

BLACKROCK LTD DURATION INCOME TRUST
Form N-CSR
November 05, 2009

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, 40 East 52nd Street, New York, NY 10022.

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

Date of fiscal year end: 08/31/2009

Date of reporting period: 08/31/2009

Item 1 Report to Stockholders

EQUITIES FIXED INCOME REAL ESTATE LIQUIDITY ALTERNATIVES BLACKROCK SOLUTIONS

Annual Report

AUGUST 31, 2009

[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.](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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Dear Shareholder

The past 12 months reveal two distinct economic and market backdrops — one of extreme investor pessimism and decided weakness, and another of

increased optimism amid growing signs of recovery. The start of the period was characterized by the former. September through December 2008 saw the

surge of the economic storm that sparked the worst recession in decades. The months featured, among others, the infamous collapse of Lehman Brothers,

uniformly poor economic data and plummeting investor confidence that resulted in massive government intervention (on a global scale) in the financial sys-

tem and the economy. The tide turned dramatically in March 2009, however, on the back of new US government initiatives, as well as better-than-expected

economic data and upside surprises in corporate earnings.

In this environment, US equities contended with extraordinary volatility, posting steep declines through mid-March before embarking on a rally that resulted

in strong year-to-date returns for all major indexes. June saw a brief correction, though it appeared to be induced more by profit-taking and portfolio rebal-

ancing than by a change in the economic outlook. The experience in international markets was similar to that in the United States. Notably, emerging mar-

kets staged a strong comeback in 2009 as these areas of the globe have generally seen a stronger acceleration in economic activity.

In fixed income markets, the flight-to-safety premium in Treasury securities prevailed during the equity market downturn, but more recently, ongoing concerns

about deficit spending, debt issuance, inflation and dollar weakness have kept Treasury yields higher. At the same time, relatively attractive yields and dis-

tressed valuations among non-Treasury assets, coupled with a more favorable macro environment, drew in sidelined investors and triggered a sharp recovery

in these sectors. This was particularly evident in the high yield sector, which has firmly outpaced all other taxable asset classes since the start of 2009. The

municipal bond market enjoyed strong returns in 2009 as well, buoyed by a combination of attractive valuations, robust retail investor demand and a slow-

down in forced selling. Moreover, the Build America Bond program has alleviated supply pressures, creating a more favorable technical environment. In par-

ticular, August marked the municipal market's best monthly performance in more than 20 years, as the asset class has regained

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year-to-date all that was

lost during 2008.

Overall, results for the major benchmark indexes were mixed. Higher-risk assets (i.e., equities and high yield bonds) and Treasuries reflected a bifurcated

market, while less-risky fixed income investments posted stable, modest returns.

Total Returns as of August 31, 2009	6-month	12-month
US equities (S&P 500 Index)	40.52%	(18.25)%
Small cap US equities (Russell 2000 Index)	48.25	(21.29)
International equities (MSCI Europe, Australasia, Far East Index)	53.47	(14.95)
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index*)	(1.61)	6.77
Taxable fixed income (Barclays Capital US Aggregate Bond Index)		5.95 7.94
Tax-exempt fixed income (Barclays Capital Municipal Bond Index)		5.61 5.67
High yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	36.31	7.00

* Formerly a Merrill Lynch Index.

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

The market environment has visibly improved since the beginning of the year, but a great deal of uncertainty and risk remain. Through periods of market tur-

bulence, as ever, BlackRock's full resources are dedicated to the management of our clients' assets. We invite you to visit www.blackrock.com/funds for our

most current views on the economy and financial markets. As always, we thank you for entrusting BlackRock with your investments, and we look forward to

continuing to serve you in the months and years ahead.

Announcement to Shareholders

On June 16, 2009, BlackRock, Inc. announced that it received written notice from Barclays PLC (Barclays) in which Barclays' Board of Directors had

accepted BlackRock's offer to acquire Barclays Global Investors (BGI). At a special meeting held on August 6, 2009, BlackRock's proposed purchase of

BGI was approved by an overwhelming majority of Barclays' voting shareholders, an important step toward closing the transaction. The combination of

BlackRock and BGI will bring together market leaders in active and index strategies to create the preeminent asset management firm. The transaction is

scheduled to be completed in the fourth quarter of 2009, subject to important fund shareholder and regulatory approvals.

THIS PAGE NOT PART OF YOUR FUND REPORT 3

Fund Summary as of August 31, 2009 BlackRock Defined Opportunity Credit Trust

Investment Objective

BlackRock Defined Opportunity Credit Trust (BHL) (the Fund) seeks high current income, with a secondary objective of long-term capital appreciation.

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

Performance

For the 12 months ended August 31, 2009, the Fund returned (2.65)% based on market price and (2.16)% based on net asset value (NAV). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The Fund maintained relatively defensive sector positioning and relatively low levels of leverage (less than 20%). On balance, that positioning benefited the Fund relative to its more highly levered Lipper competitors, although returns would have been higher over the trailing six-month period had the Fund maintained a higher leverage balance. The Fund's conservative positioning was a detractor during the last six months given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which has benefited performance in the rising market of 2009.

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
Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2009 (\$11.03) ¹	6.53%
Current Monthly Distribution per Share ²	\$0.06
Current Annualized Distribution per Share ²	\$0.72
Leverage as of August 31, 2009 ³	19%

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

Past performance does not guarantee future results.

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

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

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borrowings), minus the sum of liabilities (other than borrowing 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:

	8/31/09	8/31/08	Change	High	Low
Market Price	\$11.03	\$12.66	(12.88)%	\$13.29	\$6.53
Net Asset Value	\$12.53	\$14.31	(12.44)%	\$14.35	\$8.36

The following unaudited charts show the portfolio composition of the Fund's long-term investments:

Portfolio Composition

	8/31/09	8/31/08
Floating Rate Loan Interests	94%	99%
Corporate Bonds	6	1

Fund Summary as of August 31, 2009 BlackRock Diversified Income Strategies Fund, Inc.

Investment Objective

BlackRock Diversified Income Strategies Fund, Inc. (DVF) (the Fund) seeks to provide investors with a high current income by investing primarily in a diversified portfolio of floating rate debt securities and instruments, including floating or variable rate loans, bonds, preferred securities (including convertible preferred securities), notes or other debt securities or instruments that pay a floating rate of interest.

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

Performance

For the 12 months ended August 31, 2009, the Fund returned (16.27)% based on market price and (23.82)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. 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. Unlike other funds in the Lipper category, the Fund invests a significant amount of its portfolio in fixed-rate, high yield corporate bonds, and a portion in high yield floating rate loan interests (FRNs). During the 12 months, fixed-rate, high yield bonds outperformed leveraged loans and this contributed to performance. Conversely, the Fund's credit quality has generally been skewed towards the lower credit quality tiers, which had a negative impact on performance during the market's fall in 2008. Though it has benefited the Fund in 2009 as markets rallied, on balance, the positioning detracted relative to the Lipper category. The Fund's allocation to high yield FRNs also hampered results as these issues underperformed. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which further benefited performance in the rising market of 2009.

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Fund Information

Symbol on NYSE	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2009 (\$8.80) ¹	11.93%
Current Monthly Distribution per Share ²	\$0.0875
Current Annualized Distribution per Share ²	\$1.0500
Leverage as of August 31, 2009 ³	14%

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

Past performance does not guarantee future results.

² A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.0785. 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.

³ Represents loans outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to any borrowings), minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized

by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$8.80	\$12.77	(31.09)%	\$13.04	\$4.70
Net Asset Value	\$8.74	\$13.94	(37.30)%	\$13.94	\$5.35

The following unaudited 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 ⁴			
	8/31/09	8/31/08	8/31/09	8/31/08
Corporate Bonds	49%	50%	AAA/Aaa	3%
Floating Rate Loan Interests	49	47	BBB/Baa	1
Common Stocks	2	3	BB/Ba	17%
			B/B	37
			CCC/Caa	34
			CC/Ca	4
			D	3
			Not Rated	5
				6

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

Service (Moody's) ratings.

Fund Summary as of August 31, 2009 BlackRock Floating Rate Income Strategies Fund, Inc.

Investment Objective

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

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

Performance

For the 12 months ended August 31, 2009, the Fund returned (3.88)% based on market price and (8.88)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (7.95)% on a market price basis and (13.39)% on a NAV basis. The performance of the Lipper category does not necessarily correlate to that of the Fund, as the Lipper group includes unleveraged continuously offered closed-end funds. 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 Fund maintained relatively defensive sector positioning and low levels of leverage (less than 20%). On balance, that positioning benefited the Fund versus its more highly levered Lipper competitors. The Fund also had about 20% of its portfolio in high yield corporate bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 3%, which further benefited performance in the rising market of 2009.

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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, 2009 (\$12.26) ¹	8.79%
Current Monthly Distribution per Share ²	\$0.089835
Current Annualized Distribution per Share ²	\$1.078020
Leverage as of August 31, 2009 ³	14%

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

² Past performance does not guarantee future results.

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² A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.081500. 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.

³ Represents loans outstanding as a percentage of managed assets, which is the total assets of the Fund, including any assets attributable to

any borrowing that may be outstanding, minus the sum of accrued liabilities (other than debt 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:

	8/31/09	8/31/08	Change	High	Low
Market Price	\$12.26	\$14.49	(15.39)%	\$14.68	\$7.79
Net Asset Value	\$12.93	\$16.12	(19.79)%	\$16.12	\$8.96

The following unaudited 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 ⁴				
	8/31/09	8/31/08		8/31/09	8/31/08
Floating Rate Loan Interests	75%	73%	AA/Aa		5%
Corporate Bonds	24	26	BBB/Baa	12%	11
Common Stocks	1	1	BB/Ba	15	11
			B/B	46	59
			CCC/Caa	21	8
			D/D	4	
			Not Rated	2	6

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

Fund Summary as of August 31, 2009 BlackRock Limited Duration Income Trust

Investment Objective

BlackRock Limited Duration Income Trust (BLW) (the Fund) seeks to provide current income and capital appreciation.

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

Performance

For the 12 months ended August 31, 2009, the Fund returned 6.40% based on market price and (1.57)% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of (2.57)% on a market price basis and (10.55)% on a NAV basis. 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 Fund's Lipper category is composed primarily of high yield securities. The Fund tends to invest 25% to 30% of its portfolio in investment-grade bonds, which helped relative performance as these securities outperformed high yield securities. Exposure to mortgage-backed securities and an overall conservative positioning in high yield securities also aided results. At the same time, the Fund typically invests about 30% to 40% of its portfolio in bank loans; this detracted modestly from relative performance as loans underperformed high yield securities during the period. The Fund's allocation to investment-grade credit, while performing strongly, was a detractor in the last six months of the period when returns trailed that of high yield securities. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 18%, which further benefited performance in the rising market of 2009.

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Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Yield on Closing Market Price as of August 31, 2009 (\$14.09) ¹	7.03%
Current Monthly Distribution per Share ²	\$0.0825
Current Annualized Distribution per Share ²	\$0.9900

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

² A change in the distribution rate was declared on September 1, 2009. The Monthly Distribution per Share was decreased to \$0.0700. The Yield on

Closing Market Price, Current Monthly Distribution per Share and Current Annualized Distribution per Share do not reflect the new distribution rate.

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The new distribution rate is not constant and is subject to further change in the future.

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

	8/31/09	8/31/08	Change	High	Low
Market Price	\$14.09	\$14.57	(3.29)%	\$14.83	\$ 8.83
Net Asset Value	\$14.95	\$16.71	(10.53)%	\$16.81	\$11.86

The following unaudited 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 ³				
	8/31/09	8/31/08		8/31/09	8/31/08
Floating Rate Loan Interests	45%	46%	AAA/Aaa ⁴	53%	47%
Corporate Bonds	24	32	BBB/Baa	6	8
U.S. Government Sponsored Agency Obligations	26	16	BB/Ba	11	10
			B	10	25
U.S. Treasury Obligations	1	4	CCC/Caa	16	7
Foreign Agency Obligations	2	2	C	1	
Asset-Backed Securities	2		D	1	
			Not Rated	2	3

³ Using the higher of S&P's or Moody's ratings.

⁴ Includes US Government Sponsored Agency securities and US Treasury Obligations, which are deemed AAA/Aaa by the investment advisor.

Fund Summary as of August 31, 2009 BlackRock Senior Floating Rate Fund, Inc.

Investment Objective

BlackRock Senior Floating Rate Fund, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions.

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

Performance

For the 12 months ended August 31, 2009, the Fund returned (4.69)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund maintained relatively defensive sector positioning and no leverage, which benefited performance over the 12 months versus its Lipper competitors, many of which employ leverage. The Fund also had about 9% of its portfolio in high yield bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 8%, which further benefited performance in the rising market of 2009.

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Fund Information¹

Initial Offering Date	November 3, 1989
31, 2009 (\$7.16) ²	Yield based on Net Asset Value as of August 3.60%
Distribution per Share ³	Current Monthly \$0.021903
Distribution per Share ³	Current Annualized \$0.257890

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

² 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.

³ The distribution is not constant and is subject to change.

The table below summarizes the change in the

Fund's NAV per share:

8/31/09	8/31/08	Change	High	Low
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Net Asset Value \$7.16 \$7.98 (10.28)% \$7.98 \$5.54

Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical ⁵		
	Beginning Account Value	Ending Account Value	Expenses Paid During the Period ⁴	Beginning Account Value	Ending Account Value	Expenses Paid During the Period ⁴
BlackRock Senior Floating Rate, Inc.	\$1,000	\$1,232.80	\$8.72	\$1,000	\$1,017.39	\$7.88

⁴ Expenses are equal to the annualized expense ratio of 1.55%, 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.

⁵ 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.

Fund Summary as of August 31, 2009 BlackRock Senior Floating Rate Fund II, Inc.

Investment Objective

BlackRock Senior Floating Rate Fund II, Inc. (the Fund) is a continuously offered closed-end fund that seeks high current income and such preservation of capital as is consistent with investment in senior collateralized corporate loans made by banks and other financial institutions.

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

Performance

For the 12 months ended August 31, 2009, the Fund returned (4.70)% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of (13.39)% on a NAV basis. All returns reflect reinvestment of dividends. The Fund maintained relatively defensive sector positioning and no leverage, which benefited performance over the 12 months versus its Lipper competitors, many of which employ leverage. The Fund also had about 9% of its portfolio in high yield bonds, which was beneficial as high yield outperformed loans. During the last six months, however, the Fund's conservative positioning was a detractor given the market's strong returns. During the period, the Fund moved from a larger cash and short-term investment balance, which benefited performance in 2008, to a balance of less than 8%, which further benefited performance in the rising market of 2009.

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Fund Information¹

Initial Offering Date		March 26, 1999
31, 2009 (\$7.76) ²	Yield based on Net Asset Value as of August	3.44%
Distribution per Share ³	Current Monthly	\$0.022653
Distribution per Share ³	Current Annualized	\$0.266721

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

² 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.

³ The distribution is not constant and is subject to change.

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

8/31/09	8/31/08	Change	High	Low
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Net Asset Value \$7.76 \$8.67 (10.50)% \$8.67 \$6.02

Expense Example for Continuously Offered Closed-End Funds

	Actual			Hypothetical ⁵		
	Beginning	Ending	Expenses Paid	Beginning	Ending	Expenses Paid
	Account Value	Account Value	During the Period ⁴	Account Value	Account Value	During the Period ⁴
	March 1, 2009	August 31, 2009		March 1, 2009	August 31, 2009	
BlackRock Senior Floating Rate II, Inc.	\$1,000	\$1,233.70	\$9.46	\$1,000	\$1,016.74	\$8.54

⁴ Expenses are equal to the annualized expense ratio of 1.68%, 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.

⁵ 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.

The Benefits and Risks of Leveraging

BlackRock Defined Opportunity Credit Trust, BlackRock Diversified Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc. and BlackRock Limited Duration Income Trust (each a Fund and collectively, the Funds) 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 through borrowings or through entering into reverse repurchase agreements and dollar rolls. In general, the concept of leveraging is based on the premise that the cost of assets to be obtained from leverage will be based on short-term interest rates, which normally will be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's 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 Fund 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 the 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 Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays 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 Fund's portfolio investments generally varies

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

The use of leverage may enhance opportunities for increased income to the Funds and 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 the Funds to incur losses. The use of leverage may limit a 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 the shareholders of each Fund and may reduce income.

Under the Investment Company Act of 1940, the Funds are permitted to borrow through their credit facility up to $33\frac{1}{3}\%$ of their total managed assets. As of August 31, 2009, BlackRock Limited Duration Income Trust had no outstanding leverage and the other Funds had outstanding leverage from borrowings as a percentage of their total managed assets as follows:

	Percent of Leverage
BHL	19%
DVF	14%
FRA	14%

Derivative Financial Instruments

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

ment. 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 the Funds to sell or purchase portfolio securities at inopportune times or for distressed values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold a security that 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, 2009 and held through August 31, 2009) 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 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, 2009

Common Stocks		Shares	Value
Capital Markets 0.4%			
E*Trade Financial Corp. (a)	273,000 \$		480,480
Total Common Stocks 0.4%			480,480
		Par	
		(000)	
Corporate Bonds			
Chemicals 0.2%			
Nalco Co., 8.25%, 5/15/17 (b)	USD	250	261,250
Commercial Services & Supplies 0.4%			
Clean Harbors, Inc., 7.63%, 8/15/16 (b)		400	401,000
Containers & Packaging 0.5%			
Crown Americas LLC, 7.63%, 5/15/17 (b)		280	277,900
Owens-Brockway Glass Container, Inc., 7.38%, 5/15/16		280	278,600
			556,500
Diversified Financial Services 0.2%			
FCE Bank Plc:			
7.13%, 1/16/12	EUR	100	129,742
7.13%, 1/15/13		50	62,720
			192,462
Diversified Telecommunication Services 0.8%			
PAETEC Holding Corp., 8.88%, 6/30/17 (b)	USD	250	238,125
Qwest Corp., 3.88%, 6/15/13 (c)		750	693,750
			931,875
Food Products 0.4%			
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		440	448,800
Hotels, Restaurants & Leisure 0.2%			
MGM Mirage, 11.13%, 11/15/17 (b)		240	259,800
IT Services 0.3%			
SunGard Data Systems, Inc., 4.88%, 1/15/14		383	344,700
Independent Power Producers & Energy Traders 1.0%			
Calpine Construction Finance Co., LP, 8.00%, 6/01/16 (b)		1,165	1,159,175
Machinery 0.2%			
CPM Holdings, Inc., 10.63%, 9/01/14 (b)		200	202,000
Media 1.2%			
Cablevision Systems Corp., Series B, 8.00%, 4/15/12		710	725,975
DIRECTV Holdings LLC, 8.38%, 3/15/13		650	666,250
			1,392,225
Paper & Forest Products 0.2%			
Verso Paper Holdings LLC, 11.50%, 7/01/14 (b)		200	196,000
Textiles, Apparel & Luxury Goods 0.6%			

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Levi Strauss & Co., 8.63%, 4/01/13	EUR	450	616,094
Wireless Telecommunication Services 1.3%			
Cricket Communications, Inc., 7.75%, 5/15/16 (b)	USD	1,500	1,455,000
Total Corporate Bonds 7.5%			
Floating Rate Loan Interests			
Aerospace & Defense 1.0%			
Avio SpA:			
Facility B2, 2.39%, 12/15/14		468	393,380
Facility C2, 3.01%, 12/14/15		500	420,000
Hawker Beechcraft Acquisition Co., LLC:			
LC Facility Deposit, 2.28%, 3/26/14		23	17,391
Term Loan, 2.26% 2.60%, 3/26/14		395	294,670
			1,125,441

BlackRock Defined Opportunity Credit Trust (BHL)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Auto Components 3.6%			
Allison Transmission, Inc., Term Loan, 3.03%, 8/07/14	USD	2,172 \$	1,854,027
Dana Holding Corp., Term Advance, 7.25%, 1/31/15		1,301	995,881
Delphi Corp. (a)(d):			
Initial Tranche Term Loan C, 9.50%, 12/31/09		908	499,164
Subsequent Tranche Term Loan C, 9.50%, 12/31/09		92	50,836
The Goodyear Tire & Rubber Co., Loan (Second Lien), 2.02%, 4/30/14		750	691,875
			4,091,783
Automobiles 0.4%			
Ford Motor Co., Term Loan, 3.28% 3.51%, 12/15/13		498	431,615
Building Products 1.6%			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14		741	676,428
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.74%, 12/04/13	EUR	997	1,076,830
			1,753,258
Capital Markets 0.4%			
Nuveen Investments, Inc., Term Loan, 3.49% 3.50%, 11/13/14	USD	598	485,499
Chemicals 7.6%			
Ashland, Inc., Term B Borrowing, 7.65%, 5/13/14		800	813,373
Brenntag Holding GmbH & Co. KG, Facility B2, 2.27%,			

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1/20/14		978	929,090
Cognis GmbH, Facility C, 2.62%, 9/15/13		1,000	847,500
Huish Detergents Inc., Tranche B Term Loan, 2.02%, 4/26/14		987	941,326
Matrix Acquisition Corp. (fka MacDermid, Inc.), Tranche B Term Loan, 2.26%, 4/12/14		1,557	1,292,256
Nalco Co., Term Loan, 6.50%, 5/06/16		1,225	1,241,844
PQ Corp. (fka Niagara Acquisition, Inc.): Loan (Second Lien), 6.77%, 7/30/15		1,000	550,000
Original Term Loan (First Lien), 3.52% 3.75%, 7/31/14		1,239	1,021,448
Solutia Inc., Loan, 7.25%, 2/28/14		987	977,389
			8,614,226
Commercial Services & Supplies 4.2%			
ARAMARK Corp.:			
LC Facility Letter of Credit, 0.22%, 1/26/14		120	111,797
U.S. Term Loan, 2.47%, 1/26/14		1,881	1,759,753
Alliance Laundry Systems LLC, Term Loan, 2.79% 4.75%, 1/27/12		737	706,447
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14		500	501,250
Kion Group GmbH (formerly Neggio Holdings 3 GmbH): Facility B, 2.51%, 12/29/14		500	317,188
Facility C, 2.76%, 12/29/15		500	317,188
Synagro Technologies, Inc., Term Loan (First Lien), 2.26% 2.27%, 4/02/14		987	777,582
West Corp., Term B-2 Loan, 2.64% 2.65%, 10/24/13		209	198,498
			4,689,703
Computers & Peripherals 0.8%			
Intergraph Corp., Initial Term Loan (First Lien), 2.37%, 5/29/14		1,000	960,000
Containers & Packaging 3.9%			
Crown Americas LLC, Additional Term B Dollar Loan, 2.02%, 11/15/12		495	487,887
Graham Packaging Co., L.P., Term Loan B, 2.56%, 10/07/11		449	436,509
Graphic Packaging International, Inc., Incremental Term Loan, 3.08% 3.35%, 5/16/14		1,480	1,442,975
Smurfit Kappa Acquisitions (JSG):			
C1 Term Loan Facility, 4.12% 4.87%, 12/01/14	EUR	484	662,379
Term B1, 3.87% 4.73%, 12/02/13		486	665,768
Smurfit-Stone Container Enterprises, Inc., U.S. Term			

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Loan Debtor in Possession, 10.00%, 1/28/10	720	726,993
		4,422,511

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
Floating Rate Loan Interests			
Diversified Consumer Services 1.3%			
Coinmach Laundry Corp., Delay Draw Term Loan, 3.28% 3.43%, 11/14/14	USD	1,730	\$ 1,470,989
Diversified Telecommunication Services 4.7%			
BCM Ireland Holdings Ltd. (Eircom):			
Facility B, 2.37%, 9/30/15	EUR	492	641,866
Facility C, 2.62%, 9/30/16		492	641,938
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14	USD	506	307,082
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13		1,972	1,932,952
PAETEC Holding Corp., Replacement Term Loan, 2.76%, 2/28/13		193	182,138
Time Warner Telecom Holdings Inc., Term Loan B, 2.02%, 1/07/13		152	148,532
Wind Finance SL SA, Euro Facility (Second Lien), 7.70%, 12/17/14	EUR	1,000	1,437,910 5,292,418
Electrical Equipment 0.4%			
Baldor Electric Co., Term Loan, 5.25%, 1/31/14	USD	500	493,214
Electronic Equipment, Instruments & Components 2.2%			
Flextronics International Ltd.:			
A Closing Date Loan, 2.53% 2.85%, 10/1/2014		761	682,443
Delay Draw Term Loan, 2.76%, 10/01/14		219	196,104
L-1 Identity Solutions Operating Co., Term Loan, 6.75%, 8/05/13		678	678,839
Matinvest 2 SAS/Butterfly Wendel US, Inc. (Deutsche Connector):			
B-2 Facility, 2.97%, 6/22/14		886	496,037
C-2 Facility 3.22%, 6/22/15		732	409,854 2,463,277
Energy Equipment & Services 0.8%			
Dresser, Inc., Term B Loan, 2.68%, 5/04/14		513	478,350
Volnay Acquisition Co., I (aka CGG) B1 Term Loan Facility, 3.93% 4.58%, 1/12/14		421	407,944

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886,294

Food & Staples Retailing 1.9%

AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.53%, 7/09/15	GBP	1,000	1,394,856
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15	USD	500	517,500
Wm. Bolthouse Farms, Inc., Term Loan (First Lien), 2.56%, 12/16/12		189	182,345
			2,094,701

Food Products 2.7%

Dole Food Co. Inc.:			
Credit-Linked Deposit, 0.51%, 4/12/13		127	128,241
Tranche B Term Loan, 8.00%, 4/12/13		223	224,177
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		830	835,304
Wm. Wrigley Jr. Co., Tranche B Term Loan, 6.50%, 10/06/14		1,894	1,915,765
			3,103,487

Health Care Equipment & Supplies 2.9%

Bausch & Lomb, Inc.:			
Delayed Draw Term Loan, 3.51% 3.85%, 4/24/2015		98	92,698
Parent Term Loan, 3.85%, 4/24/15		386	365,232
Biomet, Inc., Dollar Term Loan, 3.26% 3.61%, 3/25/15		1,323	1,268,924

	Par	
	(000)	Value

Floating Rate Loan Interests

Health Care Equipment & Supplies (concluded)

DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.26% 3.60%, 5/20/14	USD	985	\$ 940,675
Hologic, Inc., Tranche B Term Loan, 3.56%, 3/31/13		141	136,067
lasis Healthcare:			
Delayed Draw Term Loan, 2.26%, 3/14/14		120	113,037
Initial Term Loan, 2.26%, 3/14/14		347	326,645
Synthetic Line of Credit, 0.16%, 3/14/14		32	30,448
			3,273,726

Health Care Providers & Services 10.9%

CCS Medical, Inc. (Chronic Care), Term Loan (First Lien), 4.35%, 9/30/12 (a)(d)		275	124,094
CHS/Community Health Systems, Inc.:			
Delayed Draw Term Loan, 2.51%, 7/25/14		164	153,120

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Funded Term Loan, 2.51% 2.62%, 7/25/14	3,233	3,011,726
DaVita Inc., Tranche B-1 Term Loan, 1.77% 2.10%, 10/05/12	800	767,666
Fresenius AG:		
Term Loan B1, 6.75%, 7/06/14	712	715,118
Term Loan B2, 6.75%, 7/06/14	430	431,963
HCA Inc., Tranche A-1 Term Loan, 2.10%, 11/17/12	3,667	3,423,345
HealthSouth Corp., Term Loan, 2.52% 2.53%, 3/10/13	1,753	1,695,173
Surgical Care Affiliates, LLC, Term Loan, 2.60%, 12/29/14	343	309,417
Symbion, Inc.:		
Tranche A Term Loan, 3.51%, 8/23/13	474	414,358
Tranche B Term Loan, 3.51%, 8/25/14	474	414,358
Vanguard Health Holding Co. II, LLC (Vanguard Health System, Inc.), Replacement Term Loan, 2.51%, 9/23/11	858	834,974
		12,295,312
Health Care Technology 0.4%		
Sunquest Information Systems, Inc. (Misys Hospital Systems, Inc.), Term Loan, 3.52% 3.74%, 10/13/14	491	447,856
Hotels, Restaurants & Leisure 3.4%		
BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 9/01/09 (a)(d)	1,000	550,000
Harrah s Operating Co., Inc., Term B-2 Loan, 3.50%, 1/28/15	1,525	1,228,509
Penn National Gaming, Inc., Term Loan B, 2.03% 2.21%, 10/03/12	936	910,054
QCE, LLC (Quiznos), Term Loan (First Lien), 2.88%, 5/05/13	987	735,522
VML US Finance LLC (aka Venetian Macau), Term B:		
Delayed Draw Project Loan, 6.10%, 5/25/12	180	164,908
Funded Project Loan, 6.10%, 5/27/13	318	291,270
		3,880,263
Household Durables 2.3%		
Jarden Corp., Term Loan B3, 3.10%, 1/24/12	1,428	1,409,490
Yankee Candle Co., Inc., Term Loan, 2.27%, 2/06/14	1,221	1,132,407
		2,541,897
Household Products 0.3%		
VI-JON, Inc. (VJCS Acquisition, Inc.), Tranche B Term Loan, 2.28%, 4/24/14	341	311,733
IT Services 6.0%		
Amadeus Global Travel Distribution SA, GmbH (WAM Acquisition):		

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Term Loan B, 2.28%, 7/01/13	955	835,558
Term Loan C, 2.78%, 7/01/14	955	835,558
Ceridian Corp., U.S. Term Loan, 3.27%, 11/09/14	1,977	1,692,520
First Data Corp.:		
Initial Tranche B-1 Term Loan, 3.01% 3.02%, 9/24/14	741	616,994
Initial Tranche B-2 Term Loan, 3.01% 3.02%, 9/24/14	1,027	854,350
Initial Tranche B-3 Term Loan, 3.01% 3.02%, 9/24/14	986	819,922

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
Floating Rate Loan Interests		
IT Services (concluded)		
SunGard Data Systems Inc:		
(Solar Capital Corp.), New US Term Loan, 6.75%, 2/28/14	USD 898	\$ 892,270
Term Loan B, 3.95% 4.09%, 2/28/16	226	218,615
		6,765,787
Independent Power Producers & Energy Traders 6.0%		
Dynergy Holdings Inc.:		
Term LC Facility Term Loan, 4.02%, 4/02/13	208	199,925
Tranche B Term Loan, 4.02%, 4/02/13	17	16,176
Mirant North America, LLC, Term Loan, 2.01%, 1/03/13	677	646,844
NRG Energy, Inc.:		
Credit-Linked Deposit, 0.50%, 2/01/13	164	154,241
Term Loan, 2.01% 2.35%, 2/01/13	1,597	1,506,337
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.78% 3.79%, 10/10/14	494	375,226
Initial Tranche B-2 Term Loan, 3.78% 3.79%, 10/10/14	499	379,036
Initial Tranche B-3 Term Loan, 3.78% 3.79%, 10/10/14	4,679	3,540,677
		6,818,462
Industrial Conglomerates 0.7%		
Sequa Corp., Term Loan, 3.65% 3.88%, 12/03/14	989	842,978
Insurance 0.6%		
Alliant Holdings I, Inc., Term Loan, 3.60%, 8/21/14	736	676,749
Internet & Catalog Retail 0.2%		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/04/14	236	233,672
Life Sciences Tools & Services 0.9%		
Life Technologies Corp., Term B Facility, 5.25%, 11/20/15	991	1,000,531
Machinery 3.1%		
LN Acquisition Corp. (Lincoln Industrial):		
Delayed Draw Term Loan (First Lien), 2.83%, 7/11/14	254	227,803
Initial U.S. Term Loan (First Lien), 2.78% 2.83%,		

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7/11/14	677	607,474
Navistar Financial Corp., Tranche A Term Loan, 2.31%, 3/27/10	299	290,244
Navistar International Corp.:		
Revolving Credit-Linked Deposit, 3.36% 3.51%, 1/19/12	533	496,000
Term Advance, 3.51%, 1/19/12	1,467	1,364,000
Oshkosh Truck Corp., Term Loan B, 6.60% 6.64%, 12/06/13	504	501,171
		3,486,692

Media 28.9%

AlixPartners, LLP, Tranche C Term Loan, 2.28% 2.51%, 10/12/13	500	486,250
Alpha Topco Ltd. (Formula One), Facility B2, 2.51%, 12/31/13	938	789,013
Bresnan Communications, LLC, Additional Term Loan B (First Lien), 2.51% 2.61%, 6/30/13	448	429,360
CSC Holdings Inc. (Cablevision), Incremental B Term Loan, 2.02% 2.07%, 3/29/13	1,719	1,662,067
Catalina Marketing Corp., Initial Term Loan, 3.03%, 10/01/14	797	748,603
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14	1,900	1,824,000
Cequel Communications, LLC, Term Loan, 2.27%, 11/05/13	2,463	2,326,430

	Par (000)	Value
Floating Rate Loan Interests		
Media (concluded)		
Charter Communications Operating, LLC:		
Replacement Term Loan, 6.25%, 3/06/14 (a)(d)	USD 1,284	\$ 1,191,296
Term Loan B1, 7.94%, 3/25/14	1,500	1,499,250
FoxCo Acquisition Sub, LLC, Term Loan, 7.25%, 7/14/15	672	550,729
Gray Television, Inc., Term Loan B, 3.78%, 12/31/14	480	346,190
HMH Publishing Co., Ltd., Tranche A Term Loan, 5.26%, 6/12/14	2,011	1,556,311
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.52% 2.54%, 3/08/14	495	208,715
Hargray Acquisition Co./DPC Acquisition LLC/HCP Acquisition LLC, Term Loan (First Lien), 2.72%, 6/27/14	487	443,974
Harland Clarke Holdings Corp. (fka Clarke American Corp.),		

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Tranche B Term Loan, 2.76% 3.10%, 6/30/14		525	428,700
Insight Midwest Holdings, LLC, B Term Loan, 2.28%, 4/07/14		500	477,143
Intelsat Corp. (fka PanAmSat Corp.):			
B-2-B Term Loan, 2.78%, 1/03/14		660	624,349
B-2-C Term Loan, 2.78%, 1/03/14		660	624,349
Tranche B-2-A Term Loan, 2.78%, 1/03/14		660	624,539
Lamar Advertising Co.:			
Term Loan B, 5.50%, 9/30/12		250	246,250
Term Loan E, 5.50%, 3/15/13		741	734,145
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):			
Facility B1, 3.53%, 3/06/15	EUR	1,010	818,408
Facility C1, 3.78%, 3/04/16		1,010	818,408
Local TV Finance, LLC Term Loan, 2.27%, 5/07/13	USD	964	658,440
MCC Iowa LLC (Mediacom Broadband Group):			
Tranche D-1 Term Loan, 2.01%, 1/31/15		376	351,197
Tranche E Term Loan, 6.50%, 11/30/15		823	823,951
NTL Cable Plc B-7 Facility Term Loan, 5.39%, 3/09/12		469	709,198
NV Broadcasting, LLC:			
Term Loan, Debtor in Possession, 13.00%, 2/28/10	USD	239	236,238
Term Loan (First Lien), 5.25%, 11/01/13 (a)(d)		1,639	409,710
Newsday, LLC:			
Fixed Rate Term Loan, 9.75%, 8/01/13		250	254,375
Floating Rate Term Loan, 6.01%, 8/01/13		500	493,750
Nielson Finance LLC:			
Class A Dollar Term Loan, 2.28%, 8/09/13		763	709,903
Class B Dollar Term Loan, 4.03%, 5/01/16		1,592	1,492,607
Parkin Broadcasting, LLC Term Loan, 5.25%, 11/01/13 (a)(d)		336	84,042
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.73%, 6/01/12		1,751	1,455,341
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		1,395	1,402,854
Tribune Co., Debtor in Possession Term Loan, 9.00%, 4/07/10		350	351,750
UPC Financing Partnership, Facility U, 4.54%, 12/31/17	EUR	1,600	2,093,070
Virgin Media Investment Holdings Ltd. (fka NTL):			
B-1 Facility Term Loan, 3.89%, 7/30/12	GBP	206	308,698
C Facility, 3.62%, 7/17/13		165	236,378
Term Loan B, 5.39%, 3/09/12		281	424,260

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World Color Press Inc. and World Color (USA) Corp. (fka

Quebecor World Inc.), Advance, 9.00%, 7/21/12

USD

650

645,125

32,599,366

Metals & Mining 0.8%

Essar Steel Algoma Inc. (fka Algoma Steel Inc.), Term

Loan, 2.77%, 6/20/13

990

890,909

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
Floating Rate Loan Interests			
Multi-Utilities 0.4%			
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):			
First Lien Term Loan B, 3.13%, 11/01/13	USD	443 \$	407,773
Synthetic Letter of Credit, 0.48%, 11/01/13		57	52,540
			460,313
Multiline Retail 1.3%			
Dollar General Corp., Tranche B-1 Term Loan, 3.01% 3.24%, 7/07/14		1,500	1,458,958
Oil, Gas & Consumable Fuels 0.7%			
Big West Oil, LLC, Initial Advance Loan, 4.50%, 5/15/14		352	323,806
Vulcan Energy Corp. (fka Plains Resources Inc.), Term B3 Loan, 5.50%, 8/12/11		500	493,125
			816,931
Paper & Forest Products 3.1%			
Georgia-Pacific LLC, Term B Loan, 2.34% 2.65%, 12/20/12		2,291	2,213,236
NewPage Corp., Term Loan, 4.06%, 12/22/14		1,389	1,286,169
			3,499,405
Personal Products 0.9%			
American Safety Razor Co., LLC Loan (Second Lien), 6.52%, 1/30/14		1,250	975,000
Pharmaceuticals 0.6%			
Warner Chilcott Co., Inc., Tranche B Acquisition Date Term Loan, 2.26% 2.60%, 1/18/12		482	478,611
Warner Chilcott Corp., Tranche C Acquisition Date Term Loan, 2.26%, 1/18/12		216	214,523
			693,134
Professional Services 0.9%			
Booz Allen Hamilton Inc., Tranche B Term Loan, 4.50%, 7/31/15		993	992,503
Specialty Retail 0.8%			
Adesa, Inc., (KAR Holdings, Inc.), Initial Term Loan, 2.52%, 10/20/13		400	375,333
General Nutrition Centers, Inc., Term Loan, 2.52% 2.85%, 9/16/13		552	507,469
			882,802

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Textiles, Apparel & Luxury Goods 0.4%

Hanesbrands Inc., Term B Loan (First Lien),

5.02% 5.25%, 9/05/13 436 436,135

Wireless Telecommunication Services 2.5%

Digicel International Finance Ltd., Tranche A, 3.13%,

3/01/12 1,175 1,116,250

MetroPCS Wireless, Inc., Tranche B Term Loan,

2.56% 2.75%, 11/03/13 1,272 1,195,985

Ntelos Inc., Term B Advance, 5.75%, 7/31/15

500 498,750

2,810,985

Total Floating Rate Loan Interests 116.5%

131,470,515

Total Investments (Cost \$146,223,408*) 124.4%

140,367,876

Liabilities in Excess of Other Assets (24.4)%

(27,505,826)

Net Assets 100.0%

\$112,862,050

* The cost and unrealized appreciation (depreciation) of investments as of August 31,

2009, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$146,223,408
Gross unrealized appreciation	\$ 2,824,269
Gross unrealized depreciation	(8,679,801)
Net unrealized depreciation	\$ (5,855,532)

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

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

	Net	Income
	Activity	
BlackRock Liquidity Funds, TempFund		\$ 6,279
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$(2,365,561)	\$13,793

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2009 were as follows:

Unrealized

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Currency Purchased	Currency Sold	Counterparty	Date	Settlement Appreciation (Depreciation)
EUR 1,000 USD	1,434	Citibank NA	9/01/09	
USD 9,015,715 EUR	6,450,000	Citibank NA	9/16/09	\$ (231,252)
USD 2,682,215 GBP	1,641,000	Citibank NA	10/28/09	10,965
Total				\$ (220,287)

Currency Abbreviations:

EUR Euro
 GBP British Pound
 USD US Dollar

Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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)

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

See Notes to Financial Statements.

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities	
	Assets	
Level 1 Common Stocks		\$ 480,480
Level 2		
Long-Term Investments:		
Corporate Bonds		8,416,881
Floating Rate Loan Interests		106,975,159
Total Level 2		115,392,040
Level 3 Floating Rate Loan Interests		24,495,356
Total		\$140,367,876

Valuation Inputs	Other Financial Instruments¹	
	Assets	Liabilities
Level 1		
Level 2	\$ 10,965	\$ (231,252)
Level 3	60,517	
Total	\$ 71,482	\$ (231,252)

¹ Other financial instruments are foreign currency exchange contracts

and unfunded loan commitments, which are valued at the unrealized appreciation/depreciation on the instrument.

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

Investments in Securities

	Floating Rate Loan Interests
Balance, as of August 31, 2008	\$ 4,841,355
Accrued discounts/premiums	
Realized gain (loss)	(418,772)
Change in unrealized appreciation (depreciation) ²	(1,001,736)
Net purchases (sales)	(981,612)
Net transfers in/out of Level 3	22,056,121
Balance as of August 31, 2009	\$ 24,495,356

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

The following is a reconciliation of other financial instruments for unobservable

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inputs (Level 3) used in determining fair value:

Other Financial Instruments³

	Assets
Balance, as of August 31, 2008	
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Net purchases (sales)	
Net transfers in/out of Level 3	\$ 60,517
Balance as of August 31, 2009	\$ 60,517

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2009 BlackRock Diversified Income Strategies Fund, Inc. (DVF)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Asset-Backed Securities		
North Street Referenced Linked Notes 2000-1 Ltd. Series 2005-8A Class D, 15.13%, 6/15/41 (a)(b)	USD 1,350	\$ 528,255
Total Asset-Backed Securities 0.5%		528,255
Common Stocks		
Building Products 0.8%		
Masonite Worldwide Holdings (c)	20,955	847,630
Capital Markets 0.4%		
E*Trade Financial Corp. (c)	248,000	436,480
Chemicals 0.0%		
Wellman Holdings, Inc. (c)	1,613	403
Electrical Equipment 0.0%		
Medis Technologies Ltd. (c)	176,126	50,196
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (c)	688	7
Media 0.3%		
Sirius XM Radio, Inc. (c)	435,000	292,973
Metals & Mining 0.0%		
Euramax International (c)	467	5,026
Paper & Forest Products 0.9%		
Ainsworth Lumber Co. Ltd.	311,678	449,830
Ainsworth Lumber Co. Ltd. (b)(c)	349,782	503,215
		953,045
Software 0.2%		
TiVo, Inc. (c)	21,000	206,010
Total Common Stocks 2.6%		2,791,770
Corporate Bonds		
Airlines 0.3%		
United Air Lines, Inc., 12.75%, 7/15/12	USD 300	288,000
Auto Components 2.0%		
Allison Transmission, Inc., 11.00%, 11/01/15 (b)	63	56,700
The Goodyear Tire & Rubber Co., 5.01%, 12/01/09 (a)	2,000	1,992,500
Lear Corp., 8.75%, 12/01/16 (c)(d)	255	137,700
		2,186,900
Building Products 2.2%		

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CPG International I, Inc., 7.87%, 7/01/12 (a)	2,500	1,787,500
Momentive Performance Materials, Inc. Series WI, 9.75%, 12/01/14	400	260,000
Ply Gem Industries, Inc., 11.75%, 6/15/13	400	334,000
		2,381,500

Capital Markets 1.2%

E*Trade Financial Corp. (b):

12.50%, 11/30/17 (e)	140	140,738
3.16%, 8/31/19 (f)(g)	443	756,976
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	724	304,080
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(e)	301	72,335
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(e)	208	54,083
		1,328,212

	Par	
	(000)	Value

Corporate Bonds

Chemicals 1.3%

American Pacific Corp., 9.00%, 2/01/15	USD	440	\$ 397,100
Wellman Holdings, Inc., Subordinate Note (f):			
Second Lien, 10.00%, 1/29/19 (b)		894	894,000
Third Lien, 5.00%, 1/29/19		279	139,683
			1,430,783

Commercial Banks 0.1%

Glitnir Banki HF (b)(c)(d):

4.15%, 4/20/10		65	12,837
6.38%, 9/25/12		265	52,337
Series EMTN, 3.00%, 6/30/10	EUR	20	5,878
			71,052

Commercial Services & Supplies 1.5%

Clean Harbors, Inc., 7.63%, 8/15/16 (b)	USD	400	401,000
RSC Equipment Rental, Inc., 10.00%, 7/15/17 (b)		285	297,824
West Corp., 11.00%, 10/15/16		985	908,662
			1,607,486

Construction Materials 1.4%

Nortek, Inc., 10.00%, 12/01/13		1,570	1,460,100
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Consumer Finance 0.6%

Ford Motor Credit Co. LLC, 3.26%, 1/13/12 (a)		815	678,487
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Containers & Packaging 4.7%

Berry Plastics Holding Corp., 4.50%, 9/15/14 (a)		2,235	1,609,200
Crown Americas LLC, 7.63%, 5/15/17 (b)		210	208,425

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Graphic Packaging International, Inc., 9.50%, 6/15/17 (b)		420	430,500
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)		1,570	502,400
Smurfit Kappa Funding Plc, 7.75%, 4/01/15 (h)		1,000	810,000
Solo Cup Co., 10.50%, 11/01/13 (b)		130	136,500
Wise Metals Group LLC, 10.25%, 5/15/12		2,750	1,347,500
			5,044,525
Diversified Financial Services 5.1%			
FCE Bank Plc, 7.125%, 1/16/12	EUR	2,400	3,113,800
GMAC LLC (b):			
7.25%, 3/02/11	USD	200	187,750
6.88%, 9/15/11		300	276,750
6.88%, 8/28/12		300	261,000
6.75%, 12/01/14		1,380	1,131,600
8.00%, 11/01/31		630	486,675
			5,457,575
Diversified Telecommunication Services 1.2%			
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (b)		800	812,000
PAETEC Holding Corp., 8.88%, 6/30/17 (b)		500	476,250
			1,288,250
Food & Staples Retailing 0.1%			
Duane Reade, Inc., 11.75%, 8/01/15 (b)		80	80,800
Food Products 0.6%			
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		340	346,800
Tyson Foods, Inc., 10.50%, 3/01/14		300	334,500
			681,300
Hotels, Restaurants & Leisure 3.3%			
Harrah's Operating Co., Inc. (b):			
10.00%, 12/15/15		530	378,950
10.00%, 12/15/18		1,389	972,300
Little Traverse Bay Bands of Odawa Indians, 10.25%,			
	2/15/14 (b)(c)(d)	800	352,000
MGM Mirage, 11.125%, 11/15/17 (b)		390	422,175
Shingle Springs Tribal Gaming Authority, 9.38%, 6/15/15 (b)		95	67,450

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
Corporate Bonds			
Hotels, Restaurants & Leisure (concluded)			
Snoqualmie Entertainment Authority, 4.68%, 2/01/14 (a)(b)	USD	305	\$ 149,450
Travelport LLC, 4.986%, 9/01/14 (a)		810	587,250
Tropicana Entertainment LLC Series WI, 9.63%, 12/15/14 (c)(d)		120	75
Tunica-Biloxi Gaming Authority, 9.00%, 11/15/15 (b)		645	574,050
			3,503,700
Household Durables 0.7%			
Standard Pacific Corp.:			
6.25%, 4/01/14		140	109,900
7.00%, 8/15/15		465	365,025
Stanley-Martin Communities LLC, 9.75%, 8/15/15		1,250	306,250
			781,175
IT Services 1.0%			
Alliance Data Systems Corp., 1.75%, 8/01/13 (f)		370	329,300
First Data Corp.:			
9.88%, 9/24/15		255	218,025
11.25%, 3/31/16 (b)		60	45,900
SunGard Data Systems, Inc., 4.88%, 1/15/14		549	494,100
			1,087,325
Independent Power Producers & Energy Traders 2.4%			
AES Eastern Energy LP Series 99-B, 9.67%, 1/02/29		300	258,000
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (b)		500	497,500
Dynegy Holdings, Inc., 8.38%, 5/01/16		650	526,500
Energy Future Holdings Corp., 11.25%, 11/01/17 (e)		1,060	606,743
NRG Energy, Inc., 8.50%, 6/15/19		250	243,125
Texas Competitive Electric Holdings Co. LLC, 10.50%, 11/01/16 (e)		845	468,895
			2,600,763
Industrial Conglomerates 2.0%			
Sequa Corp. (b):			
11.75%, 12/01/15		1,530	963,900
13.50%, 12/01/15 (e)		2,278	1,190,476
			2,154,376
Insurance 0.4%			

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USI Holdings Corp., 4.32%, 11/15/14 (a)(b)		490	378,525
Leisure Equipment & Products 0.5%			
Brunswick Corp., 11.25%, 11/01/16 (b)		565	591,837
Machinery 1.9%			
CPM Holdings, Inc., 10.63%, 9/01/14 (b)		200	202,000
ESCO Corp., 4.50%, 12/15/13 (a)(b)		920	821,100
RBS Global, Inc.:			
9.50%, 8/01/14 (b)		199	183,080
8.88%, 9/01/16		505	405,262
Titan International, Inc., 8.00%, 1/15/12		460	442,750
			2,054,192
Marine 0.1%			
Navios Maritime Holdings, Inc., 9.50%, 12/15/14		141	123,375
Media 3.9%			
Affinion Group, Inc., 10.13%, 10/15/13		320	318,000
CSC Holdings, Inc., 8.50%, 4/15/14 (b)		180	182,700
Canadian Satellite Radio Holdings, Inc., 12.75%, 2/15/14		3,000	1,035,000
Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17		832	316,160
TL Acquisitions, Inc., 10.50%, 1/15/15 (b)		1,570	1,428,700
Virgin Media, Inc., 6.50%, 11/15/16 (b)(f)		1,000	906,250
			4,186,810
		Par	
Corporate Bonds		(000)	Value
Metals & Mining 1.3%			
Aleris International, Inc. (c)(d):			
9.00%, 12/15/14	USD	370	\$ 925
10.00%, 12/15/16		500	1,250
RathGibson, Inc., 11.25%, 2/15/14 (c)(d)		1,390	500,400
Ryerson, Inc., 7.86%, 11/01/14 (a)		1,075	913,750
			1,416,325
Oil, Gas & Consumable Fuels 3.7%			
Atlas Energy Operating Co., LLC, 12.13%, 8/01/17		425	448,375
Atlas Energy Resources LLC, 10.75%, 2/01/18 (b)		155	156,550
Chesapeake Energy Corp., 9.50%, 2/15/15		455	464,100
Denbury Resources, Inc., 9.75%, 3/01/16		1,150	1,210,375
Forest Oil Corp.:			
8.50%, 2/15/14 (b)		640	643,200
7.25%, 6/15/19		200	188,000

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SandRidge Energy, Inc., 4.22%, 4/01/14 (a)	1,000	830,368
		3,940,968
Paper & Forest Products 5.5%		
Ainsworth Lumber Co. Ltd., 11.00%, 7/29/15 (b)(e)	2,689	1,065,996
Clearwater Paper Corp., 10.63%, 6/15/16 (b)	190	203,537
NewPage Corp.:		
6.73%, 5/01/12 (a)	3,000	1,282,500
10.00%, 5/01/12	1,820	987,350
Verso Paper Holdings LLC:		
11.50%, 7/01/14 (b)	160	156,800
Series B, 4.23%, 8/01/14 (a)	4,000	2,240,000
		5,936,183
Pharmaceuticals 1.2%		
Angiotech Pharmaceuticals, Inc., 4.11%, 12/01/13 (a)	1,500	1,260,000
Real Estate Management & Development 0.7%		
Realty Corp.:		
10.50%, 4/15/14	410	243,950
12.38%, 4/15/15	1,385	560,925
		804,875
Semiconductors & Semiconductor Equipment 1.5%		
Avago Technologies Finance Pte. Ltd., 5.86%,		
6/01/13 (a)	400	376,000
Spansion, Inc., 3.79%, 6/01/13 (b)(c)(d)	1,410	1,251,375
		1,627,375
Software 0.0%		
BMS Holdings, Inc., 8.35%, 2/15/12 (a)(b)(e)	466	7,489
Specialty Retail 1.1%		
General Nutrition Centers, Inc., 6.40%, 3/15/14 (a)	145	127,600
Michaels Stores, Inc., 11.38%, 11/01/16	910	782,600
United Auto Group, Inc., 7.75%, 12/15/16	355	312,400
		1,222,600
Wireless Telecommunication Services 4.2%		
BCM Ireland Preferred Equity Ltd., 8.28%,		
2/15/17 (b)(e)	EUR 302	112,579
Cricket Communications, Inc., 7.75%, 5/15/16 (b)	USD 1,000	970,000
Crown Castle International Corp., 9.00%, 1/15/15	100	104,000
Digicel Group Ltd. (b):		
8.88%, 1/15/15	1,070	954,975
9.13%, 1/15/15 (e)	2,129	1,876,181
iPCS, Inc., 2.61%, 5/01/13 (a)	200	164,000
Orascom Telecom Finance SCA, 7.88%, 2/08/14 (b)	325	292,500

	4,474,235
Total Corporate Bonds 57.7%	62,137,098

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)

Floating Rate Loan Interests		(000)	Value
Airlines 0.4%			
US Airways Group, Inc., Loan, 2.76%, 3/21/14	USD	730	\$ 393,105
Auto Components 2.8%			
Allison Transmission, Inc., Term Loan, 3.03%, 8/07/14		1,930	1,647,680
Dana Holding Corp., Term Advance, 7.25%, 1/31/15		874	668,955
Delphi Corp. (c)(d):			
Initial Tranche C Loan (Debtor in Possession), 10.50%, 12/31/09		908	499,164
Subsequent Tranche C Loan (Debtor in Possession), 9.50%, 12/31/09		93	50,836
Intermet Corp.:			
Letter of Credit, 0.16%, 11/09/10 (c)(d)		231	85,522
Synthetic Letter of Credit, 5.65%, 11/09/10 (e)		26	9,569
1st Lien Credit Facility, 5.65%, 11/08/10 (c)(d)(e)		115	22,978
1st Lien Credit Facility, 5.65%, 11/08/10 (e)		147	54,446
			3,039,150
Beverages 0.2%			
Culligan International Co., Loan (Second Lien), 5.28%, 4/24/13	EUR	500	179,201
Chemicals 3.9%			
Ashland, Inc., Term B Borrowing, 7.65%, 5/13/14	USD	444	451,874
Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.85%, 5/31/14		276	171,303
Huish Detergents Inc., Tranche B Term Loan, 2.02%, 4/26/14		242	230,610
Nalco Co., Term Loan B, 6.50%, 5/06/16		625	633,594
PQ Corp. (fka Niagara Acquisition, Inc.):			
Loan (Second Lien), 6.77%, 7/30/15		2,500	1,375,000
Term Loan (First Lien), 3.52% 3.75%, 7/31/14		495	407,963
Solutia Inc. Loan, 7.25%, 2/28/14		990	979,844
			4,250,188
Commercial Services & Supplies 0.4%			
Casella Waste Systems, Term B Loan, 7.00%, 4/04/14		400	401,000
Computers & Peripherals 0.4%			
Intergraph Corp., Second Lien, Term Loan, 6.26% 6.37%, 11/28/14		500	466,250
Containers & Packaging 0.8%			

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Graham Packaging Co., LP, B Term Loan, 2.56%, 10/07/11		449	436,509
Smurfit-Stone Container U.S. Term Loan Debtor in Possession, 10.00%, 7/28/10		436	440,639
			877,148
Diversified Consumer Services 1.4%			
Coinmach Corp., Term Loan, 3.28% 3.43%, 11/14/14		1,728	1,468,860
Diversified Telecommunication Services 1.2%			
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14 (e)		1,518	921,245
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13		324	318,003
Paetec Holdings Corp., Incremental Term Loan, 2.76%, 2/28/13		84	79,507
			1,318,755
Electrical Equipment 0.4%			
Generac Acquisition Corp., Term Loan (First Lien), 2.78%, 11/10/13		494	414,087
Energy Equipment & Services 1.3%			
Dresser, Inc., Term B Loan, 2.68%, 5/04/14		571	532,315
MEG Energy Corp.:			
Delayed Draw Term Loan, 2.60%, 4/02/13		493	457,990
Initial Term Loan, 2.60%, 4/03/13		484	449,283
			1,439,588
		Par	
		(000)	Value
Floating Rate Loan Interests			
Food & Staples Retailing 0.9%			
McJunkin Corp., Term Loan, 3.51%, 1/31/14	USD	499	\$ 475,032
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15		500	517,500
			992,532
Food Products 3.1%			
Dole Food Co., Inc. :			
Credit-Linked Deposit, 0.51%, 4/12/13		86	86,864
Tranche B Term Loan, 8.00%, 4/12/13		151	151,845
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		562	565,788
Wm. Wrigley Jr. Co., Tranche B Term Loan, 6.50%, 10/06/14		2,468	2,496,111
			3,300,608
Health Care Equipment & Supplies 1.4%			

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Biomet, Inc., Dollar Term Loan, 3.26% 3.61%, 3/25/15	675	647,648
DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.26%, 5/20/14	739	705,506
Hologic, Inc., Tranche B Term Loan, 3.56%, 3/31/13	142	136,067
		1,489,221
Health Care Providers & Services 2.9%		
CCS Medical, Inc. (Chronic Care):		
Loan (Debtor in Possession), 11.00%, 11/14/09	31	30,309
Term Loan (First Lien), 4.35%, 9/30/12 (c)(d)	525	236,906
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.51%, 7/25/14	30	27,947
Funded Term Loan, 2.51% 2.62%, 7/25/14	585	544,964
DaVita, Inc., Tranche B-1 Term Loan, 1.77% 2.10%, 10/05/12	275	263,885
Fresenius AG:		
Tranche B-1 Term Loan, 6.75%, 7/06/14	120	120,441
Tranche B-2 Term Loan, 6.75%, 7/06/14	84	84,039
HCA Inc.:		
Tranche A-1 Term Loan, 2.10%, 11/17/12	1,597	1,491,174
Tranche B-1 Term Loan, 2.85%, 11/18/13	387	364,407
		3,164,072
Hotels, Restaurants & Leisure 1.5%		
Golden Nugget, Inc., Second Lien Term Loan, 3.52%, 12/31/14	175	73,500
Green Valley Ranch Gaming, LLC, Loan (Second Lien), 3.88%, 8/16/14	500	102,500
Harrah s Operating Co., Inc., Term B-2 Loan, 3.50%, 1/28/15	438	352,521
Lake at Las Vegas Joint Venture/LLV-1, LLC.:		
Revolving Loan Credit-Linked Deposit Account, 12.35%, 12/12/12	120	2,407
Term Loan, 14.35% 15.00%, 12/22/12 (c)(d)	1,215	24,305
QCE, LLC (Quiznos), Term Loan (Second Lien), 5.98%, 2/26/13	1,000	460,000
VML US Finance LLC (aka Venetian Macau), Term B:		
Delayed Draw Project Loan, 6.10%, 5/25/12	76	69,692
Funded Project Loan, 6.10%, 5/25/13	548	501,063
		1,585,988
Household Durables 0.8%		
American Residential Services LLC, Term Loan (Second Lien), 12.00%, 4/17/15 (e)	1,020	889,871

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IT Services 3.3%

Audio Visual Services Group Inc.:

Loan (Second Lien), 7.10%, 2/28/14	520	41,592
Tranche B Term Loan (First Lien), 2.85%, 2/28/14	750	465,000
Ceridian Corp., U.S. Term Loan, 3.27%, 11/09/14	989	846,260

See Notes to Financial Statements.

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BlackRock Diversified Income Strategies Fund, Inc.
(DVF)

Schedule of Investments (continued)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Floating Rate Loan Interests		
IT Services (concluded)		
First Data Corp.:		
Initial Tranche B-2 Term Loan, 3.01% 3.02%, 9/24/14	USD 2,134	\$ 1,775,203
Initial Tranche B-3 Term Loan, 3.01% 3.02%, 9/24/14	121	100,816
SunGard Data Systems Inc. (Solar Capital Corp.), Tranche B U.S. Term Loan, 3.95% 4.09%, 2/28/16	325	313,181
		3,542,052
Independent Power Producers & Energy Traders 1.3%		
Texas Competitive Electric Holdings Co., LLC (TXU):		
Initial Tranche B-1 Term Loan, 3.78% 3.79%, 10/10/14	1,102	837,669
Initial Tranche B-2 Term Loan, 3.78% 3.79%, 10/10/14	734	558,139
		1,395,808
Industrial Conglomerates 0.3%		
Sequa Corp., Term Loan, 3.65% 3.88%, 12/03/14	397	338,590
Insurance 0.4%		
Alliant Holdings I, Inc., Term Loan, 3.60%, 8/21/14	491	451,950
Internet & Catalog Retail 0.4%		
FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/04/14	472	467,344
Life Sciences Tools & Services 0.8%		
Life Technologies Corp., Term B Facility, 5.25%, 11/20/15	876	884,892
Machinery 2.6%		
Navistar International Corp.:		
Revolving Credit-Linked Deposit, 3.35% 3.36%, 1/19/12	800	744,000
Term Advance, 3.51%, 1/19/12	2,200	2,046,000
		2,790,000
Media 16.7%		
Affinion Group Holdings, Inc., Loan, 8.27%, 3/01/10	1,205	1,054,198
AlixPartners, LLP, Tranche C Term Loan, 2.28% 2.51%, 10/12/13 (e)	506	492,195

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Cebridge Connections, Second Lien Term Loan, 4.79%, 5/05/14		2,000	1,802,500
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		1,000	960,000
Cequel Communications, LLC, Tranche A Term Loan (Second Lien), 2.27% 4.25%, 11/05/13		789	745,163
Charter Communications, Term Loan B1, 0%, 3/25/14 (c)(d)		1,515	1,514,242
EB Sports Corp., Loan, 7.57%, 5/01/12 (e)		890	489,262
Ellis Communications KDOC, LLC Loan, 10.00%, 12/30/11		1,939	543,006
HMH Publishing Co. Ltd.:			
Mezzanine, 17.50%, 11/14/14 (e)		6,221	933,183
Tranche A Term Loan, 5.26%, 6/12/14		1,536	1,188,521
Insight Midwest Holdings, LLC, B Term Loan, 2.28%, 4/07/14		475	453,286
Lamar Media Corp., Series E Incremental Loan, 5.50%, 3/15/13		247	244,715
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG) Facility B1, 3.53%, 6/30/15	EUR	337	272,803
Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 4.50%, 3/31/17	USD	500	498,750
Newsday, LLC, Fixed Rate Term Loan, 9.75%, 8/01/13		2,000	2,035,000
Nielsen Finance LLC:			
Class A Dollar Term Loan, 2.28%, 8/09/13		603	561,398
Class B Dollar Term Loan, 4.03%, 5/01/16		1,260	1,180,367
Penton Media, Inc.:			
Loan (Second Lien), 5.49%, 2/01/14		1,000	210,000
Term Loan (First Lien), 2.51% 2.73%, 2/01/13		978	654,925
Sunshine Acquisition Ltd. (aka HIT Entertainment) Term Facility, 2.73%, 7/31/14		325	270,156
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		496	499,228

		Par (000)	Value
Floating Rate Loan Interests			
Media (concluded)			
United Pan Europe Communications, Term Loan, 3.76%, 12/31/16	USD	1,000	\$ 982,500
Virgin Media Investment Holdings Ltd., C Facility, 3.62%, 7/17/13	GBP	145	207,726
World Color Press Inc. and World Color (USA) Corp. (fka Quebecor World Inc.), Advance, 9.00%, 6/30/12		200	198,500
			17,991,624

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Metals & Mining 1.6%

Euramax International, Inc., Domestic Term Loan:

14.00%, 6/29/13 (e)	USD 626	269,062
(Cash Pay), 10.00%, 6/29/13	643	276,616

RathGibson Inc., Loan (Debtor in Possession),

10.50% 10.75%, 2/10/10	1,148	1,147,507
		1,693,185

Multi-Utilities 0.6%

FirstLight Power Resources, Inc. (fka NE Energy, Inc.):

Synthetic Letter of Credit, 0.48%, 11/01/13	74	68,302
Term B Advance (First Lien), 3.13%, 11/01/13	576	530,104
		598,406

Multiline Retail 0.2%

Dollar General Corp., Tranche B-2 Term Loan, 3.01%,

7/07/14	250	240,243
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Oil, Gas & Consumable Fuels 3.3%

Big West Oil, LLC, Initial Advance Loan, 6.50%, 5/15/14

288	265,259
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ScorpionDrilling Limited, Loan (Second Lien), 8.10%,

5/08/14	1,650	1,369,500
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Turbo Beta Ltd. Dollar Facility, 14.50%, 3/15/18 (e)

1,738	1,216,786
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Vulcan Energy Corp. (fka Plains Resources Inc), Term B3

Loan, 5.50%, 8/12/11	750	739,688
		3,591,233

Paper & Forest Products 0.8%

Georgia-Pacific LLC, Term B Loan, 2.34% 2.65%,

12/20/12	835	806,982
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Pharmaceuticals 0.5%

Warner Chilcott Co., Inc.:

Tranche B Acquisition Date Term Loan, 2.26%,

1/18/12	369	366,804
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Tranche C Acquisition Date Term Loan, 2.26%,

1/18/12	130	128,641
		495,445

Software 1.4%

Aspect Software, Inc. Loan (Second Lien), 7.31%,

7/11/12	2,500	1,512,500
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Total Floating Rate Loan Interests 58.0%

62,469,878

Beneficial

Other Interests (i)

Interest

Diversified Financial Services 0.2%

JG Wentworth LLC Preferred Equity Interests

USD 271	228,566
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Hotels, Restaurants & Leisure 0.0%

Buffets, Inc.	360,000	36
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Total Other Interests 0.2%		228,602
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Preferred Stocks

Shares

Capital Markets 0.0%

Marsico Parent Superholdco, LLC, 16.75% (b)	48	12,240
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Total Preferred Stocks 0.0%		12,240
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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)

Warrants (j)	Shares	Value
Hotels, Restaurants & Leisure 0.0%		
Buffets Restaurants Holdings, Inc. (expires 4/29/14)	304	\$ 3
Other 0.0%		
Turbo Cayman Ltd. (No Expiration)	1	
Total Warrants 0.0%		3
Total Long-Term Investments		
(Cost \$177,149,788) 119.0%		128,167,846
Short-Term Securities		
BlackRock Liquidity Funds, TempFund, 0.22% (k)(l)	2,371,578	2,371,578
Total Short-Term Securities		
(Cost \$2,371,578) 2.2%		2,371,578
Options Purchased	Contracts	
Over-the-Counter Call Options		
Marsico Parent Superholdco LLC, expiring December 2019 at USD 942.86, Broker Goldman Sachs & Co.	13	13,000
Total Options Purchased (Cost \$12,711) 0.0%		13,000
Total Investments (Cost \$179,534,077*) 121.2%		130,552,424
Liabilities in Excess of Other Assets (21.2)%		(22,996,029)
Net Assets 100.0%		\$107,556,395

* The cost and unrealized appreciation (depreciation) of investments as of August 31,

2009, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$180,146,320
Gross unrealized appreciation	\$ 3,424,595
Gross unrealized depreciation	(53,018,491)
Net unrealized depreciation	\$ (49,593,896)

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

(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) Non-income producing security.

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

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

(f) Convertible security.

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

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

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- (i) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (j) 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.
- (k) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund	\$ 2,371,578	\$ 2,468
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$(5,592,405)	\$17,999

- (l) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2009 were as follows:

Currency Purchased	Currency Sold	Counterparty	Settlement Date (Depreciation)	Unrealized Appreciation
USD 195,257 EUR	140,000	Citibank NA	9/15/09	\$ (5,452)
USD 397,270 EUR	280,000	Citibank NA	9/16/09	(4,149)
USD 3,161,838	EUR 2,264,500	Deutsche Bank AG	9/16/09	(84,636)
USD 326,927	CAD 355,000	Barclays Bank Plc	10/28/09	2,622
GBP 165,000 USD	269,693	Citibank NA	10/28/09	(1,102)
Total				\$ (92,717)

Interest rate swaps outstanding as of August 31, 2009 were as follows:

Fixed Rate	Floating Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Depreciation
4.82% (m) 3-month	JPMorgan	January			
	LIBOR	Chase Bank NA		2013 USD 20,000	\$(1,751,189)

(m) Pays fixed rate and receives floating rate.

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

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional Amount (000)	Unrealized Appreciation (Depreciation)
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Host Hotel & Resorts LP	5.00%	Goldman Sachs Bank USA	March 2014			USD 1,275	\$(177,446)
Masco Corp.	5.30%	JPMorgan Chase Bank NA	March 2014	USD	500		(55,080)
Mohawk Industries, Inc.	4.45%	JPMorgan Chase Bank NA	March 2014	USD	500		(49,615)
Brunswick Corp.	5.00%	Goldman Sachs Bank USA	September 2014	USD	100		561
Standard Pacific Corp.	5.00%	Credit Suisse International	September 2014	USD	270		10,739
Total							\$(270,841)

Credit default swaps on traded index sold protection outstanding as of August 31, 2009 were as follows:

Index	Receive Fixed Rate	Counter-party	Expiration	Credit Rating ¹	Notional Amount	Unrealized Depreciation (000) ²
Aces High Yield Index	5.00%	Morgan Stanley Capital Services, Inc.	March 2010	CCC	USD 6,736	\$(2,024,770)

Credit default swaps on single-name issues sold protection outstanding as of August 31, 2009 were as follows:

Issuer	Receive Fixed Rate	Counter-party	Expiration	Credit Rating ³	Notional Amount	Unrealized Depreciation (000) ²
BAA Junior Term Loan 1	2.00%	Deutsche Bank AG	March 2012	A	GBP 300	\$(96,206)

1 Using Standard & Poor's weighted average ratings of the underlying securities in the index.

2 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.

3 Using Standard & Poor's rating of the issuer.

See Notes to Financial Statements.

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

Currency Abbreviations:

CAD Canadian Dollar

EUR Euro

GBP British Pound

USD US Dollar

Effective September 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements, (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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)

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities Assets
Level 1	
Long-Term Investments:	
Common Stocks	\$ 2,283,119
Short-Term Securities	2,371,578
Total Level 1	4,654,697
Level 2	
Long-Term Investments:	
Common Stocks	503,215
Corporate Bonds	61,103,415
Floating Rate Loan Interests	36,916,830
Preferred Stocks	12,240
Total Level 2	98,535,700

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Level 3

Long-Term Investments:

Asset-Backed Securities	528,255
Common Stocks	5,436
Corporate Bonds	1,033,683
Floating Rate Loan Interests	25,553,048
Other Interests	228,602
Warrants	3
Total Level 3	27,349,027
Total	\$130,539,424

Valuation Inputs	Other Financial	
	Assets	Instruments ¹ Liabilities
Level 1		
Level 2	\$ 26,922	\$ (4,249,645)
Level 3	38,010	
Total	\$ 64,932	\$ (4,249,645)

¹ Other financial instruments are swaps, foreign currency exchange contracts, options purchased and unfunded loan commitments. Swaps, foreign currency exchange contracts and unfunded loan commitments are valued at the unrealized appreciation/depreciation on the instrument and options purchased are shown at market value.

See Notes to Financial Statements.

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

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

	Investments in Securities						Total
	Asset-Backed Securities	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	Warrants	
Balance, as of August 31, 2008				\$17,146,004			\$17,146,004
Accrued discounts/premiums							
Realized gain (loss)				(5,893,500)			(5,893,500)
Change in unrealized appreciation ¹	\$ 466,236	\$ 5,033	\$ (50,717)	2,373,735			2,794,287
Net purchases (sales)				(10,472,926)			(10,472,926)
Net transfers in/out of Level 3	62,019	403	1,084,400	22,399,735	228,602	\$ 3	23,775,162
Balance as of August 31, 2009	\$ 528,255	\$ 5,436	\$ 1,033,683	\$25,553,048	228,602	\$ 3	\$27,349,027

¹ Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

The following is a reconciliation of other financial instruments for unobservable inputs

(Level 3) used in determining fair value:

	Other Financial Instruments ² Assets
Balance, as of August 31, 2008	
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Net purchases (sales)	
Net transfers in/out of Level 3	\$ 38,010
Balance as of August 31, 2009	\$ 38,010

² Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2009 **BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)**

(Percentages shown are based on Net Assets)

Common Stocks	Shares	Value
Building Products 0.6%		
Masonite Worldwide Holdings (a)	33,758	\$ 1,365,511
Chemicals 0.0%		
GEO Specialty Chemicals, Inc. (a)	13,117	5,036
Wellman Holdings, Inc.	430	107
		5,143
Electrical Equipment 0.0%		
Medis Technologies Ltd. (a)	71,654	20,421
Energy Equipment & Services 0.3%		
Trico Marine Services, Inc. (a)	119,185	810,458
Paper & Forest Products 0.2%		
Ainsworth Lumber Co., Ltd. (a)	136,289	196,699
Ainsworth Lumber Co., Ltd. (a)(b)	152,951	220,043
Western Forest Products, Inc. (a)(b)	84,448	20,056
		436,798
Total Common Stocks 1.1%		2,638,331
	Par	
Corporate Bonds	(000)	
Auto Components 1.9%		
The Goodyear Tire & Rubber Co., 5.01%, 12/01/09 (c)	USD 4,500	4,483,125
Building Products 2.0%		
CPG International I, Inc.:		
7.87%, 7/01/12 (c)	3,500	2,502,500
10.50%, 7/01/13	2,300	1,644,500
Momentive Performance Materials, Inc., Series WI,		
9.75%, 12/01/14	750	487,500
		4,634,500
Capital Markets 0.3%		
Marsico Parent Co., LLC, 10.63%, 1/15/16 (b)	1,168	490,560
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (b)(d)	486	116,671
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (b)(d)	335	86,990
		694,221
Chemicals 0.6%		
GEO Specialty Chemicals, Inc.:		
10.00%, 3/31/15	844	548,704
7.50%, 3/31/15 (b)(e)	852	553,506
Wellman Holdings, Inc., Third Lien Subordinate Note,		

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5.00%, 1/29/19 (e)		442	220,823
			1,323,033
Commercial Services & Supplies 0.3%			
Clean Harbors, Inc., 7.63%, 8/15/16 (b)		800	802,000
Construction Materials 1.0%			
Nortek, Inc., 10.00%, 12/01/13		2,540	2,362,200
Containers & Packaging 1.8%			
Clondalkin Acquisition BV, 2.63%, 12/15/13 (b)(c)		4,000	3,200,000
Crown European Holdings SA, 6.25%, 9/01/11	EUR	15	21,504
Owens Brockway Glass Container, Inc., 6.75%, 12/01/14		143	198,856
Packaging Dynamics Finance Corp., 10.00%, 5/01/16 (b)	USD	2,350	752,000
			4,172,360
Diversified Financial Services 2.2%			
FCE Bank Plc, 7.13%, 1/16/12	EUR	4,000	5,189,667
Diversified Telecommunication Services 1.8%			
PAETEC Holding Corp., 8.88%, 6/30/17 (b)	USD	1,150	1,095,375
Qwest Corp., 3.88%, 6/15/13 (c)		3,500	3,237,500
			4,332,875
		Par	Value
Corporate Bonds		(000)	
Food & Staples Retailing 0.2%			
AmeriQual Group LLC, 9.50%, 4/01/12 (b)	USD	250	\$ 162,500
Duane Reade, Inc., 11.75%, 8/01/15 (b)		190	191,900
			354,400
Food Products 0.4%			
Smithfield Foods, Inc., 10.00%, 7/15/14 (b)		900	918,000
Health Care Equipment & Supplies 0.5%			
DJO Finance LLC, 10.88%, 11/15/14		1,320	1,267,200
Hotels, Restaurants & Leisure 2.4%			
American Real Estate Partners LP, 7.13%, 2/15/13		5,000	4,750,000
Harrah's Operating Co., Inc., 10.00%, 12/15/18 (b)		413	289,100
Little Traverse Bay Bands of Odawa Indians, 10.25%, 2/15/14 (a)(b)(f)		1,565	688,600
			5,727,700
IT Services 0.8%			
First Data Corp.:			
9.88%, 9/24/15		1,020	872,100
11.25%, 3/31/16 (b)		1,190	910,350

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		1,782,450
Independent Power Producers & Energy Traders	1.4%	
Calpine Construction Finance Co., LP, 8.00%, 6/01/16 (b)	2,120	2,109,400
Texas Competitive Electric Holdings Co., LLC, 10.25%, 11/01/15	2,005	1,328,312
		3,437,712
Industrial Conglomerates	0.5%	
Sequa Corp. (b):		
11.75%, 12/01/15	640	403,200
13.50%, 12/01/15 (d)	1,700	888,231
		1,291,431
Machinery	0.8%	
CPM Holdings, Inc., 10.63%, 9/01/14 (b)	500	505,000
Sunstate Equipment Co., LLC, 10.50%, 4/01/13 (b)	2,000	1,500,000
		2,005,000
Media	1.6%	
CSC Holdings, Inc.:		
8.50%, 4/15/14 (b)	420	426,300
Series B, 7.63%, 4/01/11	2,000	2,025,000
Cablevision Systems Corp. Series B, 8.00%, 4/15/12	975	996,937
Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17	1,244	472,720
		3,920,957
Metals & Mining	0.4%	
FMG Finance Property Ltd., 4.36%, 9/01/11 (b)(c)	265	265,000
Ryerson, Inc., 7.86%, 11/01/14 (c)	900	765,000
		1,030,000
Oil, Gas & Consumable Fuels	0.6%	
SandRidge Energy, Inc., 4.22%, 4/01/14 (c)	1,600	1,328,589
Paper & Forest Products	2.3%	
Ainsworth Lumber Co., Ltd., 11.00%, 7/29/15 (b)(d)	1,176	466,135
NewPage Corp.:		
10.00%, 5/01/12	2,000	1,085,000
6.73%, 5/01/12 (c)	3,925	1,677,937
Verso Paper Holdings LLC, Series B, 4.23%, 8/01/14 (c)	4,000	2,240,000
		5,469,072
Pharmaceuticals	1.4%	
Angiotech Pharmaceuticals, Inc., 4.11%, 12/01/13 (c)	1,190	999,600
Elan Finance Plc, 4.44%, 11/15/11 (c)	2,500	2,350,000
		3,349,600

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
Corporate Bonds		
Semiconductors & Semiconductor Equipment 1.4%		
Avago Technologies Finance Pte. Ltd., 5.86%, 6/01/13 (c)	USD 900	\$ 846,000
Spansion, Inc., 3.79%, 6/01/13 (a)(b)(f)	2,870	2,547,125
		3,393,125
Specialty Retail 0.1%		
General Nutrition Centers, Inc., 6.40%, 3/15/14 (c)	290	255,200
Wireless Telecommunication Services 1.8%		
Cricket Communications, Inc., 7.75%, 5/15/16 (b)	2,500	2,425,000
Crown Castle International Corp., 9.00%, 1/15/15	255	265,200
Digicel Group Ltd., 9.13%, 1/15/15 (b)(d)	278	244,987
iPCS, Inc., 2.61%, 5/01/13 (c)	1,500	1,230,000
		4,165,187
Total Corporate Bonds 28.5%		67,689,604
Floating Rate Loan Interests		
Aerospace & Defense 2.5%		
Avio SpA:		
Dollar Mezzanine Term Loan, 4.26%, 12/13/16 (d)	2,123	955,402
Facility B2, 2.39%, 12/15/14	1,661	1,395,506
Facility C2, 3.01%, 12/14/15	1,771	1,487,671
Hawker Beechcraft Acquisition Co., LLC:		
Letter of Credit Facility Deposit, 2.28%, 3/26/14	137	102,306
Term Loan, 2.26% 2.60%, 3/26/14	2,325	1,733,406
IAP Worldwide Services, Inc., Term Loan (First-Lien), 7.25%, 12/30/12 (d)	175	126,292
		5,800,583
Airlines 0.8%		
Delta Air Lines, Inc., Credit- Linked Deposit Loan, 0.11% 2.28%, 4/30/12	1,225	1,093,823
US Airways Group, Inc., Loan, 2.76%, 3/21/14	1,460	786,210
		1,880,033
Auto Components 3.0%		
Allison Transmission, Inc., Term Loan, 3.03%, 8/07/14	4,825	4,119,199
Dana Holding Corp., Term Advance, 7.25%, 1/31/15	1,551	1,187,394
Delphi Corp. (a)(f):		
Initial Tranche Term Loan C, 10.50%, 12/31/09	2,269	1,247,910

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Subsequent Tranche Term Loan C, 9.50%, 12/31/09		231	127,090
GPX International Tire Corp.:			
Term Loan, 12.00%, 4/11/12 (d)		22	6,626
Tranche B Term Loan, 10.25%, 3/30/12 (a)(f)		1,280	384,097
			7,072,316
Beverages 0.1%			
Culligan International Co., Loan (Second Lien), 5.28%, 4/24/13	EUR	500	179,201
Building Products 1.2%			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14	USD	1,968	1,795,500
PGT Industries, Inc., Tranche A-2 Term Loan, 7.25%, 2/14/12		1,752	1,086,352
			2,881,852
Capital Markets 0.6%			
RiskMetrics Group Holdings, LLC, Term B Loan (First Lien), 2.60%, 1/10/14		1,449	1,407,720
Chemicals 5.5%			
Ashland Inc., Term B Borrowing, 7.65%, 5/13/14		1,177	1,197,465
Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.85%, 5/31/14		490	303,800
		Par	Value
Floating Rate Loan Interests		(000)	
Chemicals (concluded)			
Huish Detergents Inc., Tranche B Term Loan, 2.02%, 4/26/14	USD	1,470	\$ 1,401,400
Nalco Co., Term Loan, 6.50%, 5/06/16		2,450	2,483,688
PQ Corp. (fka Niagara Acquisition, Inc.), Original Term Loan (First Lien), 3.52% 3.75%, 7/31/14		3,960	3,263,701
Solutia Inc., Loan, 7.25%, 2/28/14		4,462	4,416,704
			13,066,758
Commercial Services & Supplies 0.8%			
Casella Waste Systems, Inc., Term B Loan, 7.00%, 4/09/14		750	751,875
John Maneely Co., Term Loan, 3.52% 3.76%, 12/09/13		846	663,063
West Corp., Term B-2 Loan, 2.64% 2.65%, 10/24/13		533	505,807
			1,920,745
Computers & Peripherals 0.4%			
Intergraph Corp.:			
Initial Term Loan (First Lien), 2.37%, 5/29/14		419	401,943

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Second Lien Term Loan, 6.26% 6.37%, 11/28/14	500	466,250
		868,193
Construction Materials 0.4%		
Headwaters Inc., Term Loan B1 (First Lien), 9.75%, 4/30/11	1,012	979,576
Containers & Packaging 1.8%		
Graham Packaging Co.:		
B Term Loan, 2.56%, 10/07/11	109	105,644
Term Loan C, 6.75%, 4/27/14	1,087	1,084,386
Graphic Packaging International, Inc., Incremental Term Loan, 3.08% 3.35%, 5/16/14	1,970	1,920,750
Smurfit-Stone Container Enterprises, Inc., U.S. Term Loan Debtor in Possession, 10.00%, 1/28/10	1,155	1,167,020
		4,277,800
Distributors 0.3%		
Keystone Automotive Operations, Inc., Loan, 3.77% 5.75%, 1/12/12	1,419	773,397
Diversified Consumer Services 1.0%		
Coinmach Service Corp., Term Loan, 3.28% 3.43%, 11/14/14	2,715	2,308,208
Diversified Telecommunication Services 1.0%		
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13	774	758,381
PAETEC Holding Corp., Incremental Term Loan, 2.76%, 2/28/13	169	159,006
Wind Finance SL SA Euro Facility (Second Lien), 7.70%, 12/17/14	EUR 1,000	1,437,910
		2,355,297
Electrical Equipment 0.6%		
Baldor Electric Co., Term Loan, 5.25%, 1/31/14	USD 1,000	986,429
Generac Acquisition Corp., Lien Term Loan (First Lien), 2.78%, 11/10/13	548	459,740
		1,446,169
Energy Equipment & Services 1.2%		
Dresser, Inc., Term B Loan, 2.68%, 5/04/14	1,200	1,118,400
MEG Energy Corp.:		
Delayed Draw Term Loan, 2.60%, 4/02/13	986	915,980
Initial Term Loan, 2.60%, 4/03/13	968	898,566
		2,932,946
Food & Staples Retailing 2.9%		
AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots),		

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Facility B1, 3.53%, 7/09/15	GBP	3,000	4,184,567
DSW Holdings, Inc., Loan, 2.52%, 10/27/12	USD	919	827,500

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)

Floating Rate Loan Interests	(000)	Value
Food & Staples Retailing (concluded)		
McJunkin Corp., Term Loan, 3.51%, 1/31/14	USD 499	\$ 475,032
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15	1,000	1,035,000
Wm. Bolthouse Farms, Inc., Term Loan (First Lien), 2.56%, 12/16/12	378	364,690
		6,886,789
Food Products 3.2%		
Dole Food Co., Inc.:		
Credit-Linked Deposit, 0.51%, 4/12/13	390	392,601
Tranche B Term Loan, 8.00%, 4/12/13	682	686,302
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13	2,541	2,557,222
Wm. Wrigley Jr. Co., Tranche B Term Loan, 6.50%, 10/06/14	3,925	3,968,817
		7,604,942
Health Care Equipment & Supplies 1.4%		
Biomet, Inc., Dollar Term Loan, 3.26% 3.61%, 3/25/15	2,250	2,158,828
DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.26% 3.60%, 5/20/14	985	940,675
Hologic, Inc., Tranche B Term Loan, 3.56%, 3/31/13	212	204,100
		3,303,603
Health Care Providers & Services 6.7%		
CCS Medical, Inc. (Chronic Care):		
Loan Debtor in Possession, 11.00%, 11/14/09	31	30,309
Term Loan (First Lien), 4.35%, 9/30/12 (a)(f)	750	338,437
CHS/Community Health Systems, Inc.:		
Delayed Draw Term Loan, 2.51%, 7/25/14	221	206,215
Funded Term Loan, 2.51%, 7/25/14	4,319	4,024,123
DaVita, Inc., Tranche B-1 Term Loan, 1.77% 2.10%, 10/05/12	1,000	959,583
Fresenius AG:		
Term Loan B1, 6.75%, 7/06/14	1,478	1,485,952
Term Loan B2, 6.75%, 7/06/14	903	907,957
HCA Inc.:		
Tranche A-1 Term Loan, 2.10%, 11/17/12	3,512	3,278,934
Tranche B-1 Term Loan, 2.85%, 11/18/13	3,098	2,915,255
Vanguard Health Holding Co., II, LLC (Vanguard Health System, Inc.), Replacement Term Loan, 2.51%, 9/23/11	1,769	1,721,591
		15,868,356

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Hotels, Restaurants & Leisure 2.7%

Golden Nugget, Inc., Second Lien Term Loan, 3.52%, 12/31/14	250	105,000
Green Valley Ranch Gaming, LLC, Second Lien Term Loan, 3.88%, 8/16/14	500	102,500
Harrah's Operating Co., Inc.:		
Term B-1 Loan, 3.50%, 1/28/15	208	167,785
Term B-2 Loan, 3.50%, 1/28/15	2,450	1,974,117
Term B-3 Loan, 3.50% 3.60%, 1/28/15	184	147,842
Penn National Gaming, Inc., Term Loan B, 2.01 2.21%, 10/03/12	1,136	1,104,234
QCE, LLC (Quiznos), Term Loan (Second Lien), 2.88%, 5/15/13	979	729,086
Travelport LLC (fka Travelport Inc.):		
Original Post-First Amendment and Restatement Synthetic Letter of Credit Loan, 3.10%, 8/23/13	178	160,153
Tranche B Dollar Term Loan, 2.76% 3.10%, 8/23/13	889	798,171
VML US Finance LLC (aka Venetian Macau), Term B:		
Delayed Draw Project Loan, 6.10%, 5/25/12	383	350,225
Funded Project Loan, 6.10%, 5/27/13	864	790,220
		6,429,333

	Par (000)	Value
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Floating Rate Loan Interests

Household Durables 3.1%

American Residential Services LLC, Term Loan (Second Lien), 12.00%, 4/17/15 (d)	USD	2,040	\$ 1,779,743
Jarden Corp., Term Loan B3, 3.10%, 1/24/12		1,372	1,353,659
Simmons Bedding Co., Tranche D Term Loan, 10.50%, 12/19/11		3,166	3,076,263
Yankee Candle Co., Inc., Term Loan, 2.27%, 2/06/14		1,184	1,098,083
			7,307,748

IT Services 4.6%

Audio Visual Services Group, Inc.:			
Loan (Second Lien), 7.10%, 2/28/14 (c)		1,040	83,184
Tranche B Term Loan (First Lien), 2.85%, 2/28/14		1,000	620,000
Ceridian Corp., U.S. Term Loan, 3.27%, 11/09/14		1,977	1,692,520
First Data Corp. Initial:			
Tranche B-1 Term Loan, 3.01% 3.02%, 9/24/14		790	658,169
Tranche B-2 Term Loan, 3.01% 3.02%, 9/24/14		4,629	3,852,089
Tranche B-3 Term Loan, 3.01% 3.02%, 9/24/14		341	283,935

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RedPrairie Corp.:

Loan (Second Lien), 6.97%, 1/20/13	300	214,500
Term Loan B, 3.44% 5.25%, 7/20/12	562	485,920

SunGard Data Systems Inc.:

(Solar Capital Corp.) Additional Term Loan B, 6.75%, 2/28/14	900	894,696
Term Loan B, 3.95% 4.09%, 2/28/16	2,261	2,182,782
		10,967,795

Independent Power Producers & Energy Traders 1.7%

Texas Competitive Electric Holdings Co., LLC (TXU):

Initial Tranche B-1 Term Loan, 3.78% 3.79%, 10/10/14	2,529	1,921,710
Initial Tranche B-2 Term Loan, 3.78% 3.79%, 10/10/14	978	742,929
Initial Tranche B-3 Term Loan, 3.78% 3.79%, 10/10/14	1,945	1,472,063
		4,136,702

Industrial Conglomerates 0.6%

Sequa Corp., Term Loan, 3.65% 3.88%, 12/03/14	1,519	1,294,833
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Insurance 0.2%

Alliant Holdings I, Inc., Term Loan, 3.60%, 8/21/14	491	451,950
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Internet & Catalog Retail 0.3%

FTD Group, Inc., Tranche B Term Loan, 6.75%, 8/04/14	708	701,016
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Leisure Equipment & Products 1.6%

24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, 2.77% 3.08%, 6/08/12	3,870	3,366,900
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Fender Musical Instruments Corp.:

Delayed Draw Loan, 2.54%, 6/09/14	165	132,220
Initial Loan, 2.85%, 6/07/14	327	261,770
		3,760,890

Life Sciences Tools & Services 1.1%

Life Technologies Corp., Term B Facility, 5.25%, 11/20/15	2,529	2,554,120
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Machinery 3.0%

NACCO Materials Handling Group, Inc., Loan, 2.26% 3.41%, 3/21/13	1,455	989,400
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Navistar Financial Corp. Tranche A Term loan, 2.31%, 3/27/10	1,492	1,447,461
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Navistar International Corp.:

Revolving Credit-Linked Deposit, 3.36% 3.51%, 1/19/12	1,067	992,000
Term Advance, 3.51%, 1/19/12	2,933	2,728,000

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Oshkosh Truck Corp., Term B Loan, 6.60% 6.64%,

12/06/13

1,032

1,026,883

7,183,744

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)

Floating Rate Loan Interests		(000)	Value
Media 23.8%			
Affinion Group Holdings, Inc., Loan, 8.27%, 3/01/10 (d)	USD	2,095	\$ 1,833,388
AlixPartners, LLP, Tranche C Term Loan, 2.28% 2.51%, 10/12/13		1,590	1,546,900
Bresnan Communications, LLC, Additional Term Loan B (First Lien), 2.51% 2.61%, 6/30/13		946	906,626
Catalina Marketing Corp., Initial Term Loan, 3.03%, 10/01/14		1,523	1,431,695
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		4,200	4,032,000
Cequel Communications, LLC: Term Loan, 2.27% 4.25%, 11/05/13		2,110	1,993,002
Tranche A Term Loan (Second Lien), 4.79%, 5/05/14		2,000	1,802,500
Charter Communications, Term Loan B1, 7.94%, 3/25/14		3,465	3,463,267
HMH Publishing Co., Ltd. (fka Education Media): Mezzanine, 17.50%, 11/14/14 (d)		10,180	1,527,027
Tranche A Term Loan, 5.26%, 6/12/14		2,633	2,037,464
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.52% 2.54%, 3/08/14		1,478	623,013
Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.76%, 6/30/14		980	800,538
Insight Midwest Holdings, LLC, B Term Loan, 2.28%, 4/07/14		1,825	1,741,572
Intelsat Subsidiary Holding Co., Ltd., Tranche B Term Loan, 2.78%, 7/13/13		1,896	1,808,521
Knology, Inc., Term Loan, 2.51%, 6/30/12		724	687,989
Lamar Advertising Co.: Term Loan Incremental, 5.50%, 9/28/12		207	204,055
Term Loan Incremental, 5.50%, 9/28/13		1,233	1,214,611
Term Loan E, 5.50%, 9/30/12		494	489,430
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG): Facility B1, 3.53%, 3/06/15	EUR	337	272,803
Facility C1, 3.78%, 3/04/16		337	272,803
MCC Iowa LLC (Mediacom Broadband Group), Tranche A Term Loan, 1.76%, 3/31/10	USD	544	535,594
MCNA Cable Holdings LLC (OneLink Communications),			

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Loan (PIK facility), 8.31%, 3/01/13 (d)		1,236	469,840
Mediacom Broadband (Term Loan E), 6.50%, 11/30/15		2,868	2,871,343
Mediannuaire Holding (Pages Jaunes), Term Loan D, 4.77%, 4/08/16	EUR	500	188,758
Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 3.51%, 4/09/12	USD	3,297	1,833,743
Multicultural Radio Broadcasting, Inc., Term Loan, 3.03%, 12/18/12		317	221,900
NTL Cable Plc, Second Lien, 3.62% 4.19%, 7/17/13	GBP	845	1,210,543
Newsday, LLC, Fixed Rate Term Loan, 9.75%, 8/01/13	USD	1,000	1,017,500
NextMedia Operating, Inc.:			
Delay Draw Term Loan, 8.25%, 11/15/12		200	129,869
Initial Term Loan (First Lien), 8.25%, 11/15/12		266	173,060
Term Loan (Second Lien), 11.25%, 11/15/13		1,772	212,674
Nielsen Finance LLC:			
Class A Dollar Term Loan, 2.28%, 8/09/13		1,809	1,684,193
Class B Dollar Term Loan, 4.03%, 5/01/16		3,778	3,541,100
Penton Media, Inc., Loan (Second Lien), 5.49%, 2/01/14		1,000	210,000
Sunshine Acquisition Ltd. (aka HIT Entertainment), Term Facility, 2.73%, 6/01/12		1,757	1,460,534
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		2,739	2,755,786
UPC Financing Partnership, Facility U, 4.54%, 12/31/17	EUR	5,000	6,540,844
Virgin Media NTL, Term Loan, 4.40%, 6/03/12	GBP	1,000	1,513,178
World Color Press Inc. and World Color (USA) Corp. (fka Quebecor World Inc.), Term Loan, 9.00%, 6/30/12	USD	1,300	1,290,250
			56,549,913

		Par (000)	Value
Floating Rate Loan Interests			
Multi-Utilities 0.9%			
Energy Transfer Equity, LP, Term Loan, 2.21%, 11/01/12	USD	1,000	\$ 968,571
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):			
First Lien Term Loan B, 3.13%, 11/01/13		664	611,659
Second Lien Term Loan, 5.13%, 5/01/14		500	386,250
Synthetic Letter of Credit, 0.48%, 11/01/13		86	78,810
			2,045,290
Multiline Retail 0.8%			
Dollar General Corp., Tranche B-2 Term Loan, 3.01%, 7/07/14		1,975	1,897,920
Oil, Gas & Consumable Fuels 1.8%			

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Big West Oil, LLC (a)(f):

Delayed Advance Loan, 4.50%, 5/15/14	577	530,935
Initial Advance Loan, 4.50%, 5/15/14	588	541,363

Coffeyville Resources, LLC:

Funded Letter of Credit, 6.50%, 12/28/10	194	190,216
Tranche D Term Loan, 8.50%, 12/30/13	1,559	1,523,964

Vulcan Energy Corp. (fka Plains Resources Inc.), Term B3

Loan, 5.50%, 8/12/11	1,500	1,479,375
		4,265,853

Paper & Forest Products 2.5%

Georgia-Pacific LLC, Term B Loan, 2.34% 2.65%,

12/20/12	4,297	4,151,381
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NewPage Corp., Term Loan, 4.06%, 12/22/14

1,619	1,499,075
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Verso Paper Finance Holdings LLC, Loan, 6.73%,

2/01/13 (d)	1,983	396,576
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6,047,032

Pharmaceuticals 0.9%

Catalent Pharma Solutions, Inc. (fka Cardinal Health

409, Inc.), Euro Term Loan, 2.74%, 4/15/14	EUR	980	1,173,123
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Warner Chilcott Co., Inc.:

Tranche B Acquisition Date Term Loan,

2.26%, 1/18/12	USD	738	733,608
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Tranche C Acquisition Date Term Loan,

2.26%, 1/18/12	259	257,283
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2,164,014

Real Estate Management & Development 1.0%

Mattamy Funding Partnership, Loan, 2.63%, 4/11/13

968	774,000
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Realogy Corp., Initial Term B Loan, 3.28%, 10/10/13

1,960	1,493,800
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2,267,800

Specialty Retail 0.4%

Adesa, Inc. (KAR Holdings, Inc.), Initial Term Loan, 2.52%,

10/20/13	1,000	938,333
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Wireless Telecommunication Services 0.9%

Digicel International Finance Ltd., Tranche A, 3.13%,

3/01/12	1,250	1,187,500
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Ntelos Inc., Term Loan B Advance, 5.75%, 7/31/15

1,000	997,500
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2,185,000

Total Floating Rate Loan Interests 87.3%

206,963,770

Beneficial

Interest

Other Interests (g)

(000)

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Diversified Financial Services 0.1%

J.G. Wentworth LLC Preferred Equity Interests	USD	(h)	262,849
Total Other Interests 0.1%			262,849

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)

Preferred Stocks	Shares	Value
Capital Markets 0.0%		
Marsico Parent Superholdco, LLC, 16.75% (b)	78	\$ 19,890
Total Preferred Stocks 0.0%		19,890
Total Long-Term Investments		
(Cost \$330,781,619) 117.0%		277,574,444
Short-Term Securities		
BlackRock Liquidity Funds, TempFund, 0.22% (i)(j)	2,018,379	2,018,379
Total Short-Term Securities		
(Cost \$2,018,379) 0.9%		2,018,379
Options Purchased	Contracts	
Over-the-Counter Call Options		
Marsico Parent Superholdco LLC, expiring December 2019 at USD 942.86, Broker Goldman Sachs & Co.	20	20,000
Total Options Purchased (Cost \$19,556) 0.0%		20,000
Total Investments (Cost \$332,819,554*) 117.9%		279,612,823
Liabilities in Excess of Other Assets (17.9)%		(42,453,259)
Net Assets 100.0%		\$237,159,564

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2009, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$333,081,083
Gross unrealized appreciation	\$ 6,045,238
Gross unrealized depreciation	(59,513,498)
Net unrealized depreciation	\$ (53,468,260)

(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 par/shares.

(e) Convertible security.

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

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

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

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

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Affiliate	Net Activity	Income
BlackRock Liquidity Funds, TempFund	\$ 2,018,379	\$ 5,993
BlackRock Liquidity Series, LLC		
Cash Sweep Series	\$(1,634,669)	\$26,105

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

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management.

This definition may not apply for purposes of this report which may combine industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2009 were as follows:

Currency Purchased	Currency Sold	Counterparty	Unrealized Settlement Date (Depreciation)
USD 439,329 EUR	315,000	Citibank NA 9/15/09 \$	(12,267)
USD14,031,553 EUR 10,059,000		Citibank NA 9/16/09	(389,413)
		Royal Bank	
USD 703,165 EUR	494,000	of Scotland Plc 9/16/09	(5,053)
USD 290,090 CAD	315,000	Barclays Bank Plc 10/28/09	2,327
USD 6,118,751 GBP 3,743,500		Citibank NA 10/28/09	25,014
Total			\$ (379,392)

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

Issuer	Pay Fixed Rate	Counterparty	Expiration	Notional	Amount Unrealized (000) Depreciation
First Data Corp.	5.00%	JPMorgan Chase Bank, NA	12/20/13	USD 3,000 \$	(230,284)
Host Hotels & Resorts LP	5.00%	Goldman Sachs Bank USA	3/20/14	USD 2,500	(347,933)
Masco Corp.	5.30%	JPMorgan Chase Bank, NA	3/20/14	USD 1,000	(110,160)
Mohawk Industries, Inc.	4.45%	JPMorgan Chase Bank, NA	3/20/14	USD 1,000	(99,231)
Total					\$ (787,608)

Credit default swaps on single-name issues sold protection outstanding as of August 31, 2009 were as follows:

Receive	Notional
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Issuer	Fixed Rate	Counter-	Credit party Expiration Ratings ¹	Amount Unrealized (000) ² Depreciation
Ford Motor Co.	3.80%	UBS AG 3/20/10	CCC USD 10,000 \$	(321,270)

¹ Using Standard & Poor's rating of the issuer.

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

Currency Abbreviations:

CAD Canadian Dollar

EUR Euro

GBP British Pound

USD US Dollar

Effective September 1, 2008, Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157).

FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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)

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

See Notes to Financial Statements.

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities	Valuation Inputs	Other Financial Instruments ¹	
			Assets	Liabilities
	Level 1			
	Assets	Level 2	\$ 47,341	\$ (1,515,611)
		Level 3		(49,905)
Level 1				
Long-Term Investments:		Total	\$ 47,341	\$ (1,565,516)
Common Stocks	\$ 2,413,145			
		1		Other financial instruments are swaps, options purchased, foreign currency
Short-Term Securities	2,018,379			
				exchange contracts and unfunded loan commitments. Swaps, foreign currency
Total Level 1	4,431,524			exchange contracts and unfunded loan commitments are valued at the unrealized appreciation/depreciation on the instrument and options purchased are
Level 2				
Long-Term Investments:				shown at market value.
Common Stocks	220,043			
Corporate Bonds	64,866,572			
Floating Rate Loan Interests	152,389,930			
Preferred Stocks	19,890			
Total Level 2	217,496,435			
Level 3				
Long-Term Investments:				
Common Stocks	5,143			
Corporate Bonds	2,823,032			
Floating Rate Loan Interests	54,573,840			
Other Interests	262,849			
Total Level 3	57,664,864			
Total	\$279,592,823			

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

	Investments in Securities				Total
	Common Stocks	Corporate Bonds	Floating Rate Loan Interests	Other Interests	
Balance, as of August 31, 2008	\$ 5,036		\$27,972,884		\$27,977,920
Accrued discounts/premiums					
Realized gain (loss)			(6,318,545)		(6,318,545)

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Change in unrealized appreciation (depreciation) ²		\$ (140,889)	(2,598,443)		(2,739,332)
Net purchases (sales)			(17,770,999)		(17,770,999)
Net transfers in/out of Level 3	107	2,963,921	53,288,943	\$ 262,849	56,515,820
Balance, as of August 31, 2009	\$ 5,143	\$ 2,823,032	\$54,573,840	\$ 262,849	\$57,664,864

² Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

The following is a reconciliation of other financial instruments for unobservable

inputs (Level 3) used in determining fair value:

**Other Financial
Instruments³
Liabilities**

Balance, as of August 31, 2008	
Accrued discounts/premiums	
Realized gain (loss)	
Change in unrealized appreciation (depreciation)	
Net purchases (sales)	
Net transfers in/out of Level 3	\$ (49,905)
Balance as of August 31, 2009	\$ (49,905)

³ Other financial instruments are unfunded loan commitments.

See Notes to Financial Statements.

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Schedule of Investments August 31, 2009 BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Asset-Backed Securities			
Ford Credit Auto Owner Trust Series 2009-A Class A3B, 2.77%, 5/15/13 (a)	USD	9,135	\$ 9,373,195
Interest Only 0.5%			
Sterling Bank Trust Series 2004-2 Class Note, 2.08%, 3/30/30		18,549	1,431,764
Sterling Coofs Trust Series 1, 2.36%, 4/15/29		14,819	1,236,448
			2,668,212
Total Asset-Backed Securities 2.2%			12,041,407
Common Stocks			
Commercial Services & Supplies 0.0%			
Sirva (b)		1,109	5,545
Construction & Engineering 0.0%			
USI United Subcontractors (b)		6,111	79,444
Metals & Mining 0.0%			
Euramax International (b)		234	2,512
Total Common Stocks 0.0%			87,501
Corporate Bonds			
Air Freight & Logistics 0.1%			
Park-Ohio Industries, Inc., 8.38%, 11/15/14	USD	905	571,281
Airlines 0.1%			
American Airlines Pass Through Trust Series 1999-1, 7.32%, 4/15/11		520	512,200
Auto Components 0.1%			
Lear Corp., 8.75%, 12/01/16 (a)(b)(c)		525	283,500
Automobiles 0.1%			
Ford Capital BV, 9.50%, 6/01/10		500	495,000
Building Products 0.1%			
CPG International I, Inc., 10.50%, 7/01/13		750	536,250
Capital Markets 0.4%			
E*Trade Financial Corp. (d):			
3.99%, 8/31/19 (e)		249	425,479
12.50%, 11/30/17 (f)		78	78,975
Marsico Parent Co., LLC, 10.62%, 1/15/16		2,651	1,113,420
Marsico Parent Holdco, LLC, 12.50%, 7/15/16 (d)(f)		1,105	265,135
Marsico Parent Superholdco, LLC, 14.50%, 1/15/18 (d)(f)		759	197,440

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			2,080,449
Chemicals	0.9%		
American Pacific Corp., 9.00%, 2/01/15		1,100	992,750
Ames True Temper, Inc., 4.51%, 1/15/12 (a)		2,085	1,834,800
Innophos, Inc., 8.88%, 8/15/14		2,225	2,158,250
Terra Capital, Inc., Series B, 7.00%, 2/01/17		15	14,137
			4,999,937
Commercial Services & Supplies	0.8%		
DI Finance, Series B, 9.50%, 2/15/13		2,326	2,357,983
Waste Services, Inc., 9.50%, 4/15/14		2,065	2,044,350
			4,402,333
Consumer Finance	0.8%		
Ford Motor Credit Co. LLC:			
7.38%, 2/01/11		2,800	2,706,791
3.26%, 1/13/12 (a)		565	470,363
7.80%, 6/01/12		1,665	1,540,202
			4,717,356
		Par	
		(000)	Value
Corporate Bonds			
Containers & Packaging	0.9%		
Berry Plastics Holding Corp.:			
4.50%, 9/15/14 (a)	USD	510	\$ 367,200
8.88%, 9/15/14		465	409,200
Crown Americas LLC, 7.75%, 11/15/15		885	876,150
Impress Holdings BV, 3.63%, 9/15/13 (a)(d)		1,370	1,251,837
Pregis Corp., 12.38%, 10/15/13		2,020	1,818,000
			4,722,387
Diversified Financial Services	0.4%		
GMAC LLC, 6.88%, 8/28/12 (d)		1,731	1,505,970
Structured Asset Repackaged Trust, 1.00%, 1/21/10		1,082	1,049,539
			2,555,509
Diversified Telecommunication Services	3.8%		
Cincinnati Bell, Inc., 7.25%, 7/15/13		1,330	1,290,100
Deutsche Telekom International Finance BV, 8.50%, 6/15/10		5,000	5,258,820
Nordic Telephone Co. Holdings ApS, 8.88%, 5/01/16 (d)		3,850	3,907,750
PAETEC Holding Corp., 8.88%, 6/30/17 (d)		1,000	952,500
Qwest Communications International, Inc.:			
Series B, 7.50%, 2/15/14		2,985	2,880,525
7.50%, 2/15/14		610	588,650

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Qwest Corp., 3.88%, 6/15/13 (a)	3,000	2,775,000
Wind Acquisition Finance SA, 10.75%, 12/01/15 (d)	900	967,500
Windstream Corp.:		
8.13%, 8/01/13	1,480	1,480,000
8.63%, 8/01/16	990	993,712
		21,094,557
Electric Utilities 0.0%		
Elwood Energy LLC, 8.16%, 7/05/26	138	120,438
Electronic Equipment, Instruments & Components 0.1%		
Sanmina-SCI Corp., 8.13%, 3/01/16	600	517,500
Energy Equipment & Services 0.1%		
Compagnie Generale de Geophysique-Veritas:		
7.50%, 5/15/15	255	242,250
7.75%, 5/15/17	420	396,900
North American Energy Partners, Inc., 8.75%, 12/01/11	140	128,800
		767,950
Food & Staples Retailing 0.1%		
Duane Reade, Inc., 11.75%, 8/01/15 (d)	455	459,550
Food Products 0.3%		
Smithfield Foods, Inc., 10.00%, 7/15/14 (d)	1,810	1,846,200
Health Care Equipment & Supplies 0.8%		
Biomet, Inc., 10.00%, 10/15/17	500	525,000
DJO Finance LLC, 10.88%, 11/15/14	3,830	3,676,800
		4,201,800
Health Care Providers & Services 0.8%		
Tenet Healthcare Corp. (d):		
9.00%, 5/01/15	812	832,300
10.00%, 5/01/18	332	357,730
Viant Holdings, Inc., 10.13%, 7/15/17 (d)	2,948	2,771,120
		3,961,150
Hotels, Restaurants & Leisure 1.7%		
American Real Estate Partners LP:		
8.13%, 6/01/12	5,860	5,772,100
7.13%, 2/15/13	1,480	1,406,000
Greektown Holdings, LLC, 10.75%, 12/01/13 (b)(c)(d)	1,344	288,960
Harrah s Operating Co., Inc. (d):		
10.00%, 12/15/15	720	514,800
10.00%, 12/15/18	1,881	1,316,700
Tropicana Entertainment LLC Series WI, 9.63%, 12/15/14 (b)(c)	375	234
		9,298,794

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Corporate Bonds		
Household Durables 0.0%		
Berkline/Benchcraft, LLC, 4.50%, 11/03/12 (d)(e)(f) USD	200	\$
IT Services 0.4%		
iPayment, Inc., 9.75%, 5/15/14	950	612,750
iPayment Investors LP, 12.75%, 7/15/14 (d)(f)	4,759	1,189,702
SunGard Data Systems, Inc., 4.88%, 1/15/14	215	193,500
		1,995,952
Independent Power Producers & Energy Traders 0.8%		
The AES Corp., 8.75%, 5/15/13 (d)	2,803	2,845,045
Calpine Construction Finance Co. LP, 8.00%, 6/01/16 (d)	1,250	1,243,750
NRG Energy, Inc.:		
7.25%, 2/01/14	210	204,225
7.38%, 2/01/16	475	454,219
		4,747,239
Industrial Conglomerates 0.9%		
Sequa Corp. (d):		
11.75%, 12/01/15	3,210	2,022,300
13.50%, 12/01/15 (f)	5,678	2,966,940
		4,989,240
Machinery 0.7%		
AGY Holding Corp., 11.00%, 11/15/14	1,700	1,343,000
Accuride Corp., 8.50%, 2/01/15 (b)(c)	850	170,000
Sunstate Equipment Co. LLC, 10.50%, 4/01/13 (d)	3,125	2,343,750
Synventive Molding Solutions, Sub-Series A, 14.00%, 1/14/11	720	287,888
		4,144,638
Marine 0.1%		
Navios Maritime Holdings, Inc., 9.50%, 12/15/14	676	591,500
Media 3.7%		
Affinion Group, Inc., 10.13%, 10/15/13	2,825	2,807,344
CMP Susquehanna Corp., 4.75%, 5/15/14 (d)	194	3,880
Charter Communications Holdings II, LLC (b)(c):		
10.25%, 9/15/10	1,155	1,283,494
Series B, 10.25%, 9/15/10	765	850,106
Charter Communications, Inc., 6.50%, 10/01/27 (b)(c)(e)	1,280	550,400
EchoStar DBS Corp.:		
7.00%, 10/01/13	200	196,000

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7.13%, 2/01/16	200	192,000
Local Insight Regatta Holdings, Inc., 11.00%, 12/01/17	1,575	598,500
Network Communications, Inc., 10.75%, 12/01/13	1,520	307,800
Nielsen Finance LLC, 10.00%, 8/01/14	3,695	3,491,775
ProtoStar I Ltd., 18.00%, 10/15/12 (b)(c)(d)(e)	3,454	1,381,644
Rainbow National Services LLC (d):		
10.38%, 9/01/14	3,134	3,275,030
8.75%, 9/01/12	925	934,250
TL Acquisitions, Inc., 10.50%, 1/15/15 (d)	4,965	4,518,150
		20,390,373

Metals & Mining 0.2%

Freeport-McMoRan Copper & Gold, Inc., 8.38%, 4/01/17	1,225	1,277,063
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Oil, Gas & Consumable Fuels 1.5%

Berry Petroleum Co., 8.25%, 11/01/16	550	489,500
Chesapeake Energy Corp., 6.38%, 6/15/15	650	592,313
EXCO Resources, Inc., 7.25%, 1/15/11	495	485,100
Encore Acquisition Co., 6.00%, 7/15/15	250	215,000
OPTI Canada, Inc., 8.25%, 12/15/14	1,805	1,173,250
Overseas Shipholding Group, Inc., 8.75%, 12/01/13	1,190	1,148,350
Sabine Pass LNG LP, 7.50%, 11/30/16	1,515	1,227,150
SandRidge Energy, Inc.:		
4.22%, 4/01/14 (a)	1,500	1,245,552
8.63%, 4/01/15 (f)	180	169,200
Whiting Petroleum Corp.:		
7.25%, 5/01/12	75	74,625
7.25%, 5/01/13	1,390	1,376,100
		8,196,140

	Par	Value
	(000)	

Corporate Bonds

Paper & Forest Products 0.2%

Domtar Corp., 7.88%, 10/15/11	USD	10	\$ 10,263
NewPage Corp.:			
6.73%, 5/01/12 (a)		1,500	641,250
10.00%, 5/01/12		635	344,487
			996,000

Professional Services 0.1%

FTI Consulting, Inc., 7.75%, 10/01/16		350	341,250
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Real Estate Investment Trusts (REITs) 0.2%

Rouse Co. LP, 5.38%, 11/26/13 (b)(c)		1,640	1,238,200
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Software 0.0%

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Dayco Products LLC (Mark IV Industries, Inc.),

Replacement Term B Loan, 8.75%, 6/21/11 (b)(c)

854

352,803

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Auto Components (concluded)			
Delphi Corp. (b)(c):			
Initial Tranche C Loan Debtor in Possession, 10.50%, 12/31/09	USD	4,538	\$ 2,495,820
Subsequent Tranche C Loan Debtor in Possession, 9.50%, 12/31/09		462	254,180
Mark IV Industries:			
Replacement Term B Loan, 8.50%, 5/01/10		20	
US Term Loan, Debtor in Possession Loan, 8.50%, 5/01/10		101	90,725
			8,048,011
Beverages 0.4%			
Culligan International Co., Loan (Second Lien), 5.28%, 4/24/13	EUR	1,500	537,604
InBev NV/SA, Bridge Loan, 1.95%, 7/15/13	USD	1,500	1,421,250
Le-Nature s, Inc., Tranche B Loan, 9.39% 9.42%, 9/30/11 (b)(c)		1,000	195,000
			2,153,854
Building Products 0.9%			
Building Materials Corp. of America, Term Loan Advance, 3.06%, 2/22/14		2,586	2,359,709
Custom Building Products, Inc., Loan (Second Lien), 10.75%, 4/20/12		1,500	1,404,375
Momentive Performance Materials (Blitz 06-103 GmbH), Tranche B-2 Term Loan, 2.74%, 12/04/13	EUR	997	1,076,830
United Subcontractors, First Lien Term Loan, 2.10%, 12/27/12	USD	143	121,744
			4,962,658
Capital Markets 0.2%			
Marsico Parent Co., LLC, Term Loan, 4.81%, 12/15/14		462	198,749
Nuveen Investments, Inc., Term Loan, 3.49% 3.50%, 11/13/14		1,359	1,103,211
			1,301,960
Chemicals 3.6%			
Ashland, Inc., Term B Borrowing, 7.65%, 5/13/14		889	903,747
Brenntag Holdings GmbH & Co. KG:			

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Facility 2, 4.27%, 7/17/15		500	413,000
Facility 3A (Second Lien), 5.65%, 7/17/15	EUR	115	136,147
Facility 3B Second Lien, 5.65%, 7/17/15		385	455,934
Facility B6B, 3.60%, 1/20/14		218	297,235
Loan B6A, 3.60%, 1/20/14		282	383,929
Cognis GmbH:			
Facility A (French) 3.27%, 9/16/13		803	988,926
Facility B (French) 3.27%, 9/16/13		197	242,186
Edwards (Cayman Islands II) Ltd., Term Loan (First Lien), 2.85%, 5/31/14	USD	449	278,290
ElectricInvest Holding Co. Ltd. (Viridian Group Plc)			
Junior Term Facility:			
5.00%, 12/21/12	EUR	894	819,938
5.04%, 12/21/12	GBP	900	937,698
Huish Detergents Inc., Tranche B Term Loan, 2.02%, 4/26/14	USD	1,237	1,179,629
Ineos US Finance LLC:			
Term A4 Facility, 7.00%, 12/14/12		334	267,699
Term B2 Facility, 7.50%, 12/16/13		1,631	1,239,581
Term C2 Facility, 8.00%, 12/16/14		1,631	1,239,581
Nalco Co., Term Loan, 6.50%, 5/06/16		2,075	2,103,531
PQ Corp. (fka Niagara Acquisition, Inc.):			
Loan (Second Lien), 6.77%, 7/30/15		3,250	1,787,500
Term Loan (First Loan), 3.52% 3.75%, 7/31/14		3,960	3,263,700
Rockwood Specialties Group, Inc., Term Loan H, 6.00%, 5/15/14		940	946,544
Solutia Inc., Loan, 7.25%, 2/28/14		1,732	1,714,728
			19,599,523

		Par (000)	Value
Floating Rate Loan Interests			
Commercial Services & Supplies 1.3%			
ARAMARK Corp.:			
Letter of Credit, 0.22%, 1/26/14	USD	185	\$ 172,822
U.S. Term Loan, 2.47%, 1/26/14		2,907	2,720,334
Casella Waste Systems, Inc., Term B Loan, 5.60%, 3/31/14		635	636,588
EnviroSolutions Real Property Holdings, Inc., Initial Term Loan, 10.50%, 7/07/12		506	365,707
Kion Group GmbH (formerly Neggio Holdings 3 GmbH):			
Facility B, 2.51%, 12/29/14		250	158,594

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Facility C, 2.76%, 12/29/15	250	158,594
SIRVA Worldwide, Inc., Loan (Second Lien), 12.00%, 5/12/15	259	19,412
Synagro Technologies, Inc., Term Loan (First Lien), 2.26% 2.27%, 4/02/14	2,715	2,138,350
West Corp., Term B-2 Loan, 2.64% 2.65%, 10/24/13	880	834,806
		7,205,207
Communications Equipment 0.1%		
Safenet, Inc., Term Loan (First Lien), 2.77%, 4/12/14	696	641,227
Computers & Peripherals 0.4%		
Intergraph Corp.:		
Initial Term Loan (First Lien), 2.37%, 5/29/14	1,431	1,373,600
Second-Lien Term Loan, 6.26% 6.37%, 11/28/14	750	699,375
		2,072,975
Construction & Engineering 0.1%		
Brand Energy & Infrastructure Services, Inc. (FR Brand Acquisition Corp.):		
First Lien Term Loan B, 2.31% 2.63%, 2/07/14	31	27,510
Second Lien Term Loan, 6.31% 6.44%, 2/07/15	1,000	690,000
		717,510
Containers & Packaging 0.8%		
Atlantis Plastic Films, Inc., Term Loan (Second Lien), 12.25%, 3/22/12 (b)(c)	250	
Graham Packaging Co., LP, B Term Loan, 2.56%, 10/07/11	898	873,017
Graphic Packaging International, Inc., Incremental Term Loan, 3.08% 3.35%, 5/16/14	1,324	1,291,160
Smurfit-Stone Container Enterprise, Inc.:		
Tranche C, 2.57%, 11/01/11	198	188,044
Tranche C-1 Term Loan, 2.57%, 11/01/11	60	56,854
Smurfit-Stone Container Enterprises, Inc., U.S. Term Loan Debtor in Possession, 10.00%, 7/28/10	1,301	1,313,900
Smurfit-Stone Container Enterprises, Inc. (b)(c):		
Deposit Funded Facility, 4.50%, 11/01/10	92	87,705
Tranche B, 2.57%, 11/01/11	105	99,811
Smurfit-Stone Container, Revolving Credit US, 0.01% 4.50%, 11/01/09	459	437,532
Smurfit-Stone Container, Canadian Revolving Credit, 2.28% 5.00%, 11/02/09	152	145,116
		4,493,139
Distributors 0.1%		
Keystone Automotive Operations, Inc., Loan, 3.77% 5.75%		

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1/12/12	1,419	773,397
Diversified Consumer Services 0.9%		
Coinmach Service Corp., Term Loan, 3.28% 3.43%, 11/14/14	4,690	3,986,905
Education Management, LLC, Term Loan C, 2.38%, 6/01/13	748	714,995
		4,701,900

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Diversified Financial Services 0.0%			
Professional Service Industries, Inc., Term Loan (First Lien), 3.02%, 10/31/12	USD	620	\$ 310,223
Diversified Telecommunication Services 1.6%			
BCM Ireland Holdings Ltd. (Eircom):			
Facility B, 2.37%, 9/30/15	EUR	1,970	2,567,463
Facility C, 2.62%, 9/30/16		1,970	2,567,750
Hawaiian Telcom Communications, Inc., Tranche C Term Loan, 4.75%, 5/30/14	USD	1,921	1,165,804
Integra Telecom Holdings, Inc., Term Loan (First Lien), 10.50%, 8/31/13		350	343,000
PAETEC Holding Corp., Replacement Term Loan, 2.76%, 2/28/13		422	397,514
Time Warner Telecom Holdings Inc., Term Loan B Loan, 2.02%, 1/07/13		1,055	1,028,240
Wind Telecomunicazioni S.P.A., A1 Term Loan Facility, 2.95% 3.02%, 9/22/12	EUR	424	577,255
			8,647,026
Electric Utilities 0.1%			
TPF Generation Holdings, LLC:			
Synthetic LC Deposit (First Lien), 2.28%, 12/15/13	USD	151	142,317
Synthetic Revolving Deposit, 2.28%, 12/15/11		47	44,613
Term Loan (First Loan), 2.26%, 12/15/13		429	405,181
			592,111
Electrical Equipment 0.2%			
Electrical Components International Holdings Co. (ECI)			
Term Loan (Second Lien), 11.50%, 5/01/14		500	25,000
Generac Acquisition Corp., Term Loan (First Lien), 2.78%, 11/10/13		1,464	1,227,277
			1,252,277
Electronic Equipment, Instruments & Components 0.9%			
Flextronics International Ltd.:			
A Closing Date Loan, 2.52% 2.85%, 10/01/14		3,820	3,424,445
Delay Draw Term Loan, 2.76%, 10/01/14		1,098	984,037
Matinvest 2 SAS/Butterfly Wendel US, Inc.			

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(Deutsche Connector):

B-2 Facility, 2.97%, 6/22/14	445	249,061
B-2 Facility, 2.97%, 6/22/14	33	18,586
C-2 Facility, 3.22%, 6/22/15	719	402,826
C-2 Facility, 3.22%, 6/22/15	110	61,536
		5,140,491

Energy Equipment & Services 0.6%

Dresser, Inc. Term B Loan, 2.68%, 5/04/14	2,082	1,940,767
MEG Energy Corp., Initial Term Loan, 2.60%, 4/03/13	484	449,283
Trinidad USA Partnership LLP, US Term Loan, 2.78%, 5/01/11	1,022	868,678
		3,258,728

Food & Staples Retailing 1.3%

AB Acquisitions UK Topco 2 Ltd. (fka Alliance Boots), Facility B1, 3.53%, 7/09/15	GBP	3,500	4,881,995
DSW Holdings Inc., Loan, 4.27%, 3/21/12	USD	500	421,667
Rite Aid Corp., Tranche 4 Term Loan, 9.50%, 6/04/15		750	776,250
Wm. Bolthouse Farms, Inc., Term Loan (First Lien), 2.56%, 12/16/12		872	841,462
			6,921,374

	Par	
Floating Rate Loan Interests	(000)	Value

Food Products 1.2%

Dole Food Co., Inc.:			
Credit-Linked Deposit, 0.51%, 4/12/13	USD	280	\$ 281,481
Tranche B Term Loan, 8.00%, 4/12/13		489	492,054
Michael Foods, Term Loan B, 6.50%, 4/24/14		1,478	1,494,122
Solvest, Ltd. (Dole), Tranche C Term Loan, 8.00%, 4/12/13		1,822	1,833,438
Wm. Wrigley Jr. Co., Tranche B Term Loan, 6.50%, 10/06/14		2,468	2,496,111
			6,597,206

Health Care Equipment & Supplies 0.7%

Biomet, Inc., Dollar Term Loan, 3.26% 3.61%, 3/25/15	1,678	1,610,226
DJO Finance LLC (ReAble Therapeutics Finance LLC), Term Loan, 3.26% 3.60%, 5/20/14	2,463	2,351,688
		3,961,914

Health Care Providers & Services 3.1%

CCS Medical Inc. (Chronic Care):

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Loan Debtor in Possession, 11.00%, 11/14/09		31	30,309
Term Loan (First Lien), 4.35%, 9/30/12 (b)(c)		875	394,844
CHS/Community Health Systems, Inc.:			
Delayed Draw Term Loan, 2.51%, 7/25/14		410	382,005
Funded Term Loan, 2.51% 2.62%, 7/25/14		8,041	7,490,958
Catalent Pharma Solutions, Inc. (fka Cardinal Health			
409, Inc.), Euro Term Loan, 2.74%, 4/10/14	EUR	1,960	2,346,245
DaVita, Inc., Tranche B-1 Term Loan, 1.77% 2.10%, 10/05/12	USD	750	719,687
HCA Inc., Tranche A-1 Term Loan, 2.10%, 11/17/12		1,824	1,703,243
HealthSouth Corp., Term Loan, 2.52% 2.53%, 3/10/13		2,312	2,235,586
Surgical Care Affiliates, LLC, Term Loan, 2.60%, 12/29/14		721	650,307
Vanguard Health Holding Co. II, LLC (Vanguard Health System, Inc.), Replacement Term Loan, 2.51%, 9/23/11		1,317	1,281,588
			17,234,772
Health Care Technology 0.2%			
Sunquest Information Systems, Inc. (Misys Hospital Systems, Inc.), Term Loan, 3.52% 3.74%, 10/13/14		1,474	1,343,569
Hotels, Restaurants & Leisure 2.2%			
BLB Worldwide Holdings, Inc. (Wembley, Inc.), First Priority Term Loan, 4.75%, 9/01/09 (b)(c)		1,989	1,093,953
CCM Merger Inc. (Motor City Casino), Term B Loan, 8.50%, 7/13/12		1,503	1,402,917
Green Valley Ranch Gaming, LLC:			
Second Lien Term Loan, 3.88%, 8/16/14		1,500	307,500
Term Loan (New), 2.54% 4.00%, 2/16/14		471	327,045
Harrah's Operating Co., Inc.:			
Term B-1 Loan, 3.50%, 1/28/15		487	391,498
Term B-2 Loan, 3.50%, 1/28/15		613	493,529
Term B-3 Loan, 3.50% 3.60%, 1/28/15		704	566,874
OSI Restaurant Partners, LLC, Revolving Credit			
Loan, 2.56%, 6/14/13		32	25,482
Penn National Gaming, Inc., Term Loan B, 2.01% 2.21%, 10/03/12		3,828	3,720,123
QCE, LLC (Quiznos), Term Loan (First Lien), 2.88%, 5/05/13		1,940	1,445,300
Travelport LLC (fka Travelport Inc.), Loan, 8.49%, 3/27/12		4,607	2,580,008
			12,354,229
Household Durables 0.9%			
Berkline/Benchcraft, LLC., Term Loan, 4.04%,			

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11/03/11 (b)(c)	107	5,373
Jarden Corp., Term Loan B3, 3.10%, 1/24/12	816	805,133
Simmons Bedding Co., Tranche D Term Loan, 10.50%, 12/19/11	3,250	3,157,918
Yankee Candle Co., Inc., Term Loan, 2.27%, 2/06/14	947	878,467
		4,846,891

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Household Products 0.2%			
Central Garden & Pet Co., Tranche B Term Loan, 1.77%, 9/30/12	USD	991	\$ 929,582
IT Services 2.1%			
Amadeus IT Group SA/Amadeus Verwaltungs GmbH:			
Term B3 Facility, 2.54%, 6/30/13	EUR	307	388,217
Term B4 Facility, 2.54%, 6/30/13		184	231,783
Term C3 Facility, 3.04%, 6/30/14		307	388,217
Term C4 Facility, 3.04%, 6/30/14		184	231,783
Audio Visual Services Group, Inc., Loan (Second Lien), 7.10%, 12/28/14	USD	1,040	83,184
Ceridian Corp., US Term Loan, 3.27%, 11/09/14		3,460	2,961,910
First Data Corp.:			
Initial Tranche B-1 Term Loan, 3.02%, 9/24/14		3,664	3,052,266
Initial Tranche B-2 Term Loan, 3.02%, 9/24/14		1,237	1,029,624
Initial Tranche B-3 Term Loan, 3.02%, 9/24/14		563	467,929
RedPrairie Corp., Term Loan B, 3.44% 5.25%, 7/20/12		605	523,240
SunGard Data Systems Inc. (Solar Capital Corp.):			
Incremental Term Loan, 6.75%, 2/28/14		1,197	1,189,931
Tranche B U.S. Term Loan, 3.95% 4.09%, 2/28/16		127	122,972
Verifone, Inc., Term B Loan, 3.02%, 10/31/13		910	864,500
			11,535,556
Independent Power Producers & Energy Traders 1.6%			
Texas Competitive Electric Holdings Co., LLC (TXU):			
Initial Tranche B-2 Term Loan, 3.78% 3.79%, 10/10/14		4,188	3,182,903
Initial Tranche B-3 Term Loan, 3.78% -3.79%, 10/10/14		7,233	5,473,543
			8,656,446
Insurance 0.1%			
Conseco, Inc., Term Loan, 6.50%, 10/10/13		729	554,345
Leisure Equipment & Products 0.2%			
24 Hour Fitness Worldwide, Inc., Tranche B Term Loan, 2.77% 3.08%, 6/08/12		968	841,725
Life Sciences Tools & Services 0.3%			
Life Technologies Corp., Term B Facility, 5.25%, 11/23/15		1,783	1,800,956

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Machinery 1.7%

Blount, Inc., Term Loan B, 2.02% 3.25%, 8/09/10	651	612,091
LN Acquisition Corp. (Lincoln Industrial), Initial Term Loan (Second Lien), 6.07%, 1/09/15	1,500	1,110,000
NACCO Materials Handling Group, Inc., Loan, 2.26% 3.44%, 3/21/13	485	329,800
Navistar Financial Corp., Tranche A Term Loan, 2.31%, 3/27/10	1,000	970,000
Navistar International Corp.:		
Term Advance, 3.51%, 1/19/12	3,447	3,205,400
Revolving Credit-Linked Deposit, 3.36% 3.51%, 1/19/12	1,253	1,165,600
Oshkosh Truck Corp., Term B Loan, 6.60% 6.64%, 12/06/13	1,570	1,562,971
Standard Steel, LLC:		
Delayed Draw Term Loan, 8.25%, 7/02/12	74	58,734
Initial Term Loan, 9.00%, 7/02/12	369	291,416
		9,306,012

Marine 0.3%

Delphi Acquisition Holding I BV (fka Dockwise):		
Facility B2, 2.60%, 1/12/15	939	812,468
Facility C2, 3.47%, 1/11/16	939	812,468
		1,624,936

	Par	
	(000)	Value

Floating Rate Loan Interests

Media 11.8%

Acosta, Inc., Term Loan, 2.54%, 7/28/13	USD	970	\$ 917,863
Affinion Group Holdings, Inc., Loan, 8.27%, 3/01/10		1,048	916,694
AlixPartners, LLP, Tranche C Term Loan, 2.28% 2.51%, 10/12/13		1,446	1,406,273
Alpha Topco Limited (Formula One):			
Facility B1, 2.51%, 12/31/13		840	706,380
Facility B2, 2.51%, 12/31/13		568	477,139
Facility D, 3.76%, 6/30/14		1,000	740,000
Atlantic Broadband Finance, LLC:			
Term Loan B-2-B, 6.75%, 6/01/13		935	935,386
Tranche B-2-A Term Loan, 2.85%, 9/01/11		35	34,372
CSC Holdings Inc (Cablevision), Incremental B Term Loan, 2.02% 2.07%, 3/29/13		2,630	2,542,399
Catalina Marketing Corp., Initial Term Loan, 3.03%,			

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10/01/14		1,075	1,009,897
Cengage Learning Acquisitions, Inc. (Thomson Learning), Tranche 1 Incremental Term Loan, 7.50%, 7/03/14		3,713	3,564,000
Cequel Communications, LLC, Term Loan, 2.27%, 11/05/13		7,341	6,932,774
Charter Communications Operating, LLC, New Term Loan, 6.25%, 3/06/14 (b)(c)		3,282	3,045,871
Charter Communications, Term Loan B1, 4.25%, 3/25/14		750	749,625
FoxCo Acquisition Sub, LLC, Term Loan, 7.25%, 7/14/15		898	735,531
Gray Television, Inc., Term Loan B, 3.78%, 12/31/14 (f)		726	523,926
HIT Entertainment, Inc., Term Loan (Second Lien), 5.98%, 2/26/13		1,000	492,500
HMH Publishing Co. Ltd., Mezzanine, 17.50%, 11/14/14 (f)		9,615	1,442,193
Hanley-Wood, LLC (FSC Acquisition), Term Loan, 2.52% 2.54%, 3/08/14		1,478	623,013
Harland Clarke Holdings Corp. (fka Clarke American Corp.), Tranche B Term Loan, 2.79% 3.10%, 6/30/14		1,469	1,200,268
Insight Midwest Holdings, LLC, B Term Loan, 2.28%, 4/07/14		1,550	1,479,143
Intelsat Corp. (fka PanAmSat Corp.):			
Term Loan B-2-A, 2.78%, 1/03/14		588	554,572
Term Loan B-2-B, 2.78%, 1/03/14		587	555,766
Term Loan B-2-C, 2.78%, 1/03/14		587	555,766
Knology, Inc., Term Loan, 2.51%, 6/30/12		483	458,659
Lamar Media Corp.:			
B Incremental, 5.50%, 9/28/12		1,223	1,204,895
Term Loan, 5.50%, 9/30/12		500	492,500
Lavena Holding 3 GmbH (Prosiebensat.1 Media AG):			
Facility B1, 3.53%, 6/30/15	EUR	337	272,803
Facility C1, 3.78%, 6/30/16		337	272,803
Facility D, 4.90%, 12/28/16		904	194,454
MCNA Cable Holdings LLC (OneLink Communications), Loan, 8.31%, 3/01/13 (f)	USD	1,855	704,759
Mediacom Illinois, LLC (fka Mediacom Communications, LLC), Tranche D Term Loan, 3.96%, 3/31/17		1,000	997,500
MCC Iowa LLC (Mediacom Broadband Group), Tranche E Term Loan, 6.50%, 1/03/16		449	449,428
Metro-Goldwyn-Mayer Inc., Tranche B Term Loan, 3.51%, 4/09/12		2,757	1,533,358

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Mission Broadcasting, Inc., Term B Loan, 2.35%, 10/01/12		1,873	1,573,273
Multicultural Radio Broadcasting, Inc., Term Loan, 3.03%, 12/18/12		317	221,900
NV Broadcasting, LLC:			
Term Loan Debtor in Possession, 13.00%, 2/25/10	USD	120	118,800
Term Loan (First Lien), 5.25%, 11/01/13 (b)(c)		821	205,367
Newsday, LLC, Fixed Rate Term Loan, 9.75%, 8/01/13		1,500	1,526,250
Nexstar Broadcasting, Inc., Term B Loan, 2.09% 2.24%, 10/01/12		1,771	1,487,936

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

		Par (000)	Value
Floating Rate Loan Interests			
Media (concluded)			
Nielsen Finance LLC:			
Class A Dollar Term Loan, 2.28%, 8/09/13	USD	1,302	\$ 1,211,586
Class B Dollar Term Loan, 4.03%, 5/01/16		2,718	2,547,420
Parkin Broadcasting, LLC, Term Loan, 5.25%, 11/01/13 (b)(c)		169	42,127
Penton Media, Inc.:			
Loan (Second Lien), 5.49%, 2/01/14		1,000	210,000
Term Loan (First Lien), 2.51% 2.74%, 2/01/13		1,100	736,791
ProtoStar Ltd. (b)(c):			
Debtor in Possession Term Loan, 18.00%, 10/15/09		84	83,842
Revolver, 18.00%, 9/30/10		407	398,860
Puerto Rico Cable Acquisition Co. Inc. (dba Choice TV),			
Term Loan (Second Lien), 7.81%, 2/15/12		692	450,000
Springer:			
Term Loan B, 2.69%, 9/16/11		820	760,086
Term Loan C-2, 3.35%, 5/05/12		597	553,254
Term Loan E-2, 3.29%, 9/16/12		229	212,398
Term Loan E2-U, 3.29%, 9/16/12		311	287,989
Sunshine Acquisition Ltd. (aka HIT Entertainment),			
Term Facility, 2.73%, 6/01/12		1,268	1,054,050
TWCC Holding Corp., Term Loan, 7.25%, 9/14/15		1,496	1,504,580
Telecommunications Management, LLC:			
Multi-Draw Term Loan, 3.76%, 6/30/13		232	146,350
Term Loan, 3.76%, 6/30/13		922	580,545
UPC Financing Partnership, Facility U, 4.54%, 12/31/17			
	EUR	3,013	3,940,858
Virgin Media Investment Holdings Ltd.:			
B1 Facility, 3.89%, 7/30/12	GBP	380	568,963
B2 Facility, 3.89%, 3/09/12		203	303,947
C Facility, 3.62%, 7/17/13		2,000	2,865,190
World Color Press Inc. and World Color (USA) Corp. (fka Quebecor World Inc.), Advance, 9.00%, 6/30/12			
		1,300	1,290,250
Yell Group Plc Facility B2, 3.49%, 10/29/12	USD	2,150	1,453,041
			65,058,163

Metals & Mining 0.1%

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Essar Stell Algoma Inc. (fka Algoma Steel Inc.), Term Loan, 2.77%, 6/20/13	495	445,455
Multi-Utilities 0.4%		
FirstLight Power Resources, Inc. (fka NE Energy, Inc.):		
First Lien Term Loan B, 3.13%, 11/01/13	1,895	1,744,426
Synthetic Letter of Credit, 0.48%, 11/01/13	244	224,763
Mach Gen, LLC Synthetic, LC Loan (First Lien), 0.35%, 2/22/13	69	63,696
		2,032,885
Oil, Gas & Consumable Fuels 1.1%		
Big West Oil, LLC (b)(c):		
Delayed Advance Loan, 4.50%, 5/15/14	546	502,477
Initial Advance Loan, 4.50%, 5/15/14	1,007	926,778
Coffeyville Resources, LLC:		
Funded Letter of Credit, 6.50%, 12/28/10	97	95,108
Tranche D Term Loan, 8.50%, 12/30/13	780	761,982
Drummond Co., Inc., Term Advance, 1.51%, 2/14/11	1,075	1,042,750
Niska Gas Storage Canada ULC Canadian, Term Loan B, 2.02%, 5/12/13	451	425,849
Niska Gas Storage US, LLC, US Term B Loan, 2.02%, 5/12/13	47	44,749
Niska Gas Storage US, LLC, Wild Goose Acquisition Draw-US Term B, 2.02%, 5/12/13	32	30,312
Turbo Beta Ltd., Dollar Facility, 14.50%, 3/15/18	3,068	2,147,270
		5,977,275
	Par	Value
Floating Rate Loan Interests	(000)	
Paper & Forest Products 1.6%		
Georgia-Pacific LLC:		
Term Loan B2, 2.34% 2.46%, 12/20/12	USD 1,897	\$ 1,833,036
Term B Loan, 2.34% 2.65%, 12/20/12	4,520	4,366,263
NewPage Corp., Term Loan, 4.06%, 12/22/14	2,593	2,401,374
Verso Paper Finance Holdings LLC, Loan, 6.73%, 2/01/13 (f)	600	120,029
		8,720,702
Personal Products 0.4%		
American Safety Razor Co., LLC, Loan (Second Lien), 6.52%, 1/30/14	2,500	1,950,000
Real Estate Management & Development 0.1%		
Enclave, Term Loan B, 6.14%, 3/01/12	3,000	395,397

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Critical Care Systems International, Inc.	8	1,525
Household Durables 0.0%		
Berkline Benchcraft Equity LLC	3	
Total Other Interests 0.1%		504,368

See Notes to Financial Statements.

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Schedule of Investments (continued) BlackRock Limited Duration Income Trust (BLW)

(Percentages shown are based on Net Assets)

Preferred Stocks	Shares	Value
Capital Markets 0.0%		
Marsico Parent Superholdco, LLC (b)(h)	177	\$ 45,135
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (h)	45,243	
Total Preferred Stocks 0.0%		45,135
U.S. Government Sponsored	Par	
Agency Obligations	(000)	
Agency Obligations 3.1%		
Fannie Mae, 7.25%, 1/15/10	USD 17,000	17,450,245
Mortgage-Backed Securities 24.1%		
Fannie Mae Guaranteed Pass Through Certificates:		
5.00%, 9/15/24 (i)	121,000	126,104,748
5.50%, 12/01/28 11/01/33 (j)(k)	6,563	6,876,101
Total U.S. Government Sponsored		
Agency Obligations 27.2%		150,431,094
U.S. Treasury Obligations		
U.S. Treasury Notes:		
3.38%, 9/15/09	3,425	3,428,747
4.25%, 8/15/15	1,815	1,967,572
Total U.S. Treasury Obligations 1.0%		5,396,319
Warrants (l)	Shares	
Machinery 0.0%		
Synventive Molding Solutions (expires 1/15/13) (b)	1	
Media 0.0%		
CMP Susquehanna Radio Holdings Corp. (expires 3/26/19) (b)	51,701	
Other 0.0%		
Turbo Cayman Ltd. (No Expiration) (b)	2	
Total Warrants 0.0%		
Total Long-Term Investments		
(Cost \$662,132,560) 105.4%		581,336,469
Short-Term Securities		
BlackRock Liquidity Funds, TempFund, 0.22% (m)(n)	96,671,566	96,671,566
Total Short-Term Securities		
(Cost \$96,671,566) 17.5%		96,671,566
Options Purchased	Contracts	
Over-the-Counter Call Options		

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Marsico Parent Superholdco LLC, expiring December 2019 at USD 942.86, Broker Goldman Sachs & Co.	46	46,000
Total Options Purchased		
(Premiums Paid \$44,978) 0.0%		46,000
Total Investments		
(Cost \$758,849,104*) 122.9%		678,054,035
Liabilities in Excess of Other Assets (22.9)%		(126,549,501)
Net Assets 100.0%		\$551,504,534

* The cost and unrealized appreciation (depreciation) of investments as of August 31, 2009, as computed for federal income tax purposes, were as follows:

Aggregate cost		\$ 759,386,517
Gross unrealized appreciation		\$ 9,364,256
Gross unrealized depreciation		(90,696,738)
Net unrealized depreciation		\$ (81,332,482)

- (a) Variable rate security. Rate shown is as of report date.
- (b) Non-income producing security.
- (c) Issuer filed for bankruptcy and/or is in default of interest payments.
- (d) Security exempt from registration under Rule 144A of the Securities Act of 1933.
These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (e) Convertible security.
- (f) Represents a payment-in-kind security which may pay interest/dividends in addition par/shares.
- (g) Other interests represent beneficial interest in liquidation trusts and other reorganization entities and are non-income producing.
- (h) Security is perpetual in nature and has no stated maturity date.
- (i) Represents or includes a to-be-announced transaction. The Trust has committed to purchasing (selling) securities for which all specific information is not available at this time.

	Value	Unrealized Appreciation
Counterparty Goldman Sachs & Co.	\$126,104,748	\$ 1,285,686

- (j) All or a portion of security has been pledged as collateral for financial futures contracts.
- (k) All or a portion of security has been pledged as collateral in connection with open swap contracts.
- (l) Warrants entitle the Trust to purchase a predetermined number of shares of common stock and are non-income producing. The purchase price and number of shares are subject to adjustment under certain conditions until the expiration date.
- (m) Investments in companies considered to be an affiliate of the Trust, for purposes of

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Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Activity	Net	Income
BlackRock Liquidity Funds, TempFund		USD 96,671,566	\$ 176,533

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

For Fund compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications for reporting ease.

Foreign currency exchange contracts as of August 31, 2009 were as follows:

Currency	Currency	Sold	Counterparty	Settlement Date (Depreciation)	Unrealized
USD 4,838,602	EUR 3,396,500		Citibank NA	9/16/09	\$ (30,749)
USD 19,093,897		EUR 13,675,000	Deutsche Bank AG	9/16/09	(511,105)
USD 8,998,740	GBP 5,505,500		Citibank NA	10/28/09	36,788
Total					\$ (505,066)

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

Contracts	Issue	Expiration Date	Face Value	Unrealized
	50 5-Year U.S. Treasury Bond	December 2009	USD 5,740,422	\$ 22,078

See Notes to Financial Statements.

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Schedule of Investments (concluded) BlackRock Limited Duration Income Trust (BLW)

Credit default swaps on traded indexes buy protection outstanding as of August 31, 2009 were as follows:

Index	Pay Fixed Rate	Counterparty		Notional Amount (000)	Unrealized Depreciation
		Expiration			
LCDX Index	5.00%	Credit Suisse International	June 2014	USD 930	\$ (83,859)

Currency Abbreviations:

EUR Euro
 GBP British Pound
 USD US Dollar

Effective September 1, 2008, the Fund adopted Financial Accounting Standards

Board Statement of Financial Accounting Standards No. 157, Fair Value Measure-

ments (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Fund's investments:

Valuation	Inputs
Level 1	Short-Term Securities
Level 2	Long-Term Investments: Asset-Backed Securities Common Stocks Corporate Bonds Floating Rate Loan Interests Foreign Agency Obligations Preferred Stocks U.S. Government Sponsored Agency Obligations U.S. Treasury Obligations
Total Level 2	
Level 3	Long-Term Investments: Asset-Backed Securities Common Stocks Corporate Bonds Floating Rate Loan Interests Other Interest
Total Level 3	
Total	

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circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)

Valuation

Inputs

Inst

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

Level 1

Assets

\$ 22,078

Level 2

82,788

Level 3

63,812

Total

\$ 168,678

Other financial instruments are swaps, futures, option

1

currency exchange contracts. Swaps, futures and

contracts are shown at the unrealized appreciation/depreciation. Other financial instrument and options purchased are shown at market value.

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

Investments in Securities

Floating

	Asset-Backed Securities	Common Stocks	Corporate Bonds	Loan Interests	Rate Other Interests
--	--------------------------------	----------------------	------------------------	-----------------------	-----------------------------

Balance, as of August 31, 2008

\$27,080,000 \$ 2,546

Accrued discounts/premiums

Realized gain (loss)

\$ 76 (6,382,877)

Change in unrealized appreciation (depreciation)²

\$ (3,780) (875,732) (3,027,612) (1,021)

Net purchases (sales)

(491,063) (8,418,888)

Net transfers in/out of Level 3

2,671,992 \$ 81,956 7,637,662 74,659,767 502,843

Balance as of August 31, 2009

\$ 2,668,212 \$ 81,956 \$ 6,270,943 \$83,910,390 504,368

Included in the related net change in unrealized appreciation/depreciation on the Statements of Operations.

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

Other Financial Instruments³ Assets

Balance, as of August 31, 2008

Accrued discounts/premiums

Realized gain (loss)

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Change in unrealized appreciation
(depreciation)

Net purchases (sales)

Net transfers in/out of Level 3 \$ 63,812

Balance as of August 31, 2009 \$ 63,812

Other financial instruments are unfunded loan
3 commitments.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

	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)
August 31, 2009				
Assets				
Investments at value unaffiliated ¹	\$ 140,367,876	\$ 128,180,846	277,594,444	\$ 581,382,469
Investments at value affiliated ²		2,371,578	2,018,379	96,671,566
Unrealized appreciation on foreign currency exchange contracts	10,965	2,622	27,341	36,788
Unrealized appreciation on unfunded loan commitments	60,517	38,010		63,812
Unrealized appreciation on swaps		11,300		
Foreign currency at value ³	649,034	100,367	3,476,153	32,591
Cash	1,910,422	18,789		26,795
Cash pledged as collateral in connection with swaps		1,600,000		
Investments sold receivable	1,838,747	619,692	6,512,374	6,654,815
Interest receivable	729,682	2,268,686	3,394,297	5,445,172
Principal paydown receivable	485			
Income receivable affiliated	241			
Swap premiums paid		246,565	989,746	148,946
Swaps receivable		77,396	74,945	
Dividends receivable		16,822		554
Margin variation receivable				17,188
Prepaid expenses	48,790	43,771	88,878	60,055
Other assets	106,457	81,592	61,990	269,647
Total assets	145,723,216	135,678,036	294,238,547	690,810,398
Liabilities				
Bank overdraft			43,905	
Loan payable	27,000,000	18,000,000	38,000,000	
Unrealized depreciation on foreign currency exchange contracts	231,252	95,339	406,733	541,854
Cash held as collateral in connection with swaps			100,000	
Unrealized depreciation on unfunded loan commitments			49,905	
Unrealized depreciation on swaps		4,154,306	1,108,878	83,859
Investments purchased payable	5,147,449	5,080,921	16,737,531	137,777,131
Deferred income	120,455	80,469	79,562	163,303
Investment advisory fees payable	114,539	78,449	172,075	249,395

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Income dividends payable	100,398	722	164,503	112,994
Interest expense payable	24,980	18,696	38,490	
Officers and Directors fees payable	85	258	453	119,793
Swaps payable		122,296	73,465	9,150
Other affiliates payable	430	366	850	1,728
Other accrued expenses payable	121,578	89,864	102,633	246,657
Other liabilities		399,955		
Total liabilities	32,861,166	28,121,641	57,078,983	139,305,864
			\$	\$
Net Assets	\$ 112,862,050	\$ 107,556,395	237,159,564	551,504,534
Net Assets				
Consist of				
			\$	\$
Paid-in capital ^{4,5,6}	\$ 127,810,765	\$ 229,575,720	349,498,291	701,342,104
Distributions in excess of net investment income	(925,324)	(710,207)	(786,997)	(2,953,716)
Accumulated net realized loss	(8,005,928)	(68,140,448)	(56,737,331)	(65,590,423)
Net unrealized appreciation/depreciation	(6,017,463)	(53,168,670)	(54,814,399)	(81,293,431)
			\$	\$
Net Assets	\$ 112,862,050	\$ 107,556,395	237,159,564	551,504,534
Net asset value	\$ 12.53	\$ 8.74	\$ 12.93	\$ 14.95
			\$	\$
¹ Investment at cost unaffiliated	\$ 146,223,408	\$ 177,162,499	330,801,175	662,177,538
² Investment at cost affiliated		\$ 2,371,578	\$ 2,018,379	\$ 96,671,566
³ Foreign currency at cost	\$ 648,966	\$ 99,953	\$ 3,469,138	\$ 32,006
⁴ Par value per share	\$ 0.001	\$ 0.10	\$ 0.10	\$ 0.001
⁵ Shares outstanding	9,008,704	12,306,154	18,336,820	36,889,650
⁶ Shares authorized	unlimited	200 million	200 million	unlimited

See Notes to Financial Statements.

Statements of Assets and Liabilities (concluded)

	BlackRock Senior Floating Rate Fund, Inc.	BlackRock Senior Floating Rate Fund II, Inc.
August 31, 2009		
Assets		
		\$
Investment at value Master Senior Floating Rate (the Master LLC ¹)	\$ 312,548,298	150,735,659
Capital shares sold receivable	441,324	307,937
Prepaid expenses	192,030	101,804
Total assets	313,181,652	151,145,400
Liabilities		
Income dividends payable	888,978	386,592
Contributions payable to the Master LLC	440,318	307,937
Administration fees payable	65,564	50,418
Other affiliates payable	4,393	773
Capital shares redeemed payable	1,006	
Officers and Directors fees payable	238	113
Other accrued expenses payable	118,760	52,522
Total liabilities	1,519,257	798,355
		\$
Net Assets	\$ 311,662,395	150,347,045
Net Assets Consist of		
		\$
Paid-in capital ²	\$ 677,826,264	227,132,287
Undistributed net investment income	1,249,054	113,729
Accumulated net realized loss	(314,988,118)	(52,616,500)
Net unrealized appreciation/depreciation	(52,424,805)	(24,282,471)
		\$
Net Assets	\$ 311,662,395	150,347,045
Net asset value	\$ 7.16	\$ 7.76
		\$
¹ Cost investment in Master LLC	\$ 364,973,103	175,018,130
² Shares outstanding, par value \$0.10 per share, 1 billion shares authorized	43,520,395	19,386,559

See Notes to Financial Statements.

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Statements of Operations

	BlackRock Defined Opportunity Credit Trust	BlackRock Diversified Income Strategies Fund, Inc.	BlackRock Floating Rate Income Strategies Fund, Inc.	BlackRock Limited Duration Income Trust
Year Ended August 31, 2009	(BHL)	(DVF)	(FRA)	(BLW)
Investment Income				
Interest	\$ 9,932,361	\$ 15,151,985	\$ 24,292,175	\$ 39,980,390
Facility and other fees	173,968	136,364	613,979	580,427
Income affiliated	20,215	20,647	32,098	188,455
Total income	10,126,544	15,308,996	24,938,252	40,749,272
Expenses				
Investment advisory	1,275,472	924,328	1,919,277	2,819,087
Professional	384,400	149,397	203,610	187,206
Borrowing costs ¹	79,577	258,417	314,968	
Accounting services	29,180	26,989	63,840	102,049
Transfer agent	20,776	31,646	43,750	12,391
Custodian	14,343	19,355	22,903	34,970
Officer and Directors	12,993	11,723	28,071	71,284
Printing	10,280	17,679	27,994	148,152
Registration	9,511	9,215	9,197	12,579
Miscellaneous	32,495	47,295	66,551	103,817
Total expenses excluding interest expense	1,869,027	1,496,044	2,700,161	3,491,535
Interest expense	434,636	853,832	1,324,413	101,955
Total expenses	2,303,663	2,349,876	4,024,574	3,593,490
Less fees waived by advisor	(719)	(674)	(828)	(27,344)
Less fees paid indirectly	(396)	(344)	(1,203)	(4,536)
Total expenses after fees waived and paid indirectly	2,302,548	2,348,858	4,022,543	3,561,610
Net investment income	7,823,996	12,960,138	20,915,709	37,187,662
Realized and Unrealized Gain (Loss)				
Net realized gain (loss) from:				
Investments	(7,240,206)	(47,826,125)	(48,127,734)	(50,345,439)
Financial futures contracts and swaps	(875,528)	(3,732,047)	933,553	97,366
Foreign currency	1,854,695	531,200	1,465,026	6,159,464
TBA sale commitments				6,619,821
	(6,261,039)	(51,026,972)	(45,729,155)	(37,468,788)

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Net change in unrealized appreciation/depreciation on:

Investments	(5,969,670)	(6,962,138)	(8,868,889)	(18,022,517)
Financial futures contracts and swaps	(190,796)	(898,237)	795,049	(132,057)
Foreign currency	(1,201,825)	(312,776)	(1,547,153)	(3,749,994)
Unfunded corporate loans	55,544	35,951	132,703	90,545
	(7,306,747)	(8,137,200)	(9,488,290)	(21,814,023)
Total realized and unrealized loss	(13,567,786)	(59,164,172)	(55,217,445)	(59,282,811)
		\$	\$	\$
Net Decrease in Net Assets Resulting from Operations	\$ (5,743,790)	(46,204,034)	(34,301,736)	(22,095,149)

¹ See Note 9 of the Notes to Financial Statements for details of borrowings.

See Notes to Financial Statements.

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Statements of Operations (concluded)

	BlackRock	Blackrock Senior Floating Rate Fund II, Inc.
Year Ended August 31, 2009	Senior Floating Rate Fund, Inc.	Rate Fund II, Inc.
Investment Income		
Net Investment income allocated from the Master LLC:		
Interest	\$ 21,423,940	\$ 9,905,686
Income affiliated	190,457	88,396
Facility and other fees	357,209	166,414
Expenses	(3,067,282)	(1,424,066)
Total income	18,904,324	8,736,430
Expenses		
Administration	732,567	544,168
Transfer agent	318,401	92,481
Tender offer	128,900	69,871
Professional	123,117	69,999
Printing	67,628	38,412
Registration	34,024	28,631
Officer and Directors	1,257	584
Miscellaneous	12,356	11,534
Total expenses	1,418,250	855,680
Net investment income	17,486,074	7,880,750
Realized and Unrealized Gain (Loss) Allocated from the Master LLC		
Net realized gain (loss) from investments, swaps and foreign currency	(34,004,504)	(15,895,082)
Net change in unrealized appreciation/depreciation on investments, swaps, foreign currency and unfunded corporate loans	(11,952,665)	(4,973,635)
Total realized and unrealized loss	(45,957,169)	(20,868,717)
		\$
Net Decrease in Net Assets Resulting from Operations	\$ (28,471,095)	(12,987,967)
See Notes to Financial Statements.		
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Statements of Changes in Net Assets

BlackRock Defined Opportunity Credit Trust (BHL)

	Period	
	Year Ended	January 31,
	August 31,	2008 ¹ to
	2009	August 31,
		2008
Increase (Decrease) in Net Assets:		
Operations		
Net investment income	\$ 7,823,996	\$ 4,088,383
Net realized gain (loss)	(6,261,039)	641,116
Net change in unrealized appreciation/depreciation	(7,306,747)	1,289,284
Net increase (decrease) in net assets resulting from operations	(5,743,790)	6,018,783
Dividends and Distributions to Shareholders From		
Net investment income	(9,810,137)	(5,435,571)
Tax return of capital	(88,324)	(481,911)
Decrease in net assets resulting from dividends and distributions to shareholders	(9,898,461)	(5,917,482)
Capital Share Transactions		
Net proceeds from the issuance of shares		127,448,000
Capital charges with respect to issuance of shares		(200,500)
Reinvestment of dividends	809,153	224,341
Net increase in net assets resulting from capital share transactions	809,153	127,471,841
Net Assets		
Total increase (decrease) in net assets	(14,833,098)	127,573,142
Beginning of period	127,695,148	122,006
End of period	\$ 112,862,050	127,695,148
Distributions in excess of net investment income	\$ (925,324)	\$ (1,438,090)

¹ Commencement of operations.

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

	Year Ended	
	2009	August 31,
		2008
Increase (Decrease) in Net Assets:		
Operations		
Net investment income	\$ 12,960,138	\$ 19,628,678
Net realized loss	(51,026,972)	(13,105,495)
Net change in unrealized appreciation/depreciation	(8,137,200)	(28,460,128)
Net decrease in net assets resulting from operations	(46,204,034)	(21,936,945)
Dividends and Distributions to Shareholders From		
Net investment income	(13,947,075)	(20,910,360)
Tax return of capital	(2,882,990)	(443,389)

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Decrease in net assets resulting from dividends and distributions to shareholders	(16,830,065)	(21,353,749)
---	--------------	--------------

Capital Share Transactions

Reinvestment of dividends	883,415	205,747
---------------------------	---------	---------

Net Assets

Total decrease in net assets	(62,150,684)	(43,084,947)
Beginning of year	169,707,079	212,792,026
End of year	\$ 107,556,395	169,707,079
Distributions in excess of net investment income	\$ (710,207)	\$ (175,645)

See Notes to Financial Statements.

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BlackRock Floating Rate Income Strategies Fund, Inc.
(FRA)
Statements of Changes in Net Assets

	Year Ended	
	August 31,	
Increase (Decrease) in Net Assets:	2009	2008
Operations		
Net investment income	\$ 20,915,709	\$ 26,533,760
Net realized loss	(45,729,155)	(10,426,510)
Net change in unrealized appreciation/depreciation	(9,488,290)	(26,845,871)
Net decrease in net assets resulting from operations	(34,301,736)	(10,738,621)
Dividends to Shareholders From		
Net investment income	(23,842,077)	(28,321,303)
Capital Share Transactions		
Reinvestment of dividends	298,574	
Net Assets		
Total decrease in net assets	(57,845,239)	(39,059,924)
Beginning of year	295,004,803	334,064,727
End of year	\$ 237,159,564	295,004,803
Undistributed (distributions in excess of) net investment income	\$ (786,997)	\$ 848,640

BlackRock Limited Duration Income Trust (BLW)

	Period		
	November 1,		
	Year Ended	2007 to	Year
	August 31,	August 31,	Ended
Increase (Decrease) in Net Assets:	2009	2008	2007
Operations			
Net investment income	\$ 37,187,662	\$ 41,919,013	\$ 55,219,613
Net realized gain (loss)	(37,468,788)	(24,118,166)	3,120,082
Net change in unrealized appreciation/depreciation	(21,814,023)	(40,618,831)	(21,221,592)
Net increase (decrease) in net assets resulting from operations	(22,095,149)	(22,817,984)	37,118,103
Dividends and Distributions to Shareholders From			
Net investment income	(42,793,064)	(43,898,690)	(51,967,739)
Net realized gain			(2,229,742)
Tax return of capital			(1,074,826)
Decrease in net assets resulting from dividends and distributions to shareholders	(42,793,064)	(43,898,690)	(55,272,307)
Capital Share Transactions			
Reinvestment of dividends			2,057,525
Net Assets			
Total decrease in net assets	(64,888,213)	(66,716,674)	(16,096,679)

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Beginning of period	616,392,747	683,109,421	699,206,100
			\$
End of period	\$ 551,504,534	\$ 616,392,747	683,109,421
Undistributed (distributions in excess of) net investment income	\$ (2,953,716)	\$ (3,360,775)	\$ 800,386
See Notes to Financial Statements.			

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Statements of Changes in Net Assets

BlackRock Senior Floating Rate Fund, Inc.

	Year Ended August 31,	
Increase (Decrease) in Net Assets:	2009	2008
Operations		
Net investment income	\$ 17,486,074	\$ 26,675,323
Net realized loss	(34,004,504)	(14,362,509)
Net change in unrealized appreciation/depreciation	(11,952,665)	(18,260,695)
Net decrease in net assets resulting from operations	(28,471,095)	(5,947,881)
Dividends to Shareholders From		
Net investment income	(17,470,993)	(26,664,539)
Capital Share Transactions		
Net decrease in net assets resulting from capital share transactions	(41,795,738)	(73,502,678)
Net Assets		
Total decrease in net assets	(87,737,826)	(106,115,098)
Beginning of year	399,400,221	505,515,319
End of year	\$ 311,662,395	\$ 399,400,221
Undistributed net investment income	\$ 1,249,054	\$ 168,069

BlackRock Senior Floating Rate Fund II, Inc.

	Year Ended August 31,	
Increase (Decrease) in Net Assets:	2009	2008
Operations		
Net investment income	\$ 7,880,750	\$ 12,299,609
Net realized loss	(15,895,082)	(6,857,340)
Net change in unrealized appreciation/depreciation	(4,973,635)	(8,921,385)
Net decrease in net assets resulting from operations	(12,987,967)	(3,479,116)
Dividends to Shareholders From		
Net investment income	(8,332,675)	(12,294,014)
Capital Share Transactions		
Net decrease in net assets resulting from capital share transactions	(14,969,362)	(45,450,688)
Net Assets		
Total decrease in net assets	(36,290,004)	(61,223,818)
Beginning of year	186,637,049	247,860,867
End of year	\$ 150,347,045	\$ 186,637,049
Undistributed net investment income	\$ 113,729	\$ 85,109

See Notes to Financial Statements.

Statements of Cash Flows

		BlackRock	BlackRock	BlackRock
	BlackRock	Diversified	Floating Rate	Limited
	Defined	Income	Income	Income
	Opportunity	Strategies	Strategies	Duration
	Credit Trust	Fund, Inc.	Fund, Inc.	Trust
August 31, 2009	(BHL)	(DVF)	(FRA)	(BLW)
Cash Provided by Operating Activities				
Net decrease in net assets resulting from operations	\$ (5,743,790)	(46,204,034)	\$ (34,301,736)	\$ (22,095,149)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided				
by operating activities:				
Decrease in interest receivable unaffiliated	538,756	1,582,682	1,533,481	5,225,321
Increase in dividend receivable				(554)
Increase in interest receivable affiliated	(241)			
Decrease in swap receivable	141,449	291,066	3,166	49,870
Increase in margin variation receivable				(6,789)
(Increase) decrease in prepaid expenses	(47,766)	(37,477)	(76,763)	9,674
Increase in other assets	(105,630)	(81,512)	(38,928)	(163,711)
Increase (decrease) in other liabilities		399,955	(221,688)	
Decrease in investment advisor payable	(22,954)	(71,270)	(85,740)	(80,497)
Decrease in interest expense payable	(116,002)	(30,952)	(37,892)	(178,414)
Decrease in other affiliates payable	(405)	(784)	(1,109)	(2,334)
Increase (decrease) in accrued expenses payable	17,425	32,780	47,709	(16,300)
Decrease in swaps payable	(38,414)	(717,602)	(16,980)	(14,232)
Increase in officers and directors payable	15	153	272	31,915
Swap premium received	234,740	50,673	600,834	575,252
Swap premium paid	(259,956)	(272,513)	(1,838,750)	(169,500)
Net realized and unrealized gain	14,132,122	55,925,734	58,346,253	65,900,247
Amortization of premium and discount on investments	(2,296,304)	(868,065)	(2,813,385)	(2,550,465)
Paid-in-kind Income	(22,566)	(969,233)	(1,164,458)	(1,556,888)
Cash collateral on swaps		(1,600,000)	100,000	
Proceeds from sales and paydowns of long-term securities	76,235,530	108,732,811	209,126,755	1,854,428,848
Purchases of long-term securities	(63,427,541)	(56,652,968)	(139,581,244)	(1,699,772,959)
Net proceeds (purchases) from sales of short-term investments	3,770,645	3,220,827	(383,710)	(94,471,566)
Cash provided by operating activities	22,989,113	62,730,271	89,196,087	105,141,769
Cash Used for Financing Activities				
Cash receipts from borrowings	50,000,000	39,000,000	122,000,000	17,601,456
Cash payments from borrowings	(61,500,000)	(86,500,000)	(185,500,000)	(82,138,964)

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Cash dividends paid to shareholders	(9,189,746)	(16,127,334)	(23,613,150)	(42,904,068)
Increase in bank overdraft			43,905	
Cash used for financing activities	(20,689,746)	(63,627,334)	(87,069,245)	(107,441,576)

Cash Impact from Foreign Exchange Fluctuations

Cash impact from foreign exchange fluctuations	3,605	6,456	71,755	55,449
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Cash

Net increase (decrease) in cash	2,302,972	(890,607)	2,198,597	(2,244,358)
Cash and foreign currency at beginning of year.	256,484	1,009,763	1,277,556	2,303,744
Cash and foreign currency at end of year	\$ 2,559,456	\$ 119,156	\$ 3,476,153	\$ 59,386

Cash Flow Information

Cash paid for interest	\$ 550,638	\$ 884,784	\$ 1,362,305	\$ 280,369
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A Statement of Cash Flows is presented when a Fund has a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average

total assets.

See Notes to Financial Statements.

Financial Highlights

BlackRock Defined Opportunity Credit Trust (BHL)

	Year Ended August 31, 2009	Period January 31, 2008 ¹ to August 31, 2008
Per Share Operating Performance		
Net asset value, beginning of period	\$ 14.31	\$ 14.33 ²
Net investment income ³	0.87	0.47
Net realized and unrealized gain (loss)	(1.55)	0.21
Net increase (decrease) from investment operations	(0.68)	0.68
Dividends and distributions from:		
Net investment income	(1.09)	(0.62)
Tax return of capital	(0.01)	(0.06)
Total dividends and distributions	(1.10)	(0.68)
Capital charges with respect to issuance of shares		(0.02)
Net asset value, end of period	\$ 12.53	\$ 14.31
Market price, end of period	\$ 11.03	\$ 12.66
Total Investment Return⁴		
Based on net asset value	(2.16)%	4.79% ⁵
Based on market price	(2.65)%	(11.44)% ⁵
Ratios to Average Net Assets		
Total expenses	2.39%	1.78% ⁶
Total expenses after fees waived and paid indirectly and excluding interest expense	1.94%	1.48% ⁶
Net investment income	8.11%	5.52% ⁶
Supplemental Data		
Net assets, end of period (000)	\$ 112,862	\$ 127,695
Borrowings outstanding, end of period (000)	\$ 27,000	\$ 38,500
Average borrowings outstanding, during the period (000)	\$ 31,141	\$ 13,788
Portfolio turnover	41%	18%
Asset coverage, end of period per \$1,000	\$ 5,180	\$ 4,317

¹ Commencement of operations.

² Net asset value, beginning of period, reflects a deduction of \$0.675 per share sales charge from initial offering price of \$15.00 per share.

³ Based on average shares outstanding.

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⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

⁵ Aggregate total investment return.

⁶ Annualized.

See Notes to Financial Statements.

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Financial Highlights

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

	Year Ended August 31,				Period January 31, 2005 ¹ to August 31, 2005
	2009	2008	2007	2006	2005
Per Share Operating Performance					
Net asset value, beginning of period	\$ 13.94	\$ 17.50	\$ 18.70	\$ 18.38	\$ 19.10
Net investment income ²	1.06	1.61	1.83	1.77	0.84
Net realized and unrealized gain (loss)	(4.88)	(3.41)	(1.23)	0.25	(0.77)
Net increase (decrease) from investment operations	(3.82)	(1.80)	0.60	2.02	0.07
Dividends and distributions from:					
Net investment income	(1.14)	(1.72)	(1.80)	(1.70)	(0.75)
Tax return of capital	(0.24)	(0.04)			
Total dividends and distributions	(1.38)	(1.76)	(1.80)	(1.70)	(0.75)
Capital charges with respect to issuance of shares				(0.00) ³	(0.04)
Net asset value, end of period	\$ 8.74	\$ 13.94	\$ 17.50	\$ 18.70	\$ 18.38
Market price, end of period	\$ 8.80	\$ 12.77	\$ 17.16	\$ 18.85	\$ 17.53
Total Investment Return⁴					
Based on net asset value	(23.82)%	(10.17)%	3.00%	11.99%	0.42% ⁵
Based on market price	(16.27)%	(16.08)%	0.19%	18.36%	(8.53)% ⁵
Ratios to Average Net Assets					
Total expenses	2.47%	2.77%	3.66%	3.17%	2.48% ⁶
Total expenses after fees waived and paid indirectly	2.47%	2.77%	3.66%	3.17%	2.20% ⁶
Total expenses after fees waived and paid indirectly and excluding interest expense	1.57%	1.23%	1.30%	1.29%	1.00% ⁶
Net investment income	13.63%	10.40%	9.63%	9.57%	7.88% ⁶
Supplemental Data					
Net assets, end of period (000)	\$ 107,556	\$ 169,707	\$ 212,792	\$ 224,156	\$ 219,748
Borrowings outstanding, end of period (000)	\$ 18,000	\$ 65,500	\$ 72,000	\$ 88,800	\$ 101,400
Average borrowings outstanding, during the period (000)	\$ 28,247	\$ 64,335	\$ 95,465	\$ 86,132	\$ 75,543
Portfolio turnover	45%	41%	72%	64%	17%
Asset coverage, end of period per \$1,000	\$ 6,975	\$ 3,591	\$ 3,955	\$ 3,524	\$ 3,167

¹ Commencement of operations.

² Based on average shares outstanding.

³ Amount is less than \$(0.01) per share.

⁴ Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

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⁵ Aggregate total investment return.

⁶ Annualized.

See Notes to Financial Statements.

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

	Year Ended August 31,				
	2009	2008	2007	2006	2005
Per Share Operating Performance					
Net asset value, beginning of year	\$ 16.12	\$ 18.25	\$ 19.32	\$ 19.35	\$ 19.16
Net investment income ¹	1.14	1.45	1.54	1.40	1.23
Net realized and unrealized gain (loss)	(3.04)	(2.03)	(1.07)	(0.06)	0.08
Net increase (decrease) from investment operations	(1.90)	(0.58)	0.47	1.34	1.31
Dividends and distributions from:					
Net investment income	(1.29)	(1.55)	(1.54)	(1.37)	(1.11)
Net realized gain					(0.01)
Total dividends and distributions	(1.29)	(1.55)	(1.54)	(1.37)	(1.12)
Net asset value, end of year	\$ 12.93	\$ 16.12	\$ 18.25	\$ 19.32	\$ 19.35
Market price, end of year	\$ 12.26	\$ 14.49	\$ 16.70	\$ 17.49	\$ 17.85
Total Investment Return²					
Based on net asset value	(8.88)%	(2.56)%	2.74%	7.92%	7.27%
Based on market price	(3.88)%	(4.28)%	3.85%	5.91%	(2.47)%
Ratios to Average Net Assets					
Total expenses	1.96%	2.61%	3.33%	2.54%	2.18%
Total expenses after fees waived and paid indirectly	1.96%	2.60%	3.33%	2.54%	2.18%
Total expenses after fees waived and paid indirectly and excluding interest expense	1.31%	1.18%	1.20%	1.14%	1.22%
Net investment income	10.18%	8.49%	7.88%	7.30%	6.34%
Supplemental Data					
Net assets, end of year (000)	\$ 237,160	\$ 295,005	\$ 334,065	\$ 353,713	\$ 354,114
Borrowings outstanding, end of year (000)	\$ 38,000	\$ 101,500	\$ 107,000	\$ 135,200	\$ 123,600
Average borrowings outstanding, during the year (000)	\$ 50,591	\$ 102,272	\$ 133,763	\$ 101,916	\$ 117,702
Portfolio turnover	58%	49%	69%	57%	48%
Asset coverage, end of year per \$1,000	\$ 7,241	\$ 3,906	\$ 4,122	\$ 3,616	\$ 3,865

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

See Notes to Financial Statements.

Financial Highlights

BlackRock Limited Duration Income Trust
(BLW)

	Period November 1, Year Ended 2007 to August 31, August 31, 2009 2008 2007 2006 2005 2004					
Per Share Operating Performance						
Net asset value, beginning of period	\$ 16.71	\$ 18.52	\$ 19.01	\$ 19.17	\$ 20.13	\$ 19.74
Net investment income	1.01 ¹	1.14 ¹	1.50	1.35	1.46	1.46
Net realized and unrealized gain (loss)	(1.61)	(1.76)	(0.49)	0.03	(0.94)	0.43
Net increase (decrease) from investment operations	(0.60)	(0.62)	1.01	1.38	0.52	1.89
Dividends and distributions from:						
Net investment income	(1.16)	(1.19)	(1.41)	(1.52)	(1.33)	(1.49)
Net realized gain			(0.06)		(0.15)	(0.01)
Tax return of capital			(0.03)	(0.02)		
Total dividends and distributions	(1.16)	(1.19)	(1.50)	(1.54)	(1.48)	(1.50)
Net asset value, end of period	\$ 14.95	\$ 16.71	\$ 18.52	\$ 19.01	\$ 19.17	\$ 20.13
Market price, end of period	\$ 14.09	\$ 14.57	\$ 16.68	\$ 18.85	\$ 17.48	\$ 19.95
Total Investment Return²						
Based on net asset value	(1.57)%	(2.60)% ³	5.66%	7.85%	2.93%	10.17%
Based on market price	6.40%	(5.70)% ³	(4.03)%	17.31%	(5.30)%	14.64%
Ratios to Average Net Assets						
Total expenses	0.72%	1.39% ⁴	2.16%	2.20%	1.71%	1.26%
Total expenses after fees waived and before fees paid indirectly	0.71%	1.39% ⁴	2.16%	2.20%	1.71%	1.28%
Total expenses after fees waived and paid indirectly	0.71%	1.38% ⁴	2.14%	2.19%	1.71%	1.25%
Total expenses after fees waived and paid indirectly and excluding interest expense	0.69%	0.76% ⁴	0.83%	0.91%	0.92%	0.90%
Net investment income	7.42%	7.84% ⁴	7.92%	7.10%	7.42%	7.34%
Supplemental Data						
Net assets, end of period (000)	\$ 551,505	\$ 616,393	\$ 638,109	\$ 699,206	\$ 704,961	\$ 739,225
Borrowings outstanding, end of period (000)	\$	\$ 64,538	\$ 109,287	\$ 220,000	\$ 176,010	\$ 159,416
Average borrowings outstanding, during the period (000)	\$ 11,705	\$ 120,295	\$ 172,040	\$ 179,366	\$ 186,660	\$ 195,845
Portfolio turnover	287% ⁵	191% ⁶	65%	132%	70%	215%
Asset coverage, end of period per \$1,000	\$	\$ 10,551	\$ 7,251	\$ 4,178	\$ 5,005	\$ 5,637

¹ Based on average shares outstanding.

² Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns.

Where applicable, total investment returns exclude the effects of any sales charges and include the reinvestment

of dividends and distributions.

³ Aggregate total investment return.

⁴ Annualized.

⁵ Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 79%.

⁶ Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 24%.

See Notes to Financial Statements.

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Financial Highlights

	Year Ended August 31,				
	2009	2008	2007	2006	2005
Per Share Operating Performance					
Net asset value, beginning of year	\$ 7.98	\$ 8.60	\$ 8.92	\$ 9.01	\$ 8.91
Net investment income ¹	0.39	0.51	0.60	0.52	0.37
Net realized and unrealized gain (loss)	(0.83)	(0.62)	(0.32)	(0.08)	0.10
Net increase (decrease) from investment operations	(0.44)	(0.11)	0.28	0.44	0.47
Dividends from net investment income	(0.38)	(0.51)	(0.60)	(0.53)	(0.37)
Net asset value, end of year	\$ 7.16	\$ 7.98	\$ 8.60	\$ 8.92	\$ 9.01
Total Investment Return²					
Based on net asset value	(4.69)%	(1.32)% ³	3.07%	4.97%	5.38%
Ratios to Average Net Assets⁴					
Total expenses	1.53%	1.28% ³	1.44%	1.43%	1.41%
Net investment income	5.97%	6.16%	6.67%	5.84%	4.11%
Supplemental Data					
Net assets, end of year (000)	\$ 311,662	\$ 399,400	\$ 505,515	\$ 601,807	\$ 676,703
Portfolio turnover for the Master LLC	47%	56%	46%	54%	53%

¹ Based on average shares outstanding.

² Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions. The Fund is a continuously offered closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

³ During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per

share \$0.02 and increased total investment return 0.24%. The expense ratio excluding the refund was 1.46%.

⁴ Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

See Notes to Financial Statements.

BlackRock Senior Floating Rate Fund II,
Inc.

Financial Highlights

	Year Ended August 31,				
	2009	2008	2007	2006	2005
Per Share Operating Performance					
Net asset value, beginning of year	\$ 8.67	\$ 9.35	\$ 9.70	\$ 9.79	\$ 9.67
Net investment income ¹	0.41	0.54	0.63	0.56	0.39
Net realized and unrealized gain (loss)	(0.89)	(0.69)	(0.34)	(0.10)	0.11
Net increase (decrease) from investment operations	(0.48)	(0.15)	0.29	0.46	0.50
Dividends from net investment income	(0.43)	(0.53)	(0.64)	(0.55)	(0.38)
Net asset value, end of year	\$ 7.76	\$ 8.67	\$ 9.35	\$ 9.70	\$ 9.79
Total Investment Return²					
Based on net asset value	(4.70)%	(1.61)% ³	2.89%	4.90%	5.26%
Ratios to Average Net Assets⁴					
Total expenses	1.68%	1.50% ³	1.59%	1.57%	1.54%
Net investment income	5.79%	5.96%	6.53%	5.70%	4.03%
Supplemental Data					
Net assets, end of year (000)	\$ 150,347	\$ 186,637	\$ 247,861	\$ 322,202	\$ 355,108
Portfolio turnover for the Master LLC	47%	56%	46%	54%	53%

¹ Based on average shares outstanding.

² Where applicable, total investment returns exclude the early withdrawal charge, but do include the reinvestment of dividends and distributions. The Fund is a continuously offered

closed-end fund, the shares of which are offered at net asset value. No secondary market for the Fund's shares exists.

³ During the year ended August 31, 2008, the Fund recorded a refund related to overpayments of prior years' tender offer fees, which increased net investment income per

share \$0.02 and increased total investment return 0.11%. The expense ratio excluding the refund was 1.64%.

⁴ Includes the Fund's share of the Master LLC's allocated expenses and/or net investment income.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Organization and Significant Accounting Policies:

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. (Senior Floating Rate) and BlackRock Senior Floating Rate Fund II, Inc. (Senior Floating Rate II) (collectively, referred to as the Funds or individually as the Fund) are registered under the Investment Company Act of 1940, as amended (the 1940 Act). BHL and BLW are organized as Delaware Statutory trusts. DVF, FRA, Senior Floating Rate and Senior Floating Rate II are organized as Maryland corporations. BHL, DVF, FRA and BLW are registered as diversified, closed-end management investment companies. Senior Floating Rate and Senior Floating Rate II are registered as continuously offered, non-diversified, closed-end management investment companies. The Funds financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Boards of Directors and the Boards of Trustees of the Funds are referred to throughout this report as the Board of Directors or the Board. The Funds determine and make available for publication the net asset value of their shares on a daily basis.

Prior to its commencement of operations on January 31, 2008, BHL had no operations other than those relating to organizational matters and the sale of 8,517 shares on November 13, 2007 to BlackRock Advisors, LLC (the Manager), the Funds investment advisor, an indirect, wholly owned subsidiary of BlackRock, Inc. (BlackRock), for \$122,006. BHL will terminate no later than December 31, 2017.

Senior Floating Rate and Senior Floating Rate II seek to achieve their investment objectives by investing all their assets in the Master Senior Floating Rate LLC (the Master LLC), which has the same investment objective and strategies as these Funds. The value of each Fund s investment in the Master LLC reflects each Fund s proportionate interest in the net assets of the Master LLC. The performance of each Fund is directly affected by the performance of the Master LLC. The financial statements of the Master LLC, including the Schedule of Investments, are included elsewhere in this report and should be read in conjunction with Senior Floating Rate and Senior Floating Rate II s financial statements. The percentage of the Master LLC owned by Senior Floating Rate and Senior Floating Rate II at August 31, 2009 was 67% and 33%, respectively.

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

Valuation of Investments: The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by

dealers or pricing services selected under the supervision of each Fund's Board. Floating rate loan interests are valued at the mean between the last available bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in

such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. The fair value of asset-backed and mortgage-backed securities are estimated based on models that consider the estimated cash flows of each tranche of the entity, establishes a benchmark yield and develops an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. Financial futures contracts traded on exchanges are valued at their last sale price. To be announced (TBA) commitments are valued at the current market value of the underlying securities. Swap agreements are valued utilizing quotes received daily by the Funds' pricing service or through brokers, which are derived using daily swap curves and trades of underlying securities. Investments in open-end investment companies are valued at net asset value each business day. Short-term securities with maturities less than 60 days may be valued at amortized cost, which approximates fair value. The Funds value their investments in Cash Sweep Series of BlackRock Liquidity Series, LLC at fair value, which is ordinarily based upon their pro rata ownership in the net assets of the underlying fund.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System are valued at the last reported sale price that day or the NASDAQ official closing price, if applicable. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last available bid price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the security.

Exchange-traded options are valued at the mean between the last bid and ask prices at the close of the options market in which the options trade. An exchange-traded option for which there is no mean price is valued at the last bid price. If no bid price is available, the prior day's price will be used, unless it is determined that such prior day's price no longer reflects the fair value of the option. Over-the-counter options and swaptions are valued by an independent pricing service using a mathematical model which incorporates a number of market data factors, such as the trades and prices of the underlying securities.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or are not available, the investment will be valued by a method approved by the Board as reflecting fair value

(Fair Value Assets). When determining the price for Fair Value Assets, the investment advisor and/or sub-advisor seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm s-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

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Notes to Financial Statements (continued)

Generally, trading in foreign securities is substantially completed each day at various times prior to the close of business on the New York Stock Exchange (NYSE). The values of such securities used in computing the net assets of each Fund are determined as of such times. Foreign currency exchange rates will be determined as of the close of business on the NYSE. Occasionally, events affecting the values of such securities and such exchange rates may occur between the times at which they are determined and the close of business on the NYSE that may not be reflected in the computation of each Fund's net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to materially affect the value of such securities, those securities will be valued at their fair value as determined in good faith by the Board or by the investment advisor using a pricing service and/or procedures approved by the Board. Foreign currency exchange contracts are valued at the mean between the bid and ask prices. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

Senior Floating Rate and Senior Floating Rate II record their investments in the Master LLC at fair value. Valuation of securities held by the Master LLC is discussed in Note 1 of the Master LLC's Notes to Financial Statements, which are included elsewhere in this report.

Effective September 1, 2008, the Senior Floating Rate and Senior Floating Rate II implemented Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (FAS 157). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:

Level 1 price quotations in active markets/exchanges for identical securities

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 Funds' own assumptions used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not neces-

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sarily an indication of the risk associated with investing in those securities.

The following table summarizes the inputs used as of August 31, 2009 in determining the fair valuation of the Funds' investments:

Valuation Inputs	Senior Floating Rate Investment in the Master LLC	Senior Floating Rate II Investment in the Master LLC
Level 1		
Level 2	\$312,548,298	\$ 150,735,659
Level 3		
Total	\$312,548,298	\$ 150,735,659

Foreign Currency Transactions: Foreign currency amounts are translated into United States dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange; and (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Funds report foreign currency related transactions as components of realized gains for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Asset-Backed and Mortgage-Backed Securities: Certain Funds may invest in asset-backed securities. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in an underlying pool of assets, or as debt instruments, which are also known as collateralized obligations, and are generally issued as the debt of a special purpose entity organized solely for the purpose of owning such assets and issuing such debt. Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties. The yield characteristics of certain asset-backed securities may differ from traditional debt securities. One such major difference is that all or a principal part of the obligations may be prepaid at any time because the underlying assets (i.e., loans) may be prepaid at any time. As a result, a decrease in interest rates in the market may result in increases in the level of prepayments as borrowers, particularly mortgagors, refinance and repay their loans. An increased prepayment rate with respect to an asset-backed security subject to such a prepayment feature will have the effect of shortening the maturity of the security. If a Fund has purchased such an asset-backed security at a premium, a faster than anticipated prepayment rate could result in a loss of principal to the extent of the premium paid.

The Funds may purchase certain mortgage pass-through securities. There

are a number of important differences among the agencies and instrumentalities of the US Government that issue mortgage related securities and among the securities that they issue. For example, mortgage-related securities guaranteed by the Government National Mortgage Association (GNMA) are guaranteed as to the timely payment of principal and interest by GNMA and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by the Federal Home Loan Mortgage Corporation (FHLMC) and Federal National Mortgage Association (FNMA) include FNMA guaranteed Mortgage Pass-Through Certificates, which are solely the obligations of the FNMA,

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Notes to Financial Statements (continued)

are not backed by or entitled to the full faith and credit of the United States and are supported by the right of the issuer to borrow from the Treasury.

Certain Funds invest a significant portion of their assets in securities backed by commercial or residential mortgage loans or in issuers that hold mortgage and other asset-backed securities. Please see the Schedules of Investments for these securities. Changes in economic conditions, including delinquencies and/or defaults on assets underlying these securities, can affect the value, income and/or liquidity of such positions.

Forward Commitments, When-Issued and Delayed Delivery Securities: Certain Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions only with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the purchaser is not entitled to any of the interest earned prior to the settlement. When purchasing a security on a delayed delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds' maximum amount of loss is the unrealized gain of the commitment, which is shown on the Schedule of Investments, if any.

Preferred Stock: Certain Funds may invest in preferred stocks. Preferred stock has a preference over common stock in liquidation (and generally in receiving dividends as well) but is subordinated to the liabilities of the issuer in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred stock generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Floating Rate Loans: Certain Funds may invest in floating rate loans, which are generally non-investment grade, made by banks, other financial institutions and privately and publicly offered corporations. Floating rate loans are senior in the debt structure of a corporation. Floating rate loans generally pay interest at rates that are periodically determined by reference

to a base lending rate plus a premium. The base lending rates are generally (i) the lending rate offered by one or more European banks, such as LIBOR (London InterBank Offered Rate), (ii) the prime rate offered by one or more US banks or (iii) the certificate of deposit rate. The Funds consider

these investments to be investments in debt securities for purposes of their investment policies.

The Funds earn and/or pay facility and other fees on floating rate loans. Other fees earned/paid include commitment, amendment, consent, commissions and prepayment penalty fees. Facility, amendment and consent fees are typically amortized as premium and/or accreted as discount over the term of the loan. Commitment, commission and various other fees are recorded as income. Prepayment penalty fees are recognized on the accrual basis. When a Fund buys a floating rate loan it may receive a facility fee and when it sells a floating rate loan it may pay a facility fee. On an ongoing basis, the Funds may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a floating rate loan. In certain circumstances, the Funds may receive a prepayment penalty fee upon the prepayment of a floating rate loan by a borrower. Other fees received by the Funds may include covenant waiver fees and covenant modification fees.

The Funds may invest in multiple series or tranches of a loan. A different series or tranche may have varying terms and carry different associated risks.

Floating rate loans are usually freely callable at the issuer's option. The Funds may invest in such loans in the form of participations in loans (Participations) and assignments of all or a portion of loans from third parties. Participations typically will result in the Funds having a contractual relationship only with the lender, not with the borrower. The Funds will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the Participation and only upon receipt by the lender of the payments from the borrower.

In connection with purchasing Participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loans, nor any rights of offset against the borrower, and the Funds may not benefit directly from any collateral supporting the loan in which it has purchased the Participation.

As a result, the Funds will assume the credit risk of both the borrower and the lender that is selling the Participation. The Funds' investments in loan participation interests involve the risk of insolvency of the financial intermediaries who are parties to the transactions. In the event of the insolvency of the lender selling the Participation, the Funds may be treated as general creditor of the lender and may not benefit from any offset between the lender and the borrower.

Mortgage Dollar Roll Transactions: Certain Funds may sell mortgage-

backed securities and simultaneously contract to repurchase substantially similar (same type, coupon and maturity) securities on a specific future date at an agreed upon price. During the period between the sale and the repurchase, the Funds will not be entitled to receive interest and principal payments on the securities sold. The Funds account for dollar roll transactions as purchases and sales and realize gains and losses on these transactions.

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Notes to Financial Statements (continued)

Mortgage dollar rolls involve the risk that the market value of the securities that each Fund is required to purchase may decline below the agreed upon repurchase price of those securities. If investment performance of securities purchased does not exceed that of the securities sold as part of the dollar roll, the use of this technique will adversely impact the investment performance of each Fund.

Reverse Repurchase Agreements: Certain Funds may enter into reverse repurchase agreements with qualified third party broker-dealers. In a reverse repurchase agreement, the Funds sell securities to a bank or broker-dealer and agree to repurchase the securities at a mutually agreed upon date and price. Interest on the value of the reverse repurchase agreements issued and outstanding is based upon competitive market rates determined at the time of issuance. The Funds may utilize reverse repurchase agreements when it is anticipated that the interest income to be earned from the investment of the proceeds of the transaction is greater than the interest expense of the transaction. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Funds are obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Funds' use of the proceeds from the agreement may be restricted while the other party, or its trustee or receiver, determine whether or not to enforce the Funds' obligation to repurchase the securities.

TBA Commitments: Certain Funds may enter into TBA commitments to purchase or sell securities for a fixed price at a future date. TBA commitments are considered securities in themselves, and involve a risk of loss if the value of the security to be purchased or sold declines or increases prior to settlement date, which is in addition to the risk of decline in the value of the Funds' other assets.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission (SEC) require that a Fund either delivers collateral or segregates assets in connection with certain investments (e.g., dollar rolls, TBA's beyond normal settlement, foreign currency exchange contracts, financial futures contracts and swaps), or certain borrowings (e.g., reverse repurchase agreements) each Fund will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on its books and records cash or other liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party has requirements to deliver/deposit securities as collateral for certain investments (e.g., financial futures contracts, reverse repurchase agreements and swaps). As part of these agreements, when the value of these investments achieves a previously agreed upon value (minimum transfer amount), each party may be

required to deliver additional collateral.

Investment Transactions and Investment Income: For financial reporting purposes, certain Funds' investment transactions are recorded on the

dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Dividends from foreign securities where the ex-dividend date may have passed are subsequently recorded when the Funds have determined the ex-dividend date. Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

Senior Floating Rate and Senior Floating Rate II record daily their proportionate share of the Master LLC's income, expenses and realized and unrealized gains and losses. In addition, both Funds accrue their own expenses.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. If the total dividends and distributions made in any tax year exceeds net investment income and accumulated realized capital gains, a portion of the total distribution may be treated as a tax return of capital.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required. Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates.

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' US federal tax returns remains open for the two periods ended August 31, 2009 for BHL, the four years ended August 31, 2009 for DVF, FRA, Senior Floating Rate and Senior Floating Rate II, and the two years ended October 31, 2007 and the two periods ended August 31, 2009 for BLW. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Recent Accounting Pronouncement: In June 2009, Statement of Financial Accounting Standards No. 166, Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140 (FAS 166), was issued. FAS 166 is intended to improve the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. FAS 166 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. Earlier application

is prohibited. The recognition and measurement provisions of FAS 166 must be applied to transfers occurring on or after the effective date. Additionally, the disclosure provisions of FAS 166 should be applied to transfers that occurred both before and after the effective date of FAS 166. The impact of FAS 166 on the Funds' statement disclosures, if any, is currently being assessed.

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Notes to Financial Statements (continued)

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, non-interested Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts have been invested in common shares of other certain BlackRock Closed-End Funds selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in other certain BlackRock Closed-End Funds.

The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in Common Shares of other certain BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

Other: Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods. Pursuant to the terms of the custody agreement, custodian fees may be reduced by amounts calculated on uninvested cash balances, which are shown on the Statements of Operations as fees paid indirectly.

2. Derivative Financial Instruments:

The Funds may engage in various portfolio investment strategies both to increase the returns of the Funds and to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk and foreign currency exchange rate risk. Losses may arise if the value of the contract decreases due to an unfavorable change in the value of the underlying security or if the counterparty does not perform under the contract. The Funds may mitigate counterparty risk through master netting agreements included within an International Swap and Derivatives Association, Inc. (ISDA) Master Agreement between a Fund and each of its counterparties. The ISDA Master Agreement allows each Fund to offset with its counterparty certain derivative financial instruments payables and/or receivables with collateral held with each counterparty. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts of up to \$500,000. To the extent amounts due to the Funds from their counterparties are not fully collateralized contractually or otherwise, the Funds bear the risk of loss from counterparty non-performance. See Note 1 Segregation and Collateralization for information with respect to collateral practices.

The Funds' maximum risk of loss from counterparty credit risk on over-the-counter derivatives is generally the aggregate unrealized gain in excess of

any collateral pledged by the counterparty to the Funds. For over-the-counter purchased options, the Funds bear the risk of loss in the amount of the premiums paid and change in market value of the options should the counterparty not perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as written options obligate the Funds to perform and not the counterparty. Certain ISDA Master Agreements allow counterparties to over-the-counter derivatives to terminate derivative contracts prior to maturity in the event a Fund's net assets decline by a stated percentage or a Fund fails to meet the terms of its ISDA Master Agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty. Counterparty risk related to exchange-traded financial futures contracts and options is minimal because of the protection against defaults provided by the exchange on which they trade.

Financial Futures Contracts: Certain Funds may purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk) or foreign currencies (foreign currency exchange rate risk). Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recognized by the Funds as unrealized gains or losses. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures transactions involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

Foreign Currency Exchange Contracts: Certain Funds may enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio positions (foreign currency exchange rate risk). A foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Foreign currency exchange contracts, when used by a Fund, help to manage the overall exposure to the foreign currency backing some of the investments held by a Fund. The contract is marked-to-market daily and the change in market value is recorded by a Fund as an unrealized gain or loss. When the contract is closed, a Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of foreign currency exchange contracts involves the risk that counterparties may not meet the terms of the agreement or unfavorable movements in the value of a foreign currency relative to the US dollar.

Options: Certain Funds may purchase and write call and put options to

increase or decrease their exposure to underlying instruments. A call option gives the purchaser of the option the right (but not the obligation) to buy, and obligates the seller to sell (when the option is exercised), the underlying

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Notes to Financial Statements (continued)

instrument at the exercise price at any time or at a specified time during the option period. A put option gives the holder the right to sell and obligates the writer to buy the underlying instrument at the exercise price at any time or at a specified time during the option period. When a Fund purchases (writes) an option, an amount equal to the premium paid (received) by a Fund is reflected as an asset (liability) and an equivalent liability (asset). The amount of the asset (liability) is subsequently marked-to-market to reflect the current market value of the option purchased (written). When an instrument is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the instrument acquired or deducted from (or added to) the proceeds of the instrument sold. When an option expires (or a Fund enters into a closing transaction), a Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium received or paid). When a Fund writes a call option, such option is covered, meaning that a Fund holds the underlying instrument subject to being called by the option counterparty, or cash in an amount sufficient to cover the obligation. When a Fund writes a put option, such option is covered by cash in an amount sufficient to cover the obligation.

In purchasing and writing options, a Fund bears the risk of an unfavorable change in the value of the underlying instrument or the risk that the Fund may not be able to enter into a closing transaction due to an illiquid market. Exercise of a written put option could result in a Fund purchasing a security at a price different from the current market value. The Funds may execute transactions in both listed and over-the-counter options.

Swaps: Certain Funds may enter into swap agreements, in which a Fund and a counterparty agree to make periodic net payments on a specified notional amount. These periodic payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). When the swap is terminated, the Fund will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized on the Statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

Credit default swaps Certain Funds may enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate

and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk). The Funds enter into credit default agreements to provide a measure of

protection against the default of an issuer (as buyer of protection) and/or gain credit exposure to an issuer to which they are not otherwise exposed (as seller of protection). The Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign) or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a negative credit event take place (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, a Fund will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising of an index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index. As a seller (writer), a Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising of an index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising of an index.

Interest rate swaps Certain Funds may enter into interest rate swaps to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk). Interest rate swaps are agreements in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Interest rate floors, which are a type of interest rate swap, are agreements in which one party agrees to make payments to the other party to the extent that interest rates fall below a specified rate or floor in return for a premium. In more complex swaps, the notional principal amount may decline (or amortize) over time.

Swaptions Swap options (swaptions) are similar to options on securities except that instead of selling or purchasing the right to buy or sell a security, the writer or purchaser of the swap option is granting or buying the right to enter into a previously agreed upon interest rate swap agreement at any time before the expiration of the option (interest rate risk). In purchasing and writing swaptions, the Funds bear the market risk of an unfavorable change in the price of the underlying interest rate swap or the risk that the Funds may not be able to enter into a closing

transaction due to an illiquid market. Exercise of a written swaption could result in the Funds entering into an interest rate swap at a price different from the current market value. The Funds execute transactions in over-the-counter swaptions.

Notes to Financial Statements (continued)

Derivatives Not Accounted for as Hedging Instruments under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 133, Accounting for

Derivative Instruments and
Hedging Activities:

		Values of Derivative Instruments as of August 31, 2009*			
		Asset Derivatives			
		Statements of Assets			
and Liabilities Location		BHL	DVF	FRA	BLW
	Net unrealized				
Interest rate contracts	appreciation/depreciation			\$ 22,078**	
	Unrealized				
Foreign currency exchange contracts	appreciation on foreign currency exchange contracts	\$ 10,965	\$ 2,622	\$ 27,341	36,788
	Unrealized				
Credit contracts	appreciation on swaps		11,300		
	Investments at				
Equity contracts	value unaffiliated		13,000	20,000	46,000
Total		\$ 10,965	\$ 26,922	\$ 47,341	\$ 104,866
		Liability Derivatives			
		Statements of Assets			
and Liabilities Location		BHL	DVF	FRA	BLW
	Unrealized				
Interest rate contracts	depreciation on swaps		\$1,751,189		
	Unrealized				
Foreign exchange contracts	depreciation on foreign currency exchange contracts	\$ 231,252	95,339	\$ 406,733	\$ 541,854
	Unrealized				
Credit contracts	depreciation on swaps		2,403,117	1,108,878	83,859
Total		\$ 231,252	\$4,249,645	\$1,515,611	\$ 625,713

* For open derivative instruments as of August 31, 2009, see the Schedules of Investments, which is also indicative of activity for the year ended August 31, 2009.

** Includes cumulative appreciation/depreciation of the financial futures contracts as reported in Schedules of Investments. Only current day margin variation is reported within the

Statements of Assets & Liabilities.

**The Effect of Derivative Instruments on the
Statements of Operations**

Year Ended August 31, 2009

Net Realized Gain (Loss) From Derivatives
Recognized in Income

	BHL	DVF	FRA	BLW
Credit contracts:				

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Swaps	\$ (875,528)	\$(1,879,082)	\$ 933,553	\$ (570,536)
Foreign currency exchange contracts:				
Foreign currency exchange contracts	1,692,962	697,705	2,255,357	6,193,595
Interest contracts:				
Financial futures contracts				667,902
Swaps		(1,852,965)		
Total	\$ 817,434	\$(3,034,342)	\$3,188,910	\$ 6,290,961

Net Change in Unrealized Appreciation/Depreciation on

Derivatives Recognized in Income

	BHL	DVF	FRA	BLW
Credit contracts:				
Swaps	\$ (190,796)	\$ (991,052)	\$ 795,049	\$ (21,853)
Equity contracts:				
Options		(8,970)	(13,800)	(31,740)
Foreign currency exchange contracts:				
Foreign currency exchange contracts	(1,105,948)	(340,969)	(1,660,349)	(3,837,217)
Interest contracts:				
Financial futures contracts				(110,204)
Swaps		92,815		
Total	\$ (1,296,744)	\$(1,248,176)	\$ (879,100)	\$(4,001,014)

Notes to Financial Statements (continued)

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. (PNC) and Bank of America Corporation (BAC) are the largest stockholders of BlackRock. BAC became a stockholder of BlackRock following its acquisition of Merrill Lynch & Co., Inc. (Merrill Lynch) on January 1, 2009. Prior to that date, both PNC and Merrill Lynch were considered affiliates of the Funds under the 1940 Act. Subsequent to the acquisition, PNC remains an affiliate, but due to the restructuring of Merrill Lynch's ownership interest of BlackRock, BAC is not deemed to be an affiliate under the 1940 Act.

BHL, DVF, FRA and BLW has entered into an Investment Advisory Agreement or an Administration Agreement with the Manager to provide investment advisory and/or administration services.

The Manager is responsible for the management of each Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, BHL pays a monthly fee at an annual rate of 1.00%, BLW pays a monthly fee at an annual rate of 0.55% and DVF and FRA each pay a monthly fee at an annual rate of 0.75% of the average daily value of each Fund's net assets plus the proceeds of any outstanding borrowings.

The Manager, on behalf of BHL, DVF, FRA and BLW, has entered into a separate sub-advisory agreement with BlackRock Financial Management, Inc. (BFM), an affiliate of the Manager, under which the Manager pays BFM, for services it provides, a monthly fee that is an annual percentage of the investment advisory fee paid by the Funds to the Manager.

The Manager has agreed to waive its advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds. These amounts are shown as fees waived by advisor in the Statements of Operations.

For the year ended August 31, 2009, the Funds reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

	Accounting Services	
BHL		\$ 2,463
DVF		\$ 2,278
FRA		\$ 4,935
BLW		\$10,348

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Merrill Lynch, Pierce, Fenner & Smith, Incorporated (MLPF&S), a wholly owned subsidiary of Merrill Lynch, received underwriting fees of \$3,462,804 from January 31, 2008 to August 31, 2008 in connection with the issuance of the BHL s Shares. In addition, BHL reimbursed MLPF&S \$46,000 as a partial reimbursement of expenses incurred in connection with the issuance of the Fund s Shares.

Senior Floating Rate and Senior Floating Rate II have entered into an Administration Agreement with the Manager. The administration fee paid to the Manager is calculated daily and paid monthly based on an annual

rate of 0.25% and 0.40%, respectively, of the average daily value of these Fund s net assets for the performance of administrative services (other than investment advice and related portfolio activities) necessary for the operation of these Funds.

Senior Floating Rate and Senior Floating Rate II entered into a separate Distribution Agreement and Distribution Plan with BlackRock Investments, LLC (BRIL), which replaced FAM Distributors, Inc. (FAMD) and BlackRock Distributors, Inc. and its affiliates (BDI) (collectively, the Distributor) as the sole distributor of the Funds. FAMD is a wholly owned subsidiary of Merrill Lynch Group, Inc. BIL and BDI are affiliates of BlackRock.

For the year ended August 31, 2009, the Distributor received early withdrawal charges for Senior Floating Rate and Senior Floating Rate II in the amount of \$181,726 and \$31,438, respectively, relating to the tender of each Fund s shares.

PNC Global Investment Servicing (U.S.) Inc., an indirect, wholly owned subsidiary of PNC and an affiliate of the Manager, is the transfer agent and dividend disbursing agent for Senior Floating Rate and Senior Floating Rate II. Transfer agency fees borne by the Funds are comprised of those fees charged for all shareholder communications including mailing of shareholder reports, dividend and distribution notices, and proxy materials for shareholder meetings, as well as per account and per transaction fees related to servicing and maintenance of shareholder accounts, including the issuing, redeeming and transferring of shares, check writing, anti-money laundering services, and customer identification services.

Senior Floating Rate and Senior Floating Rate II may earn income on positive cash balances in demand deposit accounts that are maintained by the transfer agent on behalf of the Funds. These amounts are included in income affiliated in the Statements of Operations.

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for compensation to the Funds Chief Compliance Officer.

4. Investments:

Purchases and sales (including paydowns and TBA and mortgage dollar

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roll transactions and excluding short-term securities and US Government securities) for the year ended August 31, 2009 were as follows:

	Purchases	Sales
BHL	\$ 53,338,515	\$ 79,414,735
DVF	\$ 57,843,776	\$ 108,701,709
FRA	\$ 150,946,266	\$ 212,820,811
BLW	\$1,712,915,647	\$1,835,126,323

For the year ended August 31, 2009, purchases and sales of US government securities for BLW were \$0 and \$23,000,000, respectively.

For the year ended August 31, 2009, purchases and sales for BLW attributable to mortgage dollar rolls were \$1,240,666,602 and \$1,368,558,242, respectively.

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Notes to Financial Statements (continued)

5. Income Tax Information:

Reclassifications: Accounting principles generally accepted in the United States of America require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of August 31, 2009 attributable to amortization methods on fixed income securities, accounting for swap agreements, foreign currency transactions, the reclassification of distributions, the expiration of capital loss carryforwards and the classification of investments were reclassified to the following accounts:

	BHL	DVF	FRA	BLW	Senior Floating Rate Fund	Senior Floating Rate Fund II
Paid-in capital					\$(64,746,799)	\$(1,546,632)
Undistributed (distributions in excess of) net investment income	\$ 2,498,907	\$ 452,375	\$ 1,290,731	\$ 6,012,461	\$ 1,065,904	\$ 480,545
Accumulated net realized loss	\$(2,498,907)	\$(452,375)	\$(1,290,731)	\$(6,012,461)	\$ 63,680,895	\$ 1,066,087

The tax character of distributions paid during the fiscal years ended October 31, 2007, the fiscal period ended August 31, 2008 and the fiscal years ended August 31, 2008 and August 31, 2009 were as follows:

	BHL	DVF	FRA	BLW	Senior Floating Rate Fund	Senior Floating Rate Fund II
Ordinary income						
8/31/2009	\$ 9,810,137	\$13,947,075	\$23,842,077	\$42,793,064	\$17,470,993	\$ 8,332,675
8/31/2008	5,435,571	20,910,360	28,321,303		26,664,539	12,294,014
11/01/2007 8/31/2008				43,898,690		
10/31/2007				51,967,739		
Long-term capital gains						
10/31/2007				\$ 2,229,742		
Tax return of capital						
8/31/2009	\$ 88,324	\$ 2,882,990				
8/31/2008	481,911	443,389				
10/31/2007				\$ 1,074,826		
Total distributions						
8/31/2009	\$ 9,898,461	\$16,830,065	\$23,842,077	\$42,793,064	\$17,470,993	\$ 8,332,675
8/31/2008	\$ 5,917,482	\$21,353,749	\$28,321,303		\$26,664,539	\$12,294,014

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11/01/2007 8/31/2008 \$43,898,690
 10/31/2007 \$55,272,307

As of August 31, 2009, the tax components of accumulated net losses were as follows:

	BHL	DVF	FRA	BLW	Senior Floating Rate Fund	Senior Floating Rate Fund II
Undistributed ordinary income			\$ 619,326	\$ 786,625	\$ 1,277,797	\$ 106,666
Capital loss carryforward	\$ (1,063,204)	\$ (25,687,627)	(22,121,314)	(31,930,795)	(282,849,718)	(37,618,235)
Net unrealized losses*	(13,885,511)	(96,331,698)	(90,836,739)	(118,693,400)	(84,591,948)	(39,273,673)
Total accumulated net losses	\$(14,948,715)	\$(122,019,325)	\$(112,338,727)	\$(149,837,570)	\$(366,163,869)	\$(76,785,242)

* The differences between book-basis and tax-basis net unrealized losses is attributable primarily to the tax deferral of losses on wash sales, the difference between book and tax for premiums and discounts on fixed income securities, book/tax differences in the accrual of income on securities in default, the realization for tax purposes of unrealized gains ((losses) on certain futures and foreign currency contracts, the timing and recognition of partnership income, the accounting for swap agreements, the classification of investments,

the deferral of post-October currency and capital losses for tax purposes and the deferral of compensation to Trustees.

As of August 31, 2009, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

Expires	BHL	DVF	FRA	BLW	Senior Floating Rate Fund	Senior Floating Rate Fund II
2010					\$ 87,904,309	\$ 864,375
2011					53,409,203	17,719,049
2012					34,221,818	6,383,383
2013			\$ 691,829		56,166,095	
2014		\$ 1,755,694			945,546	
2015		2,237,399			2,561,691	
2016		1,444,704	475,453	\$21,933,927	31,419,599	4,923,144
2017	\$1,063,204	20,249,830	20,954,032	9,996,868	16,221,457	7,728,284
Total	\$1,063,204	\$25,687,627	\$22,121,314	\$31,930,795	\$282,849,718	\$37,618,235

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Notes to Financial Statements (continued)

6. Market and Credit Risk:

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to credit risk, the Funds may be exposed to counterparty risk, or the risk that an entity with which the Funds have unsettled or open transactions may default. Financial assets, which potentially expose the Funds to credit and counterparty risks, consist principally of investments and cash due from counterparties. The extent of the Funds' exposure to credit and counterparty risks with respect to these financial assets is approximated by their value recorded in the Funds' Statements of Assets and Liabilities.

7. Capital Share Transactions:

BHL and BLW are authorized to issue an unlimited number of shares, par value \$0.001, all of which were initially classified as Common Shares. DVF and FRA are authorized to issue 200 million shares, par value \$0.10, all of which were initially classified as Common Shares. The Board is authorized, however, to classify and reclassify any unissued shares without approval of Common Shareholders.

Shares issued and outstanding for the year ended August 31, 2009 and the period ended August 31, 2008 (and the year ended October 31, 2007 for BLW) increased by the following amounts as a result of dividend reinvestments:

	Year Ended August 31, 2009	Period Ended August 31, 2008	Year Ended October 31, 2007
BHL	84,923	15,264	
DVF	129,277	13,892	
FRA	31,791		
BLW			107,367

At August 31, 2009, the shares owned by an affiliate of the Manager of the Funds were as follows:

	Shares
BHL	8,517
FRA	7,877

BLW 6,021

BHL's shares issued and outstanding during the period January 31, 2008 (commencement of operations) to August 31, 2008 increased by 8,900,000 from shares sold. Organization costs of \$22,000 were expensed upon the commencement of operations. Offering costs incurred in connection with BHL's offering of Common Shares have been charged against the proceeds from the initial Common Share offering in the amount of \$200,500.

Transactions in capital shares, with respect to Senior Floating Rate and Senior Floating Rate II, were as follows:

	Year Ended		Year Ended	
	August 31, 2009		August 31, 2008	
Senior Floating Rate	Shares	Amount	Shares	Amount
Shares sold	3,495,709	\$22,066,554	4,490,899	\$ 36,601,922
Shares issued to shareholders in reinvestment of dividends	189,466	1,198,984	182,375	1,499,356
Total issued	3,685,175	23,265,538	4,673,274	38,101,278
Shares tendered	(10,231,989)	(65,061,276)	(13,412,544)	(111,603,956)
Net decrease	(6,546,814)	\$(41,795,738)	(8,739,270)	\$ (73,502,678)
	Year Ended		Year Ended	
	August 31, 2009		August 31, 2008	
Senior Floating Rate II	Shares	Amount	Shares	Amount
Shares sold	3,475,221	\$23,697,009	2,834,064	\$ 25,451,600
Shares issued to shareholders in reinvestment of dividends and distributions	83,856	580,777	41,005	365,615
Total issued	3,559,077	24,277,786	2,875,069	25,817,215
Shares tendered	(5,697,156)	(39,247,148)	(7,873,162)	(71,267,903)
Net decrease	(2,138,079)	\$(14,969,362)	(4,998,093)	\$ (45,450,688)

8. Commitments:

The Funds may invest in floating rate loans. In connection with these investments, the Funds may also enter into unfunded corporate loans (commitments). Commitments may obligate the Funds to furnish temporary financing to a borrower until permanent financing can be arranged.

In connection with these commitments, the Funds earn a commitment fee, typically set as a percentage of the commitment amount. Such fee income, which is classified in the Statements of Operations as facility and other fees, is recognized ratably over the commitment period. As of August 31, 2009, the Funds had the following unfunded loan commitments:

Notes to Financial Statements (concluded)

Borrower

	Unfunded Commitment (000)	Value of Underlying Loans (000)
BHL		
Big West Oil, LLC	\$ 442	\$ 407
NV Broadcasting, LLC	\$ 179	\$ 177
Smurfit-Stone Container Enterprises, Inc.	\$ 506	\$ 483
DVF		
Big West Oil, LLC	\$ 363	\$ 333
Smurfit-Stone Container Enterprises, Inc.	\$ 298	\$ 286
FRA		
Big West Oil, LLC	\$ 233	\$ 214
Smurfit-Stone Container Enterprises, Inc.	\$ 805	\$ 769
Vought Aircraft Industries, Inc.	\$ 1,148	\$ 1,074
BLW		
Big West Oil, LLC	\$ 724	\$ 666
NV Broadcasting, LLC	\$ 90	\$ 89
Smurfit-Stone Container Enterprises, Inc.	\$ 904	\$ 864
ProtoStar Ltd.	\$ 529	\$ 529

9. Borrowings:

On May 16, 2008, DVF and FRA renewed their revolving credit and security Agreements (Citicorp Agreement) pursuant to a commercial paper asset securitization program with Citicorp North America, Inc. (Citicorp), as Agent, certain secondary backstop lenders and certain asset securitization conduits, as lenders (the Lenders). The agreement was renewed for one year and at the time of renewal had maximum limits as follows:

	Maximum Limit
DVF	\$ 91,000,000
FRA	\$155,000,000

Under the Citicorp Agreement, the conduits funded advances to each Fund through the issuance of highly rated commercial paper. Each Fund had granted a security interest in substantially all of its assets to, and in favor of, the Lenders as security for its obligations to the Lenders. The interest rate on each Fund s borrowings was based on the interest rate carried by the commercial paper plus a program fee. In addition, each Fund paid a liquidity fee to the secondary backstop lenders and the agent. Under the Citicorp Agreement, the Funds were subject to certain conditions and covenants, which included among other things limitations on asset declines over prescribed time periods. As a result of the decline in net assets attrib-

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utable to market conditions, certain terms of the facility were renegotiated effective December 5, 2008, which included waivers of certain financial covenants by the Lenders, an increase in program and liquidity fees under the facility and a reduction of the maximum limits.

On March 5, 2009, DVF and FRA terminated their revolving credit agreement with Citicorp and entered into a senior committed secured, 364-day revolving line of credit and a separate security agreement (the SSB Agreement) with State Street Bank and Trust Company (SSB). The SSB Agreement has the same maximum limits as the renegotiated limits under the Citigroup Agreement and are as follows:

	Maximum Limit
DVF	\$ 50,000,000
FRA	\$103,000,000

The Funds have granted a security interest in substantially all of its assets to SSB.

Advances are made by SSB to the Funds, at the Funds option (a) the higher of 1.0% above the Fed Effective Rate or 1.0% above the Overnight LIBOR Rate and (b) 1.0% above 7-day, 30-day, or 60-day LIBOR Rate. In addition, the Funds pay a facility fee and a commitment fee based upon SSBs total commitment to the Funds. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Funds as of August 31, 2009 are shown in the Statements of Assets and Liabilities as loan payable.

BHL is a party to a senior committed secured, 364-day revolving line of credit and a separate security agreement (the BHL Agreement) with SSB dated April 9, 2008. The Agreement has a maximum limit of \$67.5 million. BHL has granted a security interest in substantially all of its assets to SSB. BHL renewed its revolving line of credit and security agreement with SSB effective April 8, 2009. The renewed agreement expires March 4, 2010 and the maximum commitment was reduced to \$55 million.

The Funds may not declare dividends or make other distributions on shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding short term borrowings is less than 300%.

For the year ended August 31, 2009, the daily weighted average interest rates for funds with loans under the revolving credit agreement were as follows:

**Daily Weighted
Average
Interest Rate**

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BHL	1.40%
DVF	3.02%
FRA	2.63%

For the year ended August 31, 2009, the daily weighted average interest rates for funds with reverse repurchase agreements were as follows:

	Daily Weighted Average Interest Rate
BLW	0.87%

10. Subsequent Events:

The Funds paid a net investment income dividend on September 30, 2009 to shareholders of record on September 15, 2009 as follows:

	Common Dividend Per Share
BHL	\$0.0600
DVF	\$0.0785
FRA	\$0.0815
BLW	\$0.0700

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through October 30, 2009, the date the financial statements were issued.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Boards of Directors/Trustees of:

BlackRock Defined Opportunity Credit Trust

BlackRock Diversified Income Strategies Fund, Inc.

BlackRock Floating Rate Income Strategies Fund, Inc.

BlackRock Limited Duration Income Trust

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Defined Opportunity Credit Trust as of August 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended and the period January 31, 2008 (commencement of operations) to August 31, 2008, and the financial highlights for the year then ended and the period January 31, 2008 to August 31, 2008. We have also audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Diversified Income Strategies Fund, Inc. as of August 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended and the period January 31, 2005 (commencement of operations) to August 31, 2005. We have also audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Floating Rate Income Strategies Fund, Inc. as of August 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. We have also audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlackRock Limited Duration Income Trust as of August 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for the year then ended, the period November 1, 2007 to August 31, 2008, and the year ended October 31, 2007, and the financial highlights for the year then ended, the period November 1, 2007 to August 31, 2008, and four years in the period ended October 31, 2007. We have also audited the accompanying statements of assets and liabilities of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. as of August 31, 2009, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. BlackRock Defined Opportunity Credit Trust, BlackRock Diversified Income Strategies Fund, Inc., BlackRock Floating Rate Income Strategies Fund, Inc., BlackRock Limited Duration Income Trust, BlackRock Senior Floating Rate Fund, Inc., and BlackRock Senior Floating Rate Fund II, Inc. are collectively referred to as the Funds. These financial statements and financial highlights are the responsibility of the Funds management.

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Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, audits of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2009, by correspondence with the custodian and financial intermediaries; where replies were not received from financial intermediaries, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Defined Opportunity Credit Trust as of August 31, 2009, the results of its operations and its cash flows for the year then ended, changes in its net assets for the year then ended and the period January 31, 2008 to August 31, 2008, and the financial highlights for the year then ended and the period January 31, 2008 to August 31, 2008, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Diversified Income Strategies Fund, Inc. as of August 31, 2009, the results of its operations and its cash flows for the year then ended, changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended and the period January 31, 2005 to August 31, 2005, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Floating Rate Income Strategies Fund, Inc. as of August 31, 2009, the results of its operations and its cash flows for the year then ended, changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Limited Duration Income Trust as of August 31,

2009, and the results of its operations and its cash flows for the year then ended, changes in its net assets for the year then ended, the period November 1, 2007 to August 31, 2008, and the year ended October 31, 2007, and the financial highlights for the year then ended, the period November 1, 2007 to August 31, 2008, and four years in the period ended October 31, 2007, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BlackRock Senior Floating Rate Fund, Inc. and BlackRock Senior Floating Rate Fund II, Inc. as of August 31, 2009, and the results of their operations for the year then ended, changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Princeton, New Jersey
October 30, 2009

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Important Tax Information

The following table summarizes the taxable per share distributions paid by the Funds during the taxable year ended August 31, 2009:

	BHL	DVF	FRA	BLW	Senior Floating Rate	Senior Floating Rate II
Interest-Related Dividends for Non-U.S. Residents*						
September 2008	57.78%	53.85%	75.25%	70.02%	77.87%	78.22%
October 2008 December 2008	57.78%	53.85%	76.83%	69.28%	76.97%	77.47%
January 2009	57.78%	53.85%	76.83%	69.28%	86.42%	86.22%
February 2009 August 2009	73.21%	100.00%	79.34%	73.88%	86.42%	86.22%
Federal Obligation Interest**				1.11%		

Expressed as a percentage of the ordinary income distributions.

Represents the portion of the taxable ordinary income dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

* The law varies in each state as to whether and what percentage of dividend income attributable to Federal Obligations is exempt from state income tax. We recommend that

** you consult your tax advisor to determine if any portion of the dividends you received is exempt from state income taxes.

Master Portfolio Summary as of August 31, 2009

Master Senior Floating Rate LLC

Portfolio Composition

Asset Mix	Percent of Long-Term Investments	
	8/31/09	8/31/08
Floating Rate Loan Interests	91%	95%
Corporate Bonds	9	5

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Schedule of Investments August 31, 2009 Master Senior Floating Rate LLC

(Percentages shown are based on Net Assets)

Common Stocks		Shares	Value
Chemicals 0.0%			
GEO Specialty Chemicals, Inc. (a)(b)		39,151	\$ 15,030
Wellman Holdings, Inc. (b)		5,206	1,302
			16,332
Commercial Services & Supplies 0.0%			
Sirva (b)		1,817	9,085
Paper & Forest Products 0.2%			
Ainsworth Lumber Co. Ltd.		335,138	483,689
Ainsworth Lumber Co. Ltd. (a)(b)		376,109	541,090
			1,024,779
Total Common Stocks 0.2%			1,050,196
		Par	
		(000)	
Corporate Bonds			
Chemicals 1.6%			
GEO Specialty Chemicals Corp.:			
7.50%, 3/31/15 (a)(c)	USD	2,538	1,650,024
10.00%, 3/31/15		2,515	1,634,464
Nalco Co., 8.25%, 5/15/17 (a)		1,015	1,060,675
Wellman Holdings, Inc. (c):			
Second Lien Subordinate Note, 10.00%, 1/29/19		2,000	2,000,000
Third Lien Subordinate Note, 5.00%, 1/29/19		2,266	1,132,873
			7,478,036
Commercial Services & Supplies 0.3%			
Clean Harbors, Inc., 7.63%, 8/15/16 (a)		1,600	1,604,000
Containers & Packaging 0.5%			
Crown Americas LLC, 7.63%, 5/15/17 (a)		1,190	1,181,075
Owens-Brockway Glass Container, Inc., 7.38%, 5/15/16		1,210	1,203,950
			2,385,025
Diversified Financial Services 0.1%			
FCE Bank Plc:			
7.13%, 1/15/13	EUR	200	250,882
7.88%, 2/15/11	GBP		