467
Solvest Ltd. (Dole) Tranche C-1 Term Loan, 5.00% 5.50%, 3/02/17		756	757,361
			3,866,525

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## Schedule of Investments (continued)

## BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>		
<b>Health Care Equipment &amp; Supplies 0.9%</b>		
Biomet, Inc., Dollar Term Loan, 3.26% 3.54%, 3/25/15	USD 329	\$ 317,823
DJO Finance LLC (FKA ReAble Therapeutics Finance LLC), Term Loan, 3.26%, 5/20/14	469	445,076
Fresenius SE: Tranche C-1 Dollar Term Loan, 4.50%, 9/10/14	285	285,720
Tranche C-2 Term Loan, 4.50%, 9/10/14	151	151,269
		1,199,888
<b>Health Care Providers &amp; Services 5.7%</b>		
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.55%, 7/25/14	80	75,355
Term Loan Facility, 2.55%, 7/25/14	1,555	1,465,875
DaVita, Inc., Tranche B-1 Term Loan, 1.77% 2.04%, 10/05/12	300	295,373
Gentiva Health Services, Inc., Term Loan B, 6.75%, 8/12/16	500	493,438
HCA, Inc.:		
Tranche A-1 Term Loan, 2.03%, 11/16/12	1,307	1,257,429
Tranche B-1 Term Loan, 2.78%, 11/18/13	172	165,190
Tranche B-2 Term Loan, 3.78%, 3/31/17	232	224,309
Harden Healthcare LLC:		
Add-on Term Loan, 7.75%, 3/02/15	635	622,300
Tranche A Term Loan, 8.50%, 2/22/15	396	388,436
inVentiv Health, Inc. (FKA Ventive Health, Inc.), Term Loan B, 6.50%, 7/31/16	1,100	1,097,937
Renal Advantage Holdings, Inc., Tranche B Term Loan, 6.00%, 6/03/16	525	525,000
Vanguard Health Holding Co. II, LLC (Vanguard Health Systems, Inc.), Initial Term Loan, 5.00%, 1/29/16	803	793,359
		7,404,001
<b>Health Care Technology 0.8%</b>		
IMS Health, Inc., Tranche B Dollar Term Loan,		

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5.25%, 2/26/16		993	995,150
<b>Hotels, Restaurants &amp; Leisure 5.3%</b>			
Harrah's Operating Co., Inc., Term Loan B-4, 9.50%, 10/31/16		1,493	1,523,180
Penn National Gaming, Inc., Term Loan B, 2.01% 2.17%, 10/03/12		425	414,532
SW Acquisitions Co., Inc., Term Loan, 5.75%, 6/01/16		1,120	1,120,737
Six Flags Theme Parks, Inc., Tranche B Term Loan (First Lien), 6.00%, 6/30/16		895	884,620
Travelport LLC (FKA Travelport, Inc.):			
Delayed Draw Term Loan, 2.76%, 8/23/13 Original Post-First Amendment and Restatement		230	218,222
Synthetic Letter of Credit Loan, 3.03%, 8/23/13		22	21,042
Tranche B Dollar Term Loan, 2.76%, 8/23/13		123	115,879
Universal City Development Partners Ltd.:			
Loan, 7.75%, 11/06/14		746	749,981
Term Loan, 5.50%, 11/16/14		571	571,266
VML US Finance LLC (FKA Venetian Macau):			
Term B Delayed Draw Project Loan, 5.04%, 5/25/12		300	295,251
Term B Funded Project Loan, 5.04%, 5/27/13		866	850,957
			6,765,667
<b>IT Services 4.1%</b>			
Audio Visual Services Group, Inc., Tranche B Term Loan (First Lien), 2.79%, 2/28/14		742	549,351
Ceridian Corp., US Term Loan, 3.26%, 11/09/14		980	871,984
EVERTEC, Inc., Term Loan B, 7.00%, 8/20/16		400	391,000
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.01%, 9/24/14		96	82,009
Initial Tranche B-2 Term Loan, 3.01%, 9/24/14		1,467	1,250,871
Initial Tranche B-3 Term Loan, 3.01%, 9/24/14		537	458,237
SunGard Data Systems, Inc. (Solar Capital Corp.), Incremental Term Loan, 6.75%, 2/28/14		495	494,255
TransUnion LLC, Term Loan, 6.75%, 6/15/17		1,250	1,261,329
			5,359,036
		<b>Par</b>	
<b>Floating Rate Loan Interests (b)</b>		<b>(000)</b>	<b>Value</b>
<b>Independent Power Producers &amp; Energy Traders 1.0%</b>			
Dynergy Holdings, Inc.:			
Term Letter of Credit Facility, 4.02%, 4/02/13	USD	227	\$ 223,023

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Tranche B Term Loan, 4.02%, 4/02/13	18	17,862
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.79% 4.03%, 10/10/14	1,091	826,552
Initial Tranche B-2 Term Loan, 3.79% 4.03%, 10/10/14	229	173,857
		1,241,294
<b>Industrial Conglomerates 1.4%</b>		
Sequa Corp., Term Loan, 3.79%, 12/03/14	1,922	1,768,398
<b>Insurance 0.3%</b>		
Alliant Holdings I, Inc., Term Loan, 3.53%, 8/21/14	478	454,290
<b>Internet &amp; Catalog Retail 0.3%</b>		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/26/14	382	382,115
<b>Leisure Equipment &amp; Products 0.3%</b>		
EB Sports Corp., Loan, 11.50%, 5/01/12 (f)	448	425,959
<b>Machinery 0.4%</b>		
Oshkosh Truck Corp., Term Loan B, 6.44%- 6.54%, 12/06/13	481	483,155
<b>Marine 0.2%</b>		
Horizon Lines, LLC:		
Revolving Loan, 3.52% 3.55%, 8/08/12	195	166,986
Term Loan, 3.79%, 8/08/12	148	134,762
		301,748
<b>Media 16.7%</b>		
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,487	1,482,404
Cequel Communications, LLC, New Term Loan, 2.30%, 11/05/13	283	271,759
Charter Communications Operating, LLC:		
New Term Loan, 2.26%, 3/06/14	349	330,469
Term Loan B1, 7.25%, 3/06/14	524	535,252
Term Loan C, 3.79%, 9/06/16	2,590	2,477,518
Clarke American Corp., Term Loan B, 2.76%, 6/30/14	574	494,458
Ellis Communications KDOC, LLC, Loan, 10.00%, 12/30/11	1,939	727,241
FoxCo Acquisition Sub, LLC, Term Loan, 7.50%, 7/14/15	446	429,414
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.79%, 6/12/14 (f)	991	902,681
Hanley-Wood, LLC, Term Loan, 2.56% 2.63%, 3/10/14	742	321,082
Intelsat Corp. (FKA PanAmSat Corp.):		
Tranche B-2-A Term Loan, 3.03%, 1/03/14	251	237,478

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Tranche B-2-B Term Loan, 3.03%, 1/03/14		251	237,405
Tranche B-2-C Term Loan, 3.03%, 1/03/14		251	237,405
Interactive Data Corp., Term Loan, 6.75%, 1/29/17		600	603,500
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG), Facility B1, 3.52%, 6/30/15	EUR	337	322,477
Mediacom Illinois, LLC (FKA Mediacom Communications, LLC):			
Tranche D Term Loan, 5.50%, 3/31/17	USD	721	706,591
Tranche E Term Loan, 4.50%, 10/23/17		600	566,240
Newsday, LLC, Fixed Rate Term Loan, 10.50%, 8/01/13		2,000	2,122,500
Nielsen Finance LLC:			
Class A Dollar Term Loan, 2.29%, 8/09/13		34	32,717
Class B Dollar Term Loan, 4.04%, 5/01/16		1,023	988,325
Class C Dollar Term Loan, 4.04%, 5/28/16		552	529,722
Penton Media, Inc., Term Loan (First Lien), 5.00%, 8/01/14 (f)		971	670,010
Regal Cinemas Corp., Term Loan, 4.03%, 11/19/16		349	344,761
Sinclair Television Group, Inc., New Tranche B Loan, 5.50%, 10/29/15		614	614,147
Springer Science+Business Media SA, Facility A1, 6.75%, 7/01/16	EUR	1,000	1,253,522

See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Floating Rate Loan Interests (b)</b>			
<b>Media (concluded)</b>			
Sunshine Acquisition Ltd. (AKA HIT Entertainment), Term Facility, 5.68%, 6/01/12	USD	473	\$ 440,742
TWCC Holdings Corp., Replacement Term Loans, 5.00%, 9/14/15		997	996,087
UPC Financing Partnership, Facility U, 4.63%, 12/31/17 EUR		800	941,079
Virgin Media Investment Holdings Ltd., Facility B, 4.77%, 12/31/15	GBP	750	1,115,016
Yell Group Plc/Yell Finance (UK) Ltd., Facility A3, 2.60%, 8/09/11	USD	703	678,516
			21,610,518
<b>Metals &amp; Mining 0.9%</b>			
Euramax International, Inc., Domestic Term Loan: 10.00%, 6/29/13		643	598,262
3.00%, 6/29/13 (f)		672	624,653
			1,222,915
<b>Multi-Utilities 0.2%</b>			
FirstLight Power Resources, Inc. (FKA NE Energy, Inc.): Synthetic Letter of Credit, 0.41%, 11/01/13		4	4,022
Term B Advance (First Lien), 3.06%, 11/01/13		258	239,275
			243,297
<b>Multiline Retail 2.1%</b>			
Dollar General Corp., Tranche B-2 Term Loan, 3.01% 3.03%, 7/07/14		640	616,342
Hema Holding BV, Facility D, 5.65%, 1/01/17	EUR	1,400	1,641,089
The Neiman Marcus Group, Inc., Term Loan, 2.30%, 4/06/13	USD	497	471,176
			2,728,607
<b>Oil, Gas &amp; Consumable Fuels 1.4%</b>			
Big West Oil, LLC, Term Loan, 12.00%, 7/23/15		325	328,927
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18 (f)		1,794	1,421,740
			1,750,667
<b>Paper &amp; Forest Products 0.5%</b>			

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Georgia-Pacific LLC, Term Loan B-2, 2.30% 2.53%, 12/23/12	710	699,552
<b>Personal Products 0.0%</b>		
American Safety Razor Co., LLC, Term Loan (First Lien), 6.75%, 7/31/13	48	44,598
<b>Pharmaceuticals 1.0%</b>		
Warner Chilcott Co., LLC, Term Loan A, 6.00%, 10/30/14 Warner Chilcott Corp.:	367	366,269
Additional Term Loan, 6.25%, 4/30/15	210	209,777
Term Loan B-1, 6.25%, 4/30/15	154	153,795
Term Loan B-2, 6.25%, 4/30/15	255	254,407
Term Loan B-3, 6.50%, 2/20/16	208	208,333
Term Loan B-4, 6.50%, 2/20/16	67	67,599
		1,260,180
<b>Professional Services 0.8%</b>		
Booz Allen Hamilton, Inc., Tranche C Term Loan, 6.00%, 7/31/15	995	994,751
<b>Real Estate Management &amp; Development 1.8%</b>		
Realty Corp.:		
Delayed Draw Term Loan B, 3.30% 3.53%, 10/10/13	1,344	1,159,455
Initial Term Loan B, 3.30%, 10/10/13	588	507,692
Synthetic Letter of Credit, 0.11%, 10/10/13	101	87,031
Term Facility (Second Lien), 13.50%, 10/15/17	500	527,500
		2,281,678
<b>Semiconductors &amp; Semiconductor Equipment 0.2%</b>		
Freescale Semiconductor, Inc., Extended Maturity Term Loan B, 4.56%, 12/01/16	220	196,728
	<b>Par</b>	
<b>Floating Rate Loan Interests (b)</b>	<b>(000)</b>	<b>Value</b>
<b>Software 0.7%</b>		
Telcordia Technologies, Inc., Term Loan, 6.75%, 4/30/16	USD 599	\$ 598,001
Vertafore, Inc., Term Loan B, 6.75%, 7/28/16	325	322,969
		920,970
<b>Specialty Retail 1.8%</b>		
Bass Pro Group LLC, Term Loan, 5.00% 5.75%, 4/10/15	110	109,689
Burlington Coat Factory Warehouse Corp., Term Loan,		

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2.54% 2.66%, 5/28/13		205	194,186
Matalan, Term Loan, 5.57%, 3/24/16	GBP	300	455,724
Michaels Stores, Inc.:			
Term Loan B-1, 2.63% 2.81%, 10/31/13	USD	475	448,347
Term Loan B-2, 4.88% 5.06%, 7/31/16		390	375,812
Toys R US, Inc., Term Loan B, 6.00%, 8/17/16		700	698,246
			2,282,004
<b>Textiles, Apparel &amp; Luxury Goods 0.9%</b>			
Hanesbrands, Inc., New Term Loan, 5.25%, 12/10/15		368	371,091
Phillips Van Heusen Corp., US Tranche B Term Loan, 4.75%, 5/06/16		738	742,202
			1,113,293
<b>Wireless Telecommunication Services 3.3%</b>			
Cavtel Holdings, LLC, Term Loan, 10.50%, 12/31/12 (f)		306	289,566
Digicel International Finance Ltd., US Term Loan (Non-Rollover), 3.06%, 3/30/12		2,015	1,967,148
MetroPCS Wireless, Inc.:			
Tranche B-1 Term Loan, 2.56%, 11/03/13		84	81,163
Tranche B-2 Term Loan B, 3.81%, 11/03/16		910	892,574
Vodafone Americas Finance 2 Inc., Initial Loan, 6.88%, 7/30/15		1,000	1,000,000
			4,230,451
<b>Total Floating Rate Loan Interests 95.5%</b>			123,517,284
		<b>Beneficial</b>	
		<b>Interest</b>	
		<b>(000)</b>	
<b>Other Interests (i)</b>			
<b>Auto Components 1.0%</b>			
Delphi Debtor-in-Possession Holding Co. LLP Class B Membership Interests		(j)	1,247,163
Intermet Liquidating Trust		256	77
			1,247,240
<b>Diversified Financial Services 0.5%</b>			
J.G. Wentworth LLC Preferred Equity Interests (k)		(j)	596,461
<b>Household Durables 0.4%</b>			
Stanley Martin, Class B Membership Units (k)		1	526,250
<b>Metals &amp; Mining 0.3%</b>			
RathGibson Acquisition Corp., LLC (k)		88	466,218
<b>Specialty Retail 0.0%</b>			
Buffets, Inc.		360	36
<b>Total Other Interests 2.2%</b>			2,836,205
<b>Warrants (l)</b>		<b>Shares</b>	



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**Hotels, Restaurants & Leisure 0.0%**

Buffets Restaurants Holdings, Inc. (Expires 4/29/14)	304	3
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**Oil, Gas & Consumable Fuels 0.0%**

Turbo Cayman Ltd. (No expiration)	1	
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**Software 0.0%**

HMH Holdings/EduMedia (Expires 3/09/17)	4,970	
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<b>Total Warrants 0.0%</b>		<b>3</b>
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**Total Long-Term Investments**

<b>(Cost \$176,498,376) 124.2%</b>		<b>160,736,123</b>
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See Notes to Financial Statements.

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## Schedule of Investments (continued)

## BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, TempFund, Institutional Class, 0.25% (m)(n)	1,822,139	\$ 1,822,139
<b>Total Short-Term Securities</b> (Cost \$1,822,139) 1.4%		1,822,139
<b>Options Purchased</b>	<b>Contracts</b>	
<b>Over-the-Counter Call Options 0.0%</b>		
Marsico Parent Superholdco LLC, Strike Price USD 942.86, expires 12/21/19, Broker Goldman Sachs Bank USA	13	
<b>Total Options Purchased (Cost \$12,711) 0.0%</b>		
<b>Total Investments (Cost \$178,333,226*) 125.6%</b>		162,558,262
<b>Liabilities in Excess of Other Assets (25.6)%</b>		(33,173,564)
<b>Net Assets 100.0%</b>		\$129,384,698

\* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2010, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$176,247,509
Gross unrealized appreciation	\$ 4,697,994
Gross unrealized depreciation	(18,387,241)
Net unrealized depreciation	\$ (13,689,247)

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

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

(c) Non-income producing security.

(d) Convertible 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 face/shares.

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

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

(i) Other interests represent beneficial interest in liquidation trusts and other reorgani-

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zation entities and are non-income producing.

(j) Amount is less than \$1,000.

(k) The investment is held by a wholly owned taxable subsidiary of the Fund.

(l) 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.

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

Affiliate	Shares Held at August 31, 2009	Net Activity	Shares Held at August 31, 2010	Income
BlackRock Liquidity Funds, TempFund, Institutional Class 2,371,578		(549,439)	1,822,139	\$4,377

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

Foreign currency exchange contracts as of August 31, 2010 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 740,100	USD 944,751	Citibank NA	9/15/10	\$ (6,879)
USD 430,539	EUR 331,500	Citibank NA	9/15/10	10,455
USD 5,814,564	EUR 4,598,500	Deutsche Bank AG	9/15/10	(12,762)
CAD 310,100	USD 294,677	UBS AG	10/20/10	(4,105)
USD 960,318	CAD 1,014,000	Deutsche Bank AG	10/20/10	10,174
USD 2,597,374	GBP 1,701,500	Citibank NA	10/20/10	(11,222)
<b>Total</b>				<b>\$ (14,339)</b>

Credit default swaps on single-name issuers buy protection outstanding as of August 31, 2010 were as follows:

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Depreciation
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	USD 100	\$ (5,270)

Credit default swaps on single-name issuers sold protection outstanding as of August 31, 2010 were as follows:

Issuer	Receive Fixed Rate	Counter- party	Expiration	Credit Rating <sup>1</sup>	Notional Amount (000) <sup>2</sup>	Unrealized Depreciation
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BAA	2.00%	Deutsche	March	A	GBP 300	\$ (16,210)
Ferrovial		Bank AG	2012			
Junior Term						
Loan						

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

<sup>2</sup> The maximum potential amount the Fund may pay should a negative credit event take place under the terms of the agreement. See Note 2 of the Notes to Financial Statements.

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. This definition 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 derivatives, which are as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivatives and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

See Notes to Financial Statements.

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## Schedule of Investments (concluded)

### BlackRock Diversified Income Strategies Fund, Inc. (DVF)

The following tables summarize the inputs used as of August 31, 2010 in determining the fair valuation of the Fund's investments and derivatives:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				
Investments:				
Asset-Backed				
Securities			\$ 338,985	\$ 338,985
Common Stocks .	\$ 1,315,437	\$ 974,321	230,600	2,520,358
Corporate Bonds .		30,618,361	904,927	31,523,288
Floating Rate				
Loan Interests		100,638,458	22,878,826	123,517,284
Other Interests		1,247,163	1,589,042	2,836,205
Warrants			3	3
Short-Term				
Securities	1,822,139			1,822,139
Unfunded Loan				
Commitments .			3,118	3,118
<b>Liabilities:</b>				
Unfunded Loan				
Commitments .			(49,778)	(49,778)
<b>Total</b>	<b>\$ 3,137,576</b>	<b>\$133,478,303</b>	<b>\$ 25,895,723</b>	<b>\$162,511,602</b>

### Derivative Financial Instruments<sup>1</sup>

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Foreign currency				
exchange				
contracts		\$ 20,629		\$ 20,629
<b>Liabilities:</b>				
Credit contracts		(21,480)		(21,480)
Foreign currency				

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exchange		
contracts	(34,968)	(34,968)
<b>Total</b>	<b>\$ (35,819)</b>	<b>\$ (35,819)</b>

<sup>1</sup> 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.

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

	Asset-Backed	Common	Corporate	Floating	Other		Unfunded Loan	
	Securities	Stocks	Bonds	Rate	Interests	Warrants	Commitments	Total
				Loan				
				Interests				
<b>Assets/Liabilities:</b>								
Balance, as of August 31, 2009	\$ 528,255	\$ 5,436	1,033,683	\$ 25,553,048	\$ 228,602	3	\$ 38,010	\$27,387,037
Accrued discounts/premiums			10,519	(1,987,234)				(1,976,715)
Net realized gain (loss)			(10)	(8,793,325)				(8,793,335)
Net change in unrealized appreciation/depreciation <sup>2</sup>	(189,270)	(2,466)	(162,598)	12,482,159	367,896		(84,670)	12,411,051
Purchases			10,670	5,963,590				5,974,260
Sales			(1)	(22,584,933)				(22,584,934)
Transfers in <sup>3</sup>		230,519	12,664	17,285,651	992,544			18,521,378
Transfers out <sup>3</sup>		(2,889)		(5,040,130)				(5,043,019)
<b>Balance, as of August 31, 2010</b>	<b>\$ 338,985</b>	<b>\$ 230,600</b>	<b>\$ 904,927</b>	<b>\$22,878,826</b>	<b>1,589,042</b>	<b>\$ 3</b>	<b>\$ (46,660)</b>	<b>\$25,895,723</b>

<sup>2</sup> Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations. The change in the unrealized appreciation/depreciation on the securities still held on August 31, 2010 was \$794,210.

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

See Notes to Financial Statements.

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## Schedule of Investments August 31, 2010

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

(Percentages shown are based on Net Assets)

Common Stocks (a)	Shares	Value
<b>Building Products 0.2%</b>		
Masonite Worldwide Holdings	11,335	\$ 430,730
<b>Chemicals 0.0%</b>		
GEO Specialty Chemicals, Inc.	13,117	5,036
Wellman Holdings, Inc.	430	21
		5,057
<b>Construction Materials 0.0%</b>		
Nortek, Inc.	1,540	63,910
<b>Electrical Equipment 0.0%</b>		
Medis Technologies Ltd.	71,654	2,221
<b>Paper &amp; Forest Products 0.2%</b>		
Ainsworth Lumber Co. Ltd.	133,089	312,020
Ainsworth Lumber Co. Ltd. (b)	152,951	358,586
Western Forest Products, Inc. (b)	84,448	23,362
		693,968
<b>Software 0.2%</b>		
HMH Holdings/EduMedia	93,413	467,064
<b>Total Common Stocks 0.6%</b>		1,662,950
	<b>Par</b>	
	<b>(000)</b>	
<b>Corporate Bonds</b>		
<b>Airlines 0.2%</b>		
Delta Air Lines, Inc., Series B, 9.75%, 12/17/16	USD 570	598,650
<b>Auto Components 0.9%</b>		
Delphi International Holdings Unsecured, 12.00%, 10/06/14	32	31,660
Icahn Enterprises LP:		
7.75%, 1/15/16	215	213,388
8.00%, 1/15/18	2,000	1,990,000
		2,235,048
<b>Building Products 2.2%</b>		
CPG International I, Inc.:		
7.50%, 7/01/12 (c)	3,500	3,381,875
10.50%, 7/01/13	2,300	2,297,125
		5,679,000

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**Capital Markets 0.2%**

Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	1,048	387,760
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(d)	475	42,782
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(d)	314	28,219 458,761

**Chemicals 0.9%**

CF Industries, Inc., 6.88%, 5/01/18	905	952,512
GEO Specialty Chemicals, Inc. (b): 7.50%, 3/31/15 (d)(e)	857	557,042
10.00%, 3/31/15	844	548,704
Wellman Holdings, Inc., Subordinate Note (Third Lien), 5.00%, 1/29/19 (d)(e)	464	180,985 2,239,243

**Commercial Banks 1.1%**

CIT Group, Inc., 7.00%, 5/01/17	2,990	2,811,533
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**Commercial Services & Supplies 0.5%**

Clean Harbors, Inc., 7.63%, 8/15/16	800	820,000
The Geo Group, Inc., 7.75%, 10/15/17 (b)	550	566,500 1,386,500

**Construction Materials 0.6%**

Nortek, Inc., 11.00%, 12/01/13	1,547	1,629,987
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		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Consumer Finance 0.5%</b>			
Credit Acceptance Corp., 9.13%, 2/01/17 (b)	USD	360	\$ 373,050
Inmarsat Finance Plc, 7.38%, 12/01/17 (b)		915	937,875 1,310,925
<b>Containers &amp; Packaging 2.7%</b>			
Berry Plastics Corp.:			
8.25%, 11/15/15		1,600	1,604,000
9.50%, 5/15/18 (b)		520	478,400
Berry Plastics Holding Corp., 8.88%, 9/15/14		95	90,487
Clondalkin Acquisition BV, 2.54%, 12/15/13 (b)(c)		4,000	3,490,000
Owens-Brockway Glass Container, Inc., 6.75%, 12/01/14	EUR	143	183,029
Smurfit Kappa Acquisitions (b):			
7.25%, 11/15/17		525	678,613
7.75%, 11/15/19		500	649,466



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			7,173,995
<b>Diversified Financial Services 1.6%</b>			
Axcan Intermediate Holdings, Inc., 12.75%, 3/01/16	USD	185	185,231
FCE Bank Plc, 7.13%, 1/16/12	EUR	900	1,180,444
GMAC, Inc., 2.74%, 12/01/14 (c)	USD	1,875	1,611,988
Reynolds Group DL Escrow, Inc., 7.75%, 10/15/16 (b)		800	806,000
Reynolds Group Issuer, Inc., 7.75%, 10/15/16 (b)	EUR	400	514,499
			4,298,162
<b>Diversified Telecommunication Services 1.0%</b>			
Frontier Communications Corp., 8.25%, 4/15/17	USD	585	618,637
ITC Deltacom, Inc., 10.50%, 4/01/16		750	738,750
Qwest Communications International, Inc., 8.00%, 10/01/15 (b)		600	645,000
Qwest Corp., 8.38%, 5/01/16		540	629,100
			2,631,487
<b>Energy Equipment &amp; Services 0.4%</b>			
Expro Finance Luxembourg SCA, 8.50%, 12/15/16 (b)		1,250	1,168,750
<b>Food &amp; Staples Retailing 0.2%</b>			
AmeriQual Group LLC, 9.50%, 4/01/12 (b)		250	245,000
Rite Aid Corp., 8.00%, 8/15/20 (b)		270	268,313
			513,313
<b>Food Products 0.7%</b>			
B&G Foods, Inc., 7.63%, 1/15/18		600	617,250
Bumble Bee Foods LLC, 7.75%, 12/15/15 (b)		450	475,875
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		760	848,350
			1,941,475
<b>Health Care Equipment &amp; Supplies 0.5%</b>			
DJO Finance LLC, 10.88%, 11/15/14		1,245	1,333,706
<b>Health Care Providers &amp; Services 0.9%</b>			
American Renal Holdings, 8.38%, 5/15/18 (b)		145	145,000
HCA, Inc., 7.25%, 9/15/20		485	506,825
Tenet Healthcare Corp.:			
9.00%, 5/01/15		175	186,375
8.88%, 7/01/19		1,360	1,470,500
			2,308,700
<b>Health Care Technology 0.8%</b>			
IMS Health, Inc., 12.50%, 3/01/18 (b)		1,860	2,155,275
<b>Hotels, Restaurants &amp; Leisure 0.4%</b>			
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(f)		1,565	528,188
MGM Resorts International, 10.38%, 5/15/14		490	534,100

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1,062,288

**Household Durables 0.5%**

Beazer Homes USA, Inc., 12.00%, 10/15/17

1,200

1,351,500

See Notes to Financial Statements.

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## Schedule of Investments (continued)

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

(Percentages shown are based on Net Assets)

		Par (000)	Value
<b>Corporate Bonds</b>			
<b>Independent Power Producers &amp; Energy Traders 2.1%</b>			
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)	USD	1,725	\$ 1,811,250
Energy Future Holdings Corp., 10.00%, 1/15/20 (b)		1,000	963,003
NRG Energy, Inc., 7.25%, 2/01/14		2,730	2,784,600
			5,558,853
<b>Industrial Conglomerates 0.6%</b>			
Sequa Corp., 13.50%, 12/01/15 (b)(d)		1,557	1,619,629
<b>Media 2.6%</b>			
Affinion Group, Inc., 10.13%, 10/15/13		1,050	1,076,250
CSC Holdings, Inc., 8.50%, 4/15/14		420	458,850
Clear Channel Worldwide Holdings, Inc.: 9.25%, 12/15/17		401	416,038
Series B, 9.25%, 12/15/17		1,604	1,682,195
DISH DBS Corp., 7.00%, 10/01/13		925	963,156
Seat Pagine Gialle SpA, 10.50%, 1/31/17 (b)	EUR	148	174,424
UPC Germany GmbH, 8.13%, 12/01/17 (b)	USD	2,000	2,055,000
			6,825,913
<b>Metals &amp; Mining 0.4%</b>			
FMG Finance Property Ltd., 4.30%, 9/01/11 (b)(c)		265	265,331
Ryerson, Inc., 7.84%, 11/01/14 (c)		900	834,750
			1,100,081
<b>Multiline Retail 0.2%</b>			
Dollar General Corp.: 10.63%, 7/15/15		100	109,750
11.88%, 7/15/17 (d)		445	511,750
			621,500
<b>Oil, Gas &amp; Consumable Fuels 0.6%</b>			
Coffeyville Resources LLC, 9.00%, 4/01/15 (b)		305	313,388
OPTI Canada, Inc., 9.00%, 12/15/12 (b)		1,260	1,263,150
			1,576,538
<b>Paper &amp; Forest Products 0.5%</b>			
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(d)		1,235	1,056,250

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Verso Paper Holdings LLC, Series B, 4.22%, 8/01/14 (c)	340	278,800
		1,335,050
<b>Pharmaceuticals 0.9%</b>		
Angiotech Pharmaceuticals, Inc., 4.29%, 12/01/13 (c)	605	488,537
Elan Finance Plc, 4.38%, 11/15/11 (c)	1,820	1,817,725
		2,306,262
<b>Textiles, Apparel &amp; Luxury Goods 0.1%</b>		
Phillips-Van Heusen Corp., 7.38%, 5/15/20	360	370,800
<b>Wireless Telecommunication Services 1.8%</b>		
Cricket Communications, Inc., 7.75%, 5/15/16	1,700	1,755,250
Digicel Group Ltd., 9.13%, 1/15/15 (b)(d)	278	279,390
iPCS, Inc., 2.59%, 5/01/13 (c)	1,500	1,402,500
Nextel Communications, Inc., Series E, 6.88%, 10/31/13	775	773,062
Sprint Capital Corp., 8.38%, 3/15/12	375	396,563
		4,606,765
<b>Total Corporate Bonds 26.6%</b>		70,209,689
<b>Floating Rate Loan Interests (c)</b>		
<b>Aerospace &amp; Defense 1.7%</b>		
DynCorp International, Term Loan, 6.25%, 7/07/16	1,250	1,240,313
Hawker Beechcraft Acquisition Co., LLC: Letter of Credit Linked Deposit, 0.43%, 3/26/14	98	77,879
Term Loan, 2.26% 2.53%, 3/26/14	1,600	1,274,759
TASC, Inc.: Tranche A Term Loan, 5.50%, 12/18/14	646	646,538
Tranche B Term Loan, 5.75%, 12/18/15	1,313	1,316,684
		4,556,173
	<b>Par</b>	<b>Value</b>
<b>Floating Rate Loan Interests (c)</b>	<b>(000)</b>	
<b>Airlines 0.4%</b>		
Delta Air Lines, Inc., Credit-Linked Deposit Loan, 0.11 2.28%, 4/30/12	USD 1,213	1,159,453
<b>Auto Components 3.1%</b>		
Affinion Group Holdings, Inc., Term Loan, 8.51%, 3/01/12	1,407	1,350,716
Affinion Group, Inc., Tranche B Term Loan, 5.00%, 10/09/16	1,496	1,439,512
Allison Transmission, Inc., Term Loan, 3.04%, 8/07/14	4,674	4,306,791
Dana Holding Corp., Term Advance, 4.52% 6.50%, 1/30/15	765	750,445

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Exide Global Holdings Netherlands C.V., European			
Borrower, Term Loan, 3.94%, 5/15/12	EUR	316	370,569
GPX International Tire Corp., (a)(f):			
PIK Fee 12.00%, 4/11/12	USD	9	
Tranche B Term Loan 10.25%, 3/30/12		549	
			8,218,033
<b>Automobiles 1.2%</b>			
Ford Motor Co.:			
Tranche B-1 Term Loan, 3.03%, 12/15/13		3,243	3,119,966
Tranche B-2 Term Loan, 3.03%, 12/15/13		91	87,542
			3,207,508
<b>Building Products 2.0%</b>			
Building Materials Corp. of America, Term Loan Advance,			
3.06%, 2/22/14		701	688,101
Goodman Global, Inc., Term Loan, 6.25%, 2/13/14		2,717	2,726,590
Momentive Performance Materials (Blitz 06-103 GmbH),			
Tranche B-2 Term Loan, 2.88%, 12/04/13	EUR	655	760,878
PGT Industries, Inc., Tranche A-2 Term Loan, 7.25%, 2/14/12	USD	1,133	1,047,569
			5,223,138
<b>Capital Markets 0.3%</b>			
Nuveen Investments, Inc., Term Loan (First Lien),			
3.48% 3.53%, 11/13/14		975	860,743
<b>Chemicals 6.0%</b>			
CF Industries, Inc., Term Loan B-1, 4.50%, 4/05/15		949	953,926