

BLACKROCK LTD DURATION INCOME TRUST  
Form N-CSRS  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

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

Investment Company Act file number 811-21349

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2013

Date of reporting period: 02/28/2013

Item 1 – Report to Stockholders

FEBRUARY 28, 2013

**SEMI-ANNUAL REPORT (UNAUDITED)**

BlackRock Defined Opportunity Credit Trust (BHL)

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

BlackRock Limited Duration Income Trust (BLW)

**Not FDIC Insured   May Lose Value   No Bank Guarantee**

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Dear Shareholder

Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment. About this time one year ago, the European debt crisis returned to the headlines as unresolved policy decisions left it unclear as to how troubled peripheral countries would finance their sovereign debt, causing yields to soar. In the second quarter of 2012, political instability in Greece and severe deficit and liquidity problems in Spain raised the specter of a full-blown euro collapse. Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, emerged as a particular concern. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world's largest central banks would soon intervene to stimulate growth. This theme, along with the announcement of the European Central Bank's (ECB's) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer. Policy relief came in early September, when the ECB announced its decision to support the eurozone's debt-laden countries with unlimited purchases of short term sovereign debt. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by accommodative monetary policies, risk assets weakened in the fall. Global trade began to slow as many European countries fell into recession and growth continued to decelerate in China, where a once-a-decade leadership change compounded uncertainty. In the United States, stocks slid on lackluster corporate earnings reports and market volatility rose in advance of the US Presidential election. In the post-election environment, investors grew increasingly concerned over the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. There was widespread fear that the fiscal cliff would push the United States into recession unless politicians could agree upon alternate measures to reduce the deficit before the end of 2012. Worries that bipartisan gridlock would preclude a timely budget deal triggered higher levels of volatility in financial markets around the world in the months leading up to the last day of the year. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal; however, decisions relating to spending cuts and the debt ceiling continued to weigh on investors' minds.

Investors shook off the nerve-racking finale to 2012 and began the New Year with a powerful equity rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaled modest but broad-based improvements in the world's major economies, particularly in China. Global equities soared through January while rising US Treasury yields pressured high-quality fixed income assets. However, bond markets strengthened in February when economic momentum slowed and investors toned down their risk appetite. US stocks continued to rise, but at a more moderate pace. Uncertainty about how long the Federal Reserve would maintain its easing bias drove high levels of volatility later in the month, but these fears abated as the budget sequester (automatic spending cuts scheduled to take effect March 1) began to appear imminent and was deemed likely to deter any near-term curtailment of monetary easing policies. Outside the United States, equities largely declined as political uncertainty escalated after the Italian presidential election ended in a stalemate.

On the whole, riskier asset classes outperformed lower-risk investments for the 6- and 12-month periods ended February 28, 2013. International, US small cap and emerging market equities were the leading asset classes for the 6-month period, while US stocks and high yield bonds generated the strongest returns for the 12-month period. US Treasury yields remained relatively low overall, but have inched higher in recent months, pressuring Treasuries and investment-grade bonds. Tax-exempt municipal bonds, however, continued to benefit from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Investors continue to face many of the same risks as in years past. But we see a world of possibilities. BlackRock was built to provide the global market insight, breadth of capabilities, unbiased investment advice and deep risk management expertise these times require. Investors everywhere are asking, *So what do I do with my money?* Visit [www.blackrock.com](http://www.blackrock.com) for answers.

Sincerely,

**Rob Kapito**

President, BlackRock Advisors, LLC

*Despite a number of headwinds, risk assets generated strong returns during the 6- and 12-month periods as investors sought meaningful yields in the ongoing low-interest-rate environment.*

**Rob Kapito**

President, BlackRock Advisors, LLC

**Total Returns as of February 28, 2013**

|   | <b>6-month</b> | <b>12-month</b> |
|---|----------------|-----------------|
| US large cap equities (S&P 500® Index)  | 8.95 %         | 13.46 %         |
| US small cap equities (Russell 2000® Index)                                   | 13.02          | 14.02           |
| International equities (MSCI Europe, Australasia, Far East Index)             | 14.41          | 9.84            |
| Emerging market equities (MSCI Emerging Markets Index)                        | 12.06          | 0.28            |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index)     | 0.05           | 0.11            |
| US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)         | (1.51 )        | 3.66            |
| US investment grade bonds (Barclays US Aggregate Bond Index)                  | 0.15           | 3.12            |
| Tax-exempt municipal bonds (S&P Municipal Bond Index)                         | 2.40           | 5.71            |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 6.67           | 11.79           |

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

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THIS PAGE NOT PART OF YOUR FUND REPORT

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Fund Summary as of February 28, 2013

**BlackRock Defined Opportunity Credit Trust**

## **Fund Overview**

**BlackRock Defined Opportunity Credit Trust s (BHL) (the Fund )** primary investment objective is to provide high current income, with a secondary objective of long-term capital appreciation. The Fund seeks to achieve its investment objectives by investing substantially all of its assets in loan and debt instruments and loan-related and debt-related instruments (collectively credit securities ). The Fund invests, under normal market conditions, at least 80% of its assets in any combination of the following credit securities: (i) senior secured floating rate and fixed rate loans; (ii) second lien or other subordinated or unsecured floating rate and fixed rate loans or debt; (iii) credit securities that are rated below investment grade quality; and (iv) investment grade corporate bonds. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

## **Portfolio Management Commentary**

### **How did the Fund perform?**

For the six months ended February 28, 2013, the Fund returned 9.13% based on market price and 5.55% based on net asset value ( NAV ). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 10.24% based on market price and 6.30% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

### **What factors influenced performance?**

Security selection among higher quality loan instruments (where the Fund maintained a quality bias) had a positive impact on performance. From an industry perspective, holdings within healthcare, chemicals and gaming boosted results. The Fund s tactical allocation to high yield bonds generated additional gains as the asset class outperformed floating rate loan interests (bank loans) during the period.

Conversely, security selection in the media non-cable and automotive industries detracted from results.

### **Describe recent portfolio activity.**

During the period, the Fund maintained its focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data and a tepid outlook for global growth, along with lingering global policy uncertainty, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. Monetary stimulus measures from global central banks largely supported risk asset prices in 2012; however, this development did not significantly influence the way the Fund invests in the loan market. More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macro risks. With the average loan trading at or just below par recently (i.e., with little or no upside), the Fund s principal emphasis is on investing in strong companies with the ability to pay their debts despite a slow growth environment.

### **Describe portfolio positioning at period end.**

At period end, the Fund held 90% of its total portfolio in floating rate loan interests and 7% in corporate bonds, with the remainder in asset-backed securities. The Fund s largest industry exposures included healthcare, consumer services (housing-related) and wirelines.

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.





## BlackRock Defined Opportunity Credit Trust

## Fund Information

|  |                  |
|--|------------------|
| Symbol on New York Stock Exchange ( NYSE )                                   | BHL              |
| Initial Offering Date  | January 31, 2008 |
| Yield on Closing Market Price as of February 28, 2013 (\$14.75) <sup>1</sup> | 5.57%            |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.0685         |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.8220         |
| Economic Leverage as of February 28, 2013 <sup>3</sup>                       | 27%              |

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

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

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

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

|                 | 2/28/13 | 8/31/12 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$14.75 | \$13.94 | 5.81%  | \$14.93 | \$12.92 |
| Net Asset Value | \$14.45 | \$14.12 | 2.34%  | \$14.48 | \$14.12 |

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

## Portfolio Composition

|                              | 2/28/13 | 8/31/12 |
|------------------------------|---------|---------|
| Floating Rate Loan Interests | 90%     | 90%     |
| Corporate Bonds              | 7       | 7       |
| Asset-Backed Securities      | 3       | 2       |
| Common Stocks                |         | 1       |

Credit Quality Allocation<sup>4</sup>

|         | 2/28/13 | 8/31/12 |
|---------|---------|---------|
| BBB/Baa | 6%      | 12%     |
| BB/Ba   | 25      | 40      |
| B       | 65      | 46      |
| CCC/Caa | 4       | 2       |

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

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Fund Summary as of February 28, 2013  
**Fund Overview**

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

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

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

### **Portfolio Management Commentary**

On October 5, 2012, the Fund acquired substantially all of the assets and assumed substantially all of the liabilities of BlackRock Diversified Income Strategies Fund, Inc. and BlackRock Floating Rate Income Strategies Fund II, Inc. in exchange for newly issued shares of the Fund.

#### **How did the Fund perform?**

For the six months ended February 28, 2013, the Fund returned 12.50% based on market price and 6.53% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 10.24% based on market price and 6.30% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

#### **What factors influenced performance?**

Security selection among higher quality loan instruments (where the Fund maintained a quality bias) had a positive impact on performance, as did the Fund s high-conviction holdings of lower quality loan credits. From an industry perspective, holdings within paper, chemicals and gaming boosted results. The Fund s tactical allocation to high yield bonds generated additional gains as the asset class outperformed floating rate loan interests (bank loans) during the period.

Conversely, security selection in the media non-cable, independent energy and automotive industries detracted from results.

#### **Describe recent portfolio activity.**

During the period, the Fund maintained its focus on the higher quality segments of the loan market in terms of loan structure, liquidity and overall credit quality. Given mixed economic data and a tepid outlook for global growth, along with lingering global policy uncertainty, the Fund remained cautious of lower-rated less-liquid loans. Instead, the Fund sought issuers with attractive risk-reward characteristics and superior fundamentals. Monetary stimulus measures from global central banks largely supported risk asset prices in 2012; however, this development did not significantly influence the way the Fund invests in the loan market. More specifically, the Fund continued to adhere to a strict investment discipline with the goal of pursuing yield while minimizing exposure to macro risks. With the average loan trading at or just below par recently (i.e., with little or no upside), the Fund s principal emphasis is on investing in strong companies with the ability to pay their debts despite a slow growth environment.

#### **Describe portfolio positioning at period end.**

At period end, the Fund held 88% of its total portfolio in floating rate loan interests and 8% in corporate bonds, with the remainder in asset-backed securities and common stocks. The Fund s largest industry exposures included healthcare, building materials and wirelines.

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## BlackRock Floating Rate Income Strategies Fund, Inc.

## Fund Information

|  |                  |
|--|------------------|
| Symbol on NYSE   | FRA              |
| Initial Offering Date  | October 31, 2003 |
| Yield on Closing Market Price as of February 28, 2013 (\$16.47) <sup>1</sup> | 5.61%            |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.077          |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$0.924          |
| Economic Leverage as of February 28, 2013 <sup>3</sup>                       | 27%              |

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

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

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

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

|                 | 2/28/13 | 8/31/12 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$16.47 | \$15.20 | 8.36%  | \$16.51 | \$13.91 |
| Net Asset Value | \$15.37 | \$14.98 | 2.60%  | \$15.38 | \$14.96 |

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

## Portfolio Composition

|  | 2/28/13 | 8/31/12 |
|--|---------|---------|
| Floating Rate Loan Interests                 | 88%     | 88%     |
| Corporate Bonds                              | 8       | 10      |
| Asset-Backed Securities                      | 3       | 2       |
| Common Stocks                                | 1       |         |
| <b>Credit Quality Allocation<sup>4</sup></b> |         |         |
|  | 2/28/13 | 8/31/12 |
| BBB/Baa                                      | 6%      | 8%      |
| BB/Ba  | 25      | 34      |
| B  | 57      | 44      |
| CCC/Caa                                      | 6       | 8       |
| Not Rated                                    | 6       | 6       |

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

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Fund Summary as of February 28, 2013  
**Fund Overview**

**BlackRock Limited Duration Income Trust**

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

intermediate duration, investment grade corporate bonds, mortgage-related securities, asset-backed securities and US Government and agency securities;  
senior, secured floating rate loans made to corporate and other business entities; and

US dollar-denominated securities of US and non-US issuers rated below investment grade and, to a limited extent, non-US dollar denominated securities of non-US issuers rated below investment grade.

The Fund s portfolio normally has an average portfolio duration of less than five years (including the effect of anticipated leverage), although it may be longer from time to time depending on market conditions. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

**Portfolio Management Commentary**

**How did the Fund perform?**

For the six-month period ended February 28, 2013, the Fund returned 9.10% based on market price and 7.17% based on NAV. For the same period, the closed-end Lipper High Yield Funds (Leveraged) category posted an average return of 4.30% based on market price and 8.66% based on NAV. All returns reflect reinvestment of dividends. The Fund s premium to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Spread sectors outperformed government-related debt for the six-month period as accommodative monetary policy in the United States and Europe along with the continued recovery of the US economy drove credit spreads tighter. The Fund s allocations to high yield bonds and floating rate loan interests (bank loans) were the largest contributors to performance, followed by its positions in non-US sovereign securities. The Fund also benefited from its exposure to structured products including commercial mortgage-backed securities ( CMBS ), asset-backed securities ( ABS ) and non-agency residential mortgage-backed securities ( MBS ). An allocation to investment grade credit also had a positive impact.

The Fund s duration profile (sensitivity to interest rate movements) detracted from performance as interest rates moved higher during the period.

**Describe recent portfolio activity.**

During the six-month period, the Fund maintained a positive view on spread sectors and increased exposure to high yield credit, floating rate loan interests and securitized products such as CMBS and ABS. Within investment grade credit, the Fund favored financials over industrials and utilities. In financials, the Fund rotated out of senior bank debt into subordinated bank debt to take advantage of the yield differential. In addition, the Fund added to positions in floating rate preferred securities to benefit from a potential rise in interest rates.

**Describe portfolio positioning at period end.**

At period end, the Fund held 46% in corporate bonds and 34% of its total portfolio in floating rate loan interests (bank loans). The remainder of the portfolio was invested in MBS, structured products (including CMBS and ABS), US government sponsored agency securities and common stocks.

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## BlackRock Limited Duration Income Trust

## Fund Information

|  |               |
|--|---------------|
| Symbol on NYSE   | BLW           |
| Initial Offering Date  | July 30, 2003 |
| Yield on Closing Market Price as of February 28, 2013 (\$18.84) <sup>1</sup> | 6.97%         |
| Current Monthly Distribution per Common Share <sup>2</sup>                   | \$0.1095      |
| Current Annualized Distribution per Common Share <sup>2</sup>                | \$1.3140      |
| Economic Leverage as of February 28, 2013 <sup>3</sup>                       | 32%           |

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

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

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

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

|                 | 2/28/13 | 8/31/12 | Change | High    | Low     |
|-----------------|---------|---------|--------|---------|---------|
| Market Price    | \$18.84 | \$18.00 | 4.67%  | \$19.17 | \$16.80 |
| Net Asset Value | \$17.87 | \$17.38 | 2.82%  | \$17.92 | \$17.38 |

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

## Portfolio Composition

|  | 2/28/13 | 8/31/12 |
|--|---------|---------|
| Corporate Bonds                              | 46%     | 46%     |
| Floating Rate Loan Interests                 | 34      | 34      |
| Non-Agency Mortgage-Backed Securities        | 8       | 8       |
| Asset-Backed Securities                      | 6       | 4       |
| US Government Sponsored Agency Securities    | 5       | 6       |
| Common Stocks                                | 1       | 1       |
| Taxable Municipal Bonds                      |         | 1       |
| <b>Credit Quality Allocation<sup>4</sup></b> |         |         |
|  | 2/28/13 | 8/31/12 |
| AAA/Aaa <sup>5</sup>                         | 10%     | 12%     |
| AA/Aa  | 1       | 1       |
| A  | 6       | 6       |
| BBB/Baa                                      | 14      | 15      |
| BB/Ba  | 24      | 26      |
| B  | 29      | 30      |
| CCC/Caa                                      | 5       | 8       |

Not Rated

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

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

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### The Benefits and Risks of Leveraging

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

The Funds may utilize leverage through a credit facility or by entering into reverse repurchase agreements. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it borrows for an additional \$30 million, creating a total value of \$130 million available for investment in long-term securities. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays borrowing costs and interest expense on the \$30 million of borrowings based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from the borrowings earn income based on long-term interest rates. In this case, the borrowing costs and interest expense of the borrowings is significantly lower than the income earned on the Fund's long-term investments, and therefore the Fund's shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

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

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

Under the Investment Company Act of 1940, as amended (the 1940 Act ), the Funds are permitted to issue senior securities representing indebtedness up to 33 $\frac{1}{3}$ % of their total managed assets (each Fund's net assets plus the proceeds of any outstanding borrowings). If the Funds segregate liquid assets having a value not less than the repurchase price (including accrued interest), a reverse repurchase agreement will not be considered a senior security and therefore will not be subject to this limitation. In addition, each Fund voluntarily limits its aggregate economic leverage to 50% of its managed assets. As of February 28, 2013, the Funds had aggregate economic leverage from reverse repurchase agreements and/or borrowings through a credit facility as a percentage of their total managed assets as follows:

**Percent of  
Economic  
Leverage**

|     |     |
|-----|-----|
| BHL | 27% |
| FRA | 27% |
| BLW | 32% |

#### Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, foreign currency exchange contracts, options and swaps, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a market without owning or taking physical custody of securities or to hedge market, equity, credit, interest rate and/or foreign currency exchange rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds' ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements. Report of Independent Registered Public Accounting Firm

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

Schedule of Investments February 28, 2013 (Unaudited)

| <b>Asset-Backed Securities</b>  | <b>Par<br/>(000)</b> | <b>Value</b>     |
|---|----------------------|------------------|
| ACAS CLO Ltd., Series 2012-1A, Class D,<br>5.58%, 9/20/23 (a)(b)                                | USD 250              | \$ 251,250       |
| Anchorage Capital CLO Ltd., Series<br>2012-1A, Class B, 3.16%, 1/13/25 (a)(b)                   | 500                  | 479,450          |
| Atrium CDO Corp., Series 9A, Class D,<br>3.96%, 2/28/24 (a)(b)                                  | 250                  | 241,750          |
| Carlyle Global Market Strategies CLO Ltd.,<br>Series 2012-4A, Class D, 4.89%, 1/20/25<br>(a)(b) | 250                  | 250,375          |
| Fraser Sullivan CLO VII Ltd., Series<br>2012-7A, Class C, 4.30%, 4/20/23 (a)(b)                 | 215                  | 214,998          |
| Goldentree Loan Opportunities VI Ltd.,<br>Series 2012-6A, Class D, 4.50%, 4/17/22<br>(a)(b)     | 350                  | 348,005          |
| Highbridge Loan Management Ltd., Series<br>2012-1A, Class C, 5.71%, 9/20/22 (a)(b)              | 350                  | 352,100          |
| ING Investment Management, Series<br>2012-2A, Class D, 4.85%, 10/15/22 (a)(b)                   | 350                  | 350,875          |
| LCM XI LP, Series 11A, Class D2, 4.25%,<br>4/19/22 (a)(b)                                       | 375                  | 371,250          |
| Marea CLO Ltd., Series 2012-1A, Class D,<br>4.85%, 10/16/23 (a)(b)                              | 400                  | 402,000          |
| Octagon Investment Partners XIV Ltd.,<br>Series 2012-1A, Class C, 4.56%, 1/15/24<br>(a)(b)      | 250                  | 242,500          |
| OZLM Funding Ltd., Series 2013-3A, Class<br>C, 4.15%, 1/22/25 (a)(b)                            | 250                  | 244,425          |
| Race Point VI CLO Ltd., Series 2012-6A,<br>Class D, 4.79%, 5/24/23 (a)(b)                       | 250                  | 252,400          |
| Symphony CLO IX LP, Series 2012-9A,<br>Class D, 4.55%, 4/16/22 (a)(b)                           | 500                  | 496,850          |
| Symphony CLO X Ltd., Series 2012-10A,<br>Class D, 5.55%, 7/23/23 (a)(b)                         | 350                  | 354,375          |
| West CLO Ltd., Series 2012-1A, Class C,<br>5.05%, 10/30/23 (a)(b)                               | 250                  | 253,227          |
| <b>Total Asset-Backed Securities 3.9%</b>   |                      | <b>5,105,830</b> |

**Common Stocks (c)****Hotels, Restaurants & Leisure 0.3%**

BLB Worldwide Holdings, Inc.

21

453,254

**Software 0.2%**

HMH Holdings/EduMedia

14

247,582

**Total Common Stocks 0.5%**

700,836

**Corporate Bonds**

|  |     | <b>Par<br/>(000)</b> |                      |
|--|-----|----------------------|----------------------|
| <b>Airlines 0.2%</b>   |     |                      |                      |
| American Airlines Pass-Through Trust,<br>Series 2011-2, Class A, 8.63%, 4/15/23      | USD | 79                   | 82,130               |
| Continental Airlines Pass-Through Trust,<br>Series 2012-3, Class C, 6.13%, 4/29/18   |     | 155                  | 154,612              |
| Delta Air Lines Pass-Through Trust, Series<br>2009-1, Class B, 9.75%, 6/17/18        |     | 51                   | 57,035<br>293,777    |
| <b>Auto Components 0.3%</b>  |     |                      |                      |
| Icahn Enterprises LP, 8.00%, 1/15/18   |     | 340                  | 364,225              |
| <b>Building Products 0.1%</b>  |     |                      |                      |
| Momentive Performance Materials, Inc.,<br>8.88%, 10/15/20                            |     | 160                  | 164,200              |
| <b>Corporate Bonds</b>   |     |                      |                      |
| <b>Chemicals 0.1%</b>  |     |                      |                      |
| INEOS Finance Plc, 8.38%, 2/15/19 (a)  | USD | 110                  | \$ 120,450           |
| <b>Commercial Services &amp; Supplies 0.3%</b>                                       |     |                      |                      |
| ARAMARK Corp., 3.80%, 2/01/15 (b)  |     | 65                   | 65,098               |
| AWAS Aviation Capital Ltd., 7.00%, 10/17/16 (a)                                      |     | 304                  | 318,999<br>384,097   |
| <b>Communications Equipment 0.7%</b>   |     |                      |                      |
| Avaya, Inc., 7.00%, 4/01/19 (a)  |     | 206                  | 196,730              |
| Zayo Group LLC/Zayo Capital, Inc.:<br>8.13%, 1/01/20                                 |     | 380                  | 424,650              |
| 10.13%, 7/01/20  |     | 250                  | 293,125<br>914,505   |
| <b>Consumer Finance 0.3%</b>   |     |                      |                      |
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a)  |     | 325                  | 347,750              |
| <b>Diversified Financial Services 1.3%</b>   |     |                      |                      |
| Ally Financial, Inc., 2.62%, 12/01/14 (b)  |     | 440                  | 441,107              |
| Reynolds Group Issuer, Inc.:<br>7.13%, 4/15/19                                       |     | 120                  | 128,850              |
| 5.75%, 10/15/20  |     | 930                  | 960,225              |
| 6.88%, 2/15/21   |     | 185                  | 197,488<br>1,727,670 |
| <b>Diversified Telecommunication Services 0.2%</b>                                   |     |                      |                      |
| Lynx I Corp., 5.38%, 4/15/21 (a)   |     | 200                  | 205,000              |
| <b>Energy Equipment &amp; Services 0.3%</b>  |     |                      |                      |
| FTS International Services LLC/FTS International Bonds,<br>Inc., 8.13%, 11/15/18 (a) |     | 113                  | 116,955              |
| Tervita Corp., 8.00%, 11/15/18 (a)   |     | 232                  | 238,960<br>355,915   |
| <b>Health Care Providers &amp; Services 1.1%</b>                                     |     |                      |                      |
| CHS/Community Health Systems, Inc., 5.13%, 8/15/18                                   |     | 358                  | 376,347              |
| HCA, Inc., 6.50%, 2/15/20 (a)  |     | 375                  | 420,000              |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a)  |     | 190                  | 198,075              |
| Tenet Healthcare Corp.:<br>6.25%, 11/01/18   |     | 185                  | 204,888              |

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|   |       |                        |
|---|-------|------------------------|
| 4.50%, 4/01/21 (a)  | 264   | 260,370<br>1,459,680   |
| <b>Health Care Technology 0.8%</b>                                  |       |                        |
| IMS Health, Inc., 12.50%, 3/01/18 (a)                               | 850   | 1,024,250              |
| <b>Hotels, Restaurants &amp; Leisure 0.3%</b>                       |       |                        |
| Caesars Entertainment Operating Co., Inc., 9.00%, 2/15/20 (a)       | 67    | 66,163                 |
| Caesars Operating Escrow LLC, 9.00%, 2/15/20 (a)                    | 319   | 315,012<br>381,175     |
| <b>Household Durables 0.2%</b>                                      |       |                        |
| Beazer Homes USA, Inc., 6.63%, 4/15/18                              | 180   | 192,375                |
| United Rentals North America, Inc., 5.75%, 7/15/18                  | 80    | 86,100<br>278,475      |
| <b>Independent Power Producers &amp; Energy Traders 1.6%</b>        |       |                        |
| Calpine Corp., 7.25%, 10/15/17 (a)                                  | 220   | 234,025                |
| Energy Future Intermediate Holding Co. LLC:<br>10.00%, 12/01/20 (a) | 230   | 259,325                |
| 10.00%, 12/01/20  | 1,405 | 1,594,675<br>2,088,025 |

**Portfolio Abbreviations**

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:  
See Notes to Financial Statements.

**CAD** Canadian Dollar  
**DIP** Debtor-In-Possession  
**EBITDA** Earnings Before Interest, Taxes, Depreciation and Amortization

**EUR** Euro  
**GBP** British Pound  
**TBA** To Be Announced  
**USD** US Dollar

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

Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>   |     |                      |              |
| <b>IT Services 0.2%</b>  |     |                      |              |
| First Data Corp., 6.75%, 11/01/20 (a)                              | USD | 245                  | \$ 251,431   |
| <b>Media 0.8%</b>  |     |                      |              |
| AMC Networks, Inc., 7.75%, 7/15/21                                 |     | 105                  | 119,175      |
| Clear Channel Communications, Inc.,<br>9.00%, 12/15/19 (a)         |     | 195                  | 181,350      |
| Clear Channel Worldwide Holdings, Inc. (a):<br>6.50%, 11/15/22     |     | 192                  | 200,640      |
| 6.50%, 11/15/22  |     | 517                  | 544,142      |
|  |     |                      | 1,045,307    |
| <b>Oil, Gas &amp; Consumable Fuels 0.1%</b>                        |     |                      |              |
| EP Energy LLC/Everest Acquisition<br>Finance, Inc., 6.88%, 5/01/19 |     | 145                  | 158,050      |
| <b>Paper &amp; Forest Products 0.1%</b>                            |     |                      |              |
| Longview Fibre Paper & Packaging, Inc.,<br>8.00%, 6/01/16 (a)      |     | 155                  | 162,750      |
| <b>Real Estate Management &amp; Development<br/>0.1%</b>           |     |                      |              |
| Realogy Corp., 7.63%, 1/15/20 (a)                                  |     | 165                  | 186,038      |
| <b>Wireless Telecommunication Services<br/>0.8%</b>                |     |                      |              |
| Sprint Nextel Corp. (a):<br>9.00%, 11/15/18                        |     | 290                  | 359,600      |
| 7.00%, 3/01/20   |     | 550                  | 643,500      |
|  |     |                      | 1,003,100    |
| <b>Total Corporate Bonds 9.9%</b>                                  |     |                      | 12,915,870   |
| <hr/>  |     |                      |              |
| <b>Floating Rate Loan Interests (b)</b>                            |     |                      |              |
| <b>Aerospace &amp; Defense 1.4%</b>                                |     |                      |              |
| DigitalGlobe, Inc., Term Loan B, 3.75%,<br>1/24/20                 |     | 515                  | 517,092      |
| DynCorp International LLC, Term Loan B,<br>6.25%, 7/07/16          |     | 255                  | 256,748      |
| The SI Organization, Inc., Term Loan B,<br>4.50%, 11/22/16         |     | 414                  | 412,905      |
| Spirit Aerosystems, Inc., Term Loan B,<br>3.75%, 4/18/19           |     | 367                  | 368,756      |
| Transdigm, Inc., Term Loan C, 4.00%,<br>2/28/20                    |     | 225                  | 225,423      |
|  |     |                      | 1,780,924    |
| <b>Airlines 2.1%</b>   |     |                      |              |
| Delta Air Lines, Inc.:   |     |                      |              |
| Term Loan, 3.56%, 9/16/15  |     | 352                  | 328,867      |
| Term Loan B, 4.50%, 4/20/17  |     | 997                  | 1,005,870    |
| Northwest Airlines, Inc.:  |     |                      |              |

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|  |              |              |
|--|--------------|--------------|
| Term Loan, 2.32%, 3/10/17  | 134          | 124,754      |
| Term Loan, 2.32%, 3/10/17  | 242          | 225,302      |
| Term Loan, 1.70%, 9/10/18  | 110          | 98,208       |
| Term Loan, 1.70%, 9/10/18  | 109          | 97,315       |
| US Airways Group, Inc., Term Loan, 2.70%,<br>3/21/14                     | 815          | 812,669      |
|  |              | 2,692,985    |
| <b>Auto Components 3.6%</b>  |              |              |
| Autoparts Holdings Ltd., First Lien Term<br>Loan, 6.50%, 7/28/17         | 642          | 645,617      |
| Federal-Mogul Corp.:   |              |              |
| Term Loan B, 2.14%, 12/29/14   | 1,293        | 1,203,326    |
| Term Loan C, 2.14%, 12/28/15   | 542          | 504,073      |
| The Goodyear Tire & Rubber Co., Second<br>Lien Term Loan, 4.75%, 4/30/19 | 1,150        | 1,154,313    |
| Schaeffler AG, Term Loan B2, 6.00%,<br>1/27/17                           | 420          | 419,895      |
| Transtar Holding Co., First Lien Term Loan,<br>5.50%, 10/09/18           | 494          | 498,700      |
| UCI International, Inc., Term Loan B,<br>5.50%, 7/26/17                  | 343          | 343,751      |
|  |              | 4,769,675    |
| <b>Biotechnology 0.5%</b>  |              |              |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17                               | 634          | 636,869      |
|  | <b>Par</b>   | <b>Value</b> |
|  | <b>(000)</b> |              |
| <b>Floating Rate Loan Interests (b)</b>                                  |              |              |
| <b>Building Products 1.8%</b>  |              |              |
| Armstrong World Industries, Inc., Term Loan B, 4.00%,<br>3/09/18         | USD 760      | \$ 760,256   |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19                       | 818          | 824,085      |
| Wilsonart International Holdings LLC, Term Loan B, 5.50%,<br>10/31/19    | 800          | 808,400      |
|  |              | 2,392,741    |
| <b>Capital Markets 1.7%</b>  |              |              |
| American Capital Holdings, Inc., Term Loan, 5.50%,<br>8/22/16            | 603          | 609,030      |
| HarbourVest Partners LLC, Term Loan B, 4.75%, 11/21/17                   | 370          | 371,725      |
| Nuveen Investments, Inc.:  |              |              |
| Extended First Lien Term Loan,<br>5.70% 5.81%, 5/13/17                   | 391          | 395,604      |
| Extended Term Loan, 5.70% 5.81%, 5/12/17                                 | 637          | 645,901      |
| Incremental Term Loan, 7.25%, 5/13/17                                    | 115          | 115,575      |
| Second Lien Term Loan, 8.25%, 2/28/19                                    | 147          | 149,940      |
|  |              | 2,287,775    |
| <b>Chemicals 4.5%</b>  |              |              |
| American Rock Salt Holdings LLC, Term Loan, 5.50%,<br>4/25/17            | 604          | 598,353      |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16                         | 655          | 659,912      |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                          | 483          | 486,978      |
| General Chemical Corp., Term Loan, 5.00% 5.75%<br>10/06/15               | 356          | 357,102      |

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INEOS US Finance LLC:

|   |     |       |           |
|---|-----|-------|-----------|
| 3 Year Term Loan, 5.50%, 5/04/15                              |     | 89    | 90,978    |
| 6 Year Term Loan, 6.50%, 5/04/18                              |     | 365   | 372,053   |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17              |     | 590   | 587,971   |
| Tronox Pigments (Netherlands) BV, Term Loan B, 4.25%, 2/08/18 |     | 602   | 601,209   |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17                     |     | 412   | 410,129   |
| US Coatings Acquisition, Inc.:                                |     |       |           |
| Term Loan, 4.75%, 2/03/20                                     |     | 1,510 | 1,528,331 |
| Term Loan B, 5.25%, 2/03/20                                   | EUR | 145   | 191,232   |
|   |     |       | 5,884,248 |

**Commercial Banks 0.5%**

|   |     |     |         |
|---|-----|-----|---------|
| Everest Acquisition LLC, Term Loan B1, 5.00%, 5/24/18 | USD | 660 | 665,537 |
|---|-----|-----|---------|

**Commercial Services & Supplies 5.5%**

|  |  |       |           |
|--|--|-------|-----------|
| ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19                 |  | 605   | 609,885   |
| ADS Waste Holdings, Inc., Term Loan B, 5.25%, 10/09/19         |  | 1,305 | 1,306,227 |
| Altegrity, Inc.:   |  |       |           |
| Term Loan, 3.20%, 2/21/15                                      |  | 225   | 217,125   |
| Tranche D Term Loan, Tranche D Term Loan, 7.75%, 2/20/15       |  | 279   | 279,288   |
| ARAMARK Corp.:   |  |       |           |
| Extended Synthetic LC, 3.46%, 7/26/16                          |  | 9     | 9,420     |
| Extended Term Loan B, 3.45%, 7/26/16                           |  | 211   | 211,797   |
| Extended Term Loan C, 3.45% 3.56%, 7/26/16                     |  | 116   | 116,936   |
| Letter of Credit, 3.46%, 7/26/16                               |  | 14    | 13,929    |
| AWAS Finance Luxembourg 2012 SA, Term Loan, 4.75%, 7/16/18     |  | 309   | 314,013   |
| AWAS Finance Luxembourg Sarl, Term Loan B, 5.25%, 6/10/16      |  | 327   | 329,269   |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16              |  | 825   | 829,810   |
| Garda World Security Corp., Term Loan B, 4.50%, 11/13/19       |  | 165   | 166,131   |
| KAR Auction Services, Inc., Term Loan B, 5.00%, 5/19/17        |  | 1,182 | 1,193,820 |
| Progressive Waste Solutions Ltd., Term Loan B, 3.50%, 10/24/19 |  | 315   | 317,756   |
| Protection One, Inc., Term Loan, 5.75%, 3/21/19                |  | 561   | 565,669   |
| WEST Corp., Term Loan B8, 5.75%, 2/07/18                       |  | 690   | 692,015   |
|  |  |       | 7,173,090 |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b>           |
|--|-----|----------------------|------------------------|
| <b>Floating Rate Loan Interests (b)</b>                        |     |                      |                        |
| <b>Communications Equipment 4.0%</b>                           |     |                      |                        |
| Alcatel-Lucent:  |     |                      |                        |
| Term Loan B, 6.25%, 7/29/16                                    | USD | 440                  | \$ 444,598             |
| Term Loan C, 7.25%, 1/31/19                                    |     | 755                  | 763,305                |
| Term Loan D, 7.75%, 1/31/19                                    | EUR | 245                  | 320,704                |
| Arris Group, Inc., Term Loan B, 3.50%,<br>2/07/20              | USD | 175                  | 174,617                |
| Avaya, Inc.:   |     |                      |                        |
| Extended Term Loan B3, 4.79%, 10/26/17                         |     | 182                  | 169,600                |
| Term Loan B5, 8.00%, 3/30/18                                   |     | 121                  | 121,268                |
| CommScope, Inc., Term Loan, 4.25%,<br>1/12/18                  |     | 810                  | 813,413                |
| Riverbed Technology, Inc., Term Loan,<br>4.00%, 12/18/19       |     | 380                  | 384,275                |
| Zayo Group, LLC Refinancing, Term Loan B,<br>5.25%, 7/12/19    |     | 2,075                | 2,081,317<br>5,273,097 |
| <b>Construction &amp; Engineering 1.5%</b>                     |     |                      |                        |
| BakerCorp International, Inc., Term Loan B,<br>5.00%, 2/14/20  |     | 360                  | 360,486                |
| Centaur LLC:   |     |                      |                        |
| First Lien Term Loan, 8.75%, 2/15/19                           |     | 570                  | 570,359                |
| Second Lien Term Loan, 8.75%, 2/15/20                          |     | 280                  | 284,200                |
| Safway Services LLC, First Out Term Loan,<br>9.00%, 12/16/17   |     | 750                  | 750,000<br>1,965,045   |
| <b>Construction Materials 1.9%</b>                             |     |                      |                        |
| HD Supply, Inc., Senior Debt B, 4.50%,<br>10/12/17             |     | 2,537                | 2,544,124              |
| <b>Consumer Finance 0.8%</b>                                   |     |                      |                        |
| Springleaf Financial Funding Co., Term<br>Loan, 5.50%, 5/10/17 |     | 1,060                | 1,063,752              |
| <b>Containers &amp; Packaging 0.5%</b>                         |     |                      |                        |
| Berry Plastics Holding Corp., Term Loan C,<br>2.20%, 4/03/15   |     | 247                  | 247,223                |
| Sealed Air Corp., Term Loan, 4.00%,<br>10/03/18                |     | 379                  | 383,567<br>630,790     |
| <b>Distributors 0.4%</b>                                       |     |                      |                        |
| Crossmark Holdings, Inc., Term Loan,<br>4.50%, 1/31/20         |     | 235                  | 235,099                |
| VWR Funding, Inc., Extended Term Loan B,<br>4.54%, 4/03/17     |     | 280                  | 282,013<br>517,112     |
| <b>Diversified Consumer Services 2.9%</b>                      |     |                      |                        |
|  |     | 645                  | 648,225                |

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|  |              |              |
|--|--------------|--------------|
| Bright Horizons Family, Inc., Term Loan B,<br>4.00%, 1/16/20         |              |              |
| Coinmach Service Corp.:  |              |              |
| Delayed Draw Term Loan, 3.21%, 11/20/14                              | 241          | 235,188      |
| Term Loan B, 3.21%, 11/20/14   | 886          | 866,304      |
| Education Management LLC, Term Loan C3,<br>8.25%, 3/29/18            | 113          | 96,946       |
| Laureate Education, Inc., Extended Term<br>Loan, 5.25%, 6/18/18      | 692          | 695,924      |
| ServiceMaster Co., Term Loan, 2.70%,<br>4/01/17                      | 870          | 867,048      |
| Weight Watchers International, Inc., Term<br>Loan F, 4.00%, 3/15/19  | 350          | 351,441      |
|  |              | 3,761,076    |
| <b>Diversified Financial Services 1.9%</b>                           |              |              |
| Reynolds Group Holdings Inc., Dollar Term<br>Loan, 4.75%, 9/28/18    | 1,416        | 1,432,088    |
| Telesat LLC, Term Loan B, 4.25%, 3/28/19                             | 741          | 746,464      |
| WMG Acquisition Corp., Term Loan, 5.25%,<br>11/01/18                 | 370          | 374,162      |
|  |              | 2,552,714    |
| <b>Diversified Telecommunication Services<br/>4.9%</b>               |              |              |
| Consolidated Communications, Inc., Term<br>Loan B3, 5.25%, 12/31/18  | 880          | 888,527      |
|  | <b>Par</b>   |              |
|  | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                              |              |              |
| <b>Diversified Telecommunication Services (concluded)</b>            |              |              |
| Hawaiian Telcom Communications, Inc.,<br>Term Loan B, 7.00%, 2/28/17 | USD 529      | \$ 538,588   |
| Integra Telecom, Inc.:   |              |              |
| Second Lien Term Loan, 9.75%, 2/15/20                                | 245          | 250,513      |
| Term Loan, 9.25%, 2/15/19  | 465          | 470,115      |
| Level 3 Financing, Inc.:   |              |              |
| 2016 Term Loan B, 4.75%, 2/01/16                                     | 668          | 675,844      |
| 2019 Term Loan B, 5.25%, 8/01/19                                     | 650          | 656,636      |
| Term Loan, 4.75%, 8/01/19  | 1,735        | 1,748,880    |
| Syniverse Holdings, Inc., Delayed Draw<br>Term Loan, 4.00%, 4/23/19  | 460          | 459,425      |
| US Telepacific Corp., Term Loan B, 5.75%,<br>2/23/17                 | 738          | 736,072      |
|  |              | 6,424,600    |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b>       |              |              |
| CDW LLC, Extended Term Loan, 4.00%,<br>7/14/17                       | 503          | 503,994      |
| <b>Energy Equipment &amp; Services 2.2%</b>                          |              |              |
| Dynegy Midwest Generation LLC, Coal Co.<br>Term Loan, 9.25%, 8/04/16 | 542          | 559,344      |
| Dynegy Power LLC, Gas Co. Term Loan,<br>9.25%, 8/04/16               | 632          | 657,214      |
|  | 965          | 967,413      |

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|  |     |       |           |
|--|-----|-------|-----------|
| MEG Energy Corp., Term Loan, 3.75%,<br>3/20/20                           |     |       |           |
| Tervita Corp., Incremental Term Loan,<br>3.20%, 5/01/18                  |     | 450   | 452,322   |
| Unifrax I LLC/Unifrax Holding Co., Term<br>Loan, 4.25%, 11/28/18         |     | 220   | 221,454   |
|  |     |       | 2,857,747 |
| <b>Food &amp; Staples Retailing 2.2%</b>                                 |     |       |           |
| Alliance Boots Holdings Ltd., Term Loan B1,<br>3.49%, 7/09/15            | GBP | 900   | 1,337,192 |
| Pilot Travel Centers LLC, Term Loan B2,<br>4.25%, 8/07/19                | USD | 484   | 488,171   |
| Rite Aid Corp.:  |     |       |           |
| Second Lien Term Loan, 5.75%, 7/07/20                                    |     | 235   | 240,353   |
| Term Loan 6, 4.00%, 2/21/20  |     | 225   | 225,434   |
| Supervalu, Inc., Term Loan B, 6.25%,<br>2/05/18                          |     | 520   | 525,850   |
|  |     |       | 2,817,000 |
| <b>Food Products 2.2%</b>  |     |       |           |
| Advance Pierre Foods, Inc., Term Loan,<br>5.75%, 7/10/17                 |     | 545   | 551,643   |
| Del Monte Foods Co., Term Loan, 4.50%,<br>3/08/18                        |     | 888   | 890,600   |
| Michael Foods Group, Inc., Term Loan,<br>4.25%, 2/23/18                  |     | 170   | 171,447   |
| Pinnacle Foods Finance LLC:  |     |       |           |
| Extended Term Loan B, 3.70%, 10/03/16                                    |     | 39    | 39,647    |
| Term Loan E, 4.75%, 10/17/18   |     | 499   | 503,916   |
| Solvest Ltd. (Dole):   |     |       |           |
| Term Loan B-2, 5.00% 6.00%, 7/06/18                                      |     | 278   | 277,699   |
| Term Loan C-2, 5.00% 6.00%, 7/06/18                                      |     | 497   | 496,935   |
|  |     |       | 2,931,887 |
| <b>Health Care Equipment &amp; Supplies 4.6%</b>                         |     |       |           |
| Bausch & Lomb, Inc., Term Loan B, 5.25%,<br>5/17/19                      |     | 1,323 | 1,333,116 |
| Biomet, Inc., Extended Term Loan B, 3.95%<br>4.06%, 7/25/17              |     | 465   | 468,037   |
| BSN Medical Acquisition Holding GmbH,<br>Term Loan B, 5.00%, 8/28/19     |     | 385   | 386,540   |
| Capital Safety North America Holding, Inc.,<br>Term Loan, 4.50%, 1/21/19 |     | 352   | 352,338   |
| DJO Finance LLC:   |     |       |           |
| Extended Term Loan B2, 5.20%, 11/01/16                                   |     | 189   | 190,044   |
| Term Loan B3, 6.25%, 9/15/17   |     | 1,052 | 1,060,604 |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19                               |     | 1,118 | 1,129,784 |
| IASIS Healthcare LLC, Term Loan B2,<br>4.50%, 5/03/18                    |     | 96    | 96,807    |
| Immucor, Inc., Term Loan B1, 5.00%,<br>8/18/18                           |     | 815   | 813,700   |
| LHP Hospital Group, Inc., Term Loan,<br>9.00%, 7/03/18                   |     | 214   | 218,738   |

6,049,708

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |                      |              |
| <b>Health Care Providers &amp; Services 5.5%</b>  |     |                      |              |
| American Renal Holdings Co., Inc.:  |     |                      |              |
| First Lien Term Loan, 4.00%, 8/14/19  | USD | 660                  | \$ 658,350   |
| Second Lien Term Loan, 8.50%, 2/14/20   |     | 410                  | 408,975      |
| Ardent Medical Services, Inc., Term Loan,<br>6.75%, 7/02/18   |     | 265                  | 268,644      |
| CHG Buyer Corp., First Lien Term Loan,<br>5.00%, 11/22/19   |     | 459                  | 464,248      |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16  |     | 581                  | 586,854      |
| DaVita, Inc.:   |     |                      |              |
| Term Loan B, 4.50%, 10/20/16  |     | 1,006                | 1,012,918    |
| Term Loan B2, 4.00%, 11/01/19   |     | 630                  | 634,523      |
| Emergency Medical Services Corp., Term<br>Loan, 4.00%, 5/25/18  |     | 631                  | 631,973      |
| Genesis HealthCare Corp., Term Loan B,<br>10.00% 10.75%, 9/25/17                                      |     | 215                  | 210,223      |
| Harden Healthcare LLC:  |     |                      |              |
| Add on Term Loan A, 7.75%, 3/02/15  |     | 411                  | 402,796      |
| Term Loan A, 8.50%, 3/02/15   |     | 273                  | 270,586      |
| HCA, Inc., Extended Term Loan B3, 3.45%,<br>5/01/18   |     | 235                  | 236,074      |
| inVentiv Health, Inc.:  |     |                      |              |
| Combined Term Loan, 7.50%, 8/04/16  |     | 170                  | 167,084      |
| Incremental Term Loan B-3, 7.75%, 5/15/18   |     | 219                  | 215,289      |
| Medpace, Inc., Term Loan, 6.50% 7.25%,<br>6/16/17   |     | 507                  | 504,742      |
| US Renal Care, Inc., First Lien Term Loan,<br>6.25%, 7/02/19  |     | 512                  | 519,471      |
| Vanguard Health Holding Co. II LLC<br>(Vanguard Health Systems, Inc.), Term Loan<br>B, 5.00%, 1/29/16 |     | 59                   | 59,476       |
|   |     |                      | 7,252,226    |
| <b>Health Care Technology 1.5%</b>  |     |                      |              |
| IMS Health, Inc., Term Loan B, 3.75%,<br>8/25/17  |     | 752                  | 753,490      |
| Kinetic Concepts, Inc., Term Loan C1, 5.50%<br>6.50%, 5/04/18   |     | 921                  | 932,803      |
| MedAssets, Inc., Term Loan B, 4.00%,<br>12/13/19  |     | 285                  | 286,662      |
|   |     |                      | 1,972,955    |
| <b>Hotels, Restaurants &amp; Leisure 7.7%</b>   |     |                      |              |
| Alpha D2 Ltd., Extended Term Loan B2,<br>6.00%, 4/30/19   |     | 606                  | 613,101      |
| Boyd Gaming Corp., Incremental Term Loan,<br>6.00%, 12/17/15  |     | 375                  | 377,971      |
| Caesars Entertainment Operating Co., Inc.:  |     |                      |              |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Term Loan, 9.25%, 4/25/17   |     | 320          | 326,400      |
| Term Loan B1, 3.20%, 1/28/15                                      |     | 632          | 630,520      |
| Golden Living, Term Loan, 5.00%, 5/04/18                          |     | 366          | 350,674      |
| Harrah s Property Co., Mezzanine Term Loan, 3.69%, 2/13/14        |     | 1,333        | 1,226,084    |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19           |     | 775          | 783,912      |
| OSI Restaurant Partners LLC, Term Loan B, 4.75%, 10/24/19         |     | 580          | 587,313      |
| Sabre, Inc., Term Loan B, 5.25%, 2/01/19                          |     | 320          | 319,773      |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17 |     | 426          | 428,265      |
| Six Flags Theme Parks, Inc., Term Loan B, 4.00% 5.25%, 12/20/18   |     | 342          | 345,835      |
| Station Casinos, Inc.:  |     |              |              |
| 2011 Term Loan B2, 6.25%, 6/17/16                                 |     | 95           | 94,209       |
| Term Loan B, 5.50%, 9/27/19                                       |     | 793          | 797,636      |
| Term Loan B, 5.00%, 2/13/20                                       |     | 1,200        | 1,210,000    |
| Term Loan B1, 3.20%, 6/17/16                                      |     | 351          | 353,660      |
| Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15   |     | 484          | 486,965      |
| Wendy s International, Inc., Term Loan B, 4.75%, 5/15/19          |     | 1,082        | 1,091,346    |
|   |     |              | 10,023,664   |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                           |     |              |              |
| <b>Household Products 1.1%</b>                                    |     |              |              |
| Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19            | USD | 469          | \$ 471,231   |
| Spectrum Brands, Inc., Term Loan, 4.50%, 12/17/19                 |     | 955          | 966,536      |
|   |     |              | 1,437,767    |
| <b>Independent Power Producers &amp; Energy Traders 0.8%</b>      |     |              |              |
| The AES Corp., Term Loan, 4.25%, 6/01/18                          |     | 768          | 771,095      |
| Calpine Corp., Term Loan B1, 4.50%, 4/02/18                       |     | 214          | 215,171      |
|   |     |              | 986,266      |
| <b>Industrial Conglomerates 1.2%</b>                              |     |              |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                          |     | 1,496        | 1,513,545    |
| <b>Insurance 1.6%</b>   |     |              |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19            |     | 425          | 428,187      |
| Asurion LLC, Term Loan B1, 5.50%, 5/24/19                         |     | 305          | 305,891      |
| CNO Financial Group, Inc.:  |     |              |              |
| Term Loan B-1, 4.25%, 9/28/16                                     |     | 390          | 392,421      |
| Term Loan B-2, 5.00%, 9/20/18                                     |     | 536          | 541,495      |
| Cunningham Lindsey Group, Inc., Term Loan B, 5.00%, 12/10/19      |     | 370          | 374,625      |
|   |     |              | 2,042,619    |
| <b>Internet Software &amp; Services 0.4%</b>                      |     |              |              |
| Web.com Group, Inc., Term Loan B, 5.50%, 10/27/17                 |     | 521          | 525,454      |

**IT Services 5.9%**

|   |       |           |
|---|-------|-----------|
| CCC Information Services, Inc., Term Loan,<br>5.25%, 12/20/19 | 215   | 216,290   |
| Ceridian Corp., Extended Term Loan, 5.95%,<br>5/09/17         | 954   | 964,859   |
| First Data Corp.:   |       |           |
| 2018 Add-on Term Loan, 5.20%, 9/24/18                         | 595   | 594,732   |
| Extended 2018 Term Loan B, 4.20%, 3/23/18                     | 2,910 | 2,872,851 |
| Genpact International, Inc., Term Loan B,<br>4.25%, 8/30/19   | 808   | 816,055   |
| InfoGroup, Inc., Term Loan, 5.75%, 5/25/18                    | 272   | 246,696   |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17                   | 74    | 73,914    |
| SunGard Data Systems, Inc., Term Loan D,<br>4.50%, 1/31/20    | 590   | 594,425   |
| TransUnion LLC, Term Loan B, 5.50%,<br>2/12/18                | 1,259 | 1,266,628 |
|   |       | 7,646,450 |

**Leisure Equipment & Products 0.5%**

|   |     |         |
|---|-----|---------|
| Eastman Kodak Co., DIP Term Loan B,<br>8.50%, 7/19/13 | 192 | 192,013 |
| FGI Operating Co. LLC, Term Loan, 5.50%,<br>4/19/19   | 413 | 411,632 |
|   |     | 603,645 |

**Life Sciences Tools & Services 0.2%**

|   |     |         |
|---|-----|---------|
| Patheon, Inc., Term Loan, 7.25%, 12/06/18 | 274 | 277,399 |
|---|-----|---------|

**Machinery 2.7%**

|   |         |           |
|---|---------|-----------|
| Alliance Laundry Systems LLC:                                       |         |           |
| First Lien Term Loan, 5.50%, 12/07/18                               | 230     | 230,934   |
| Second Lien Term Loan, 9.50%, 12/10/19                              | 131     | 133,200   |
| Dematic S.A., Term Loan, 5.25%, 12/27/19                            | 570     | 573,739   |
| Intelligrated, Inc., First Lien Term Loan,<br>4.50% 6.75%, 7/30/18  | 399     | 399,000   |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18                          | 312     | 313,802   |
| Silver II US Holdings LLC, First Lien Term<br>Loan, 4.75%, 12/05/19 | 650     | 650,000   |
| Terex Corp. Term Loan B:  |         |           |
| 4.50%, 4/28/17  | 598     | 603,504   |
| 5.00%, 4/28/17  | EUR 59  | 77,573    |
| Wabash National Corp., Term Loan B,<br>6.00%, 5/02/19               | USD 516 | 519,316   |
|   |         | 3,501,068 |

See Notes to Financial Statements.

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

Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                      |     |                      |              |
| <b>Media 15.8%</b>   |     |                      |              |
| AMC Entertainment, Inc., Term Loan B3, 3.75%,<br>2/22/18                     | USD | 322                  | \$ 324,002   |
| BBHI Acquisition LLC, Term Loan B, 4.50%, 12/14/17                           |     | 626                  | 627,806      |
| Capsugel Holdings US, Inc., Term Loan B, 4.75%,<br>8/01/18                   |     | 541                  | 546,296      |
| Catalina Marketing Corp., Extended Term Loan B,<br>5.70%, 9/29/17            |     | 508                  | 508,623      |
| Cengage Learning Acquisitions, Inc.:   |     |                      |              |
| Non-Extended Term Loan, 2.71%, 7/03/14                                       |     | 227                  | 177,448      |
| Tranche 1 Incremental, 7.50%, 7/03/14  |     | 367                  | 292,047      |
| Charter Communications Operating LLC:  |     |                      |              |
| Extended Term Loan C, 3.46%, 9/06/16   |     | 538                  | 540,169      |
| Term Loan D, 4.00%, 5/15/19  |     | 313                  | 315,128      |
| Clarke American Corp., Term Facility B, 2.70%,<br>6/30/14                    |     | 89                   | 88,250       |
| Clear Channel Communications, Inc.:  |     |                      |              |
| Term Loan B, 3.85%, 1/29/16  |     | 1,472                | 1,258,645    |
| Term Loan C, 3.85%, 1/29/16  |     | 167                  | 141,178      |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%,<br>9/17/18                 |     | 609                  | 614,132      |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18                    |     | 358                  | 362,051      |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%,<br>7/14/17                    |     | 693                  | 701,235      |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                             |     | 515                  | 519,007      |
| Gray Television, Inc., Term Loan B, 4.75%, 10/15/19                          |     | 612                  | 617,981      |
| Houghton Mifflin Harcourt Publishing Co., DIP Term<br>Loan B, 7.25%, 6/01/18 |     | 432                  | 433,896      |
| Hubbard Broadcasting, Term Loan B, 4.50%, 4/28/17                            |     | 403                  | 406,430      |
| Intelsat Jackson Holdings SA, Term Loan B1, 4.50%,<br>4/02/18                |     | 2,357                | 2,379,334    |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18                          |     | 1,312                | 1,313,613    |
| Kabel Deutschland GmbH, Term Loan F1, 3.50%,<br>2/01/19                      |     | 770                  | 771,240      |
| Lavena Holding 4 GmbH (Prosiebensat.1 Media AG):                             |     |                      |              |
| Term Loan B, 2.62%, 3/06/15  | EUR | 460                  | 591,572      |
| Term Loan C, 3.00%, 3/04/16  |     | 460                  | 594,578      |
| Mediacom LLC, Term Loan E, 4.50%, 10/23/17                                   | USD | 488                  | 487,500      |
| NEP Supershooters LP:  |     |                      |              |
| First Lien Term Loan, 5.25%, 1/18/20   |     | 330                  | 330,927      |
| Second Lien Term Loan, 9.50%, 8/18/20  |     | 230                  | 235,750      |
| Term Loan, 4.75%, 1/18/20  |     | 330                  | 330,825      |
| Nielsen Finance LLC, Class B Term Loan, 3.95%,<br>5/02/16                    |     | 627                  | 628,702      |
|  |     | 295                  | 296,392      |



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|   |     |              |              |
|---|-----|--------------|--------------|
| Sinclair Television Group, Inc., Term Loan B, 4.00%,<br>10/28/16      |     |              |              |
| Univision Communications, Inc., Extended Term<br>Loan, 4.45%, 3/31/17 |     | 770          | 770,328      |
| UPC Broadband Holding BV, Term Loan U, 4.12%,<br>12/29/17             | EUR | 196          | 255,508      |
| UPC Financing Partnership, Term Loan T, 3.70%,<br>12/30/16            | USD | 80           | 80,186       |
| Virgin Media Investment Holdings:<br>Term Loan B, 4.50%, 2/15/20      | GBP | 650          | 982,227      |
| Term Loan B, 3.50%, 2/17/20   | USD | 935          | 929,418      |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18                          |     | 184          | 185,822      |
| Weather Channel, Term Loan B, 4.25%, 2/07/17                          |     | 406          | 409,055      |
| WideOpenWest Finance LLC, First Lien Term Loan,<br>6.25%, 7/17/18     |     | 517          | 523,479      |
|   |     |              | 20,570,780   |
| <b>Metals &amp; Mining 5.0%</b>                                       |     |              |              |
| Ameriforge Group, Inc.:   |     |              |              |
| First Lien Term Loan, 5.00%, 12/19/19                                 |     | 375          | 378,517      |
| Second Lien Term Loan, 8.75%, 12/18/20                                |     | 185          | 187,544      |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                               |     |              |              |
| <b>Metals &amp; Mining (concluded)</b>                                |     |              |              |
| Constellium Holdco BV, Term Loan B, 9.25%,<br>5/25/18                 | USD | 517          | \$ 527,748   |
| FMG America Finance, Inc., Term Loan, 5.25%,<br>10/18/17              |     | 1,865        | 1,887,672    |
| Metals USA, Inc., Term Loan, 6.25%, 11/15/19                          |     | 455          | 455,569      |
| Novelis, Inc., Term Loan, 4.00%, 3/10/17                              |     | 1,154        | 1,154,923    |
| SunCoke Energy, Inc., Term Loan B, 4.00%, 7/26/18                     |     | 137          | 136,844      |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18                      |     | 1,141        | 1,143,299    |
| Windsor Financing LLC, Term Loan B, 6.25%,<br>12/05/17                |     | 648          | 668,231      |
|   |     |              | 6,540,347    |
| <b>Multiline Retail 3.7%</b>  |     |              |              |
| 99¢ Only Stores, Term Loan, 5.25%, 1/11/19                            |     | 460          | 462,863      |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/28/20                      |     | 485          | 489,763      |
| BJ's Wholesale Club, Inc.:  |     |              |              |
| First Lien Term Loan, 5.75%, 9/13/19                                  |     | 414          | 414,223      |
| Second Lien Term Loan, 9.75%, 3/26/20                                 |     | 285          | 294,442      |
| Dollar General Corp., Tranche B-2 Term Loan,<br>2.95%, 7/07/14        |     | 316          | 315,982      |
| HEMA Holding BV, Second Lien Term Loan, 5.12%,<br>1/05/17             | EUR | 1,800        | 2,133,790    |
| The Neiman Marcus Group, Inc., Extended Term<br>Loan, 4.00%, 5/16/18  | USD | 690          | 689,773      |
|   |     |              | 4,800,836    |
| <b>Oil, Gas &amp; Consumable Fuels 4.0%</b>                           |     |              |              |
| Chesapeake Energy Corp., Unsecured Term Loan,<br>5.75%, 12/01/17      |     | 985          | 1,005,419    |
| Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18                        |     | 738          | 745,191      |

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|   |       |           |
|---|-------|-----------|
| Obsidian Natural Gas Trust, Term Loan, 7.00%,<br>11/02/15                 | 447   | 451,564   |
| Plains Exploration & Production, 7-Year Term Loan<br>B, 4.00%, 11/30/19   | 900   | 901,503   |
| Samson Investment Co., Second Lien Term Loan,<br>6.00%, 9/25/18           | 295   | 297,767   |
| Tesoro Corp., Term Loan B, 2.55%, 1/30/16                                 | 540   | 544,725   |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17                          | 1,299 | 1,305,056 |
|   |       | 5,251,225 |
| <b>Pharmaceuticals 4.8%</b>   |       |           |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                         | 1,109 | 1,111,559 |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19                           | 1,302 | 1,300,110 |
| Pharmaceutical Product Development, Inc., Term<br>Loan B, 4.25%, 12/05/18 | 1,392 | 1,399,405 |
| Quintiles Transnational Corp., Term Loan B, 4.50%,<br>6/08/18             | 577   | 581,341   |
| RPI Finance Trust, Incremental Tranche 2, 4.00%,<br>11/09/18              | 89    | 90,087    |
| Valeant Pharmaceuticals International, Inc. Tranche<br>B:                 |       |           |
| Series C, 3.50%, 12/11/19   | 615   | 617,306   |
| Series D, 3.50%, 2/13/19  | 665   | 668,251   |
| Warner Chilcott Corp.:  |       |           |
| Incremental Term Loan B-1, 4.25%, 3/15/18                                 | 102   | 102,647   |
| Term Loan B-1, 4.25%, 3/15/18   | 268   | 270,286   |
| Term Loan B-2, 4.25%, 3/15/18   | 83    | 83,562    |
|   |       | 6,224,554 |
| <b>Professional Services 1.7%</b>   |       |           |
| Booz Allen Hamilton, Inc., Term Loan B, 4.50%,<br>7/31/19                 | 643   | 649,017   |
| Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18                               | 787   | 796,828   |
| ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19                          | 225   | 227,184   |
| Truven Health Analytics, Inc., Term Loan B, 5.75%,<br>6/01/19             | 602   | 607,622   |
|   |       | 2,280,651 |
| <b>Real Estate Investment Trusts (REITs) 0.6%</b>                         |       |           |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17                          | 747   | 746,984   |
| See Notes to Financial Statements.  |       |           |

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

Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                  |     |                      |              |
| <b>Real Estate Management &amp; Development 1.5%</b>                     |     |                      |              |
| Realogy Corp.:   |     |                      |              |
| Extended Letter of Credit Loan, 4.46%,<br>10/10/16                       | USD | 88                   | \$ 87,748    |
| Extended Synthetic Letter of Credit,<br>3.23%, 10/10/13                  |     | 21                   | 21,046       |
| Extended Term Loan, 4.42%, 10/10/16                                      |     | 1,815                | 1,814,833    |
|  |     |                      | 1,923,627    |
| <b>Road &amp; Rail 0.4%</b>  |     |                      |              |
| Genesee & Wyoming, Inc., Term Loan A,<br>2.70%, 9/29/17                  |     | 259                  | 258,657      |
| Road Infrastructure Investment LLC, Term<br>Loan B, 6.25%, 3/30/18       |     | 233                  | 233,820      |
|  |     |                      | 492,477      |
| <b>Semiconductors &amp; Semiconductor Equipment 1.8%</b>                 |     |                      |              |
| Freescale Semiconductor, Inc.:   |     |                      |              |
| Extended Term Loan B, 4.45%, 12/01/16                                    |     | 629                  | 628,764      |
| Term Loan, 5.50%, 3/20/20  |     | 930                  | 926,280      |
| NXP BV:  |     |                      |              |
| Term Loan A-2, 5.50%, 3/03/17  |     | 390                  | 397,066      |
| Term Loan C, 4.75%, 1/11/20  |     | 435                  | 441,660      |
|  |     |                      | 2,393,770    |
| <b>Software 3.7%</b>   |     |                      |              |
| Blackboard, Inc., Term Loan B2, 6.25%,<br>10/04/18                       |     | 116                  | 116,595      |
| GCA Services Group, Inc.:  |     |                      |              |
| Second Lien Term Loan, 9.25%, 10/22/20                                   |     | 220                  | 217,800      |
| Term Loan B, 5.25%, 11/01/19   |     | 440                  | 440,000      |
| Infor US, Inc., Term Loan B2, 5.25%,<br>4/05/18                          |     | 1,776                | 1,795,321    |
| Kronos, Inc., Second Lien Term Loan,<br>9.75%, 4/30/20                   |     | 345                  | 358,800      |
| RP Crown Parent LLC, First Lien Term<br>Loan, 6.75%, 12/21/18            |     | 360                  | 365,177      |
| Sophia LP, Term Loan B, 6.25%, 7/19/18                                   |     | 630                  | 634,602      |
| SS&C Technologies, Inc.:   |     |                      |              |
| Term Loan B-1, 5.00%, 6/07/19  |     | 819                  | 826,333      |
| Term Loan B-2, 5.00%, 6/07/19  |     | 85                   | 85,483       |
|  |     |                      | 4,840,111    |
| <b>Specialty Retail 6.8%</b>   |     |                      |              |
| Academy Ltd., Term Loan, 4.75%, 8/03/18                                  |     | 792                  | 801,171      |
| Bass Pro Group LLC, Term Loan, 4.00%,<br>11/20/19                        |     | 620                  | 623,336      |
| Burlington Coat Factory Warehouse<br>Corp., Term Loan B1, 5.50%, 2/23/17 |     | 152                  | 153,605      |

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|  |     |              |    |              |
|--|-----|--------------|----|--------------|
| David's Bridal, Inc., Term Loan B, 5.00%,<br>10/11/19            |     | 920          |    | 929,430      |
| Equinox Fitness Clubs, First Lien Term<br>Loan, 5.50%, 11/16/19  |     | 455          |    | 459,550      |
| The Gymboree Corp., Initial Term Loan,<br>5.00%, 2/23/18         |     | 77           |    | 74,301       |
| Harbor Freight Tools USA, Inc., Term<br>Loan B, 5.50%, 11/14/17  |     | 458          |    | 462,277      |
| Jo-Ann Stores, Inc., Term Loan, 4.75%,<br>3/16/18                |     | 284          |    | 283,922      |
| Leslie's Poolmart, Inc., Term Loan B,<br>2.00% - 5.25%, 10/16/19 |     | 741          |    | 749,289      |
| Michaels Stores, Inc., Term Loan, 4.81%,<br>1/31/20              |     | 1,025        |    | 1,027,275    |
| Party City Holdings, Inc., Term Loan B,<br>5.75%, 7/26/19        |     | 1,370        |    | 1,368,972    |
| PETCO Animal Supplies, Inc., Term Loan,<br>4.00%, 11/24/17       |     | 980          |    | 987,640      |
|  |     | <b>Par</b>   |    |              |
|  |     | <b>(000)</b> |    | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                          |     |              |    |              |
| <b>Specialty Retail (concluded)</b>                              |     |              |    |              |
| Things Remembered, Inc., Term Loan B,<br>8.00%, 5/24/18          | USD | 314          | \$ | 309,499      |
| Toys 'R Us Delaware, Inc., Term Loan B3,<br>5.25%, 5/25/18       |     | 94           |    | 89,102       |
| The Yankee Candle Co., Inc., Term Loan<br>B, 5.25%, 4/02/19      |     | 518          |    | 520,992      |
|  |     |              |    | 8,840,361    |
| <b>Textiles, Apparel &amp; Luxury Goods 1.4%</b>                 |     |              |    |              |
| Ascend Performance Materials LLC, Term<br>Loan B, 6.75%, 4/10/18 |     | 918          |    | 927,243      |
| Phillips-Van Heusen Corp., Term Loan B,<br>3.25%, 12/19/19       |     | 390          |    | 393,128      |
| Wolverine Worldwide, Inc., Term Loan B,<br>4.00%, 7/31/19        |     | 496          |    | 499,515      |
|  |     |              |    | 1,819,886    |
| <b>Thriffs &amp; Mortgage Finance 0.6%</b>                       |     |              |    |              |
| Insight Global, Inc., First Lien Term Loan,<br>6.00%, 10/31/19   |     | 450          |    | 451,125      |
| Ocwen Financial Corp., Term Loan,<br>5.00%, 1/22/18              |     | 375          |    | 379,530      |
|  |     |              |    | 830,655      |
| <b>Trading Companies &amp; Distributors</b>                      |     |              |    |              |
| <b>0.4%</b>  |     |              |    |              |
| WESCO Distribution, Inc., Term Loan B,<br>4.50%, 12/12/19        |     | 510          |    | 514,677      |
| <b>Wireless Telecommunication Services</b>                       |     |              |    |              |
| <b>2.3%</b>  |     |              |    |              |
| Cricket Communications, Inc., Term Loan,<br>4.75%, 10/10/19      |     | 490          |    | 491,534      |
|  |     | 757          |    | 759,230      |

|   |       |             |
|---|-------|-------------|
| MetroPCS Wireless, Inc., Tranche B-2<br>Term Loan, 4.07%, 11/03/16  |       |             |
| Vodafone Americas Finance 2, Inc. (d):<br>Term Loan, 6.88%, 8/11/15 | 1,314 | 1,340,404   |
| Term Loan B, 6.25%, 7/11/16   | 413   | 423,844     |
|   |       | 3,015,012   |
| <b>Total Floating Rate Loan Interests</b>                           |       |             |
| <b>135.6%</b>   |       | 177,045,501 |

|  |               |             |
|--|---------------|-------------|
| <b>Warrants (e)</b>  | <b>Shares</b> |             |
| <b>Software 0.0%</b>   |               |             |
| HMH Holdings/EduMedia,<br>(Issued/Exercisable 3/09/10, 19 Shares<br>for 1 Warrant, Expires 6/22/19, Strike<br>Price \$42.27) | 1             |             |
| <b>Total Warrants 0.0%</b>   |               |             |
| <b>Total Long-Term Investments</b><br><b>(Cost \$192,279,003) 149.9%</b>   |               | 195,768,037 |

|   |           |                |
|---|-----------|----------------|
| <b>Short-Term Securities</b>  |           |                |
| BlackRock Liquidity Funds, TempFund,<br>Institutional Class, 0.10% (f)(g) | 4,275,893 | 4,275,893      |
| <b>Total Short-Term Securities (Cost</b><br><b>\$4,275,893) 3.3%</b>      |           | 4,275,893      |
| <b>Total Investments (Cost \$196,554,896) 153.2%</b>                      |           | 200,043,930    |
| <b>Liabilities in Excess of Other Assets</b><br><b>(53.2)%</b>            |           | (69,493,029)   |
| <b>Net Assets 100.0%</b>  |           | \$ 130,550,901 |

Notes to Schedule of Investments

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
  - (b) Variable rate security. Rate shown is as of report date.
  - (c) Non-income producing security.
- See Notes to Financial Statements.

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Schedule of Investments (continued)

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

- (d) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (e) 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 of the warrants, if any.
- (f) Investments in issuers considered to be an affiliate of the Fund during the six months ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| <b>Affiliate</b>   | <b>Shares Held at August 31, 2012</b> | <b>Net Activity</b> | <b>Shares Held at February 28, 2013</b> | <b>Income</b> |
|--|---------------------------------------|---------------------|---|---------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,326,441                             | 1,949,452           | 4,275,893                               | \$492         |

- (g) Represents the current yield as of report date. Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased |           | Currency Sold |           | Counterparty              | Settlement Date | Unrealized Appreciation |
|--------------------|-----------|---------------|-----------|---------------------------|-----------------|-------------------------|
| USD                | 103,386   | CAD           | 102,000   | Deutsche Bank AG          | 4/17/13         | \$ 4,580                |
| USD                | 1,297,555 | GBP           | 810,000   | Goldman Sachs Group, Inc. | 4/17/13         | 69,033                  |
| USD                | 240,481   | EUR           | 180,000   | BNP Paribas SA            | 4/23/13         | 5,396                   |
| USD                | 92,995    | EUR           | 70,000    | BNP Paribas SA            | 4/23/13         | 1,573                   |
| USD                | 118,401   | EUR           | 89,000    | BNP Paribas SA            | 4/23/13         | 2,165                   |
| USD                | 63,565    | EUR           | 47,000    | Citigroup Inc.            | 4/23/13         | 2,181                   |
| USD                | 3,605,745 | EUR           | 2,706,000 | Citigroup Inc.            | 4/23/13         | 71,629                  |
| <b>Total</b>       |           |               |           |                           |                 | <b>\$ 156,557</b>       |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer                                    | Receive Fixed Rate | Expiration Date | Notional Amount (USD) | Counterparty                    | Unrealized Appreciation (Depreciation) |
|---|--------------------|-----------------|-----------------------|---------------------------------|--|
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 12/20/15        | CC USD 34             | JPMorgan Chase & JPMorgan Chase | \$ 4,183                               |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 12/20/15        | CC USD 138            | JPMorgan Chase & JPMorgan Chase | 15,462                                 |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 12/20/15        | CC USD 124            | JPMorgan Chase & JPMorgan Chase | 20,889                                 |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 3/20/16         | CC USD 49             | Goldman Sachs Group, Inc.       | 3,847                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 3/20/16         | CC USD 49             | Goldman Sachs Group, Inc.       | 3,847                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 3/20/16         | CC USD 143            | Goldman Sachs Group, Inc.       | 9,236                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 6/20/16         | CC USD 190            | Goldman Sachs Group, Inc.       | 9,437                                  |
| Caesars Entertainment Operating Co., Inc. | 5.00%              | 3/20/17         | CC USD 89             | Goldman Sachs Group, Inc.       | (682)                                  |

Inc.

**Total**

\$66,219

<sup>1</sup>Using S&P's rating of the issuer.<sup>2</sup>The maximum potential amount the Fund may pay should a negative event take place as defined under the terms of agreement.

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund has the ability to access

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period.

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its semi-annual report.

See Notes to Financial Statements.

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

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

|                              | Level 1             | Level 2               | Level 3              | Total                 |
|------------------------------|---------------------|-----------------------|----------------------|-----------------------|
| <b>Assets:</b>               |                     |                       |                      |                       |
| Investments:                 |                     |                       |                      |                       |
| Long-Term Investments:       |                     |                       |                      |                       |
| Asset-Backed Securities      |                     |                       | \$ 5,105,830         | \$ 5,105,830          |
| Common Stocks                |                     | \$ 700,836            |                      | 700,836               |
| Corporate Bonds              |                     | 12,915,870            |                      | 12,915,870            |
| Floating Rate Loan Interests |                     | 163,277,715           | 13,767,786           | 177,045,501           |
| Short-Term Securities        | \$ 4,275,893        |                       |                      | 4,275,893             |
| Unfunded Commitments         |                     | 180                   |                      | 180                   |
| <b>Total</b>                 | <b>\$ 4,275,893</b> | <b>\$ 176,894,601</b> | <b>\$ 18,873,616</b> | <b>\$ 200,044,110</b> |

|   | Level 1 | Level 2           | Level 3 | Total             |
|---|---------|-------------------|---------|-------------------|
| <b>Derivative Financial Instruments<sup>1</sup></b> |         |                   |         |                   |
| <b>Assets:</b>                                      |         |                   |         |                   |
| Credit contracts                                    |         | \$ 66,901         |         | \$ 66,901         |
| Foreign currency exchange contracts                 |         | 156,557           |         | 156,557           |
| <b>Liabilities:</b>                                 |         |                   |         |                   |
| Credit contracts                                    |         | (682)             |         | (682)             |
| <b>Total</b>  |         | <b>\$ 222,776</b> |         | <b>\$ 222,776</b> |

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|                           | Level 1           | Level 2                | Level 3 | Total                  |
|---------------------------|-------------------|------------------------|---------|------------------------|
| <b>Assets:</b>            |                   |                        |         |                        |
| Foreign currency at value | \$ 141,316        |                        |         | \$ 141,316             |
| <b>Liabilities:</b>       |                   |                        |         |                        |
| Bank overdraft            |                   | \$ (313,625)           |         | (313,625)              |
| Loans payable             |                   | (48,000,000)           |         | (48,000,000)           |
| <b>Total</b>              | <b>\$ 141,316</b> | <b>\$ (48,313,625)</b> |         | <b>\$ (48,172,309)</b> |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2013.

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

|   | <b>Asset-Backed<br/>Securities</b> | <b>Floating Rate<br/>Loan Interests</b> | <b>Total</b>        |
|---|------------------------------------|---|---------------------|
| <b>Assets:</b>  |                                    |   |                     |
| Opening Balance, as of August 31, 2012                          | \$ 3,427,772                       | \$10,204,028                            | \$13,631,800        |
| Transfers into Level 3 <sup>2</sup>                             |                                    | 2,977,415                               | 2,977,415           |
| Transfers out of Level 3 <sup>3</sup>                           |                                    | (3,112,046)                             | (3,112,046)         |
| Accrued discounts/premiums                                      | 12,834                             | 13,111                                  | 25,945              |
| Net realized gain (loss)  | 69,456                             | 29,826                                  | 99,282              |
| Net change in unrealized appreciation/depreciation <sup>4</sup> | 352,013                            | 128,358                                 | 480,371             |
| Purchases   | 2,276,608                          | 5,633,808                               | 7,910,416           |
| Sales   | (1,032,853)                        | (2,106,714)                             | (3,139,567)         |
| <b>Closing Balance, as of February 28, 2013</b>                 | <b>\$ 5,105,830</b>                | <b>\$13,767,786</b>                     | <b>\$18,873,616</b> |

As of August 31, 2012, the Fund used observable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of the same investments.

<sup>2</sup> As a result, investments with a beginning of period value of \$3,112,046 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>3</sup> As of August 31, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$2,977,415 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of February 28, 2013 was \$503,059. See Notes to Financial Statements.

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## Schedule of Investments (concluded)

## BlackRock Defined Opportunity Credit Trust (BHL)

The following table summarizes the valuation techniques used and unobservable inputs developed by the BlackRock Global Valuation Methodologies Committee ( Global Valuation Committee ) to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$16,811,868.

|                              | Value              | Valuation Techniques             | Unobservable Inputs <sup>1</sup> | Range of Unobservable Inputs Utilized |
|------------------------------|--------------------|----------------------------------|----------------------------------|---------------------------------------|
| <b>Assets:</b>               |                    |                                  |                                  |                                       |
| Floating Rate Loan Interests | \$673,382          | Discounted Cash Flow             | Yield                            | 9.50%                                 |
|                              | 309,499            | Market Comparable Yield Analysis | Yield                            | 8.375%                                |
|                              | 1,078,867          | Cost <sup>2</sup>                | N/A                              |                                       |
| <b>Total</b>                 | <b>\$2,061,748</b> |                                  |                                  |                                       |

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

| Unobservable Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------|------------------------------------|------------------------------------|
|--------------------|------------------------------------|------------------------------------|

| Yield | Decrease | Increase |
|-------|----------|----------|
|-------|----------|----------|

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

See Notes to Financial Statements.

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Consolidated Schedule of Investments  
February 28, 2013 (Unaudited)

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

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Asset-Backed Securities</b>  |     |              |              |
| ACAS CLO Ltd., Series 2012-1A,<br>Class D, 5.58%, 9/20/23 (a)(b)                            | USD | 1,500        | \$ 1,507,500 |
| Anchorage Capital CLO Ltd., Series<br>2012-1A, Class B, 3.16%, 1/13/25<br>(a)(b)            |     | 1,750        | 1,678,075    |
| Apidos CDO, Series 2012-11A, Class<br>D, 4.74%, 1/17/23 (a)(b)                              |     | 675          | 676,013      |
| Atrium CDO Corp., Series 9A, Class<br>D, 3.96%, 2/28/24 (a)(b)                              |     | 750          | 725,250      |
| Carlyle Global Market Strategies<br>(a)(b):   |     |              |              |
| CLO Ltd., Series 2012-4A, Class D,<br>4.89%, 1/20/25  |     | 700          | 701,050      |
| Series 2013-1A, Class C, 4.29%,<br>2/14/25  |     | 250          | 250,000      |
| Cavalry CLO Ltd., Series 2A, Class<br>D, 4.38%, 1/17/24 (a)(b)(c)                           |     | 500          | 486,750      |
| Cent CLO LP, Series 2013-17A,<br>Class C, 3.79%, 1/30/25 (a)(b)                             |     | 500          | 466,050      |
| Fraser Sullivan CLO VII Ltd., Series<br>2012-7A, Class C, 4.30%, 4/20/23<br>(a)(b)          |     | 950          | 949,991      |
| Goldentree Loan Opportunities VI<br>Ltd., Series 2012-6A, Class D,<br>4.50%, 4/17/22 (a)(b) |     | 1,550        | 1,541,165    |
| Highbridge Loan Management Ltd.,<br>Series 2012-1A, Class C, 5.71%,<br>9/20/22 (a)(b)       |     | 1,500        | 1,509,000    |
| ING Investment Management (a)(b):   |     |              |              |
| Series 2012-2A, Class D, 4.85%,<br>10/15/22   |     | 1,550        | 1,553,875    |
| Series 2012-4A, Class C, 4.73%,<br>10/15/23   |     | 700          | 705,824      |
| LCM XI LP, Series 11A, Class D2,<br>4.25%, 4/19/22 (a)(b)                                   |     | 1,625        | 1,608,750    |
| Marea CLO Ltd., Series 2012-1A,<br>Class D, 4.85%, 10/16/23 (a)(b)                          |     | 1,650        | 1,658,250    |
| Octagon Investment Partners XIV<br>Ltd., Series 2012-1A, Class C,<br>4.56%, 1/15/24 (a)(b)  |     | 950          | 921,500      |
| OZLM Funding Ltd., Class C (a)(b):  |     |              |              |
| Series 2012-2A, 5.08%, 10/30/23   |     | 500          | 504,650      |
| Series 2013-3A, 4.15%, 1/22/25  |     | 500          | 488,850      |
| Race Point VI CLO Ltd., Series<br>2012-6A, Class D, 4.79%, 5/24/23                          |     | 1,075        | 1,085,320    |

|   |       |            |
|---|-------|------------|
| (a)(b)<br>Regatta Funding LP, Series 2013-2A,<br>Class C, 4.80%, 1/15/25 (a)(b) | 500   | 482,450    |
| Symphony CLO Ltd., Class D (a)(b):<br>Series 2012-9A, 4.55%, 4/16/22            | 1,625 | 1,614,762  |
| Series 2012-10A, 5.55%, 7/23/23   | 1,500 | 1,518,750  |
| West CLO Ltd., Series 2012-1A,<br>Class C, 5.05%, 10/30/23 (a)(b)               | 1,385 | 1,402,880  |
| <b>Total Asset-Backed Securities</b><br><b>4.2%</b>                             |       | 24,036,705 |

| <b>Common Stocks (d)</b>                                 | <b>Shares</b> |              |
|--|---------------|--------------|
| <b>Chemicals 0.0%</b>                                    |               |              |
| GEO Specialty Chemicals, Inc. (a)                        | 23,849        | 15,621       |
| <b>Diversified Financial Services</b><br><b>0.3%</b>     |               |              |
| Kcad Holdings I Ltd.                                     | 217,833,983   | 1,470,379    |
| <b>Electrical Equipment 0.0%</b>                         |               |              |
| Medis Technologies Ltd.                                  | 260,833       | 3            |
| <b>Metals &amp; Mining 0.0%</b>                          |               |              |
| Euramax International                                    | 468           | 97,006       |
| <b>Paper &amp; Forest Products 0.5%</b>                  |               |              |
| Ainsworth Lumber Co. Ltd. (a)                            | 318,000       | 1,005,266    |
| Ainsworth Lumber Co. Ltd.                                | 558,853       | 1,772,072    |
| Western Forest Products, Inc.                            | 84,448        | 102,361      |
|  |               | 2,879,699    |
| <b>Semiconductors &amp; Semiconductor Equipment 0.0%</b> |               |              |
| SunPower Corp.   | 1,860         | 21,836       |
| <b>Common Stocks</b>                                     | <b>Shares</b> | <b>Value</b> |
| <b>Software 0.2%</b>                                     |               |              |
| Bankruptcy Management Solutions, Inc.                    | 536           | \$ 6         |
| HMH Holdings/EduMedia                                    | 64,670        | 1,185,589    |
|  |               | 1,185,595    |
| <b>Total Common Stocks 1.0%</b>                          |               | 5,670,139    |

| <b>Corporate Bonds</b>   |     | <b>Par</b><br><b>(000)</b> |           |
|--|-----|----------------------------|-----------|
| <b>Airlines 0.2%</b>   |     |                            |           |
| American Airlines Pass-Through Trust,<br>Series 2011-2, Class A, 8.63%, 10/15/21   | USD | 335                        | 348,074   |
| Continental Airlines Pass-Through Trust,<br>Series 2012-3, Class C, 6.13%, 4/29/18 |     | 675                        | 673,313   |
| Delta Air Lines Pass-Through Trust, Series<br>2009-1, Class B, 9.75%, 12/17/16     |     | 206                        | 228,139   |
|  |     |                            | 1,249,526 |
| <b>Auto Components 0.4%</b>  |     |                            |           |
| Icahn Enterprises LP, 8.00%, 1/15/18   |     | 2,085                      | 2,233,556 |
| <b>Building Products 0.1%</b>  |     |                            |           |
| Momentive Performance Materials, Inc.,<br>8.88%, 10/15/20                          |     | 685                        | 702,981   |

**Capital Markets 0.0%**

|  |     |                   |
|--|-----|-------------------|
| E*Trade Financial Corp., 0.00%, 8/31/19<br>(a)(e)(f) | 129 | 134,885           |
| KKR Group Finance Co. LLC, 6.38%,<br>9/29/20 (a)     | 55  | 64,679<br>199,564 |

**Chemicals 0.5%**

|  |       |           |
|--|-------|-----------|
| GEO Specialty Chemicals, Inc., 7.50%,<br>3/31/15 | 1,559 | 2,666,040 |
|--|-------|-----------|

**Commercial Services & Supplies 0.3%**

|   |       |                     |
|---|-------|---------------------|
| ARAMARK Corp., 3.80%, 2/01/15 (b)                     | 275   | 275,415             |
| AWAS Aviation Capital Ltd., 7.00%,<br>10/17/16 (a)    | 1,231 | 1,292,962           |
| Brickman Group Holdings, Inc., 9.13%,<br>11/01/18 (a) | 52    | 55,900<br>1,624,277 |

**Communications Equipment 0.6%**

|  |       |                        |
|--|-------|------------------------|
| Avaya, Inc., 7.00%, 4/01/19 (a)                      | 787   | 751,585                |
| Zayo Group LLC/Zayo Capital, Inc.:<br>8.13%, 1/01/20 | 1,470 | 1,642,725              |
| 10.13%, 7/01/20                                      | 1,095 | 1,283,888<br>3,678,198 |

**Consumer Finance 0.3%**

|   |       |           |
|---|-------|-----------|
| Inmarsat Finance Plc, 7.38%, 12/01/17 (a) | 1,550 | 1,658,500 |
|---|-------|-----------|

**Containers & Packaging 0.1%**

|  |     |         |
|--|-----|---------|
| Ardagh Packaging Finance Plc, 4.88%,<br>11/15/22 (a) | 292 | 287,620 |
|--|-----|---------|

**Diversified Financial Services 1.4%**

|   |       |                        |
|---|-------|------------------------|
| Ally Financial, Inc.:<br>7.50%, 12/31/13        | 20    | 21,000                 |
| 2.49%, 12/01/14 (b)                             | 1,950 | 1,954,908              |
| 7.50%, 9/15/20                                  | 160   | 193,600                |
| 8.00%, 11/01/31                                 | 360   | 452,250                |
| Reynolds Group Issuer, Inc.:<br>5.75%, 10/15/20 | 4,075 | 4,207,437              |
| 6.88%, 2/15/21                                  | 1,305 | 1,393,088<br>8,222,283 |

**Diversified Telecommunication Services****0.1%**

|                                  |     |         |
|----------------------------------|-----|---------|
| Lynx I Corp., 5.38%, 4/15/21 (a) | 700 | 717,500 |
|----------------------------------|-----|---------|

**Energy Equipment & Services 0.3%**

|   |       |                        |
|---|-------|------------------------|
| FTS International Services LLC/FTS<br>International Bonds, Inc., 8.13%, 11/15/18<br>(a) | 498   | 515,430                |
| Tervita Corp., 8.00%, 11/15/18 (a)  | 1,015 | 1,045,450<br>1,560,880 |

**Health Care Equipment & Supplies 0.1%**

|                                    |     |         |
|------------------------------------|-----|---------|
| DJO Finance LLC, 7.75%, 4/15/18    | 305 | 303,475 |
| See Notes to Financial Statements. |     |         |



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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>   |     |                      |              |
| <b>Health Care Providers &amp; Services</b>                        |     |                      |              |
| <b>1.1%</b>  |     |                      |              |
| CHS/Community Health Systems, Inc.,<br>5.13%, 8/15/18              | USD | 1,566                | \$ 1,646,257 |
| HCA, Inc., 6.50%, 2/15/20  |     | 1,635                | 1,831,200    |
| inVentiv Health, Inc., 9.00%, 1/15/18<br>(a)                       |     | 820                  | 854,850      |
| Tenet Healthcare Corp.:<br>6.25%, 11/01/18                         |     | 195                  | 215,963      |
| 8.88%, 7/01/19   |     | 550                  | 621,500      |
| 4.50%, 4/01/21 (a)   |     | 1,155                | 1,139,119    |
|  |     |                      | 6,308,889    |
| <b>Health Care Technology 0.8%</b>                                 |     |                      |              |
| IMS Health, Inc., 12.50%, 3/01/18 (a)                              |     | 3,540                | 4,265,700    |
| <b>Hotels, Restaurants &amp; Leisure 0.7%</b>                      |     |                      |              |
| Caesars Operating Escrow LLC (a):<br>9.00%, 2/15/20                |     | 291                  | 287,363      |
| 9.00%, 2/15/20   |     | 1,386                | 1,368,675    |
| Little Traverse Bay Bands of Odawa<br>Indians, 9.00%, 8/31/20 (a)  |     | 948                  | 910,080      |
| Travelport LLC, 4.94%, 9/01/14 (b)                                 |     | 1,330                | 1,210,300    |
| Tropicana Entertainment LLC, 9.63%,<br>12/15/14 (d)(g)             |     | 120                  | 3,776,418    |
| <b>Household Durables 0.2%</b>                                     |     |                      |              |
| Beazer Homes USA, Inc., 6.63%,<br>4/15/18                          |     | 790                  | 844,312      |
| United Rentals North America, Inc.,<br>5.75%, 7/15/18              |     | 350                  | 376,688      |
|  |     |                      | 1,221,000    |
| <b>Independent Power Producers &amp; Energy Traders 1.7%</b>       |     |                      |              |
| Calpine Corp., 7.25%, 10/15/17 (a)                                 |     | 1,917                | 2,039,209    |
| Energy Future Intermediate Holding<br>Co. LLC:<br>10.00%, 12/01/20 |     | 5,790                | 6,571,650    |
| 10.00%, 12/01/20 (a)   |     | 1,115                | 1,257,162    |
|  |     |                      | 9,868,021    |
| <b>IT Services 0.2%</b>  |     |                      |              |
| First Data Corp., 6.75%, 11/01/20 (a)                              |     | 1,075                | 1,103,219    |
| <b>Media 1.1%</b>  |     |                      |              |
| AMC Networks, Inc., 7.75%, 7/15/21                                 |     | 455                  | 516,425      |
| Checkout Holding Corp., 11.47%,<br>11/15/15 (a)(f)                 |     | 860                  | 635,325      |
| Clear Channel Communications, Inc.,<br>9.00%, 12/15/19 (a)(c)      |     | 903                  | 839,790      |



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Clear Channel Worldwide Holdings, Inc.

|                                 |       |           |
|---------------------------------|-------|-----------|
| (a):                            |       |           |
| 6.50%, 11/15/22                 | 829   | 866,305   |
| 6.50%, 11/15/22                 | 2,240 | 2,357,600 |
| NAI Entertainment Holdings LLC, |       |           |
| 8.25%, 12/15/17 (a)             | 1,120 | 1,220,800 |
|                                 |       | 6,436,245 |

**Metals & Mining 0.0%**

|                                   |       |  |
|-----------------------------------|-------|--|
| RathGibson, Inc., 11.25%, 2/15/14 |       |  |
| (d)(g)                            | 1,390 |  |

**Oil, Gas & Consumable Fuels 0.1%**

|                                   |     |         |
|-----------------------------------|-----|---------|
| EP Energy LLC/Everest Acquisition |     |         |
| Finance, Inc., 6.88%, 5/01/19     | 635 | 692,150 |

**Paper & Forest Products 0.1%**

|                                   |     |         |
|-----------------------------------|-----|---------|
| Longview Fibre Paper & Packaging, |     |         |
| Inc., 8.00%, 6/01/16 (a)          | 685 | 719,250 |

**Real Estate Management &**

|                                   |     |         |
|-----------------------------------|-----|---------|
| <b>Development 0.2%</b>           |     |         |
| Realogy Corp., 7.63%, 1/15/20 (a) | 730 | 823,075 |

**Wireless Telecommunication**

**Services 1.3%**

|  |       |           |
|--|-------|-----------|
| Digicel Group Ltd., 8.25%, 9/01/17 (a) | 835   | 880,925   |
| iPCS, Inc., 2.42%, 5/01/13 (b)         | 2,000 | 1,998,000 |
| Sprint Nextel Corp. (a):               |       |           |
| 9.00%, 11/15/18                        | 1,530 | 1,897,200 |
| 7.00%, 3/01/20                         | 2,410 | 2,819,700 |
|  |       | 7,595,825 |

**Total Corporate Bonds 11.9%** 67,914,192

|  | Par<br>(000) | Value        |
|--|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                    |              |              |
| <b>Aerospace &amp; Defense 1.3%</b>                        |              |              |
| DigitalGlobe, Inc., Term Loan B, 3.75%, 1/24/20            | USD 2,240    | \$ 2,249,094 |
| DynCorp International LLC, Term Loan B, 6.25%,<br>7/07/16  | 1,174        | 1,179,832    |
| The SI Organization, Inc., Term Loan B, 4.50%,<br>11/22/16 | 1,703        | 1,697,755    |
| Spirit Aerosystems, Inc., Term Loan B, 3.75%,<br>4/18/19   | 1,588        | 1,594,622    |
| Transdigm, Inc., Term Loan C, 4.00%, 2/28/20               | 900          | 901,692      |
|  |              | 7,622,995    |
| <b>Airlines 2.0%</b>                                       |              |              |
| Delta Air Lines, Inc.:                                     |              |              |
| Term Loan, 3.56%, 9/16/15                                  | 1,524        | 1,425,089    |
| Term Loan B, 4.50%, 4/20/17                                | 4,152        | 4,187,969    |
| Northwest Airlines, Inc.:                                  |              |              |
| Term Loan, 2.32%, 3/10/17                                  | 586          | 545,566      |
| Term Loan, 2.32%, 3/10/17                                  | 1,063        | 989,653      |
| Term Loan, 1.70%, 9/10/18                                  | 483          | 431,222      |
| Term Loan, 1.70%, 9/10/18                                  | 478          | 426,758      |
| US Airways Group, Inc., Term Loan, 2.70%, 3/21/14          | 3,570        | 3,559,690    |

|  |       |            |
|--|-------|------------|
|  |       | 11,565,947 |
| <b>Auto Components 3.6%</b>  |       |            |
| Autoparts Holdings Ltd., First Lien Term Loan,<br>6.50%, 7/28/17         | 2,864 | 2,880,446  |
| Federal-Mogul Corp.:   |       |            |
| Term Loan B, 2.14%, 12/29/14   | 5,669 | 5,274,638  |
| Term Loan C, 2.14%, 12/28/15   | 2,351 | 2,185,492  |
| FleetPride Corp., First Lien Term Loan, 5.25%,<br>11/20/19               | 1,575 | 1,593,207  |
| The Goodyear Tire & Rubber Co., Second Lien Term<br>Loan, 4.75%, 4/30/19 | 5,015 | 5,033,806  |
| GPX International Tire Corp. (d)(g):                                     |       |            |
| Term Loan, 12.25%, 3/30/12   | 1,097 |            |
| Term Loan, 13.00%, 3/30/12 (h)   | 18    |            |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17                              | 225   | 224,944    |
| Transtar Holding Co., First Lien Term Loan, 5.50%,<br>10/09/18           | 2,145 | 2,166,071  |
| UCI International, Inc., Term Loan B, 5.50%, 7/26/17                     | 1,470 | 1,473,219  |
|  |       | 20,831,823 |
| <b>Biotechnology 0.5%</b>  |       |            |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17                               | 2,682 | 2,695,649  |
| <b>Building Products 1.9%</b>  |       |            |
| Armstrong World Industries, Inc., Term Loan B,<br>4.00%, 3/09/18         | 3,699 | 3,700,985  |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19                       | 3,601 | 3,627,982  |
| Wilsonart International Holdings LLC, Term Loan B,<br>5.50%, 10/31/19    | 3,455 | 3,491,278  |
|  |       | 10,820,245 |
| <b>Capital Markets 1.6%</b>  |       |            |
| American Capital Holdings, Inc., Term Loan, 5.50%,<br>8/22/16            | 2,639 | 2,665,390  |
| HarbourVest Partners LLC, Term Loan B, 4.75%,<br>11/21/17                | 1,609 | 1,617,243  |
| Nuveen Investments, Inc.:  |       |            |
| Extended First Lien Term Loan,<br>5.70% 5.81%, 5/13/17                   | 1,794 | 1,815,229  |
| Extended Term Loan, 5.70% 5.81%, 5/12/17                                 | 2,216 | 2,246,320  |
| Incremental Term Loan, 7.25%, 5/13/17                                    | 440   | 442,200    |
| Second Lien Term Loan, 8.25%, 2/28/19                                    | 588   | 599,760    |
|  |       | 9,386,142  |
| <b>Chemicals 5.6%</b>  |       |            |
| ADS Waste Holdings, Inc., Term Loan B, 5.25%,<br>10/09/19                | 5,720 | 5,725,377  |
| American Rock Salt Holdings LLC, Term Loan,<br>5.50%, 4/25/17            | 2,510 | 2,485,636  |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16                         | 2,555 | 2,574,163  |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                          | 2,091 | 2,108,557  |
| See Notes to Financial Statements.                                       |       |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|   |     | Par<br>(000) | Value        |
|---|-----|--------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                       |     |              |              |
| <b>Chemicals (concluded)</b>  |     |              |              |
| General Chemical Corp., Term Loan,<br>5.00% 5.75%, 10/06/15                   | USD | 1,500        | \$ 1,506,031 |
| INEOS US Finance LLC:   |     |              |              |
| 3 Year Term Loan, 5.50%, 5/04/15  |     | 387          | 394,236      |
| 6 Year Term Loan, 6.50%, 5/04/18  |     | 1,624        | 1,657,466    |
| MacDermid, Inc., Tranche C Term Loan,<br>2.31%, 4/11/14                       | EUR | 929          | 1,211,132    |
| Nexeo Solutions LLC, Term Loan B, 5.00%,<br>9/08/17                           | USD | 2,492        | 2,484,230    |
| Tronox Pigments (Netherlands) BV, Delayed<br>Draw Term Loan B, 4.25%, 2/08/18 |     | 2,602        | 2,599,985    |
| Univar, Inc., Term Loan B, 5.00%, 6/30/17                                     |     | 1,805        | 1,796,892    |
| US Coatings Acquisition, Inc.:  |     |              |              |
| Term Loan, 4.75%, 2/03/20   |     | 6,580        | 6,659,881    |
| Term Loan B, 5.25%, 2/03/20   | EUR | 645          | 850,652      |
|   |     |              | 32,054,238   |
| <b>Commercial Banks 0.5%</b>  |     |              |              |
| Everest Acquisition LLC, Term Loan B1,<br>5.00%, 5/24/18                      | USD | 2,880        | 2,904,163    |
| <b>Commercial Services &amp; Supplies 4.5%</b>                                |     |              |              |
| ACCO Brands Corp., Term Loan B, 4.25%,<br>4/30/19                             |     | 2,654        | 2,673,564    |
| Altegrity, Inc.:  |     |              |              |
| Term Loan, 3.20%, 2/21/15   |     | 1,055        | 1,018,075    |
| Tranche D Term Loan, 7.75%, 2/20/15   |     | 1,351        | 1,350,581    |
| ARAMARK Corp.:  |     |              |              |
| Extended Synthetic LC, 3.46%, 7/26/16   |     | 32           | 32,367       |
| Extended Term Loan B, 3.45%, 7/26/16  |     | 701          | 705,074      |
| Extended Term Loan C, 3.45% 3.56%,<br>7/26/16                                 |     | 400          | 401,802      |
| Letter of Credit, 3.46%, 7/26/16  |     | 46           | 46,369       |
| AWAS Finance Luxembourg Sarl:   |     |              |              |
| Term Loan, 4.75%, 7/16/18   |     | 1,279        | 1,300,913    |
| Term Loan B, 5.25%, 6/10/16   |     | 1,543        | 1,555,059    |
| Delos Aircraft, Inc., Term Loan 2, 4.75%,<br>4/12/16                          |     | 3,800        | 3,822,154    |
| Garda World Security Corp., Term Loan B,<br>4.50%, 11/13/19                   |     | 708          | 714,868      |
| KAR Auction Services, Inc., Term Loan B,<br>5.00%, 5/19/17                    |     | 5,122        | 5,173,220    |
| Progressive Waste Solutions Ltd., Term Loan<br>B, 3.50%, 10/24/19             |     | 1,350        | 1,361,812    |
| Protection One, Inc., Term Loan, 5.75%,<br>3/21/19                            |     | 2,442        | 2,462,915    |

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|  |     |              |               |
|--|-----|--------------|---------------|
| WEST Corp., Term Loan B6, 5.75%, 6/29/18                       |     | 3,005        | 3,013,775     |
|  |     |              | 25,632,548    |
| <b>Communications Equipment 3.9%</b>                           |     |              |               |
| Alcatel-Lucent:  |     |              |               |
| Term Loan B, 6.25%, 7/29/16                                    |     | 1,910        | 1,929,959     |
| Term Loan C, 7.25%, 1/31/19                                    |     | 3,285        | 3,321,135     |
| Term Loan D, 7.75%, 1/31/19                                    | EUR | 1,055        | 1,380,991     |
| Arris Group, Inc., Term Loan B, 3.50%,<br>2/07/20              | USD | 770          | 768,314       |
| Avaya, Inc.:   |     |              |               |
| Extended Term Loan B3, 4.79%, 10/26/17                         |     | 788          | 733,363       |
| Term Loan B5, 8.00%, 3/30/18                                   |     | 523          | 525,763       |
| CommScope, Inc., Term Loan, 4.25%,<br>1/12/18                  |     | 3,092        | 3,105,087     |
| Riverbed Technology, Inc., Term Loan,<br>4.00%, 12/18/19       |     | 1,730        | 1,749,463     |
| Telesat Canada, Term Loan A, 4.40%,<br>3/24/17                 | CAD | 2,500        | 2,381,818     |
| Zayo Group, LLC, Term Loan B, 5.25%,<br>7/12/19                | USD | 6,259        | 6,279,818     |
|  |     |              | 22,175,711    |
| <b>Construction &amp; Engineering 1.5%</b>                     |     |              |               |
| BakerCorp International, Inc., Term Loan,<br>5.00%, 2/14/20    |     | 1,704        | 1,708,310     |
| Centaur LLC:   |     |              |               |
| First Lien Term Loan, 8.75%, 2/15/19                           |     | 2,500        | 2,501,575     |
| Second Lien Term Loan, 8.75%, 2/15/20                          |     | 1,230        | 1,248,450     |
| Safway Services LLC, First Out Term Loan,<br>9.00%, 12/16/17   |     | 3,400        | 3,400,000     |
|  |     |              | 8,858,335     |
|  |     | <b>Par</b>   | <b>Value</b>  |
|  |     | <b>(000)</b> |               |
| <b>Floating Rate Loan Interests (b)</b>                        |     |              |               |
| <b>Construction Materials 2.0%</b>                             |     |              |               |
| HD Supply, Inc., Senior Debt B, 4.50%,<br>10/12/17             | USD | 11,130       | \$ 11,159,228 |
| <b>Consumer Finance 0.8%</b>                                   |     |              |               |
| Springleaf Financial Funding Co., Term Loan,<br>5.50%, 5/10/17 |     | 4,630        | 4,646,390     |
| <b>Containers &amp; Packaging 0.3%</b>                         |     |              |               |
| Sealed Air Corp., Term Loan, 4.00%,<br>10/03/18                |     | 1,660        | 1,678,729     |
| <b>Distributors 0.4%</b>                                       |     |              |               |
| Crossmark Holdings, Inc., Term Loan, 4.50%,<br>1/31/20         |     | 1,030        | 1,030,432     |
| VWR Funding, Inc., Extended Term Loan B,<br>4.54%, 4/03/17     |     | 1,210        | 1,218,700     |
|  |     |              | 2,249,132     |
| <b>Diversified Consumer Services 2.9%</b>                      |     |              |               |
| Bright Horizons Family, Inc., Term Loan B,<br>4.00%, 1/16/20   |     | 2,825        | 2,839,125     |
|  |     | 4,964        | 4,852,144     |

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|  |       |            |
|--|-------|------------|
| Coinmach Service Corp., Term Loan B,<br>3.21%, 11/20/14              |       |            |
| Education Management LLC, Term Loan C3,<br>8.25%, 3/29/18            | 475   | 408,601    |
| Laureate Education, Inc., Extended Term<br>Loan, 5.25%, 6/18/18      | 3,008 | 3,024,102  |
| ServiceMaster Co., Term Loan, 2.70%,<br>4/01/17                      | 3,810 | 3,797,073  |
| Weight Watchers International, Inc., Term<br>Loan F, 4.00%, 3/15/19  | 1,514 | 1,519,447  |
|  |       | 16,440,492 |
| <b>Diversified Financial Services 1.5%</b>                           |       |            |
| Reynolds Group Holdings Inc., Dollar Term<br>Loan, 4.75%, 9/28/18    | 6,189 | 6,257,819  |
| Telesat LLC, Term Loan B, 4.25%, 3/28/19                             | 781   | 786,543    |
| WMG Acquisition Corp., Term Loan, 5.25%,<br>11/01/18                 | 1,600 | 1,618,000  |
|  |       | 8,662,362  |
| <b>Diversified Telecommunication Services<br/>4.9%</b>               |       |            |
| Consolidated Communications, Inc., Term<br>Loan B3, 5.25%, 12/31/18  | 3,920 | 3,957,985  |
| Hawaiian Telcom Communications, Inc.,<br>Term Loan B, 7.00%, 2/28/17 | 2,758 | 2,809,802  |
| Integra Telecom, Inc.:   |       |            |
| Second Lien Term Loan, 9.75%, 2/15/20                                | 1,070 | 1,094,075  |
| Term Loan, 9.25%, 2/15/19  | 2,040 | 2,062,440  |
| Level 3 Financing, Inc.:   |       |            |
| 2016 Term Loan B, 4.75%, 2/01/16                                     | 2,524 | 2,552,066  |
| 2019 Term Loan B, 5.25%, 8/01/19                                     | 2,710 | 2,737,669  |
| Term Loan, 4.75%, 8/01/19  | 7,830 | 7,892,640  |
| Syniverse Holdings, Inc., Delayed Draw Term<br>Loan, 4.00%, 4/23/19  | 2,000 | 1,997,500  |
| US Telepacific Corp., Term Loan B, 5.75%,<br>2/23/17                 | 3,101 | 3,091,504  |
|  |       | 28,195,681 |
| <b>Electronic Equipment, Instruments &amp; Components 0.4%</b>       |       |            |
| CDW LLC, Extended Term Loan, 4.00%,<br>7/14/17                       | 2,190 | 2,193,745  |
| Flextronics International Ltd., Delay Draw:                          |       |            |
| Term Loan A-2, 2.45%, 10/01/14                                       | 13    | 13,390     |
| Term Loan A-3, 2.45%, 10/01/14                                       | 11    | 11,478     |
|  |       | 2,218,613  |
| <b>Energy Equipment &amp; Services 2.2%</b>                          |       |            |
| Dynegy Midwest Generation LLC, Coal Co.<br>Term Loan, 9.25%, 8/04/16 | 2,174 | 2,243,571  |
| Dynegy Power LLC, Gas Co. Term Loan,<br>9.25%, 8/04/16               | 2,873 | 2,987,911  |
| MEG Energy Corp., Term Loan B, 3.75%,<br>3/31/20                     | 4,172 | 4,182,868  |
| Tervita Corp., Term Loan, 6.50%, 5/01/18                             | 1,980 | 1,990,217  |

|   |     |            |
|---|-----|------------|
| Unifrax Corp., Term Loan, 4.25%, 11/28/18 | 965 | 971,379    |
|   |     | 12,375,946 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                   |     |                      |              |
| <b>Food &amp; Staples Retailing 2.0%</b>                                  |     |                      |              |
| Alliance Boots Holdings Ltd., Term Loan B1,<br>3.49%, 7/09/15             | GBP | 3,250                | \$ 4,828,748 |
| Pilot Travel Centers LLC, Term Loan B2,<br>4.25%, 8/07/19                 | USD | 2,115                | 2,133,859    |
| Rite Aid Corp.:   |     |                      |              |
| Second Lien Term Loan, 5.75%, 7/07/20                                     |     | 1,040                | 1,063,691    |
| Term Loan 6, 4.00%, 2/21/20   |     | 875                  | 876,689      |
| Supervalu, Inc., Term Loan B, 6.25%, 2/05/18                              |     | 2,270                | 2,295,537    |
|   |     |                      | 11,198,524   |
| <b>Food Products 2.2%</b>   |     |                      |              |
| AdvancePierre Foods, Inc., Term Loan,<br>5.75%, 7/10/17                   |     | 2,360                | 2,388,768    |
| Del Monte Foods Co., Term Loan, 4.50%,<br>3/08/18                         |     | 3,745                | 3,758,336    |
| Michael Foods Group, Inc., Term Loan,<br>4.25%, 2/23/18                   |     | 653                  | 658,559      |
| Pinnacle Foods Finance LLC:   |     |                      |              |
| Extended Term Loan B, 3.70%, 10/03/16                                     |     | 182                  | 183,367      |
| Term Loan E, 4.75%, 10/17/18  |     | 2,267                | 2,288,014    |
| Solvest Ltd. (Dole):  |     |                      |              |
| Term Loan B-2, 5.03%, 7/06/18   |     | 1,110                | 1,110,738    |
| Term Loan C-2, 5.00% 6.00%, 7/06/18                                       |     | 1,986                | 1,987,640    |
|   |     |                      | 12,375,422   |
| <b>Health Care Equipment &amp; Supplies 4.6%</b>                          |     |                      |              |
| Bausch & Lomb, Inc., Term Loan B, 5.25%,<br>5/17/19                       |     | 5,786                | 5,828,625    |
| Biomet, Inc., Extended Term Loan B,<br>3.95% 4.06%, 7/25/17               |     | 1,914                | 1,927,587    |
| BSN Medical Acquisition Holding GmbH, Term<br>Loan B1A, 5.00%, 8/28/19    |     | 1,680                | 1,686,720    |
| Capital Safety North America Holdings, Inc.,<br>Term Loan, 4.50%, 1/21/19 |     | 1,553                | 1,553,263    |
| DJO Finance LLC:  |     |                      |              |
| Extended Term Loan B2, 5.20%, 11/01/16                                    |     | 854                  | 859,722      |
| Term Loan B3, 6.25%, 9/15/17  |     | 4,570                | 4,607,623    |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19                                |     | 4,867                | 4,920,770    |
| IASIS Healthcare LLC, Term Loan B2, 4.50%,<br>5/03/18                     |     | 438                  | 440,172      |
| Immucor, Inc., Term Loan B1, 5.75%, 8/18/18                               |     | 3,590                | 3,585,212    |
| LHP Hospital Group, Inc., Term Loan, 9.00%,<br>7/03/18                    |     | 930                  | 951,257      |
|   |     |                      | 26,360,951   |
| <b>Health Care Providers &amp; Services 5.6%</b>                          |     |                      |              |
| American Renal Holdings Co., Inc.:  |     |                      |              |

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|   |     |              |              |
|---|-----|--------------|--------------|
| First Lien Term Loan, 4.50%, 8/14/19  |     | 2,890        | 2,882,775    |
| Second Lien Term Loan, 8.50%, 2/14/20   |     | 1,795        | 1,790,513    |
| Ardent Medical Services, Inc., Term Loan, 6.75%, 7/02/18  |     | 1,160        | 1,175,950    |
| CHG Buyer Corp., First Lien Term Loan, 5.00%, 11/22/19  |     | 1,974        | 1,996,766    |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16  |     | 2,517        | 2,543,033    |
| DaVita, Inc.:   |     |              |              |
| Term Loan B, 4.50%, 10/20/16  |     | 3,871        | 3,899,137    |
| Term Loan B2, 4.00%, 11/01/19   |     | 2,745        | 2,764,709    |
| Emergency Medical Services Corp., Term Loan, 4.00%, 5/25/18                                     |     | 2,758        | 2,761,843    |
| Genesis HealthCare Corp., Term Loan B, 10.00% 10.75%, 10/25/17                                  |     | 949          | 929,763      |
| Harden Healthcare LLC:  |     |              |              |
| Add on Term Loan A, 7.75%, 3/02/15  |     | 1,807        | 1,768,944    |
| Term Loan A, 8.50%, 3/02/15   |     | 1,092        | 1,082,345    |
| HCA, Inc.:  |     |              |              |
| Extended Term Loan B3, 3.45%, 5/01/18   |     | 1,139        | 1,143,764    |
| Tranche B-2 Term Loan, 3.56%, 3/31/17   |     | 827          | 830,390      |
| inVentiv Health, Inc.:  |     |              |              |
| Combined Term Loan, 7.50%, 8/04/16  |     | 708          | 696,527      |
| Incremental Term Loan B-3, 7.75%, 5/15/18   |     | 1,105        | 1,086,460    |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>   |     |              |              |
| <b>Health Care Providers &amp; Services (concluded)</b>   |     |              |              |
| Medpace, Inc., Term Loan, 6.50% 7.25%, 6/16/17  | USD | 2,306        | \$ 2,294,282 |
| US Renal Care, Inc., First Lien Term Loan, 6.25%, 7/02/19                                       |     | 2,244        | 2,274,576    |
| Vanguard Health Holding Co. II LLC (Vanguard Health Systems, Inc.), Term Loan B, 5.00%, 1/29/16 |     | 267          | 267,642      |
|   |     |              | 32,189,419   |
| <b>Health Care Technology 1.5%</b>  |     |              |              |
| IMS Health, Inc., Tranche B Term Loan, 3.75%, 8/25/17   |     | 3,235        | 3,242,612    |
| Kinetic Concepts, Inc., Term Loan C1, 5.50%, 5/04/18  |     | 3,988        | 4,036,726    |
| MedAssets, Inc., Term Loan B, 4.00%, 12/13/19   |     | 1,245        | 1,252,259    |
|   |     |              | 8,531,597    |
| <b>Hotels, Restaurants &amp; Leisure 7.6%</b>   |     |              |              |
| Alpha D2 Ltd., Extended Term Loan B2, 6.00%, 4/30/19  |     | 2,809        | 2,844,400    |
| Boyd Gaming Corp., Incremental Term Loan, 6.00%, 12/17/15                                       |     | 1,648        | 1,660,200    |
| Caesars Entertainment Operating Co., Inc.:  |     |              |              |
| Term Loan, 9.25%, 4/25/17   |     | 1,389        | 1,416,780    |
| Term Loan B1, 3.20%, 1/28/15  |     | 2,592        | 2,583,711    |



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|   |       |            |
|---|-------|------------|
| Golden Living, Term Loan, 5.00%, 5/04/18                          | 1,638 | 1,569,269  |
| Harrah's Property Co., Mezzanine Term Loan, 3.69%, 2/13/14        | 6,305 | 5,800,600  |
| MGM Resorts International, Term Loan B, 4.25%, 12/20/19           | 3,370 | 3,408,755  |
| OSI Restaurant Partners, LLC, Term Loan B, 4.75%, 10/24/19        | 2,525 | 2,556,538  |
| Sabre, Inc., Term Loan B, 5.25%, 2/01/19                          | 1,410 | 1,408,999  |
| SeaWorld Parks & Entertainment, Inc., Term Loan B, 4.00%, 8/17/17 | 1,867 | 1,874,349  |
| Six Flags Theme Parks, Inc., Term Loan B, 4.00% 5.25%, 12/20/18   | 1,317 | 1,331,978  |
| Station Casinos, Inc.:  |       |            |
| 2011 Term Loan B2, 6.25%, 6/17/16                                 | 465   | 461,127    |
| Term Loan B, 5.50%, 9/27/19                                       | 3,436 | 3,456,422  |
| Term Loan B, 5.50%, 2/13/20                                       | 5,280 | 5,323,998  |
| Term Loan B1, 3.20%, 6/17/16                                      | 1,532 | 1,544,935  |
| Twin River Worldwide Holdings, Inc., Term Loan, 8.50%, 11/05/15   | 1,420 | 1,429,169  |
| Wendy's International, Inc., Term Loan B, 4.75%, 5/15/19          | 4,698 | 4,737,549  |
|   |       | 43,408,779 |
| <b>Household Products 1.1%</b>                                    |       |            |
| Prestige Brands, Inc., Term Loan, 5.25% 6.25%, 1/31/19            | 2,049 | 2,059,074  |
| Spectrum Brands, Inc., Term Loan, 4.50%, 12/17/19                 | 4,140 | 4,190,011  |
|   |       | 6,249,085  |
| <b>Independent Power Producers &amp; Energy Traders 0.7%</b>      |       |            |
| The AES Corp., Term Loan, 4.25%, 6/01/18                          | 3,073 | 3,084,380  |
| Calpine Corp., Term Loan B1, 4.50%, 4/02/18                       | 930   | 935,745    |
|   |       | 4,020,125  |
| <b>Industrial Conglomerates 1.1%</b>                              |       |            |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                          | 6,503 | 6,577,133  |
| <b>Insurance 1.6%</b>   |       |            |
| Alliant Holdings I, Inc., Term Loan B, 5.00%, 12/20/19            | 1,840 | 1,853,800  |
| Asurion LLC, Term Loan B1, 5.50%, 5/24/19                         | 1,345 | 1,348,928  |
| CNO Financial Group, Inc.:  |       |            |
| Term Loan B-1, 4.25%, 9/28/16                                     | 1,710 | 1,722,825  |
| Term Loan B-2, 5.00%, 9/20/18                                     | 2,342 | 2,364,205  |
| Cunningham Lindsey Group, Inc., Term Loan B, 5.00%, 12/10/19      | 1,600 | 1,620,000  |
|   |       | 8,909,758  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                             |     |                      |              |
| <b>Internet Software &amp; Services 0.4%</b>                        |     |                      |              |
| Web.com Group, Inc., Term Loan B, 5.50%,<br>10/27/17                | USD | 2,277                | \$ 2,297,669 |
| <b>IT Services 5.8%</b>   |     |                      |              |
| CCC Information Services, Inc., Term Loan, 5.25%,<br>12/20/19       |     | 930                  | 935,580      |
| Ceridian Corp., Extended Term Loan, 5.95%,<br>5/09/17               |     | 4,118                | 4,163,321    |
| First Data Corp.:   |     |                      |              |
| 2018 Add-on Term Loan, 5.20%, 9/24/18                               |     | 2,320                | 2,318,956    |
| Extended 2018 Term Loan B, 4.20%, 3/23/18                           |     | 12,624               | 12,465,416   |
| Genpact International, Inc., Term Loan B, 4.25%,<br>8/30/19         |     | 3,521                | 3,556,387    |
| InfoGroup, Inc., Term Loan, 5.75%, 5/25/18                          |     | 1,127                | 1,021,574    |
| iPayment, Inc., Term Loan B, 5.75%, 5/08/17                         |     | 409                  | 411,303      |
| SunGard Data Systems, Inc., Term Loan D, 4.50%,<br>1/31/20          |     | 2,560                | 2,579,200    |
| TransUnion LLC, Term Loan B, 5.50%, 2/12/18                         |     | 5,519                | 5,551,588    |
|   |     |                      | 33,003,325   |
| <b>Leisure Equipment &amp; Products 0.6%</b>                        |     |                      |              |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/19/13               |     | 831                  | 830,690      |
| EB Sports Corp., Term Loan, 11.50%, 12/31/15                        |     | 562                  | 560,527      |
| FGL Operating Co. LLC, Term Loan, 5.50%, 4/19/19                    |     | 1,790                | 1,785,430    |
|   |     |                      | 3,176,647    |
| <b>Life Sciences Tools &amp; Services 0.2%</b>                      |     |                      |              |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                           |     | 1,207                | 1,220,553    |
| <b>Machinery 2.7%</b>   |     |                      |              |
| Alliance Laundry Systems LLC:                                       |     |                      |              |
| First Lien Term Loan, 5.50%, 12/07/18                               |     | 1,020                | 1,024,141    |
| Second Lien Term Loan, 9.50%, 12/10/19                              |     | 573                  | 582,750      |
| Dematic S.A., Term Loan, 5.25%, 12/27/19                            |     | 2,465                | 2,481,171    |
| Intelligrated, Inc., First Lien Term Loan, 4.50%,<br>7/30/18        |     | 1,995                | 1,995,000    |
| Rexnord LLC, Term Loan B, 4.50%, 4/02/18                            |     | 1,411                | 1,419,580    |
| Silver II US Holdings LLC, First Lien Term Loan,<br>4.75%, 12/05/19 |     | 2,845                | 2,845,000    |
| Terex Corp.:  |     |                      |              |
| Term Loan B, 4.50%, 4/28/17   |     | 2,618                | 2,643,799    |
| Term Loan B, 5.00%, 4/28/17   | EUR | 267                  | 349,079      |
| Wabash National Corp., Term Loan B, 6.00%,<br>5/02/19               | USD | 2,262                | 2,277,012    |
|   |     |                      | 15,617,532   |
| <b>Media 15.2%</b>  |     | 1,411                | 1,420,625    |

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|  |     |              |              |
|--|-----|--------------|--------------|
| AMC Entertainment, Inc., Term Loan B3, 3.75%,<br>2/22/18                     |     |              |              |
| BBHI Acquisition LLC, Term Loan B, 4.50%,<br>12/14/17                        |     | 4,681        | 4,695,379    |
| Capsugel Holdings US, Inc., Term Loan B, 4.75%,<br>8/01/18                   |     | 2,375        | 2,399,000    |
| Catalina Marketing Corp., Extended Term Loan B,<br>5.70%, 9/29/17            |     | 2,217        | 2,219,965    |
| Cengage Learning Acquisitions, Inc.:   |     |              |              |
| Non-Extended Term Loan, 2.71%, 7/03/14                                       |     | 785          | 614,010      |
| Tranche 1 Incremental, 7.50%, 7/03/14  |     | 1,717        | 1,364,715    |
| Charter Communications Operating LLC:  |     |              |              |
| Extended Term Loan C, 3.46%, 9/06/16   |     | 2,212        | 2,219,719    |
| Term Loan D, 4.00%, 5/15/19  |     | 1,286        | 1,294,959    |
| Clarke American Corp., Term Facility B, 2.70%,<br>6/30/14                    |     | 330          | 326,387      |
| Clear Channel Communications, Inc.:  |     |              |              |
| Term Loan B, 3.85%, 1/29/16  |     | 6,457        | 5,522,725    |
| Term Loan C, 3.85%, 1/29/16  |     | 726          | 612,984      |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%,<br>9/17/18                 |     | 2,627        | 2,651,252    |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18                    |     | 1,965        | 1,986,250    |
|  |     | <b>Par</b>   |              |
|  |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                                      |     |              |              |
| <b>Media (concluded)</b>   |     |              |              |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%,<br>7/14/17                    | USD | 3,042        | \$ 3,077,362 |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                             |     | 2,235        | 2,252,388    |
| Gray Television, Inc., Term Loan B, 4.75%,<br>10/15/19                       |     | 2,685        | 2,710,359    |
| Houghton Mifflin Harcourt Publishing Co., DIP Term<br>Loan B, 7.25%, 6/01/18 |     | 1,891        | 1,900,166    |
| Hubbard Broadcasting, Term Loan B, 4.50%,<br>4/28/17                         |     | 1,613        | 1,625,722    |
| Intelsat Jackson Holdings SA, Term Loan B1,<br>4.50%, 4/02/18                |     | 10,968       | 11,070,655   |
| Interactive Data Corp., Term Loan B, 3.75%,<br>2/11/18                       |     | 5,841        | 5,849,294    |
| Kabel Deutschland GmbH, Term Loan F1, 3.50%,<br>2/01/19                      |     | 3,320        | 3,325,345    |
| Lavena Holding 4 GmbH:   |     |              |              |
| Term Loan B, 2.62%, 3/06/15  | EUR | 912          | 1,171,098    |
| Term Loan C, 3.00%, 3/04/16  |     | 304          | 392,349      |
| NEP Supershooters LP:  |     |              |              |
| First Lien Term Loan, 5.25%, 1/18/20   | USD | 1,450        | 1,454,075    |
| Second Lien Term Loan, 9.50%, 8/18/20  |     | 1,000        | 1,025,000    |
| Term Loan, 4.75%, 1/18/20  |     | 1,450        | 1,453,625    |
| Nielsen Finance LLC, Class B Term Loan, 3.95%,<br>5/02/16                    |     | 2,758        | 2,763,264    |
|  |     | 1,487        | 1,491,415    |

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|   |     |       |            |
|---|-----|-------|------------|
| Sinclair Television Group, Inc., Term Loan B,<br>4.00%, 10/28/16      |     |       |            |
| Univision Communications, Inc., Extended Term<br>Loan, 4.45%, 3/31/17 |     | 3,345 | 3,348,078  |
| UPC Broadband Holding BV, Term Loan U, 4.12%,<br>12/29/17             | EUR | 914   | 1,192,280  |
| UPC Financing Partnership, Term Loan T, 3.70%,<br>12/30/16            | USD | 348   | 349,148    |
| Virgin Media Investment Holdings Ltd., Term Loan<br>B, 4.50%, 2/15/20 | GBP | 2,840 | 4,291,576  |
| Virgin Media Investment Holdings Ltd., Term Loan<br>B, 3.50%, 2/17/20 | USD | 4,085 | 4,060,613  |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18                          |     | 763   | 769,833    |
| Weather Channel, Term Loan B, 4.25%, 2/13/17                          |     | 1,800 | 1,812,810  |
| WideOpenWest Finance LLC, First Lien Term Loan,<br>6.25%, 7/17/18     |     | 2,254 | 2,280,156  |
|   |     |       | 86,994,581 |
| <b>Metals &amp; Mining 4.8%</b>                                       |     |       |            |
| Ameriforge Group, Inc.:   |     |       |            |
| First Lien Term Loan, 5.00%, 12/19/19                                 |     | 1,640 | 1,655,383  |
| Second Lien Term Loan, 8.75%, 12/18/20                                |     | 815   | 826,206    |
| Constellium Holdco BV, Term Loan B, 9.25%,<br>5/25/18                 |     | 2,249 | 2,293,674  |
| FMG America Finance, Inc., Term Loan, 5.25%,<br>10/18/17              |     | 6,893 | 6,975,300  |
| Metals USA, Inc., Term Loan, 6.25%, 11/15/19                          |     | 1,980 | 1,982,475  |
| Novelis, Inc., Term Loan, 4.00%, 3/10/17                              |     | 5,026 | 5,030,610  |
| SunCoke Energy, Inc., Term Loan B, 4.00%,<br>7/26/18                  |     | 576   | 577,787    |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18                      |     | 4,972 | 4,981,013  |
| Windsor Financing LLC, Term Loan B, 6.25%,<br>12/05/17                |     | 2,811 | 2,899,095  |
|   |     |       | 27,221,543 |
| <b>Multiline Retail 2.5%</b>  |     |       |            |
| 99¢ Only Stores, Term Loan, 5.25%, 1/11/19                            |     | 2,007 | 2,020,741  |
| Apex Tool Group, LLC, Term Loan B, 4.50%,<br>1/28/20                  |     | 2,115 | 2,135,769  |
| BJ's Wholesale Club, Inc.:  |     |       |            |
| First Lien Term Loan, 5.75%, 9/13/19                                  |     | 1,800 | 1,801,622  |
| Second Lien Term Loan, 9.75%, 3/26/20                                 |     | 1,230 | 1,270,750  |
| Dollar General Corp., Tranche B-2 Term Loan,<br>2.95%, 7/07/14        |     | 1,247 | 1,248,461  |
| See Notes to Financial Statements.                                    |     |       |            |

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |                      |              |
| <b>Multiline Retail (concluded)</b>   |     |                      |              |
| HEMA Holding BV:  |     |                      |              |
| Second Lien Term Loan, 5.12%, 1/05/17   | EUR | 1,400                | \$ 1,659,615 |
| Term Loan B, 2.12%, 7/06/15   |     | 596                  | 740,329      |
| Term Loan C, 2.87%, 7/05/16   |     | 596                  | 744,218      |
| The Neiman Marcus Group, Inc., Extended<br>Term Loan, 4.00%, 5/16/18                    | USD | 2,620                | 2,619,135    |
|   |     |                      | 14,240,640   |
| <b>Oil, Gas &amp; Consumable Fuels 4.0%</b>   |     |                      |              |
| Chesapeake Energy Corp., Unsecured Term<br>Loan, 5.75%, 12/01/17                        |     | 4,285                | 4,373,828    |
| Gibson Energy ULC, Term Loan B, 4.75%,<br>6/15/18                                       |     | 3,323                | 3,353,361    |
| Obsidian Natural Gas Trust, Term Loan,<br>7.00%, 11/02/15                               |     | 1,991                | 2,011,182    |
| Plains Exploration & Production, 7-Year Term<br>Loan B, 4.00%, 11/30/19                 |     | 3,900                | 3,906,513    |
| Samson Investment Co., Second Lien Term<br>Loan, 6.00%, 9/25/18                         |     | 1,285                | 1,297,053    |
| Tesoro Corp., Term Loan B, 2.55%, 1/30/16   |     | 2,365                | 2,385,694    |
| Vantage Drilling Co., Term Loan, 6.25%,<br>10/26/17                                     |     | 5,653                | 5,681,705    |
|   |     |                      | 23,009,336   |
| <b>Pharmaceuticals 4.8%</b>   |     |                      |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%,<br>2/10/17                                    |     | 4,874                | 4,883,880    |
| Par Pharmaceutical, Term Loan B, 5.00%,<br>9/30/19                                      |     | 5,696                | 5,688,605    |
| Pharmaceutical Product Development, Inc.,<br>Term Loan B, 4.25%, 12/05/18               |     | 6,062                | 6,095,631    |
| Quintiles Transnational Corp., Term Loan B,<br>4.50%, 6/08/18                           |     | 2,647                | 2,667,330    |
| RPI Finance Trust, Incremental Tranche 2,<br>4.00%, 11/09/18                            |     | 401                  | 405,391      |
| Valeant Pharmaceuticals International, Inc.:<br>Term Loan C, Tranche B, 3.50%, 12/11/19 |     | 2,700                | 2,710,125    |
| Series D, Tranche B, 3.50%, 2/13/19   |     | 2,970                | 2,982,541    |
| Warner Chilcott Corp.:  |     |                      |              |
| Incremental Term Loan B-1, 4.25%, 3/15/18   |     | 421                  | 425,251      |
| Term Loan B-1, 4.25%, 3/15/18   |     | 1,110                | 1,119,757    |
| Term Loan B-2, 4.25%, 3/15/18   |     | 343                  | 346,185      |
|   |     |                      | 27,324,696   |
| <b>Professional Services 1.8%</b>   |     |                      |              |
| Booz Allen Hamilton, Inc., Term Loan B,<br>4.50%, 7/31/19                               |     | 2,813                | 2,837,563    |

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|  |     |              |              |
|--|-----|--------------|--------------|
| Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18                        |     | 3,544        | 3,585,728    |
| ON Assignment, Inc., Term Loan B, 5.00%,<br>5/15/19                |     | 985          | 993,930      |
| Truven Health Analytics, Inc., Term Loan B,<br>5.75%, 6/01/19      |     | 2,632        | 2,656,461    |
|  |     |              | 10,073,682   |
| <b>Real Estate Investment Trusts (REITs)</b>                       |     |              |              |
| <b>0.6%</b>  |     |              |              |
| iStar Financial, Inc., Term Loan, 4.50%,<br>9/28/17                |     | 3,197        | 3,198,915    |
| <b>Real Estate Management &amp; Development</b>                    |     |              |              |
| <b>1.4%</b>  |     |              |              |
| Realogy Corp.:   |     |              |              |
| Extended Letter of Credit Loan, 4.46%,<br>10/10/16                 |     | 250          | 249,847      |
| Extended Synthetic Letter of Credit, 3.23%,<br>10/10/13            |     | 93           | 92,369       |
| Extended Term Loan, 4.42%, 10/10/16                                |     | 7,541        | 7,539,391    |
|  |     |              | 7,881,607    |
| <b>Road &amp; Rail 0.4%</b>  |     |              |              |
| Genesee & Wyoming, Inc., Term Loan A,<br>2.70%, 10/02/17           |     | 1,183        | 1,183,115    |
| Road Infrastructure Investment LLC, Term<br>Loan B, 6.25%, 3/30/18 |     | 1,022        | 1,024,831    |
|  |     |              | 2,207,946    |
| <b>Semiconductors &amp; Semiconductor Equipment 1.8%</b>           |     |              |              |
| Freescale Semiconductor, Inc.:                                     |     |              |              |
| Extended Term Loan B, 4.45%, 12/01/16                              |     | 2,732        | 2,731,921    |
| Term Loan, 5.00%, 3/20/20  |     | 4,080        | 4,063,680    |
|  |     | <b>Par</b>   |              |
|  |     | <b>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                            |     |              |              |
| <b>Semiconductors &amp; Semiconductor Equipment (concluded)</b>    |     |              |              |
| NXP BV:  |     |              |              |
| Term Loan A-2, 5.50%, 3/03/17                                      | USD | 1,647        | \$ 1,678,367 |
| Term Loan C, 4.75%, 1/11/20  |     | 1,845        | 1,873,247    |
|  |     |              | 10,347,215   |
| <b>Software 3.7%</b>   |     |              |              |
| Blackboard, Inc., Term Loan B, 6.25%,<br>10/04/18                  |     | 497          | 500,674      |
| GCA Services Group, Inc.:  |     |              |              |
| Second Lien Term Loan, 9.25%, 10/22/20                             |     | 975          | 965,250      |
| Term Loan B, 5.25%, 11/01/19                                       |     | 1,920        | 1,920,000    |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                       |     | 7,761        | 7,845,101    |
| Kronos, Inc., Second Lien Term Loan, 9.75%,<br>4/30/20             |     | 1,505        | 1,565,200    |
| RP Crown Parent, LLC, First Lien Term Loan,<br>6.75%, 12/21/18     |     | 1,565        | 1,587,505    |
| Sophia LP, Term Loan B, 6.25%, 7/19/18                             |     | 2,757        | 2,777,602    |
| SS&C Technologies, Inc.:   |     |              |              |
| Term Loan B-1, 5.00%, 6/07/19                                      |     | 3,585        | 3,616,229    |
| Term Loan B-2, 5.00%, 6/07/19                                      |     | 371          | 374,093      |

|  |       |            |
|--|-------|------------|
|  |       | 21,151,654 |
| <b>Specialty Retail 6.8%</b>   |       |            |
| Academy Ltd., Term Loan, 4.75%, 8/03/18                                  | 3,465 | 3,505,122  |
| Bass Pro Group LLC, Term Loan, 4.00%,<br>11/20/19                        | 2,700 | 2,714,526  |
| Burlington Coat Factory Warehouse Corp.,<br>Term Loan B1, 5.50%, 2/23/17 | 620   | 625,911    |
| David's Bridal, Inc., Term Loan B, 5.00%,<br>10/11/19                    | 3,990 | 4,030,898  |
| Equinox Fitness Clubs, First Lien Term Loan,<br>5.50%, 11/16/19          | 1,965 | 1,984,650  |
| The Gymboree Corp., Initial Term Loan,<br>5.00%, 2/23/18                 | 161   | 154,237    |
| Harbor Freight Tools USA, Inc., Term Loan B,<br>5.50%, 11/14/17          | 1,995 | 2,014,925  |
| Jo-Ann Stores, Inc., Term Loan, 4.75%,<br>3/16/18                        | 1,273 | 1,275,234  |
| Leslie's Poolmart, Inc., Term Loan B,<br>2.00% 5.25%, 10/16/19           | 3,205 | 3,240,306  |
| Michaels Stores, Inc., Term Loan, 4.25%,<br>1/31/20                      | 4,475 | 4,484,935  |
| Party City Holdings, Inc., Term Loan B, 5.75%,<br>7/26/19                | 6,000 | 5,995,500  |
| PETCO Animal Supplies, Inc., Term Loan,<br>4.00%, 11/24/17               | 4,269 | 4,299,701  |
| Things Remembered, Inc., Term Loan B,<br>8.00%, 5/24/18                  | 1,367 | 1,346,076  |
| Toys 'R Us Delaware, Inc.:   |       |            |
| Incremental Term Loan B2, 5.25%, 5/25/18                                 | 830   | 787,799    |
| Term Loan B3, 5.25%, 5/25/18   | 417   | 393,923    |
| The Yankee Candle Co., Inc., Term Loan B,<br>5.25%, 4/02/19              | 2,269 | 2,281,180  |
|  |       | 39,134,923 |
| <b>Textiles, Apparel &amp; Luxury Goods 1.4%</b>                         |       |            |
| Ascend Performance Materials LLC, Term<br>Loan B, 6.75%, 4/10/18         | 4,005 | 4,044,785  |
| PVH Corp., Term Loan B, 3.25%, 12/19/19                                  | 1,830 | 1,844,677  |
| Wolverine Worldwide, Inc., Term Loan B,<br>4.00%, 7/31/19                | 2,154 | 2,170,306  |
|  |       | 8,059,768  |
| <b>Thriffs &amp; Mortgage Finance 0.6%</b>                               |       |            |
| Insight Global, Inc., First Lien Term Loan,<br>6.00%, 10/31/19           | 1,960 | 1,964,900  |
| Ocwen Financial Corp., Term Loan, 5.00%,<br>1/22/18                      | 1,645 | 1,664,872  |
|  |       | 3,629,772  |
| <b>Trading Companies &amp; Distributors 0.4%</b>                         |       |            |
| WESCO Distribution, Inc., Term Loan B,<br>4.50%, 12/12/19                | 2,205 | 2,225,220  |
| <b>Wireless Telecommunication Services<br/>2.0%</b>                      |       |            |

Cricket Communications, Inc., Term Loan,  
4.75%, 10/10/19  
See Notes to Financial Statements.

2,135

2,141,683

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

Consolidated Schedule of Investments (continued) (Percentages shown are based on Net Assets)

|  |               | Par<br>(000) | Value       |
|--|---------------|--------------|-------------|
| <b>Floating Rate Loan Interests (b)</b>                |               |              |             |
| <b>Wireless Telecommunication Services (concluded)</b> |               |              |             |
| MetroPCS Wireless, Inc.:                               |               |              |             |
| Term Loan B-3, 4.00%, 3/16/18                          | USD           | 286          | \$ 286,624  |
| Tranche B-2 Term Loan, 4.07%, 11/03/16                 |               | 1,933        | 1,938,717   |
| Vodafone Americas Finance 2, Inc. (h):                 |               |              |             |
| Term Loan, 6.88%, 8/11/15                              |               | 5,870        | 5,987,801   |
| Term Loan B, 6.25%, 7/11/16                            |               | 1,238        | 1,271,531   |
|  |               |              | 11,626,356  |
| <b>Total Floating Rate Loan Interests</b>              | <b>132.2%</b> |              | 755,638,742 |

|  |             | Beneficial<br>Interest<br>(000) |           |
|--|-------------|---------------------------------|-----------|
| <b>Other Interests (i)</b>                               |             |                                 |           |
| <b>Auto Components 0.0%</b>                              |             |                                 |           |
| Intermet Liquidating Trust, Class A                      |             | 256                             |           |
| <b>Chemicals 0.0%</b>                                    |             |                                 |           |
| Wellman Holdings, Inc., Litigation Trust Certificate (d) |             | 9,750                           | 98        |
| <b>Diversified Financial Services 0.2%</b>               |             |                                 |           |
| J.G. Wentworth LLC Preferred Equity Interests (d)        |             | 1                               | 1,072,295 |
| <b>Hotels, Restaurants &amp; Leisure 0.0%</b>            |             |                                 |           |
| Buffets, Inc. (d)  |             | 360                             | 4         |
| <b>Household Durables 0.3%</b>                           |             |                                 |           |
| Stanley Martin, Class B Membership Units (d)             |             | 1                               | 1,731,250 |
| <b>Total Other Interests</b>                             | <b>0.5%</b> |                                 | 2,803,647 |

|   |             | Shares  |             |
|---|-------------|---------|-------------|
| <b>Trust Preferreds</b>   |             |         |             |
| <b>Diversified Financial Services 0.2%</b>  |             |         |             |
| GMAC Capital Trust I, Series 2, 8.13%, 2/15/40 (b)  |             | 54,780  | 1,448,916   |
| <b>Warrants (j)</b>   |             |         |             |
| <b>Chemicals 0.0%</b>   |             |         |             |
| GEO Specialty Chemicals, Inc., (Expires 3/31/15)  |             | 143,928 | \$ 9,283    |
| <b>Software 0.0%</b>  |             |         |             |
| HMH Holdings/EduMedia, (Issued/Exercisable 3/09/10, 19 Shares for 1 Warrant, Expires 6/22/19, Strike Price \$42.27) |             | 2,406   |             |
| <b>Total Warrants</b>   | <b>0.0%</b> |         | 9,283       |
|   |             |         | 857,521,624 |

**Total Long-Term Investments**  
(Cost \$853,488,660) 150.0%

**Short-Term Securities**

BlackRock Liquidity Funds,  
TempFund, Institutional Class,  
0.10% (k)(l)

14,430,590 14,430,590

**Total Short-Term Securities (Cost**  
**\$14,430,590) 2.5%**

14,430,590

**Options Purchased**

(Cost \$43,022) 0.0%

**Total Investments (Cost \$867,962,272) 152.5%**

871,952,214

**Liabilities in Excess of Other**

**Assets (52.5)%**

(300,294,664)

**Net Assets 100.0%**

\$ 571,657,550

**Notes to Schedule of Investments**

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty                   | Value     | Unrealized<br>Appreciation |
|--------------------------------|-----------|----------------------------|
| Bank of America Securities LLC | \$176,356 | \$ 3,670                   |
| Citigroup Global Markets, Inc. | \$663,434 | \$13,806                   |
| Deutsche Bank Securities, Inc  | \$486,750 | \$ 97                      |

- (d) Non-income producing security.
- (e) Convertible security.
- (f) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (g) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (j) 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 of the warrants, if any.
- (k) Investments in issuers considered to be an affiliate of the Fund during the six months ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares<br>Held at<br>August 31,<br>2012 | Net<br>Activity | Shares<br>Held at<br>February 28,<br>2013 | Income |
|-----------|---|-----------------|---|--------|
|-----------|---|-----------------|---|--------|

|   |           |            |            |         |
|---|-----------|------------|------------|---------|
| BlackRock Liquidity Funds,<br>TempFund, Institutional Class<br>See Notes to Financial Statements. | 1,779,337 | 12,651,253 | 14,430,590 | \$1,622 |
|---|-----------|------------|------------|---------|

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

Consolidated Schedule of Investments (continued)

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

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty              | Settlement Date | Unrealized Appreciation (Depreciation) |
|--------------------|---------------|---------------------------|-----------------|--|
| CAD 292,000        | USD 289,532   | Bank of America Corp.     | 4/17/13         | \$(6,674 )                             |
| CAD 384,000        | USD 378,335   | Citigroup, Inc.           | 4/17/13         | (6,356 )                               |
| USD 4,173,973      | CAD 4,118,000 | Deutsche Bank AG          | 4/17/13         | 184,889                                |
| USD 4,629,549      | GBP 2,890,000 | Goldman Sachs Group, Inc. | 4/17/13         | 246,299                                |
| EUR 426,000        | USD 558,241   | Citigroup, Inc.           | 4/23/13         | (1,872 )                               |
| USD 1,959,297      | EUR 1,470,000 | BNP Paribas SA            | 4/23/13         | 39,434                                 |
| USD 7,075,729      | EUR 5,306,000 | Citigroup, Inc.           | 4/23/13         | 145,937                                |
| <b>Total</b>       |               |                           |                 | <b>\$601,657</b>                       |

Over-the-counter options purchased as of February 28, 2013 were as follows:

| Description                     | Counterparty              | Put/Call | Strike Price | Expiration Date | Contracts | Market Value |
|---------------------------------|---------------------------|----------|--------------|-----------------|-----------|--------------|
| Parasico Parent Superholdco LLC | Goldman Sachs Group, Inc. | Call     | USD 942.86   | 12/14/19        | 44        |              |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

|                                   | Receive Fixed Rate | Counterparty              | Expiration Date | Credit Rating <sup>1</sup> | Notional Amount (000) <sup>2</sup> | Unrealized Appreciation (Depreciation) |
|-----------------------------------|--------------------|---------------------------|-----------------|----------------------------|------------------------------------|--|
| Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase & Co.      | 12/20/15        | CCC                        | USD 149                            | \$                                     |
| Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase & Co.      | 12/20/15        | CCC                        | USD 597                            | 0                                      |
| Entertainment Operating Co., Inc. | 5.00%              | JPMorgan Chase & Co.      | 12/20/15        | CCC                        | USD 538                            | 9                                      |
| Entertainment Operating Co., Inc. | 5.00%              | Barclays Plc              | 12/20/15        | CCC                        | USD 1,112                          | 9                                      |
| Entertainment Operating Co., Inc. | 5.00%              | Barclays Plc              | 3/20/16         | CCC                        | USD 2,000                          | 9                                      |
| Entertainment Operating Co., Inc. | 5.00%              | Goldman Sachs Group, Inc. | 3/20/17         | CCC                        | USD 389                            | 0                                      |

<sup>1</sup>Using S&P's rating of the issuer.<sup>2</sup>The maximum potential amount the Fund may pay should a negative credit event take place as defined under the terms of the agreement.

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. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund has the ability to access

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period.

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Consolidated Financial Statements.

See Notes to Financial Statements.

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

## Consolidated Schedule of Investments (continued)

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

|                              | Level 1              | Level 2               | Level 3             | Total                |
|------------------------------|----------------------|-----------------------|---------------------|----------------------|
| <b>Assets:</b>               |                      |                       |                     |                      |
| Investments:                 |                      |                       |                     |                      |
| Long-Term Investments        |                      |                       |                     |                      |
| Asset-Backed Securities      |                      |                       |                     |                      |
|                              |                      |                       | \$24,036,705        | \$ 24,036,705        |
| Common Stocks                | \$ 1,896,270         | \$ 2,287,861          | 1,486,008           | 5,670,139            |
| Corporate Bonds              |                      | 64,338,072            | 3,576,120           | 67,914,192           |
| Floating Rate Loan Interests |                      | 695,100,484           | 60,538,258          | 755,638,742          |
| Other Interests              |                      |                       | 2,803,647           | 2,803,647            |
| Preferred Securities         | 1,448,916            |                       |                     | 1,448,916            |
| Warrants                     |                      |                       | 9,283               | 9,283                |
| Short-Term Securities        | 14,430,590           |                       |                     | 14,430,590           |
| Unfunded Commitments         |                      | 777                   |                     | 777                  |
| <b>Total</b>                 | <b>\$ 17,775,776</b> | <b>\$ 761,727,194</b> | <b>\$92,450,021</b> | <b>\$871,952,991</b> |

|   | Level 1 | Level 2           | Level 3 | Total             |
|---|---------|-------------------|---------|-------------------|
| Derivative Financial Instruments <sup>1</sup> |         |                   |         |                   |
| <b>Assets:</b>                                |         |                   |         |                   |
| Credit contracts                              |         | \$ 372,158        |         | \$ 372,158        |
| Foreign currency exchange contracts           |         | 616,559           |         | 616,559           |
| <b>Liabilities:</b>                           |         |                   |         |                   |
| Credit contracts                              |         | (2,961)           |         | (2,961)           |
| Foreign currency exchange contracts           |         | (14,902)          |         | (14,902)          |
| <b>Total</b>                                  |         | <b>\$ 970,854</b> |         | <b>\$ 970,854</b> |

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

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
|--|---------|---------|---------|-------|

**Assets:**

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Cash                                 | \$ 1,844,191 | \$ 1,844,191 |
| Foreign currency at value            | 12,535       | 12,535       |
| Cash pledged as collateral for swaps | 620,000      | 620,000      |

**Liabilities:**

|               |              |                  |                 |
|---------------|--------------|------------------|-----------------|
| Loans payable |              | \$ (208,000,000) | (208,000,000)   |
| <b>Total</b>  | \$ 2,476,726 | \$ (208,000,000) | \$(205,523,274) |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2013. A reconciliation of Level 3 investments is presented when the Fund had a significant amount of Level 3 investments at the beginning and/or end of the period in relation to net assets. The following table is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

|   | Asset-Backed Securities | Common Stocks       | Corporate Bonds     | Floating Rate Loan Interests | Other Interests     | Warrant        | Total                |
|---|-------------------------|---------------------|---------------------|------------------------------|---------------------|----------------|----------------------|
| Balance, as of 2012   | \$ 7,043,642            | \$ 6,034            | \$ 2,355,204        | \$ 23,180,519                | \$ 835,765          |                | \$ 30,414,164        |
| Change from Level 3 <sup>2</sup>                            |                         | 215                 |                     | 6,481,543                    |                     |                | 6,481,758            |
| Change from Level 3 <sup>3</sup>                            |                         |                     |                     | (6,684,789)                  |                     |                | (6,684,789)          |
| Premiums  | 47,027                  |                     | 46,401              | 122,910                      |                     |                | 216,338              |
| Gain (loss)   | 270,089                 |                     | 291,984             | (329,303)                    |                     |                | 232,770              |
| Change in unrealized appreciation/depreciation <sup>4</sup> | 1,475,295               | (5,449,635)         | (565,100)           | 1,497,084                    | (1,280,852)         | \$9,279        | (4,313,239)          |
|   | 19,166,762              | 6,929,394           | 3,200,581           | 49,060,785                   | 4,372,036           | 4              | 86,730,562           |
|   | (3,966,110)             |                     | (1,752,950)         | (12,790,491)                 | (1,123,302)         |                | (19,632,853)         |
| <b>Balance, as of February 28, 2013</b>                     | <b>\$24,036,705</b>     | <b>\$ 1,486,008</b> | <b>\$ 3,576,120</b> | <b>\$ 60,538,258</b>         | <b>\$ 2,803,647</b> | <b>\$9,283</b> | <b>\$ 92,449,711</b> |

As of August 31, 2012, the Fund used observable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of the same investments.

<sup>2</sup> As a result, investments with a beginning of period value of \$6,684,789 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>3</sup> As of August 31, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$6,481,544 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>4</sup> Included in the related net change in unrealized appreciation/depreciation in the Statement of Operations. The change in unrealized appreciation/depreciation on investments still held as of February 28, 2013 was \$(3,374,156).

See Notes to Financial Statements.

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

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$77,534,994.

|                              | Value               | Valuation Techniques             | Unobservable Inputs <sup>1</sup>        | Range of Unobservable Inputs Utilized |
|------------------------------|---------------------|----------------------------------|---|---------------------------------------|
| <b>Assets:</b>               |                     |                                  |   |                                       |
| Common Stocks                | \$1,486,000         | Market Comparable Companies      | EBITDA Multiple                         | 5.25x - 6.56x                         |
| Corporate Bonds              | 2,666,040           | Market Comparable Companies      | EBITDA Multiple                         | 5.25x                                 |
| Floating Rate Loan Interests | 2,851,289           | Discounted Cash Flow             | Yield                                   | 9.50%                                 |
|                              | 1,346,076           | Market Comparable Yield Analysis | Yield                                   | 8.375%                                |
|                              | 4,825,089           | Cost <sup>2</sup>                | N/A                                     |                                       |
| Other Interests <sup>3</sup> | 1,731,250           | Discounted Cash Flow             | Perpetuity Growth Rate                  | 3.50%                                 |
|                              |                     |                                  | Free Cash Flow Weighted Cost of Capital | \$25.2 - \$35.2                       |
|                              |                     |                                  | EBITDA Multiple                         | 10.90%                                |
| Warrant                      | 9,283               | Market Comparable Companies      | EBITDA Multiple                         | 5.25x                                 |
| <b>Total</b>                 | <b>\$14,915,027</b> |                                  |   |                                       |

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

| Unobservable Input       | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|--------------------------|------------------------------------|------------------------------------|
| EBITDA Multiple          | Increase                           | Decrease                           |
| Free Cash Flow           | Increase                           | Decrease                           |
| Perpetuity Growth Rate   | Increase                           | Decrease                           |
| Weighted Cost of Capital | Decrease                           | Increase                           |
| Yield                    | Decrease                           | Increase                           |

<sup>2</sup>The Fund fair values certain of its Level 3 investments using prior transaction prices (acquisition cost), although the transaction may not have occurred during the current reporting period. In such cases, these investments are generally privately held investments. There may not be a secondary market, and/or there are a limited number of investors. The determination to fair value such investments at cost is based upon factors consistent with the principles of fair value measurement that are reasonably available to the Global Valuation Committee, or its delegate. Valuations are reviewed utilizing available market information to determine if the carrying value should be adjusted. Such market data may include, but is not limited to, observations of the trading multiples of public companies considered comparable to the private companies being valued, financial or operational information released by the company, and/or news or corporate events that affect the investment. Valuations may be adjusted to account for company-specific issues, the lack of liquidity inherent in a nonpublic investment and the fact that comparable public



companies are not identical to the investments being fair valued by the Fund.

<sup>3</sup> For the six months ended February 28, 2013, the valuation technique for other interests changed from a market approach to an income approach. Market information previously utilized to determine fair value under the market approach no longer applied to this investment. Therefore, the income approach is considered to be a more relevant measure of fair value for this investment.

<sup>4</sup> Amount is in millions.

See Notes to Financial Statements.

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Consolidated Schedule of Investments February 28, 2013  
(Unaudited)

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

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Asset-Backed Securities</b>  |     |                      |              |
| <b>Asset-Backed Securities 8.8%</b>   |     |                      |              |
| 321 Henderson Receivables I LLC (a):  |     |                      |              |
| Series 2010-2A, Class A, 4.07%, 1/15/48   | USD | 1,455                | \$ 1,607,985 |
| Series 2010-3A, Class A, 3.82%, 12/15/48  |     | 4,130                | 4,476,454    |
| ACAS CLO Ltd. (a)(b):   |     |                      |              |
| Series 2012-1A, Class D, 5.58%, 9/20/23   |     | 1,750                | 1,758,750    |
| Series 2013-1A, Class D, 3.89%, 4/20/25   |     | 750                  | 716,250      |
| ALM Loan Funding Ltd., Series 2010-3AR, Class D, 4.54%, 11/20/20 (a)(b)               |     | 4,000                | 4,027,500    |
| Anchorage Capital CLO Ltd., Series 2012-1A, Class B, 3.16%, 1/13/25 (a)(b)            |     | 4,000                | 3,835,600    |
| Apidos CDO XI, Series 2012-11A, Class D, 4.74%, 1/17/23 (a)(b)                        |     | 1,000                | 1,001,500    |
| Atrium CDO Corp., Series 9A, Class D, 3.96%, 2/28/24 (a)(b)                           |     | 750                  | 725,250      |
| Capital One Multi-Asset Execution Trust, Series 4-3C, 6.63%, 4/19/17                  | GBP | 2,650                | 4,233,964    |
| Carlyle Global Market Strategies, Series 2013-1A, Class C, 4.29%, 2/14/25 (a)(b)      | USD | 250                  | 250,000      |
| CarMax Auto Owner Trust, Series 2012-3, Class D, 2.29%, 4/15/19                       |     | 2,530                | 2,525,525    |
| Cavalry CLO Ltd., Series 2A, Class D, 4.38%, 1/17/24 (a)(b)                           |     | 500                  | 486,750      |
| Conseco Financial Corp., Series 1995-5, Class M1, 7.65%, 9/15/26 (b)                  |     | 289                  | 291,408      |
| Countrywide Asset-Backed Certificates (b):  |     |                      |              |
| Series 2007-12, Class 2A1, 0.55%, 8/25/47   |     | 566                  | 561,395      |
| Series 2007-7, Class 2A2, 0.36%, 10/25/47   |     | 2,697                | 2,642,146    |
| CSAM Funding, Series 2A, Class B1, 7.05%, 10/15/16 (a)                                |     | 750                  | 756,150      |
| Ford Credit Floorplan Master Owner Trust:   |     |                      |              |
| Series 2010-5, Class C, 2.07%, 9/15/15 (a)  |     | 890                  | 896,240      |
| Series 2011-2, Class C, 2.37%, 9/15/15  |     | 1,125                | 1,132,603    |
| Series 2011-2, Class D, 2.86%, 9/15/15  |     | 1,145                | 1,155,179    |
| Fraser Sullivan CLO VII Ltd., Series 2012-7A, Class C, 4.30%, 4/20/23 (a)(b)          |     | 1,090                | 1,089,989    |
| Goldentree Loan Opportunities VI Ltd., Series 2012-6A, Class D, 4.50%, 4/17/22 (a)(b) |     | 1,500                | 1,491,450    |
| GSAA Trust, Series 2007-3, Class 1A2, 0.37%, 3/25/47 (b)                              |     | 2,967                | 1,388,827    |
| ING Investment Management (a)(b):   |     |                      |              |
| Series 2012-2A, Class D, 4.85%, 10/15/22  |     | 1,800                | 1,804,500    |
| Series 2012-4A, Class C, 4.73%, 10/15/23  |     | 800                  | 806,656      |
| Oak Hill Credit Opportunities Funding, Ltd., 0.68%, 9/13/13 (a)(b)                    |     | 3,400                | 3,345,600    |
|   |     | 1,050                | 1,018,500    |

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|   |     |              |              |
|---|-----|--------------|--------------|
| Octagon Investment Partners XIV Ltd., Series 2012-1A, Class C, 4.56%, 1/15/24 (a)(b)        |     |              |              |
| OZLM Funding Ltd. (a)(b):   |     |              |              |
| Series 2012-2A, Class C, 5.08%, 10/30/23  |     | 500          | 504,650      |
| Series 2013-3A, Class C, 4.15%, 1/22/25   |     | 1,000        | 977,700      |
| Regatta II Funding LP, Series 2013-2A, Class C, 4.80%, 1/15/25 (a)(b)                       |     | 500          | 482,450      |
| Santander Consumer Acquired Receivables Trust, Series 2011-S1A, Class D, 3.15%, 8/15/16 (a) |     | 1,987        | 2,018,112    |
| Santander Drive Auto Receivables Trust (a):   |     |              |              |
| Series 2011-S1A, Class D, 3.10%, 5/15/17  |     | 637          | 639,294      |
| Series 2011-S2A, Class B, 2.06%, 6/15/17  |     | 413          | 416,086      |
| Series 2011-S2A, Class C, 2.86%, 6/15/17  |     | 428          | 431,334      |
| SLC Student Loan Trust, Series 2006-A, Class A4, 0.42%, 1/15/19 (b)                         |     | 669          | 668,516      |
| SLM Student Loan Trust, 2.50%, 3/15/47 (a)  |     | 2,655        | 2,524,438    |
| Spirit Issuer Plc, Series A2, 3.22%, 12/28/31 (b)   | GBP | 1,800        | 2,184,552    |
| World Financial Network Credit Card Master Trust, Series 2012-C, Class B, 3.57%, 8/15/22    | USD | 3,000        | 3,156,927    |
|   |     |              | 58,030,230   |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Asset-Backed Securities</b>  |     |              |              |
| See Notes to Financial Statements.  |     |              |              |

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

Consolidated Schedule of Investments (continued)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                                      |     |                      |              |
| <b>Beverages 0.2%</b>                                       |     |                      |              |
| Constellation Brands, Inc.:                                 |     |                      |              |
| 7.25%, 5/15/17  | USD | 82                   | \$ 92,968    |
| 6.00%, 5/01/22 (e)  |     | 463                  | 505,827      |
| Crown European Holdings SA:                                 |     |                      |              |
| 7.13%, 8/15/18 (a)  | EUR | 440                  | 621,833      |
| 7.13%, 8/15/18  |     | 66                   | 93,275       |
|   |     |                      | 1,313,903    |
| <b>Building Products 0.7%</b>                               |     |                      |              |
| Building Materials Corp. of America (a)(e):                 |     |                      |              |
| 7.00%, 2/15/20  | USD | 1,345                | 1,455,962    |
| 6.75%, 5/01/21  |     | 1,030                | 1,105,963    |
| Momentive Performance Materials, Inc., 8.88%,<br>10/15/20   |     | 530                  | 543,913      |
| USG Corp., 9.75%, 1/15/18                                   |     | 1,390                | 1,634,987    |
|   |     |                      | 4,740,825    |
| <b>Capital Markets 0.3%</b>                                 |     |                      |              |
| E*Trade Financial Corp., 0.00%, 8/31/19 (a)(f)(g)           |     | 249                  | 260,361      |
| Nuveen Investments, Inc., 9.13%, 10/15/17 (a)               |     | 431                  | 433,155      |
| SteelRiver Transmission Co. LLC, 4.71%, 6/30/17<br>(a)      |     | 1,162                | 1,225,616    |
|   |     |                      | 1,919,132    |
| <b>Chemicals 2.8%</b>                                       |     |                      |              |
| Ashland, Inc., 3.88%, 4/15/18 (a)                           |     | 675                  | 685,125      |
| Axiall Corp., 4.88%, 5/15/23 (a)(e)                         |     | 394                  | 399,910      |
| Celanese US Holdings LLC, 5.88%, 6/15/21 (e)                |     | 629                  | 687,182      |
| Ciech Group Financing AB, 9.50%, 11/30/19                   | EUR | 180                  | 256,149      |
| Eagle Spinco, Inc., 4.63%, 2/15/21 (a)(e)                   | USD | 837                  | 850,601      |
| Huntsman International LLC:                                 |     |                      |              |
| 4.88%, 11/15/20 (e)   |     | 1,134                | 1,122,660    |
| 4.88%, 11/15/20 (a)   |     | 634                  | 624,490      |
| 8.63%, 3/15/21 (e)  |     | 655                  | 740,150      |
| INEOS Finance Plc, 7.50%, 5/01/20 (a)(e)                    |     | 445                  | 479,488      |
| LyondellBasell Industries NV, 5.75%, 4/15/24 (e)            |     | 1,790                | 2,080,875    |
| Nova Chemicals Corp., 8.38%, 11/01/16 (e)                   |     | 5,500                | 5,953,750    |
| Nufarm Australia Ltd., 6.38%, 10/15/19 (a)(e)               |     | 320                  | 339,200      |
| Orion Engineered Carbons Bondco GmbH, 9.63%,<br>6/15/18 (a) |     | 898                  | 987,800      |
| Rockwood Specialties Group, Inc., 4.63%,<br>10/15/20 (e)    |     | 1,330                | 1,376,550    |
| Tronox Finance LLC, 6.38%, 8/15/20 (a)(e)                   |     | 1,573                | 1,563,169    |
| US Coatings Acquisition, Inc./Flash Dutch 2 BV:             |     |                      |              |
| 5.75%, 2/01/21  | EUR | 200                  | 266,332      |
| 7.38%, 5/01/21 (a)  | USD | 398                  | 411,930      |
|   |     |                      | 18,825,361   |
| <b>Commercial Banks 3.7%</b>                                |     |                      |              |

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|   |     |              |              |
|---|-----|--------------|--------------|
| BNP Paribas SA, 2.38%, 9/14/17 (e)                                      |     | 3,225        | 3,303,532    |
| CIT Group, Inc. (e):  |     |              |              |
| 4.75%, 2/15/15 (a)  |     | 1,709        | 1,798,722    |
| 5.00%, 5/15/17  |     | 890          | 946,738      |
| 5.50%, 2/15/19 (a)  |     | 2,040        | 2,218,500    |
| HSBC Bank Plc, 3.10%, 5/24/16 (a)(e)                                    |     | 2,560        | 2,718,441    |
| HSBC Holdings Plc, 6.25%, 3/19/18                                       | EUR | 1,000        | 1,548,721    |
| ING Bank NV, 2.00%, 9/25/15 (a)(e)                                      | USD | 3,245        | 3,300,425    |
| Nordea Bank AB, 4.50%, 3/26/20  | EUR | 1,020        | 1,471,099    |
| Penske Truck Leasing Co. LP/PTL Finance Corp.,<br>3.38%, 3/15/18 (a)(e) | USD | 6,155        | 6,407,349    |
| Regions Financial Corp., 4.88%, 4/26/13 (e)                             |     | 907          | 912,369      |
|   |     |              | 24,625,896   |
| <b>Commercial Services &amp; Supplies 1.4%</b>                          |     |              |              |
| ADS Waste Holdings, Inc., 8.25%, 10/01/20 (a)                           |     | 292          | 313,900      |
| ARAMARK Holdings Corp. (a):   |     |              |              |
| 8.63%, 5/01/16 (h)  |     | 890          | 907,809      |
| 5.75%, 3/15/20 (i)  |     | 1,462        | 1,491,240    |
| Aviation Capital Group Corp., 4.63%, 1/31/18 (a)(e)                     |     | 1,000        | 1,015,566    |
| Brickman Group Holdings, Inc., 9.13%, 11/01/18<br>(a)                   |     | 63           | 67,725       |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| See Notes to Financial Statements.                                      |     |              |              |

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>                             |     |                      |              |
| <b>Diversified Consumer Services 0.5%</b>          |     |                      |              |
| 313 Group, Inc. (a):                               |     |                      |              |
| 6.38%, 12/01/19                                    | USD | 566                  | \$ 551,850   |
| 8.75%, 12/01/20                                    |     | 1,249                | 1,233,387    |
| Laureate Education, Inc., 9.25%, 9/01/19 (a)       |     | 1,460                | 1,587,750    |
|  |     |                      | 3,372,987    |
| <b>Diversified Financial Services 5.1%</b>         |     |                      |              |
| Aircastle Ltd., 6.25%, 12/01/19 (e)                |     | 367                  | 395,442      |
| Ally Financial, Inc. (e):                          |     |                      |              |
| 8.30%, 2/12/15                                     |     | 2,460                | 2,736,750    |
| 7.50%, 9/15/20                                     |     | 1,630                | 1,972,300    |
| 8.00%, 11/01/31                                    |     | 1,330                | 1,670,812    |
| Banque Paribas, 6.95%, 7/22/13 (e)                 |     | 2,100                | 2,145,457    |
| Citigroup, Inc., 5.95% (b)(e)(j)                   |     | 1,370                | 1,395,687    |
| CNG Holdings, Inc., 9.38%, 5/15/20 (a)             |     | 700                  | 690,375      |
| Co-Operative Group Ltd. (k):                       |     |                      |              |
| 6.88%, 7/08/20                                     | GBP | 300                  | 476,961      |
| 7.50%, 7/08/26                                     |     | 600                  | 958,472      |
| DPL, Inc.:   |     |                      |              |
| 6.50%, 10/15/16                                    | USD | 70                   | 73,500       |
| 7.25%, 10/15/21                                    |     | 185                  | 198,413      |
| Gala Group Finance Plc, 8.88%, 9/01/18             | GBP | 700                  | 1,146,890    |
| The Goldman Sachs Group, Inc. (e):                 |     |                      |              |
| 6.00%, 5/01/14                                     | USD | 1,150                | 1,217,420    |
| 5.13%, 1/15/15                                     |     | 3,515                | 3,765,553    |
| 3.30%, 5/03/15                                     |     | 3,285                | 3,434,717    |
| Leucadia National Corp., 8.13%, 9/15/15 (e)        |     | 1,870                | 2,113,100    |
| Morgan Stanley, 5.30%, 3/01/13                     |     | 825                  | 825,000      |
| Reynolds Group Issuer, Inc.:                       |     |                      |              |
| 7.13%, 4/15/19 (e)                                 |     | 995                  | 1,068,381    |
| 9.00%, 4/15/19                                     |     | 180                  | 190,800      |
| 9.88%, 8/15/19                                     |     | 795                  | 870,525      |
| 5.75%, 10/15/20 (e)                                |     | 1,800                | 1,858,500    |
| 6.88%, 2/15/21 (e)                                 |     | 820                  | 875,350      |
| SLM Corp., Series A, 5.00%, 10/01/13 (e)           |     | 150                  | 153,000      |
| Spirit Issuer Plc, 5.86%, 12/28/21                 | GBP | 1,570                | 2,298,407    |
| WMG Acquisition Corp., 6.00%, 1/15/21 (a)(e)       | USD | 935                  | 967,725      |
|  |     |                      | 33,499,537   |
| <b>Diversified Telecommunication Services 1.4%</b> |     |                      |              |
| Level 3 Communications, Inc., 8.88%, 6/01/19 (a)   |     | 735                  | 793,800      |
| Level 3 Financing, Inc.:                           |     |                      |              |
| 4.21%, 2/15/15 (b)                                 |     | 1,725                | 1,725,000    |
| 8.13%, 7/01/19                                     |     | 3,083                | 3,360,470    |
| 7.00%, 6/01/20 (a)                                 |     | 495                  | 519,750      |
| Lynx I Corp., 5.38%, 4/15/21 (a)(e)                |     | 845                  | 866,125      |
| OTE Plc, 7.25%, 2/12/15                            | EUR | 151                  | 198,123      |

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Telenet Finance V Luxembourg SCA:

|                                      |     |     |           |
|--------------------------------------|-----|-----|-----------|
| 6.25%, 8/15/22                       |     | 271 | 362,649   |
| 6.75%, 8/15/24                       |     | 397 | 541,627   |
| Windstream Corp., 8.13%, 8/01/13 (e) | USD | 590 | 605,458   |
|                                      |     |     | 8,973,002 |

**Electric Utilities 0.3%**

Mirant Mid Atlantic Pass-Through Trust, Series B,

|                    |  |     |         |
|--------------------|--|-----|---------|
| 9.13%, 6/30/17 (e) |  | 677 | 750,993 |
|--------------------|--|-----|---------|

Nisource Finance Corp. (e):

|                |  |     |           |
|----------------|--|-----|-----------|
| 6.40%, 3/15/18 |  | 440 | 528,150   |
| 5.25%, 2/15/43 |  | 800 | 848,821   |
|                |  |     | 2,127,964 |

**Electrical Equipment 0.2%**

|                                     |  |     |         |
|-------------------------------------|--|-----|---------|
| Belden, Inc., 5.50%, 9/01/22 (a)(e) |  | 510 | 522,750 |
|-------------------------------------|--|-----|---------|

|   |  |     |         |
|---|--|-----|---------|
| Pentair Finance SA, 1.88%, 9/15/17 (a)(e) |  | 371 | 371,047 |
|---|--|-----|---------|

|                              |     |     |           |
|------------------------------|-----|-----|-----------|
| Techem GmbH, 6.13%, 10/01/19 | EUR | 300 | 416,144   |
|                              |     |     | 1,309,941 |

|                                    |  |              |              |
|------------------------------------|--|--------------|--------------|
|                                    |  | <b>Par</b>   |              |
|                                    |  | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>             |  |              |              |
| See Notes to Financial Statements. |  |              |              |

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>   |     |                      |              |
| <b>Health Care Providers &amp; Services (concluded)</b>          |     |                      |              |
| HCA, Inc. (e):   |     |                      |              |
| 6.50%, 2/15/20   | USD | 1,895                | \$ 2,122,400 |
| 7.88%, 2/15/20   |     | 1,896                | 2,102,190    |
| 7.25%, 9/15/20   |     | 996                  | 1,105,560    |
| 5.88%, 3/15/22   |     | 2,390                | 2,575,225    |
| Hologic, Inc., 6.25%, 8/01/20 (a)(e)                             |     | 1,289                | 1,359,895    |
| IASIS Healthcare LLC, 8.38%, 5/15/19                             |     | 1,030                | 1,060,900    |
| inVentiv Health, Inc., 9.00%, 1/15/18 (a)                        |     | 720                  | 750,600      |
| Omnicare, Inc., 7.75%, 6/01/20                                   |     | 1,135                | 1,259,850    |
| Tenet Healthcare Corp.:  |     |                      |              |
| 6.25%, 11/01/18 (e)  |     | 721                  | 798,507      |
| 8.88%, 7/01/19 (e)   |     | 1,005                | 1,135,650    |
| 6.75%, 2/01/20   |     | 475                  | 508,250      |
| 4.50%, 4/01/21 (a)(e)  |     | 803                  | 791,959      |
| Vanguard Health Holding Co. II LLC, 7.75%,<br>2/01/19 (a)        |     | 800                  | 857,000      |
| Voyage Care Bondco Plc, 6.50%, 8/01/18                           | GBP | 150                  | 231,540      |
| WellPoint, Inc., 1.25%, 9/10/15 (e)                              | USD | 1,430                | 1,441,058    |
|  |     |                      | 22,215,338   |
| <b>Health Care Technology 0.8%</b>                               |     |                      |              |
| IMS Health, Inc., 12.50%, 3/01/18 (a)(e)                         |     | 4,300                | 5,181,500    |
| <b>Hotels, Restaurants &amp; Leisure 5.7%</b>                    |     |                      |              |
| Caesars Entertainment Operating Co., Inc.,<br>9.00%, 2/15/20 (a) |     | 149                  | 147,137      |
| Caesars Operating Escrow LLC:                                    |     |                      |              |
| 8.50%, 2/15/20 (e)   |     | 1,010                | 984,750      |
| 9.00%, 2/15/20 (a)   |     | 1,646                | 1,625,425    |
| Carlson Wagonlit BV, 6.88%, 6/15/19 (a)(e)                       |     | 370                  | 386,650      |
| Choice Hotels International, Inc., 5.75%, 7/01/22<br>(e)         |     | 240                  | 266,400      |
| Cirsa Funding Luxembourg SA, 8.75%, 5/15/18                      | EUR | 355                  | 454,201      |
| Enterprise Inns Plc:   |     |                      |              |
| 6.50%, 12/06/18  | GBP | 2,232                | 3,326,800    |
| 6.88%, 2/15/21   |     | 2,070                | 2,983,279    |
| Gategroup Finance Luxembourg SA, 6.75%,<br>3/01/19               | EUR | 290                  | 389,968      |
| Hilton Hotels Corp., Mezzanine G, 1.00%,<br>11/12/15             | USD | 9,998                | 9,773,151    |
| MCE Finance Ltd., 5.00%, 2/15/21 (a)(e)                          |     | 941                  | 941,000      |
| Regal Entertainment Group, 5.75%, 2/01/25                        |     | 265                  | 259,700      |
| Six Flags Entertainment Corp., 5.25%, 1/15/21<br>(a)(e)          |     | 576                  | 564,480      |
| Spirit Issuer Plc:   |     |                      |              |
| 1.07%, 12/28/28  | GBP | 3,325                | 3,846,196    |
| 5.47%, 12/28/34 (b)  |     | 4,500                | 5,853,917    |



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|   |     |              |              |
|---|-----|--------------|--------------|
| <b>Station Casinos LLC:</b>   |     |              |              |
| 3.66%, 6/18/18  | USD | 440          | 440,000      |
| 7.50%, 3/01/21 (a)  |     | 1,283        | 1,291,019    |
| Travelport LLC, 6.31%, 12/01/16 (a)(e)(h)                           |     | 993          | 901,529      |
| Tropicana Entertainment LLC, 9.63%, 12/15/14 (c)(d)                 |     | 375          |              |
| The Unique Pub Finance Co. Plc, Series A4, 5.66%, 6/30/27           | GBP | 1,686        | 2,372,310    |
| Wynn Las Vegas LLC, 5.38%, 3/15/22 (e)                              | USD | 888          | 933,510      |
|   |     |              | 37,741,422   |
| <b>Household Durables 1.6%</b>                                      |     |              |              |
| Algeco Scotsman Global Finance Plc, 9.00%, 10/15/18                 | EUR | 630          | 855,396      |
| Ashton Woods USA LLC/Ashton Woods Finance Corp., 6.88%, 2/15/21 (a) | USD | 510          | 512,550      |
| Beazer Homes USA, Inc., 6.63%, 4/15/18 (e)                          |     | 910          | 972,562      |
| Berkline/Benchcraft LLC, 4.50%, 11/03/13 (c)(d)                     |     | 200          |              |
| Brookfield Residential Properties, Inc., 6.50%, 12/15/20 (a)(e)     |     | 925          | 980,500      |
| K. Hovnanian Enterprises, Inc., 7.25%, 10/15/20 (a)                 |     | 2,130        | 2,343,000    |
|   |     | <b>Par</b>   |              |
|   |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>  |     |              |              |
| See Notes to Financial Statements.                                  |     |              |              |

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Corporate Bonds</b>   |     |                      |              |
| <b>IT Services (concluded)</b>                                       |     |                      |              |
| SunGard Data Systems, Inc., 6.63%, 11/01/19 (a)                      | USD | 1,040                | \$ 1,068,600 |
| WEX, Inc., 4.75%, 2/01/23 (a)(e)                                     |     | 550                  | 532,125      |
|  |     |                      | 8,173,566    |
| <b>Machinery 1.1%</b>  |     |                      |              |
| CNH Capital LLC, 3.88%, 11/01/15 (e)                                 |     | 1,320                | 1,356,300    |
| Silver II Borrower/Silver II US Holdings LLC,<br>7.75%, 12/15/20 (a) |     | 336                  | 349,440      |
| Terex Corp., 6.00%, 5/15/21 (e)                                      |     | 1,070                | 1,110,125    |
| Trinseo Materials Operating SCA, 8.75%, 2/01/19<br>(a)               |     | 575                  | 572,844      |
| UR Merger Sub Corp. (e):<br>7.38%, 5/15/20                           |     | 805                  | 881,475      |
| 7.63%, 4/15/22   |     | 2,518                | 2,788,685    |
|  |     |                      | 7,058,869    |
| <b>Media 4.5%</b>  |     |                      |              |
| AMC Networks, Inc. (e):<br>7.75%, 7/15/21                            |     | 865                  | 981,775      |
| 4.75%, 12/15/22  |     | 269                  | 267,991      |
| Cengage Learning Acquisitions, Inc., 11.50%,<br>4/15/20 (a)(e)       |     | 509                  | 402,110      |
| Checkout Holding Corp., 11.49%, 11/15/15 (a)(g)                      |     | 1,007                | 743,921      |
| Cinemark USA, Inc., 5.13%, 12/15/22 (a)(e)                           |     | 206                  | 207,030      |
| Clear Channel Communications, Inc., 9.00%,<br>12/15/19 (a)(i)        |     | 1,017                | 945,810      |
| Clear Channel Worldwide Holdings, Inc. (e):<br>6.50%, 11/15/22 (a)   |     | 965                  | 1,008,425    |
| 6.50%, 11/15/22 (a)  |     | 2,608                | 2,744,920    |
| Series B, 7.63%, 3/15/20   |     | 1,045                | 1,081,575    |
| DIRECTV Holdings LLC, 3.13%, 2/15/16 (e)                             |     | 3,000                | 3,144,492    |
| DISH DBS Corp. (e):<br>7.00%, 10/01/13                               |     | 1,267                | 1,306,594    |
| 7.13%, 2/01/16   |     | 200                  | 222,500      |
| 5.88%, 7/15/22   |     | 2,025                | 2,136,375    |
| Intelsat Jackson Holdings SA, 7.25%, 10/15/20                        |     | 1,660                | 1,780,350    |
| Intelsat Luxembourg SA:<br>11.25%, 2/04/17                           |     | 360                  | 382,500      |
| 11.50%, 2/04/17 (h)  |     | 280                  | 297,850      |
| Interactive Data Corp., 10.25%, 8/01/18 (e)                          |     | 2,210                | 2,505,588    |
| Lynx I Corp., 6.00%, 4/15/21   | GBP | 1,274                | 1,985,872    |
| Lynx II Corp., 6.38%, 4/15/23 (a)                                    | USD | 200                  | 207,250      |
| The McClatchy Co., 9.00%, 12/15/22 (a)                               |     | 330                  | 348,975      |
| NAI Entertainment Holdings LLC, 8.25%, 12/15/17<br>(a)(e)            |     | 1,301                | 1,418,090    |
| Nara Cable Funding Ltd.:<br>8.88%, 12/01/18                          | EUR | 190                  | 260,457      |

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|  |     |              |              |
|--|-----|--------------|--------------|
| 8.88%, 12/01/18 (a)  | USD | 200          | 206,500      |
| ProQuest LLC, 9.00%, 10/15/18 (a)                              |     | 200          | 198,500      |
| ProtoStar I Ltd., 18.00%, 10/15/13 (a)(c)(d)(f)                |     | 3,454        | 1,727        |
| Sterling Entertainment Corp., 10.00%, 12/15/19                 |     | 1,175        | 1,175,000    |
| Unitymedia Hessen GmbH & Co. KG:                               |     |              |              |
| 7.50%, 3/15/19   |     | 1,440        | 1,569,600    |
| 5.50%, 1/15/23 (a)(e)  |     | 720          | 727,200      |
| Univision Communications, Inc., 6.75%, 9/15/22 (a)             |     | 355          | 383,400      |
| Virgin Media Secured Finance Plc, 6.50%, 1/15/18               |     | 1,000        | 1,067,500    |
|  |     |              | 29,709,877   |
| <b>Metals &amp; Mining 2.6%</b>                                |     |              |              |
| ArcelorMittal:   |     |              |              |
| 9.50%, 2/15/15 (e)   |     | 1,910        | 2,155,912    |
| 4.25%, 8/05/15 (e)   |     | 987          | 1,021,884    |
| 5.00%, 2/25/17   |     | 388          | 403,714      |
| 6.13%, 6/01/18 (e)   |     | 498          | 536,992      |
| 6.75%, 2/25/22 (e)   |     | 400          | 440,443      |
| Eco-Bat Finance Plc, 7.75%, 2/15/17                            | EUR | 495          | 667,250      |
| FMG Resources August 2006 Property Ltd., 6.38%, 2/01/16 (a)(e) | USD | 625          | 651,563      |
|  |     | <b>Par</b>   |              |
|  |     | <b>(000)</b> | <b>Value</b> |
| <b>Corporate Bonds</b>   |     |              |              |
| See Notes to Financial Statements.                             |     |              |              |

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

Consolidated Schedule of Investments (continued)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Corporate Bonds</b>  |     |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels</b>  |     |                      |              |
| <b>(concluded)</b>  |     |                      |              |
| Sabine Pass Liquefied Natural Gas LP (e):   |     |                      |              |
| 7.50%, 11/30/16   | USD | 4,110                | \$ 4,541,550 |
| 6.50%, 11/01/20 (a)   |     | 745                  | 785,975      |
| SandRidge Energy, Inc., 7.50%, 2/15/23<br>(e)                                     |     | 1,585                | 1,660,287    |
| SESI LLC:   |     |                      |              |
| 6.38%, 5/01/19  |     | 755                  | 809,738      |
| 7.13%, 12/15/21 (e)   |     | 745                  | 825,087      |
| SM Energy Co. (e):  |     |                      |              |
| 6.50%, 11/15/21   |     | 605                  | 657,938      |
| 6.50%, 1/01/23  |     | 285                  | 308,513      |
| Tesoro Logistics LP/Tesoro Logistics<br>Finance Corp., 5.88%, 10/01/20 (a)(e)     |     | 176                  | 183,480      |
|   |     |                      | 45,787,835   |
| <b>Paper &amp; Forest Products 0.2%</b>   |     |                      |              |
| Ainsworth Lumber Co. Ltd., 7.50%,<br>12/15/17 (a)                                 |     | 810                  | 872,775      |
| NewPage Corp., 11.38%, 12/31/14 (c)(d)  |     | 3,183                |              |
| Sappi Papier Holding GmbH, 8.38%,<br>6/15/19 (a)(e)                               |     | 305                  | 341,600      |
|   |     |                      | 1,214,375    |
| <b>Pharmaceuticals 0.3%</b>   |     |                      |              |
| Mylan, Inc., 6.00%, 11/15/18 (a)  |     | 80                   | 88,109       |
| Valeant Pharmaceuticals International<br>(a)(e):                                  |     |                      |              |
| 6.50%, 7/15/16  |     | 590                  | 619,869      |
| 6.38%, 10/15/20   |     | 915                  | 984,769      |
|   |     |                      | 1,692,747    |
| <b>Professional Services 0.1%</b>   |     |                      |              |
| La Financiere Atalian SA, 7.25%, 1/15/20  | EUR | 202                  | 264,117      |
| Truven Health Analytics, Inc., 10.63%,<br>6/01/20 (a)                             | USD | 540                  | 604,800      |
|   |     |                      | 868,917      |
| <b>Real Estate Investment Trusts (REITs)</b>                                      |     |                      |              |
| <b>0.5%</b>   |     |                      |              |
| Cantor Commercial Real Estate Co.<br>LP/CCRE Finance Corp., 7.75%, 2/15/18<br>(a) |     | 634                  | 637,170      |
| Felcor Lodging LP:  |     |                      |              |
| 6.75%, 6/01/19  |     | 1,170                | 1,257,018    |
| 5.63%, 3/01/23 (a)  |     | 291                  | 292,819      |
| Ventas Realty LP/Ventas Capital Corp.,<br>4.75%, 6/01/21 (e)                      |     | 1,300                | 1,438,341    |
|   |     |                      | 3,625,348    |

**Real Estate Management & Development 1.4%**

|  |     |       |           |
|--|-----|-------|-----------|
| Mattamy Group Corp., 6.50%, 11/15/20<br>(a)(e)           |     | 850   | 846,812   |
| Punch Taverns Finance Plc, Series A2R,<br>6.82%, 7/15/20 | GBP | 1,144 | 1,748,522 |
| Realogy Corp.:<br>11.50%, 4/15/17                        | USD | 215   | 229,244   |
| 12.00%, 4/15/17  |     | 225   | 240,188   |
| 7.88%, 2/15/19 (a)(e)                                    |     | 1,765 | 1,919,437 |
| 7.63%, 1/15/20 (a)(e)                                    |     | 1,015 | 1,144,412 |
| 9.00%, 1/15/20 (a)(e)                                    |     | 435   | 499,163   |
| Shea Homes LP, 8.63%, 5/15/19 (e)                        |     | 2,110 | 2,342,100 |
|  |     |       | 8,969,878 |

**Road & Rail 1.0%**

|  |  |       |           |
|--|--|-------|-----------|
| Asciano Finance Ltd., 3.13%, 9/23/15<br>(a)(e) |  | 3,400 | 3,501,633 |
| The Hertz Corp.:<br>7.50%, 10/15/18            |  | 540   | 589,950   |
| 6.75%, 4/15/19 (a)                             |  | 405   | 436,388   |
| 7.38%, 1/15/21 (e)                             |  | 1,675 | 1,846,687 |
|  |  |       | 6,374,658 |

**Semiconductors & Semiconductor Equipment 0.1%**

|   |  |     |         |
|---|--|-----|---------|
| NXP BV/NXP Funding LLC, 5.75%,<br>2/15/21 (a) |  | 560 | 572,600 |
|---|--|-----|---------|

**Software 0.6%**

|   |  |       |           |
|---|--|-------|-----------|
| IAC/InterActiveCorp, 4.75%, 12/15/22<br>(a)(e)        |  | 527   | 515,143   |
| Infor US, Inc., 9.38%, 4/01/19                        |  | 2,000 | 2,245,000 |
| Nuance Communications, Inc., 5.38%,<br>8/15/20 (a)(e) |  | 875   | 885,937   |
|   |  |       | 3,646,080 |

**Corporate Bonds**

See Notes to Financial Statements.

|                      |              |
|----------------------|--------------|
| <b>Par<br/>(000)</b> | <b>Value</b> |
|----------------------|--------------|

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                  |     |                      |              |
| <b>Auto Components (concluded)</b>                                       |     |                      |              |
| Federal-Mogul Corp.:   |     |                      |              |
| Term Loan B, 2.14%, 12/29/14   | USD | 3,109                | \$ 2,893,033 |
| Term Loan C, 2.14%, 12/28/15   |     | 829                  | 770,761      |
| The Goodyear Tire & Rubber Co., Second Lien<br>Term Loan, 4.75%, 4/30/19 |     | 2,985                | 2,996,194    |
| Schaeffler AG, Term Loan B2, 6.00%, 1/27/17                              |     | 2,135                | 2,134,466    |
| Transtar Holding Co., First Lien Term Loan, 5.50%,<br>10/09/18           |     | 1,282                | 1,294,606    |
|  |     |                      | 12,604,817   |
| <b>Beverages 0.0%</b>  |     |                      |              |
| Le-Nature s, Inc., Tranche B Term Loan, 3/01/11<br>(c)(d)(f)             |     | 1,000                | 100          |
| <b>Biotechnology 0.1%</b>  |     |                      |              |
| Grifols, Inc., Term Loan B, 4.25%, 6/01/17                               |     | 535                  | 537,393      |
| <b>Building Products 0.5%</b>  |     |                      |              |
| Armstrong World Industries, Inc., Term Loan B,<br>4.00%, 3/09/18         |     | 1,258                | 1,258,994    |
| CPG International, Inc., Term Loan, 5.75%, 9/18/19                       |     | 1,372                | 1,381,849    |
| United Subcontractors, Inc., First Lien Term Loan,<br>6.32%, 6/30/15     |     | 164                  | 155,423      |
| Wilsonart International Holdings LLC, Term Loan B,<br>5.50%, 10/31/19    |     | 820                  | 828,610      |
|  |     |                      | 3,624,876    |
| <b>Capital Markets 0.6%</b>  |     |                      |              |
| American Capital Holdings, Inc., Term Loan, 5.50%,<br>8/22/16            |     | 1,462                | 1,476,620    |
| HarbourVest Partners LLC, Term Loan B, 4.75%,<br>11/21/17                |     | 932                  | 936,552      |
| Nuveen Investments, Inc.:  |     |                      |              |
| Extended First Lien Term Loan,<br>5.70% 5.81%, 5/13/17                   |     | 198                  | 199,997      |
| Extended Term Loan, 5.70% 5.81%, 5/12/17                                 |     | 302                  | 305,663      |
| Incremental Term Loan, 7.25%, 5/13/17                                    |     | 580                  | 582,900      |
| Second Lien Term Loan, 8.25%, 2/28/19                                    |     | 685                  | 698,700      |
|  |     |                      | 4,200,432    |
| <b>Chemicals 1.3%</b>  |     |                      |              |
| American Rock Salt Holdings LLC, Term Loan,<br>5.50%, 4/25/17            |     | 1,226                | 1,214,181    |
| Chemtura Corp., Exit Term Loan B, 5.50%, 8/27/16                         |     | 500                  | 503,750      |
| Evergreen Acqco 1 LP, Term Loan, 5.00%, 7/09/19                          |     | 781                  | 787,672      |
| General Chemical Corp., Term Loan,<br>5.00% 5.75%, 10/06/15              |     | 104                  | 104,451      |
| INEOS US Finance LLC, 6 Year Term Loan, 6.50%,<br>5/04/18                |     | 1,052                | 1,074,034    |
|  | EUR | 433                  | 564,417      |

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|   |     |                      |              |
|---|-----|----------------------|--------------|
| MacDermid, Inc., Tranche C Term Loan, 2.31%,<br>4/11/14                       |     |                      |              |
| Nexeo Solutions LLC, Term Loan B, 5.00%, 9/08/17                              | USD | 1,277                | 1,273,265    |
| Tronox Pigments (Netherlands) BV, Delayed Draw<br>Term Loan B, 4.25%, 2/08/18 |     | 688                  | 687,093      |
| US Coatings Acquisition, Inc.:<br>Term Loan, 4.75%, 2/03/20                   |     | 2,110                | 2,135,616    |
| Term Loan B, 5.25%, 2/03/20   | EUR | 130                  | 171,449      |
|   |     |                      | 8,515,928    |
| <b>Commercial Banks 0.3%</b>  |     |                      |              |
| Everest Acquisition LLC, Term Loan B1, 5.00%,<br>5/24/18                      | USD | 1,690                | 1,704,179    |
| <b>Commercial Services &amp; Supplies 1.9%</b>                                |     |                      |              |
| ACCO Brands Corp., Term Loan B, 4.25%, 4/30/19                                |     | 676                  | 680,801      |
| ADS Waste Holdings, Inc., Term Loan B, 5.25%,<br>10/09/19                     |     | 1,655                | 1,656,556    |
| Altegrity, Inc.:<br>Term Loan, 3.20%, 2/21/15                                 |     | 955                  | 921,575      |
| Tranche D Term Loan, 7.75%, 2/20/15   |     | 1,211                | 1,211,201    |
| AWAS Finance Luxembourg 2012 SA, Term Loan,<br>4.75%, 7/16/18                 |     | 1,318                | 1,340,787    |
|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
| <b>Floating Rate Loan Interests (b)</b>                                       |     |                      |              |
| <b>Commercial Services &amp; Supplies (concluded)</b>                         |     |                      |              |
| AWAS Finance Luxembourg Sarl, Term Loan B,<br>5.25%, 6/10/16                  | USD | 992                  | \$ 999,629   |
| Delos Aircraft, Inc., Term Loan 2, 4.75%, 4/12/16                             |     | 1,450                | 1,458,454    |
| KAR Auction Services, Inc., Term Loan B, 5.00%,<br>5/19/17                    |     | 1,478                | 1,492,275    |
| Progressive Waste Solutions Ltd., Term Loan B,<br>3.50%, 10/24/19             |     | 785                  | 791,869      |
| Protection One, Inc., Term Loan, 5.75%, 3/21/19                               |     | 824                  | 830,984      |
| WEST Corp., Term Loan B8, 5.75%, 2/07/18                                      |     | 995                  | 997,905      |
|   |     |                      | 12,382,036   |
| <b>Communications Equipment 1.9%</b>  |     |                      |              |
| Alcatel-Lucent:   |     |                      |              |
| Term Loan B, 6.25%, 7/29/16   |     | 590                  | 596,166      |
| Term Loan C, 7.25%, 1/31/19   |     | 3,650                | 3,690,150    |
| Term Loan D, 7.75%, 1/31/19   | EUR | 1,235                | 1,616,610    |
| Avaya, Inc.:  |     |                      |              |
| Extended Term Loan B3, 4.79%, 10/26/17  | USD | 206                  | 191,200      |
| Term Loan B5, 8.00%, 3/30/18  |     | 266                  | 267,872      |
| CommScope, Inc., Term Loan, 4.25%, 1/12/18                                    |     | 1,228                | 1,233,381    |
| Riverbed Technology, Inc., Term Loan, 4.00%,<br>12/18/19                      |     | 620                  | 626,975      |
| Telesat Canada, Term Loan A, 4.40%, 3/28/17                                   | CAD | 1,835                | 1,748,255    |
| Zayo Group, LLC Refinancing, Term Loan B, 5.25%,<br>7/12/19                   | USD | 2,810                | 2,818,953    |
|   |     |                      | 12,789,562   |
| <b>Construction &amp; Engineering 0.9%</b>                                    |     |                      |              |
| Centaur LLC:  |     |                      |              |

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|   |       |                        |
|---|-------|------------------------|
| First Lien Term Loan, 8.75%, 2/15/19                              | 1,445 | 1,445,910              |
| Second Lien Term Loan, 8.75%, 2/15/20                             | 710   | 720,650                |
| Safeway Services LLC, First Out Term Loan, 9.00%,<br>12/16/17     | 3,750 | 3,750,000<br>5,916,560 |
| <b>Construction Materials 0.4%</b>                                |       |                        |
| HD Supply, Inc., Senior Debt B, 4.50%, 10/12/17                   | 2,328 | 2,334,493              |
| <b>Consumer Finance 0.1%</b>                                      |       |                        |
| Springleaf Financial Funding Co., Term Loan,<br>5.50%, 5/10/17    | 925   | 928,274                |
| <b>Containers &amp; Packaging 0.1%</b>                            |       |                        |
| Sealed Air Corp., Term Loan, 4.00%, 10/03/18                      | 517   | 523,046                |
| <b>Distributors 0.1%</b>  |       |                        |
| Crossmark Holdings, Inc., Term Loan, 4.50%,<br>1/31/20            | 385   | 385,162                |
| VWR Funding, Inc., Extended Term Loan B, 4.54%,<br>4/03/17        | 460   | 463,307<br>848,469     |
| <b>Diversified Consumer Services 1.1%</b>                         |       |                        |
| Bright Horizons Family, Inc., Term Loan B, 4.00%,<br>1/16/20      | 785   | 788,925                |
| Coinmach Service Corp., Term Loan B, 3.21%,<br>11/20/14           | 3,277 | 3,203,356              |
| Education Management LLC, Term Loan C3, 8.25%,<br>3/29/18         | 549   | 472,857                |
| Laureate Education, Inc., Extended Term Loan,<br>5.25%, 6/18/18   | 1,735 | 1,744,012              |
| ServiceMaster Co., New Term Loan, 2.70%, 4/01/17                  | 1,295 | 1,290,606<br>7,499,756 |
| <b>Diversified Financial Services 1.0%</b>                        |       |                        |
| Reynolds Group Holdings Inc., Dollar Term Loan,<br>4.75%, 9/28/18 | 2,050 | 2,072,493              |
| Telesat LLC, Term Loan B, 4.25%, 3/28/19                          | 3,706 | 3,732,320              |
| WMG Acquisition Corp., Term Loan, 5.25%,<br>11/01/18              | 930   | 940,462<br>6,745,275   |
| See Notes to Financial Statements.                                |       |                        |

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>  |     |                      |              |
| <b>Diversified Telecommunication Services</b>  |     |                      |              |
| <b>2.0%</b>  |     |                      |              |
| Consolidated Communications, Inc., Term Loan B3, 5.25%, 12/31/18                             | USD | 2,255                | \$ 2,276,851 |
| Hawaiian Telcom Communications, Inc., Term Loan B, 7.00%, 2/28/17                            |     | 1,751                | 1,783,436    |
| Integra Telecom, Inc.:   |     |                      |              |
| Second Lien Term Loan, 9.75%, 2/15/20  |     | 590                  | 603,275      |
| Term Loan, 9.25%, 2/15/19  |     | 1,175                | 1,187,925    |
| Level 3 Financing, Inc.:   |     |                      |              |
| 2016 Term Loan B, 4.75%, 2/01/16   |     | 763                  | 771,672      |
| 2019 Term Loan B, 5.25%, 8/01/19   |     | 625                  | 631,381      |
| Term Loan, 4.75%, 8/01/19  |     | 4,830                | 4,868,640    |
| Syniverse Holdings, Inc., Delayed Draw Term Loan, 4.00%, 4/23/19                             |     | 525                  | 524,344      |
| US Telepacific Corp., Term Loan B, 5.75%, 2/23/17  |     | 494                  | 492,926      |
|  |     |                      | 13,140,450   |
| <b>Electric Utilities 0.0%</b>   |     |                      |              |
| TPF Generation Holdings LLC, Synthetic Letter of Credit Deposit, First Lien, 2.21%, 12/13/13 |     | 47                   | 47,074       |
| <b>Energy Equipment &amp; Services 1.3%</b>  |     |                      |              |
| Dynegy Midwest Generation LLC, Coal Co. Term Loan, 9.25%, 8/04/16                            |     | 2,012                | 2,076,701    |
| Dynegy Power LLC, Gas Co. Term Loan, 9.25%, 8/04/16  |     | 3,247                | 3,376,896    |
| MEG Energy Corp., Term Loan, 3.75%, 3/20/20  |     | 1,320                | 1,323,300    |
| Tervita Corp., Incremental Term Loan, 3.20%, 5/01/18   |     | 1,145                | 1,150,908    |
| Unifrax I LLC/Unifrax Holding Co., Dollar Term Loan, 4.25%, 11/28/18                         |     | 555                  | 558,669      |
|  |     |                      | 8,486,474    |
| <b>Food &amp; Staples Retailing 0.3%</b>   |     |                      |              |
| Pilot Travel Centers LLC, Term Loan B2, 4.25%, 8/07/19                                       |     | 608                  | 613,988      |
| Rite Aid Corp.:  |     |                      |              |
| Second Lien Term Loan, 5.75%, 7/07/20  |     | 240                  | 245,467      |
| Term Loan 6, 4.00%, 2/21/20  |     | 260                  | 260,502      |
| Supervalu, Inc., Term Loan B, 6.25%, 2/05/18   |     | 920                  | 930,350      |
|  |     |                      | 2,050,307    |
| <b>Food Products 0.5%</b>  |     |                      |              |
| Advance Pierre Foods, Inc., Term Loan, 5.75%, 7/10/17  |     | 785                  | 794,569      |
| Del Monte Foods Co., Term Loan, 4.50%, 3/08/18   |     | 918                  | 921,424      |
|  |     | 1,124                | 1,134,162    |

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Pinnacle Foods Finance LLC, Term Loan E,  
4.75%, 10/17/18

Solvest Ltd. (Dole):

|                                     |     |           |
|-------------------------------------|-----|-----------|
| Term Loan B-2, 5.00% 6.00%, 7/06/18 | 96  | 96,349    |
| Term Loan C-2, 5.00% 6.00%, 7/06/18 | 172 | 172,415   |
|                                     |     | 3,118,919 |

**Health Care Equipment & Supplies 1.4%**

|  |       |           |
|--|-------|-----------|
| Bausch & Lomb, Inc., Term Loan B, 5.25%,<br>5/17/19                      | 2,045 | 2,059,815 |
| BSN Medical Acquisition Holding GmbH, Term<br>Loan B, 5.00%, 8/28/19     | 700   | 702,800   |
| Capital Safety North America Holding, Inc.,<br>Term Loan, 4.50%, 1/21/19 | 993   | 992,500   |
| DJO Finance LLC, Term Loan B3, 6.25%,<br>9/15/17                         | 2,154 | 2,171,236 |
| Hologic, Inc., Term Loan B, 4.50%, 8/01/19                               | 1,638 | 1,656,375 |
| Immucor, Inc., Term Loan B2, 5.00%, 8/18/18                              | 643   | 641,962   |
| LHP Hospital Group, Inc., Term Loan, 9.00%,<br>7/03/18                   | 856   | 874,954   |
|  |       | 9,099,642 |

**Health Care Providers & Services 2.2%**

|                                       |     |         |
|---------------------------------------|-----|---------|
| American Renal Holdings Co., Inc.:    |     |         |
| First Lien Term Loan, 4.50%, 8/14/19  | 855 | 852,862 |
| Second Lien Term Loan, 8.50%, 2/14/20 | 890 | 887,775 |

**Floating Rate Loan Interests (b)  
Health Care Providers & Services  
(concluded)**

|  | Par<br>(000) | Value      |
|--|--------------|------------|
| Ardent Medical Services, Inc., Term Loan,<br>6.75%, 7/02/18      | USD 480      | \$ 486,600 |
| CHG Buyer Corp., First Lien Term Loan,<br>5.00%, 11/22/19        | 839          | 848,626    |
| ConvaTec, Inc., Term Loan, 5.00%, 12/22/16                       | 1,258        | 1,271,516  |
| DaVita, Inc., Term Loan B, 4.50%, 10/20/16                       | 1,960        | 1,973,994  |
| Emergency Medical Services Corp., Term<br>Loan, 4.00%, 5/25/18   | 279          | 279,008    |
| Genesis HealthCare Corp., Term Loan B,<br>10.00% 10.75%, 9/25/17 | 1,096        | 1,074,410  |
| Harden Healthcare LLC:   |              |            |
| Add on Term Loan A, 7.75%, 3/02/15                               | 2,880        | 2,819,570  |
| Term Loan A, 8.50%, 3/02/15                                      | 478          | 473,526    |
| inVentiv Health, Inc.:   |              |            |
| Combined Term Loan, 7.50%, 8/04/16                               | 55           | 54,016     |
| Incremental Term Loan B-3, 7.75%, 5/15/18                        | 232          | 228,498    |
| Medpace, Inc., Term Loan, 6.50% 7.25%,<br>6/16/17                | 2,629        | 2,615,482  |
| US Renal Care, Inc., First Lien Term Loan,<br>6.25%, 7/02/19     | 856          | 867,466    |
|  |              | 14,733,349 |

**Health Care Technology 0.2%**

|  |     |         |
|--|-----|---------|
|  | 646 | 647,912 |
|--|-----|---------|

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|  |       |            |
|--|-------|------------|
| IMS Health, Inc., Tranche B Term Loan, 3.75%,<br>8/25/17                   |       |            |
| Kinetic Concepts, Inc., Term Loan C1, 5.50%,<br>5/04/18                    | 614   | 621,374    |
| MedAssets, Inc., Term Loan B, 4.00%,<br>12/13/19                           | 365   | 367,128    |
|  |       | 1,636,414  |
| <b>Hotels, Restaurants &amp; Leisure 3.6%</b>                              |       |            |
| Alpha D2 Ltd., Extended Term Loan B2, 6.00%,<br>4/30/19                    | 1,673 | 1,693,869  |
| Caesars Entertainment Operating Co., Inc.,<br>Term Loan B1, 3.20%, 1/28/15 | 2,197 | 2,190,228  |
| Golden Living, Term Loan, 5.00%, 5/04/18                                   | 1,065 | 1,020,408  |
| Harrah's Property Co., Mezzanine Term Loan,<br>3.69%, 2/13/14              | 3,811 | 3,505,936  |
| MGM Resorts International, Term Loan B,<br>4.25%, 12/20/19                 | 1,970 | 1,992,655  |
| OSI Restaurant Partners LLC, Term Loan B,<br>4.75%, 10/24/19               | 843   | 853,824    |
| Sabre, Inc., Term Loan B, 5.25%, 2/01/19                                   | 570   | 569,595    |
| SeaWorld Parks & Entertainment, Inc., Term<br>Loan B, 4.00%, 8/17/17       | 825   | 828,645    |
| Station Casinos, Inc.:   |       |            |
| 2011 Term Loan B2, 6.25%, 6/17/16  | 2,355 | 2,335,383  |
| Term Loan B, 5.50%, 9/27/19  | 2,010 | 2,021,681  |
| Term Loan B, 5.00%, 2/13/20  | 3,735 | 3,766,124  |
| Travelport Holdings Ltd.:  |       |            |
| Extended Tranche A Term Loan, 6.40%,<br>12/01/16                           | 457   | 161,522    |
| Extended Tranche B Term Loan, 13.80%,<br>12/01/16                          | 1,530 | 142,817    |
| Twin River Worldwide Holdings, Inc., Term<br>Loan, 8.50%, 11/05/15         | 1,195 | 1,203,413  |
| Wendy's International, Inc., Term Loan B,<br>4.75%, 5/15/19                | 1,232 | 1,242,224  |
|  |       | 23,528,324 |
| <b>Household Products 0.3%</b>   |       |            |
| Prestige Brands, Inc., Term Loan,<br>5.25% 6.25%, 1/31/19                  | 680   | 682,943    |
| Spectrum Brands, Inc., Term Loan, 4.50%,<br>12/17/19                       | 1,210 | 1,224,617  |
|  |       | 1,907,560  |
| <b>Independent Power Producers &amp; Energy Traders 0.2%</b>               |       |            |
| The AES Corp., Term Loan, 4.25%, 6/01/18                                   | 384   | 385,547    |
| Calpine Corp., Term Loan B1, 4.50%, 4/02/18                                | 1,065 | 1,070,853  |
|  |       | 1,456,400  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>                                |     |                      |              |
| <b>Industrial Conglomerates 0.4%</b>                                   |     |                      |              |
| Sequa Corp., Term Loan B, 5.25%, 6/19/17                               | USD | 2,635                | \$ 2,665,046 |
| <b>Insurance 0.9%</b>  |     |                      |              |
| Alliant Holdings I, Inc., Term Loan B, 5.00%,<br>12/20/19              |     | 1,075                | 1,083,063    |
| Asurion LLC, Term Loan B1, 5.50%, 5/24/19                              |     | 1,545                | 1,549,511    |
| CNO Financial Group, Inc.:   |     |                      |              |
| Term Loan B-1, 4.25%, 9/28/16  |     | 993                  | 1,000,196    |
| Term Loan B-2, 5.00%, 9/20/18  |     | 1,356                | 1,368,241    |
| Cunningham Lindsey Group, Inc., Term Loan B,<br>5.00%, 12/10/19        |     | 930                  | 941,625      |
|  |     |                      | 5,942,636    |
| <b>Internet Software &amp; Services 0.1%</b>                           |     |                      |              |
| Web.com Group, Inc., Term Loan B, 5.50%,<br>10/27/17                   |     | 947                  | 955,372      |
| <b>IT Services 2.1%</b>  |     |                      |              |
| CCC Information Services, Inc., Term Loan, 5.25%,<br>12/20/19          |     | 310                  | 311,860      |
| Ceridian Corp., Extended Term Loan, 5.95%,<br>5/09/17                  |     | 1,084                | 1,096,227    |
| First Data Corp.:  |     |                      |              |
| 2018 Add-on Term Loan, 5.20%, 9/24/18                                  |     | 1,805                | 1,804,188    |
| Extended 2018 Term Loan B, 4.20%, 3/23/18                              |     | 5,119                | 5,054,701    |
| Genpact International, Inc., Term Loan B, 4.25%,<br>8/30/19            |     | 1,067                | 1,077,998    |
| InfoGroup, Inc., Term Loan, 5.75%, 5/25/18                             |     | 838                  | 759,065      |
| SunGard Data Systems, Inc., Term Loan D, 4.50%,<br>1/31/20             |     | 855                  | 861,412      |
| TransUnion LLC, Term Loan B, 5.50%, 2/12/18                            |     | 2,597                | 2,612,471    |
|  |     |                      | 13,577,922   |
| <b>Leisure Equipment &amp; Products 0.1%</b>                           |     |                      |              |
| Eastman Kodak Co., DIP Term Loan B, 8.50%,<br>7/19/13                  |     | 537                  | 537,089      |
| FGL Operating Co. LLC, Term Loan, 5.50%, 4/19/19                       |     | 398                  | 396,805      |
|  |     |                      | 933,894      |
| <b>Life Sciences Tools &amp; Services 0.1%</b>                         |     |                      |              |
| Patheon, Inc., Term Loan, 7.25%, 12/06/18                              |     | 469                  | 474,099      |
| <b>Machinery 1.5%</b>  |     |                      |              |
| Alliance Laundry Systems LLC, First Lien Term<br>Loan, 5.50%, 12/07/18 |     | 300                  | 301,218      |
| Dematic S.A., Term Loan, 5.25%, 12/27/19                               |     | 1,445                | 1,454,479    |
| Intelligrated, Inc., First Lien Term Loan, 4.50%,<br>7/30/18           |     | 1,097                | 1,097,250    |
| Rexnord Corp., Term Loan B, 4.50%, 4/02/18                             |     | 1,473                | 1,482,030    |
| Silver II US Holdings LLC, First Lien Term Loan,<br>4.75%, 12/05/19    |     | 1,315                | 1,315,000    |

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|   |     |              |                        |
|---|-----|--------------|------------------------|
| Terex Corp., Term Loan B:<br>4.50%, 4/28/17                                   |     | 988          | 997,094                |
| 5.00%, 4/28/17  | EUR | 306          | 400,795                |
| Wabash National Corp., Term Loan B, 6.00%,<br>5/02/19                         | USD | 2,744        | 2,762,567<br>9,810,433 |
| <b>Media 5.9%</b>   |     |              |                        |
| Capsugel Holdings US, Inc., Term Loan B, 4.75%,<br>8/01/18                    |     | 629          | 635,748                |
| Cengage Learning Acquisitions, Inc., Tranche 1<br>Incremental, 7.50%, 7/03/14 |     | 2,015        | 1,602,007              |
| Charter Communications Operating LLC:<br>Extended Term Loan C, 3.46%, 9/06/16 |     | 1,566        | 1,571,114              |
| Term Loan D, 4.00%, 5/15/19   |     | 910          | 916,570                |
| Clear Channel Communications, Inc.:   |     |              |                        |
| Term Loan B, 3.85%, 1/29/16   |     | 441          | 377,148                |
| Term Loan C, 3.85%, 1/29/16   |     | 834          | 704,103                |
| Cumulus Media, Inc., First Lien Term Loan, 4.50%,<br>9/17/18                  |     | 1,484        | 1,497,883              |
|   |     | <b>Par</b>   | <b>Value</b>           |
|   |     | <b>(000)</b> |                        |
| <b>Floating Rate Loan Interests (b)</b>                                       |     |              |                        |
| <b>Media (concluded)</b>  |     |              |                        |
| EMI Music Publishing Ltd., Term Loan B, 5.50%,<br>6/29/18                     | USD | 766          | \$ 774,386             |
| Foxco Acquisition Sub LLC, Term Loan B, 5.50%,<br>7/14/17                     |     | 1,171        | 1,184,062              |
| Getty Images, Inc., Term Loan B, 4.75%, 10/18/19                              |     | 1,820        | 1,834,160              |
| Houghton Mifflin Harcourt Publishing Co., DIP Term<br>Loan B, 7.25%, 6/01/18  |     | 2,164        | 2,174,468              |
| Hubbard Broadcasting, Term Loan B, 4.50%,<br>4/28/17                          |     | 726          | 731,575                |
| Intelsat Jackson Holdings SA, Term Loan B1,<br>4.50%, 4/02/18                 |     | 4,169        | 4,208,076              |
| Interactive Data Corp., Term Loan B, 3.75%, 2/11/18                           |     | 2,126        | 2,129,019              |
| Kabel Deutschland GmbH, Term Loan F1, 3.50%,<br>2/01/19                       |     | 3,195        | 3,200,144              |
| Lavena Holding 4 GmbH (Prosiebensat.1 Media<br>AG):                           |     |              |                        |
| Term Loan (Second Lien), 4.12%, 9/02/16                                       | EUR | 904          | 1,148,096              |
| Term Loan B, 2.62%, 3/06/15   |     | 304          | 390,366                |
| Term Loan C, 3.00%, 3/04/16   |     | 304          | 392,349                |
| NEP Supershooters LP:   |     |              |                        |
| First Lien Term Loan, 5.25%, 1/18/20  | USD | 840          | 842,360                |
| Second Lien Term Loan, 9.50%, 8/18/20   |     | 595          | 609,875                |
| Term Loan, 4.75%, 1/18/20   |     | 840          | 842,100                |
| Sinclair Television Group, Inc., Term Loan B, 4.00%,<br>10/28/16              |     | 1,212        | 1,216,265              |
| Univision Communications, Inc., Extended Term<br>Loan, 4.45%, 3/31/17         |     | 2,654        | 2,656,513              |
| UPC Broadband Holding BV, Term Loan U, 4.12%,<br>12/29/17                     | EUR | 97           | 126,369                |

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|   |     |       |            |
|---|-----|-------|------------|
| UPC Financing Partnership, Term Loan T, 3.70%,<br>12/30/16        | USD | 355   | 355,824    |
| Virgin Media Investment Holdings, Term Loan B:<br>4.50%, 2/15/20  | GBP | 2,340 | 3,536,017  |
| 3.50%, 2/17/20  | USD | 2,110 | 2,097,403  |
| WC Luxco Sarl, Term Loan B-3, 4.25%, 3/15/18                      |     | 526   | 530,919    |
| Weather Channel, Term Loan B, 3.50%, 2/07/17                      |     | 277   | 277,992    |
| WideOpenWest Finance LLC, First Lien Term Loan,<br>6.25%, 7/17/18 |     | 741   | 749,985    |
|   |     |       | 39,312,896 |
| <b>Metals &amp; Mining 1.9%</b>                                   |     |       |            |
| Ameriforge Group, Inc.:   |     |       |            |
| First Lien Term Loan, 5.00%, 12/19/19                             |     | 950   | 958,911    |
| Second Lien Term Loan, 8.75%, 12/18/20                            |     | 470   | 476,463    |
| Constellium Holdco BV, Term Loan B, 9.25%,<br>5/25/18             |     | 1,298 | 1,324,444  |
| FMG America Finance, Inc., Term Loan, 5.25%,<br>10/18/17          |     | 3,007 | 3,042,859  |
| Metals USA, Inc., Term Loan, 6.25%, 11/15/19                      |     | 1,155 | 1,156,444  |
| Novelis, Inc.:  |     |       |            |
| Incremental Term Loan B-2, 4.00%, 3/10/17                         |     | 961   | 961,717    |
| Term Loan, 4.00%, 3/10/17   |     | 2,930 | 2,932,739  |
| Walter Energy, Inc., Term Loan B, 5.75%, 4/02/18                  |     | 298   | 298,516    |
| Windsor Financing LLC, Term Loan B, 6.25%,<br>12/05/17            |     | 1,635 | 1,685,998  |
|   |     |       | 12,838,091 |
| <b>Multiline Retail 1.0%</b>                                      |     |       |            |
| 99¢ Only Stores, Term Loan, 5.25%, 1/11/19                        |     | 796   | 801,239    |
| Apex Tool Group LLC, Term Loan B, 4.50%, 1/28/20                  |     | 700   | 706,874    |
| BJ's Wholesale Club, Inc.:  |     |       |            |
| First Lien Term Loan, 5.75%, 9/13/19                              |     | 594   | 593,887    |
| Second Lien Term Loan, 9.75%, 3/26/20                             |     | 545   | 563,056    |
| HEMA Holding BV:  |     |       |            |
| Second Lien Term Loan, 5.12%, 1/05/17                             | EUR | 2,600 | 3,082,141  |
| Term Loan B, 2.12%, 7/06/15                                       |     | 334   | 414,584    |
| Term Loan C, 2.87%, 7/05/16                                       |     | 334   | 416,762    |
|   |     |       | 6,578,543  |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|   |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|---|-----|----------------------|--------------|
| <b>Floating Rate Loan Interests (b)</b>   |     |                      |              |
| <b>Oil, Gas &amp; Consumable Fuels 2.0%</b>                                       |     |                      |              |
| Chesapeake Energy Corp., Unsecured Term Loan, 5.75%, 12/01/17                     | USD | 2,595                | \$ 2,648,794 |
| Gibson Energy ULC, Term Loan B, 4.75%, 6/15/18                                    |     | 1,229                | 1,240,734    |
| Obsidian Natural Gas Trust, Term Loan, 7.00%, 11/02/15                            |     | 2,022                | 2,042,118    |
| Plains Exploration & Production, 7-Year Term Loan B, 4.00%, 11/30/19              |     | 2,270                | 2,273,791    |
| Samson Investment Co., Second Lien Term Loan, 6.00%, 9/25/18                      |     | 740                  | 746,941      |
| Tesoro Corp., Term Loan B, 2.55%, 1/30/16   |     | 1,375                | 1,387,031    |
| Vantage Drilling Co., Term Loan, 6.25%, 10/26/17                                  |     | 3,125                | 3,141,065    |
|   |     |                      | 13,480,474   |
| <b>Pharmaceuticals 1.2%</b>   |     |                      |              |
| Aptalis Pharma, Inc., Term Loan B, 5.50%, 2/10/17                                 |     | 1,470                | 1,472,940    |
| Par Pharmaceutical, Term Loan B, 4.25%, 9/28/19                                   |     | 1,970                | 1,967,600    |
| Pharmaceutical Product Development, Inc., Term Loan B, 4.25%, 12/05/18            |     | 1,719                | 1,728,568    |
| RPI Finance Trust, Incremental Tranche 2, 4.00%, 11/09/18                         |     | 461                  | 465,448      |
| Valeant Pharmaceuticals International, Inc., Series C, Tranche B, 3.50%, 12/11/19 |     | 1,120                | 1,124,200    |
| Warner Chilcott Corp.:  |     |                      |              |
| Incremental Term Loan B-1, 4.25%, 3/15/18   |     | 291                  | 293,277      |
| Term Loan B-1, 4.25%, 3/15/18   |     | 765                  | 772,247      |
| Term Loan B-2, 4.25%, 3/15/18   |     | 237                  | 238,748      |
|   |     |                      | 8,063,028    |
| <b>Professional Services 0.6%</b>   |     |                      |              |
| Booz Allen Hamilton, Inc., Term Loan B, 4.50%, 7/31/19                            |     | 1,387                | 1,398,657    |
| Emdeon, Inc., Term Loan B1, 5.00%, 11/02/18                                       |     | 926                  | 937,445      |
| ON Assignment, Inc., Term Loan B, 5.00%, 5/15/19                                  |     | 515                  | 519,278      |
| Truven Health Analytics, Inc., Term Loan B, 5.75%, 6/01/19                        |     | 1,184                | 1,195,156    |
|   |     |                      | 4,050,536    |
| <b>Real Estate Investment Trusts (REITs) 0.5%</b>                                 |     |                      |              |
| iStar Financial, Inc., Term Loan, 4.50%, 9/28/17                                  |     | 3,244                | 3,246,483    |
| <b>Real Estate Management &amp; Development 0.7%</b>                              |     |                      |              |
| Realty Corp.:   |     |                      |              |
|   |     | 103                  | 102,664      |

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|  |     |              |                        |
|--|-----|--------------|------------------------|
| Extended Letter of Credit Loan, 4.46%,<br>10/10/16                               |     |              |                        |
| Extended Term Loan, 4.42%, 10/10/16  |     | 4,773        | 4,771,918<br>4,874,582 |
| <b>Road &amp; Rail 0.1%</b>  |     |              |                        |
| Road Infrastructure Investment LLC, Term<br>Loan B, 6.25%, 3/30/18               |     | 640          | 641,763                |
| <b>Semiconductors &amp; Semiconductor Equipment 0.6%</b>                         |     |              |                        |
| Freescale Semiconductor, Inc.:   |     |              |                        |
| Extended Term Loan B, 4.45%, 12/01/16  |     | 1,137        | 1,137,128              |
| Term Loan, 5.00%, 3/1/20   |     | 1,575        | 1,568,700              |
| NXP BV:  |     |              |                        |
| Term Loan A-2, 5.50%, 3/03/17  |     | 399          | 406,205                |
| Term Loan C, 4.75%, 1/11/20  |     | 980          | 995,004<br>4,107,037   |
| <b>Software 1.1%</b>   |     |              |                        |
| Bankruptcy Management Solutions, Inc., Term<br>Loan (First Lien), 7.50%, 8/20/14 |     | 2            | 1,099                  |
| GCA Services Group, Inc.:  |     |              |                        |
| Second Lien Term Loan, 9.25%, 11/1/20  |     | 700          | 693,000                |
| Term Loan B, 5.25%, 11/01/19   |     | 560          | 560,000                |
| Infor US, Inc., Term Loan B2, 5.25%, 4/05/18                                     |     | 1,606        | 1,623,078              |
| Kronos, Inc., Second Lien Term Loan, 9.75%,<br>4/30/20                           |     | 1,170        | 1,216,800              |
| RP Crown Parent LLC, First Lien Term Loan,<br>6.75%, 12/21/18                    |     | 920          | 933,230                |
| Sophia LP, Term Loan B, 6.25%, 7/19/18   |     | 892          | 898,205                |
|  |     | <b>Par</b>   |                        |
|  |     | <b>(000)</b> | <b>Value</b>           |
| <b>Floating Rate Loan Interests (b)</b>  |     |              |                        |
| <b>Software (concluded)</b>  |     |              |                        |
| SS&C Technologies, Inc.:   |     |              |                        |
| Term Loan B-1, 5.00%, 6/07/19  | USD | 1,233        | \$ 1,243,590           |
| Term Loan B-2, 5.00%, 6/07/19  |     | 128          | 128,647<br>7,297,649   |
| <b>Specialty Retail 1.7%</b>   |     |              |                        |
| Academy Ltd., Term Loan, 4.75%, 8/03/18  |     | 1,782        | 1,802,634              |
| Bass Pro Group LLC, Term Loan, 4.00%,<br>11/20/19                                |     | 840          | 844,519                |
| Burlington Coat Factory Warehouse Corp.,<br>Term Loan B1, 5.50%, 2/23/17         |     | 200          | 201,723                |
| David's Bridal, Inc., Term Loan B, 5.00%,<br>10/11/19                            |     | 955          | 964,789                |
| Equinox Fitness Clubs, First Lien Term Loan,<br>5.50%, 1/31/20                   |     | 1,140        | 1,151,400              |
| Harbor Freight Tools USA, Inc., Term Loan B,<br>5.50%, 11/14/17                  |     | 527          | 532,624                |
| Michaels Stores, Inc., Term Loan, 4.81%,<br>1/31/20                              |     | 1,425        | 1,428,163              |
| Party City Holdings, Inc., Term Loan B, 5.75%,<br>7/26/19                        |     | 1,800        | 1,798,650              |
|  |     | 1,209        | 1,218,300              |



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|   |       |             |
|---|-------|-------------|
| PETCO Animal Supplies, Inc., Term Loan,<br>4.00%, 11/24/17          |       |             |
| Toys 'R Us Delaware, Inc., Term Loan B3,<br>5.25%, 5/25/18          | 615   | 581,506     |
| The Yankee Candle Co., Inc., Term Loan B,<br>5.25%, 4/02/19         | 540   | 543,191     |
|   |       | 11,067,499  |
| <b>Textiles, Apparel &amp; Luxury Goods 0.4%</b>                    |       |             |
| Ascend Performance Materials LLC, Term Loan<br>B, 6.75%, 4/10/18    | 1,265 | 1,278,092   |
| PVH Corp., Term Loan B, 3.25%, 12/19/19                             | 790   | 796,336     |
| Wolverine Worldwide, Inc., Term Loan B,<br>4.00%, 7/31/19           | 710   | 714,823     |
|   |       | 2,789,251   |
| <b>Thriffs &amp; Mortgage Finance 0.3%</b>                          |       |             |
| Insight Global, Inc., First Lien Term Loan,<br>6.00%, 10/31/19      | 870   | 872,175     |
| Ocwen Financial Corp., Term Loan, 5.00%,<br>1/22/18                 | 815   | 824,845     |
|   |       | 1,697,020   |
| <b>Trading Companies &amp; Distributors 0.1%</b>                    |       |             |
| WESCO Distribution, Inc., Term Loan B,<br>4.50%, 12/12/19           | 770   | 777,061     |
| <b>Wireless Telecommunication Services 1.7%</b>                     |       |             |
| Cricket Communications, Inc., Term Loan,<br>4.75%, 10/10/19         | 1,160 | 1,163,631   |
| MetroPCS Wireless, Inc., Term Loan B-3,<br>4.00%, 3/16/18           | 1,027 | 1,028,316   |
| Vodafone Americas Finance 2, Inc., Term<br>Loan, 6.88%, 8/11/15 (h) | 8,583 | 8,755,004   |
|   |       | 10,946,951  |
| <b>Total Floating Rate Loan Interests 49.8%</b>                     |       | 330,671,570 |

**Non-Agency Mortgage-Backed Securities**

**Collateralized Mortgage Obligations 2.8%**

|   |       |            |
|---|-------|------------|
| Adjustable Rate Mortgage Trust, Series 2007-1,<br>Class 3A21, 5.59%, 3/25/37 (b)    | 1,042 | 1,027,604  |
| Countrywide Alternative Loan Trust, Series<br>2005-54CB, Class 3A4, 5.50%, 11/25/35 | 6,546 | 5,576,788  |
| Countrywide Home Loan Mortgage<br>Pass-Through Trust:                               |       |            |
| Series 2005-17, Class 1A6 5.50%, 9/25/35  | 2,014 | 2,003,643  |
| Series 2006-17, Class A2 6.00%, 12/25/36  | 4,142 | 3,814,267  |
| Series 2007-HY5, Class 3A1 5.59%, 9/25/37<br>(b)                                    | 2,681 | 2,457,472  |
| GSR Mortgage Loan Trust, Series 2005-AR5,<br>Class 2A3, 2.95%, 10/25/35 (b)         | 2,258 | 2,031,254  |
| Morgan Stanley Reremic Trust, Series<br>2010-R4, Class 4A, 0.47%, 2/26/37 (a)(b)    | 1,499 | 1,442,667  |
|   |       | 18,353,695 |

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

|  |     | <b>Par<br/>(000)</b> | <b>Value</b> |
|--|-----|----------------------|--------------|
| <b>Non-Agency Mortgage-Backed Securities</b>   |     |                      |              |
| <b>Commercial Mortgage-Backed Securities</b>   |     |                      |              |
| <b>8.1%</b>  |     |                      |              |
| Banc of America Commercial Mortgage, Inc. (b):   |     |                      |              |
| Series 2007-3, Class A2 5.62%, 6/10/49   | USD | 386                  | \$ 385,899   |
| Series 2007-4, Class A4 5.75%, 2/10/51   |     | 2,150                | 2,502,263    |
| Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2007-CD4, Class A2B, 5.21%, 12/11/49 |     | 284                  | 287,274      |
| Commercial Mortgage Pass-Through Certificates:   |     |                      |              |
| Series 2013-LC6, Class B 3.74%, 1/10/46  |     | 1,110                | 1,142,454    |
| Series 2013-LC6, Class D 4.29%, 1/10/46 (a)(b)   |     | 1,330                | 1,213,734    |
| Credit Suisse Mortgage Capital Certificates:   |     |                      |              |
| Series 2006-C5, Class AM 5.34%, 12/15/39   |     | 1,850                | 2,035,823    |
| Series 2007-C2, Class A2 5.45%, 1/15/49 (b)  |     | 87                   | 87,571       |
| Series 2007-C4, Class A3 5.76%, 9/15/39 (b)  |     | 2,815                | 2,957,141    |
| Series 2007-C5, Class AAB 5.62%, 9/15/40 (b)   |     | 1,887                | 2,003,186    |
| First Union Commercial Mortgage Securities, Inc., Series 1997-C2, Class G, 7.50%, 11/18/29 (b) |     | 1,312                | 1,379,663    |
| Greenwich Capital Commercial Funding Corp.:  |     |                      |              |
| Series 2006-GG7, Class AM 5.87%, 7/10/38 (b)   |     | 1,610                | 1,804,916    |
| Series 2007-GG9, Class A4 5.44%, 3/10/39   |     | 2,110                | 2,404,039    |
| GS Mortgage Securities Corp. II:   |     |                      |              |
| Series 2006-GG6, Class AM 5.62%, 4/10/38 (b)   |     | 3,680                | 4,047,650    |
| Series 2013-GC10, Class B 3.68%, 2/10/46 (a)   |     | 1,995                | 2,052,203    |
| JPMorgan Chase Commercial Mortgage Securities Corp.:   |     |                      |              |
| Series 2004-LN2, Class A2 5.12%, 7/15/41   |     | 2,315                | 2,427,796    |
| Series 2007-CB18, Class A4 5.44%, 6/12/47  |     | 2,110                | 2,400,098    |
| Series 2007-CB19, Class A4 5.71%, 2/12/49 (b)  |     | 2,140                | 2,467,893    |
| LB-UBS Commercial Mortgage Trust, Series 2007-C6, Class A4, 5.86%, 7/15/40 (b)                 |     | 4,745                | 5,496,024    |
| Morgan Stanley Capital I, Series 2007-IQ15, Class A2, 5.85%, 6/11/49 (b)                       |     | 1,546                | 1,572,758    |
| Talisman Finance Plc, Series 6, Class A, 0.39%, 10/22/16 (b)                                   | EUR | 2,068                | 2,497,191    |
| Titan Europe Plc, Series 2007-1X, Class A, 0.76%, 1/20/17 (b)                                  | GBP | 2,548                | 3,247,238    |
| Wachovia Bank Commercial Mortgage Trust, Series 2007-C33, Class A4, 5.93%, 2/15/51 (b)         | USD | 2,030                | 2,342,975    |
| WF-RBS Commercial Mortgage Trust:  |     |                      |              |
| Series 2012-C8, Class B 4.31%, 8/15/45   |     | 1,085                | 1,176,092    |
| Series 2012-C8, Class C 4.88%, 8/15/45 (b)   |     | 1,395                | 1,525,672    |
| Series 2013-C11, Class D 4.19%, 3/15/45 (a)(b)   |     | 1,400                | 1,338,313    |
|  | GBP | 1,816                | 2,612,945    |

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Windermere CMBS Plc, Series XI-X, Class A,  
0.76%, 4/24/17 (b)

53,408,811

**Interest Only Commercial Mortgage-Backed Securities 0.7%**

Morgan Stanley Capital I Trust, Series 2012-C4,  
Class XA, 2.69%, 3/15/45 (a)(b)

USD 15,468

2,260,560

WF-RBS Commercial Mortgage Trust, Series  
2012-C9, Class XA, 2.28%, 11/15/45 (a)(b)

17,039

2,439,891

4,700,451

**Total Non-Agency Mortgage-Backed Securities 11.6%**

76,462,957

|  |     | Beneficial<br>Interest<br>(000) |    | Value   |
|--|-----|---------------------------------|----|---------|
| <b>Other Interests (I)</b>                           |     |                                 |    |         |
| <b>Auto Components 0.0%</b>                          |     |                                 |    |         |
| Lear Corp. Escrow                                    | USD | 1,000                           | \$ | 25,000  |
| <b>Diversified Financial Services 0.1%</b>           |     |                                 |    |         |
| J.G. Wentworth LLC Preferred<br>Equity Interests (d) |     | 1                               |    | 887,943 |
| <b>Household Durables 0.0%</b>                       |     |                                 |    |         |
| Berkline Benchcraft Equity LLC<br>(c)(d)             |     | 3                               |    |         |
| <b>Total Other Interests 0.1%</b>                    |     |                                 |    | 912,943 |

**Preferred Securities**

**Shares**

**Preferred Stocks**

**Auto Components 0.2%**

Dana Holding Corp., 4.00% (a)(f)

9,210

1,306,669

**Trust Preferreds**

**Diversified Financial Services**

**0.5%**

GMAC Capital Trust I, Series 2,  
8.13%, 2/15/40 (b)

121,020

3,229,511

**Total Preferred Securities 0.7%**

4,536,180

**Taxable Municipal Bonds**

**Par  
(000)**

State of California, GO:

5.65%, 4/01/39 (b)

USD

455

456,920

Various Purpose 3, Mandatory Put  
Bonds, 5.10%, 8/01/14

1,350

1,396,116

**Total Taxable Municipal Bonds**

**0.3%**

1,853,036

**US Government Sponsored  
Agency Securities**

**Collateralized Mortgage****Obligations 0.5%**

Freddie Mac Mortgage-Backed  
Securities, Series 3986, Class M,  
4.50%, 9/15/41

2,999 3,324,427

**Interest Only Collateralized Mortgage Obligations 1.6%**

Fannie Mae Mortgage-Backed  
Securities:  
Series 2010-126, Class UI, 5.50%,  
10/25/40

10,823 1,591,205

Series 2012-M9, Class X1, 4.08%,  
12/25/17 (b)

21,101 3,414,663

Freddie Mac Mortgage-Backed  
Securities (b):

Series K021, Class X1, 1.51%,  
6/25/22

11,126 1,238,611

Series K707, Class X1, 1.56%,  
12/25/18

43,228 3,370,807

Series K710, Class X1, 1.78%,  
5/25/19

13,412 1,264,027

10,879,313

**Mortgage-Backed Securities****5.7%**

Fannie Mae Mortgage-Backed  
Securities (e):

5.00%, 7/01/20 8/01/23

10,130 10,979,879

3.50%, 8/01/26

10,844 11,661,866

Freddie Mac Mortgage-Backed  
Securities, 4.50%, 4/01/25 (e)

13,595 14,786,864

37,428,609

**Total US Government Sponsored Agency Securities 7.8%**

51,632,349

**Total Long-Term Investments**

**(Cost \$987,782,783) 152.0%**

1,004,595,263

See Notes to Financial Statements.

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

Consolidated Schedule of Investments (continued)

| <b>Short-Term Securities</b>  | <b>Shares</b> | <b>Value</b>    |
|---|---------------|-----------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class,<br>0.10% (m)(n) | 2,366,919     | \$ 2,366,919    |
| <b>Total Short-Term Securities (Cost \$2,366,919) 0.3%</b>                |               | 2,366,919       |
| <b>Options Purchased</b>  |               | <b>Value</b>    |
| <b>(Cost \$44,978) 0.0%</b>   |               |                 |
| <b>Total Investments (Cost \$990,194,680) 152.3%</b>                      |               | \$1,006,962,182 |
| <b>Liabilities in Excess of Other Assets</b>                              |               |                 |
| <b>(52.3)%</b>  |               | (345,824,583)   |
| <b>Net Assets 100.0%</b>  |               | \$ 661,137,599  |

**Notes to Schedule of Investments**

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) Variable rate security. Rate shown is as of report date.
- (c) Non-income producing security.
- (d) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (e) All or a portion of security has been pledged as collateral in connection with open reverse repurchase agreements.
- (f) Convertible security.
- (g) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (h) Represents a payment-in-kind security which may pay interest/dividends in additional par/shares.
- (i) When-issued security. Unsettled when-issued transactions were as follows:

| <b>Counterparty</b> | <b>Value</b> | <b>Unrealized<br/>Appreciation</b> |
|---------------------|--------------|------------------------------------|
| Citigroup, Inc      | \$2,242,560  | \$ 15,558                          |
| Pershing LLC        | \$1,491,240  | \$ 19,724                          |

- (j) Security is perpetual in nature and has no stated maturity date.
- (k) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (l) Other interests represent beneficial interests in liquidation trusts and other reorganization or private entities.
- (m) Investments in issuers considered to be an affiliate of the Fund during the six months ended February 28, 2013, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| <b>liate</b>   | <b>Shares<br/>Held at<br/>August 31,<br/>2012</b> | <b>Net<br/>Activity</b> | <b>Shares<br/>Held at<br/>February 28,<br/>2013</b> | <b>Income</b> | <b>Real<br/>Gain</b> |
|--|---|-------------------------|---|---------------|----------------------|
| BlackRock Liquidity Funds, TempFund, Institutional Class | 2,323,267   | 43,652                  | 2,366,919   | \$4,226       | \$11                 |

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

Reverse repurchase agreements outstanding as of February 28, 2013 were as follows:

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|------------|---------------------------------------|
| Credit Suisse Securities (USA) LLC | 0.60%         | 8/22/12    | Open          | \$ 426,020 | \$ 427,376                            |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/24/12    | Open          | 735,687    | 738,198                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/29/12    | Open          | 315,000    | 316,046                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 8/30/12    | Open          | 341,325    | 342,453                               |
| Barclays Capital, Inc.             | 0.60%         | 9/10/12    | Open          | 419,012    | 420,206                               |
| Barclays Capital, Inc.             | 0.60%         | 9/12/12    | Open          | 435,395    | 436,629                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 9/13/12    | Open          | 776,950    | 779,321                               |
| Barclays Capital, Inc.             | 0.60%         | 9/19/12    | Open          | 3,882,238  | 3,892,785                             |
| Barclays Capital, Inc.             | 0.60%         | 9/19/12    | Open          | 921,553    | 924,025                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 9/19/12    | Open          | 821,406    | 823,794                               |
| UBS Securities LLC                 | 0.65%         | 9/26/12    | Open          | 698,828    | 700,796                               |
| UBS Securities LLC                 | 0.34%         | 9/28/12    | Open          | 3,074,638  | 3,079,109                             |
| UBS Securities LLC                 | 0.65%         | 10/04/12   | Open          | 1,637,685  | 1,642,032                             |
| Barclays Capital, Inc.             | 0.65%         | 10/10/12   | Open          | 1,128,000  | 1,130,872                             |
| UBS Securities LLC                 | 0.65%         | 10/15/12   | Open          | 513,300    | 514,560                               |
| BNP Paribas Securities Corp.       | 0.37%         | 10/17/12   | Open          | 803,500    | 804,607                               |
| Barclays Capital, Inc.             | 0.60%         | 10/22/12   | Open          | 997,688    | 999,849                               |
| Barclays Capital, Inc.             | 0.55%         | 10/26/12   | Open          | 1,542,373  | 1,545,342                             |
| Barclays Capital, Inc.             | 0.65%         | 10/26/12   | Open          | 1,608,900  | 1,612,560                             |
| Credit Suisse Securities (USA) LLC | 0.65%         | 10/26/12   | Open          | 1,147,006  | 1,149,616                             |
| UBS Securities LLC                 | (0.50%)       | 10/26/12   | Open          | 885,588    | 884,038                               |
| UBS Securities LLC                 | 0.10%         | 10/26/12   | Open          | 1,922,460  | 1,923,133                             |
| UBS Securities LLC                 | 0.60%         | 10/26/12   | Open          | 2,222,700  | 2,227,368                             |

See Notes to Financial Statements.

## BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of February 28, 2013 were as follows (continued):

| Counterparty                       | Interest Rate | Trade Date | Maturity Date | Face Value   | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|--------------|---------------------------------------|
| UBS Securities LLC                 | 0.65%         | 10/26/12   | Open          | \$ 2,533,800 | \$ 2,539,564                          |
| Credit Suisse Securities (USA) LLC | 0.70%         | 10/30/12   | Open          | 1,168,738    | 1,171,487                             |
| Credit Suisse Securities (USA) LLC | 0.65%         | 11/01/12   | Open          | 4,156,238    | 4,165,243                             |
| Barclays Capital, Inc.             | 0.50%         | 11/06/12   | Open          | 244,531      | 244,922                               |
| Barclays Capital, Inc.             | 0.60%         | 11/07/12   | Open          | 921,444      | 923,195                               |
| Barclays Capital, Inc.             | 0.60%         | 11/16/12   | Open          | 688,185      | 689,390                               |
| Credit Suisse Securities (USA) LLC | 0.65%         | 11/19/12   | Open          | 2,713,226    | 2,718,224                             |
| Credit Suisse Securities (USA) LLC | 0.75%         | 11/19/12   | Open          | 1,048,125    | 1,050,352                             |
| Credit Suisse Securities (USA) LLC | 0.65%         | 11/19/12   | 12/31/22      | 204,500      | 204,873                               |
| UBS Securities LLC                 | 0.65%         | 11/20/12   | Open          | 527,590      | 528,552                               |
| Citigroup Global Markets, Inc.     | (1.50%)       | 11/28/12   | Open          | 635,050      | 632,616                               |
| Barclays Capital, Inc.             | 0.60%         | 12/05/12   | Open          | 567,956      | 568,770                               |
| UBS Securities LLC                 | 0.65%         | 12/06/12   | Open          | 585,612      | 586,511                               |
| Credit Suisse Securities (USA) LLC | 0.75%         | 12/10/12   | Open          | 1,107,000    | 1,108,868                             |
| Barclays Capital, Inc.             | 0.35%         | 12/11/12   | Open          | 3,672,816    | 3,675,637                             |
| Barclays Capital, Inc.             | 0.40%         | 12/11/12   | Open          | 16,527,760   | 16,542,267                            |
| Barclays Capital, Inc.             | 0.60%         | 12/11/12   | Open          | 9,235,815    | 9,247,976                             |
| Barclays Capital, Inc.             | 0.65%         | 12/11/12   | Open          | 2,243,392    | 2,246,592                             |
| UBS Securities LLC                 | (0.25%)       | 12/13/12   | Open          | 890,514      | 890,032                               |
| Barclays Capital, Inc.             | 0.60%         | 12/14/12   | Open          | 221,530      | 221,815                               |
| Credit Suisse Securities (USA) LLC | 0.37%         | 12/17/12   | Open          | 44,388,958   | 44,422,262                            |
| UBS Securities LLC                 | 0.70%         | 12/19/12   | Open          | 2,314,600    | 2,317,795                             |
| Citigroup Global Markets, Inc.     | (0.38%)       | 1/09/13    | Open          | 528,592      | 528,312                               |
| Barclays Capital, Inc.             | 0.55%         | 1/15/13    | Open          | 1,107,636    | 1,108,398                             |
| Barclays Capital, Inc.             | 0.65%         | 1/15/13    | Open          | 594,529      | 595,012                               |
| Deutsche Bank Securities, Inc.     | (2.75%)       | 1/15/13    | Open          | 452,000      | 450,481                               |
| Deutsche Bank Securities, Inc.     | (1.00%)       | 1/15/13    | Open          | 581,000      | 580,290                               |
| Deutsche Bank Securities, Inc.     | (0.63%)       | 1/15/13    | Open          | 2,335,000    | 2,333,216                             |



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|                                    |         |         |      |            |            |
|------------------------------------|---------|---------|------|------------|------------|
| Deutsche Bank Securities, Inc.     | (0.50%) | 1/15/13 | Open | 851,000    | 850,480    |
| Deutsche Bank Securities, Inc.     | 0.50%   | 1/15/13 | Open | 1,416,000  | 1,416,865  |
| Deutsche Bank Securities, Inc.     | 0.55%   | 1/15/13 | Open | 13,413,000 | 13,422,016 |
| Deutsche Bank Securities, Inc.     | 0.57%   | 1/15/13 | Open | 8,261,000  | 8,266,754  |
| Deutsche Bank Securities, Inc.     | 0.58%   | 1/15/13 | Open | 5,435,000  | 5,438,853  |
| Deutsche Bank Securities, Inc.     | 0.60%   | 1/15/13 | Open | 6,431,000  | 6,435,716  |
| Deutsche Bank Securities, Inc.     | 0.65%   | 1/15/13 | Open | 3,825,000  | 3,828,039  |
| Deutsche Bank Securities, Inc.     | 0.70%   | 1/15/13 | Open | 4,224,000  | 4,227,614  |
| Deutsche Bank Securities, Inc.     | 0.57%   | 1/17/13 | Open | 1,400,729  | 1,401,682  |
| Deutsche Bank Securities, Inc.     | 0.65%   | 1/17/13 | Open | 900,900    | 901,599    |
| Deutsche Bank Securities, Inc.     | 0.70%   | 1/17/13 | Open | 1,677,645  | 1,679,015  |
| Deutsche Bank Securities, Inc.     | (0.10%) | 1/18/13 | Open | 1,123,744  | 1,123,613  |
| UBS Securities LLC                 | (0.50%) | 1/23/13 | Open | 324,205    | 324,043    |
| Deutsche Bank Securities, Inc.     | 0.58%   | 1/30/13 | Open | 2,229,565  | 2,230,643  |
| Deutsche Bank Securities, Inc.     | 0.65%   | 1/30/13 | Open | 1,122,900  | 1,123,508  |
| UBS Securities LLC                 | 0.50%   | 1/30/13 | Open | 2,833,920  | 2,835,101  |
| UBS Securities LLC                 | 0.60%   | 1/30/13 | Open | 1,981,206  | 1,982,197  |
| Deutsche Bank Securities, Inc.     | 0.55%   | 1/31/13 | Open | 1,685,000  | 1,685,747  |
| UBS Securities LLC                 | 0.65%   | 1/31/13 | Open | 547,200    | 547,487    |
| Deutsche Bank Securities, Inc.     | 0.58%   | 1/31/13 | Open | 2,316,270  | 2,317,315  |
| Deutsche Bank Securities, Inc.     | 0.58%   | 2/01/13 | Open | 3,268,860  | 3,270,334  |
| Credit Suisse Securities (USA) LLC | 0.70%   | 2/06/13 | Open | 1,151,700  | 1,152,215  |
| Deutsche Bank Securities, Inc.     | (0.75%) | 2/06/13 | Open | 408,000    | 407,813    |
| UBS Securities LLC                 | 0.54%   | 2/06/13 | Open | 646,747    | 646,961    |
| Deutsche Bank Securities, Inc.     | 0.55%   | 2/06/13 | Open | 473,417    | 473,569    |
| Barclays Capital, Inc.             | 0.35%   | 2/07/13 | Open | 4,294,439  | 4,295,316  |
| Barclays Capital, Inc.             | 0.60%   | 2/07/13 | Open | 13,883,962 | 13,888,819 |
| Credit Suisse Securities (USA) LLC | 0.60%   | 2/07/13 | Open | 407,469    | 407,611    |
| Credit Suisse Securities (USA) LLC | 0.65%   | 2/07/13 | Open | 4,201,990  | 4,203,583  |

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|                    |       |         |      |           |           |
|--------------------|-------|---------|------|-----------|-----------|
| UBS Securities LLC | 0.00% | 2/07/13 | Open | 576,600   | 576,600   |
| UBS Securities LLC | 0.00% | 2/07/13 | Open | 442,225   | 442,225   |
| UBS Securities LLC | 0.25% | 2/07/13 | Open | 1,048,688 | 1,048,840 |
| UBS Securities LLC | 0.34% | 2/07/13 | Open | 3,334,275 | 3,334,936 |
| UBS Securities LLC | 0.35% | 2/07/13 | Open | 3,594,088 | 3,594,821 |
| UBS Securities LLC | 0.45% | 2/07/13 | Open | 866,250   | 866,477   |
| UBS Securities LLC | 0.55% | 2/07/13 | Open | 8,414,156 | 8,416,854 |

See Notes to Financial Statements.

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## BlackRock Limited Duration Income Trust (BLW)

Consolidated Schedule of Investments (continued)

Reverse repurchase agreements outstanding as of February 28, 2013 were as follows (concluded):

| Counterparty                       | Interest Rate | Issue Date | Maturity Date | Face Value           | Face Value Including Accrued Interest |
|------------------------------------|---------------|------------|---------------|----------------------|---------------------------------------|
| UBS Securities LLC                 | 0.60%         | 07/13      | Open          | \$ 3,038,725         | \$ 3,039,789                          |
| UBS Securities LLC                 | 0.65%         | 07/13      | Open          | 2,396,200            | 2,397,109                             |
| Barclays Capital, Inc.             | 0.55%         | 08/13      | Open          | 1,938,969            | 1,939,591                             |
| Deutsche Bank Securities, Inc.     | 0.58%         | 08/13      | Open          | 483,060              | 483,223                               |
| Deutsche Bank Securities, Inc.     | 0.58%         | 08/13      | Open          | 1,170,163            | 1,170,502                             |
| Credit Suisse Securities (USA) LLC | 0.35%         | 11/13      | 3/1/13        | 354,275              | 354,337                               |
| Barclays Capital, Inc.             | 0.30%         | 11/13      | 12/13         | 36,329,327           | 36,333,932                            |
| Barclays Capital, Inc.             | 0.60%         | 15/13      | Open          | 606,506              | 606,648                               |
| UBS Securities LLC                 | 0.60%         | 15/13      | Open          | 1,329,437            | 1,329,747                             |
| UBS Securities LLC                 | 0.65%         | 19/13      | Open          | 166,058              | 166,088                               |
| Credit Suisse Securities (USA) LLC | 0.35%         | 20/13      | Open          | 520,569              | 520,614                               |
| Deutsche Bank Securities, Inc.     | 0.55%         | 20/13      | Open          | 3,318,929            | 3,319,386                             |
| UBS Securities LLC                 | 0.55%         | 20/13      | Open          | 1,204,613            | 1,204,778                             |
| UBS Securities LLC                 | 0.57%         | 20/13      | Open          | 773,500              | 773,610                               |
| UBS Securities LLC                 | 0.65%         | 20/13      | Open          | 1,163,323            | 1,163,512                             |
| Credit Suisse Securities (USA) LLC | 0.60%         | 20/13      | Open          | 650,177              | 650,264                               |
| Deutsche Bank Securities, Inc.     | 0.58%         | 20/13      | Open          | 2,512,000            | 2,512,325                             |
| Credit Suisse Securities (USA) LLC | 0.25%         | 22/13      | Open          | 779,512              | 779,550                               |
| Deutsche Bank Securities, Inc.     | 0.55%         | 22/13      | Open          | 6,335,577            | 6,336,256                             |
| UBS Securities LLC                 | 0.55%         | 25/13      | Open          | 978,510              | 978,555                               |
| UBS Securities LLC                 | 0.65%         | 27/13      | Open          | 1,855,622            | 1,855,656                             |
| Credit Suisse Securities (USA) LLC | 0.25%         | 28/13      | Open          | 690,357              | 690,362                               |
| Deutsche Bank Securities, Inc.     | 0.55%         | 28/13      | Open          | 4,527,554            | 4,527,625                             |
| <b>Total</b>                       |               |            |               | <b>\$311,588,502</b> | <b>\$ 311,806,087</b>                 |

Financial futures contracts as of February 28, 2013 were as follows:

| Contracts Purchased | Issue              | Exchange           | Expiration     | Notional Value | Unrealized Appreciation |
|---------------------|--------------------|--------------------|----------------|----------------|-------------------------|
| 8                   | 90-Day Euro-Dollar | Chicago Mercantile | March 2013     | USD 1,994,100  | \$ 31,378               |
| 6                   | 90-Day Euro-Dollar | Chicago Mercantile | June 2013      | USD 1,495,350  | 27,434                  |
| 6                   | 90-Day Euro-Dollar | Chicago Mercantile | September 2013 | USD 1,495,050  | 30,809                  |
| 6                   | 90-Day Euro-Dollar | Chicago Mercantile | December 2013  | USD 1,494,675  | 34,108                  |
| 6                   | 90-Day Euro-Dollar | Chicago Mercantile | March 2014     | USD 1,494,300  | 37,033                  |
| <b>Total</b>        |                    |                    |                |                | <b>\$160,762</b>        |

Foreign currency exchange contracts as of February 28, 2013 were as follows:

| Currency Purchased | Currency Sold | Counterparty   | Settlement Date                  | Unrealized Appreciation (Depreciation) |                     |
|--------------------|---------------|----------------|----------------------------------|--|---------------------|
| CAD                | 1,690,000     | USD 1,644,305  | BNP Paribas SA                   | 4/17/13                                | \$ (7,186 )         |
| GBP                | 688,000       | USD 1,083,683  | Citigroup, Inc.                  | 4/17/13                                | (40,199 )           |
| USD                | 27,106        | CAD 27,000     | Citigroup, Inc.                  | 4/17/13                                | 951                 |
| USD                | 3,290,121     | CAD 3,246,000  | Deutsche Bank AG                 | 4/17/13                                | 145,690             |
| USD                | 1,964,811     | GBP 1,270,000  | Barclays Plc                     | 4/17/13                                | 38,612              |
| USD                | 789,025       | GBP 517,000    | BNP Paribas SA                   | 4/17/13                                | 4,896               |
| USD                | 1,056,722     | GBP 655,000    | BNP Paribas SA                   | 4/17/13                                | 63,289              |
| USD                | 3,248,701     | GBP 2,142,000  | Citigroup, Inc.                  | 4/17/13                                | (53 )               |
| USD                | 1,308,571     | GBP 845,000    | Citigroup, Inc.                  | 4/17/13                                | 26,967              |
| USD                | 37,116,486    | GBP 23,170,000 | Goldman Sachs Group, Inc.        | 4/17/13                                | 1,974,741           |
| USD                | 160,147       | GBP 101,000    | Royal Bank of Scotland Group Plc | 4/17/13                                | 6,961               |
| USD                | 1,255,848     | EUR 940,000    | BNP Paribas SA                   | 4/23/13                                | 28,189              |
| USD                | 132,496       | EUR 101,000    | Citigroup, Inc.                  | 4/23/13                                | 588                 |
| USD                | 212,334       | EUR 157,000    | Citigroup, Inc.                  | 4/23/13                                | 7,289               |
| USD                | 25,093,640    | EUR 18,832,000 | Citigroup, Inc.                  | 4/23/13                                | 498,681             |
| USD                | 133,466       | EUR 100,178    | Deutsche Bank AG                 | 4/23/13                                | 2,632               |
| USD                | 346,441       | EUR 260,000    | Goldman Sachs Group, Inc.        | 4/23/13                                | 6,876               |
| USD                | 134,959       | EUR 100,000    | Royal Bank of Scotland Group Plc | 4/23/13                                | 4,357               |
| USD                | 285,556       | EUR 213,000    | Royal Bank of Scotland Group Plc | 4/23/13                                | 7,373               |
| USD                | 83,120        | EUR 63,000     | UBS AG                           | 4/23/13                                | 841                 |
| USD                | 90,189        | EUR 67,000     | UBS AG                           | 4/23/13                                | 2,686               |
| USD                | 135,284       | EUR 101,000    | UBS AG                           | 4/23/13                                | 3,376               |
| <b>Total</b>       |               |                |                                  |  | <b>\$ 2,777,557</b> |

See Notes to Financial Statements.

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## BlackRock Limited Duration Income Trust (BLW)

## Consolidated Schedule of Investments (continued)

Over-the-counter options purchased as of February 28, 2013 were as follows:

| Description                    | Counterparty              | Put/ Strike<br>Call Price | Expiration<br>Date | Contract<br>Units | Market<br>Value |
|--------------------------------|---------------------------|---------------------------|--------------------|-------------------|-----------------|
| Marsico Parent Superholdco LLC | Goldman Sachs Group, Inc. | Call USD 2.8612           | 12/14/19           | 46                |                 |

Credit default swaps buy protection outstanding as of February 28, 2013 were as follows:

| Issuer/Index  | Pay<br>Fixed<br>Rate | Counterparty     | Expiration<br>Date | Notional<br>Amount<br>(000) | Unrealized<br>Appreciation<br>(Depreciation) |
|---|----------------------|------------------|--------------------|-----------------------------|--|
| Dow Jones CDX North America Investment Grade Index Series 16, Version 1 | 1.00%                | Morgan Stanley   | 6/20/16            | USD 7,700                   | \$ (83,509 )                                 |
| Australia & New Zealand Banking Group Ltd.                              | 1.00%                | Deutsche Bank AG | 9/20/15            | USD                         | (17 )  |
| Westpac Banking Corp.   | 1.00%                | Deutsche Bank AG | 9/20/15            | USD                         | (17 )  |
| <b>Total</b>  |                      |                  |                    |                             | <b>\$ (83,543 )</b>                          |

Credit default swaps sold protection outstanding as of February 28, 2013 were as follows:

| Issuer/Index                              | Receive<br>Fixed<br>Rate | Counterparty         | Expiration<br>Date | Notional<br>Credit<br>Amount<br>(000) <sup>2</sup> | Unrealized<br>Appreciation<br>(Depreciation) |
|---|--------------------------|----------------------|--------------------|--|--|
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Citigroup, Inc.      | 12/20/15           | USD 57   | \$ 46,667                                    |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Citigroup, Inc.      | 12/20/15           | USD 72   | 16,862                                       |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | JPMorgan Chase & Co. | 12/20/15           | USD 45   | 17,635                                       |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | JPMorgan Chase & Co. | 12/20/15           | USD 580  | 65,188                                       |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | JPMorgan Chase & Co. | 12/20/15           | USD 626  | 105,388                                      |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | UBS AG               | 12/20/15           | USD 40   | 78,752                                       |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Barclays Plc         | 3/20/16            | USD 75   | 3,445  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Barclays Plc         | 3/20/16            | USD 72   | 1,263  |
| Caesars Entertainment Operating Co., Inc. | 5.00%                    | Citigroup, Inc.      | 3/20/16            | USD 79   | 1,761  |

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|   |       |                           |         |     |     |       |                   |
|---|-------|---------------------------|---------|-----|-----|-------|-------------------|
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 247   | 19,234            |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 739   | 47,639            |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 165   | 8,440             |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 634   | 622               |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/16 | CCC | USD | 247   | 19,234            |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | JPMorgan Chase & Co.      | 3/20/16 | CCC | USD | 82    | 3,005             |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 499   | 29,460            |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 6/20/16 | CCC | USD | 970   | 48,181            |
| Dow Jones CDX North America Investment Grade Index Series 16, Version 1 | 1.00% | Morgan Stanley            | 6/20/16 | BB  | USD | 7,700 | 175,559           |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Barclays Plc              | 3/20/17 | CCC | USD | 72    | 541               |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 147   | 1,829             |
| Caesars Entertainment Operating Co., Inc.                               | 5.00% | Goldman Sachs Group, Inc. | 3/20/17 | CCC | USD | 453   | (3,447 )          |
| <b>Total</b>  |       |                           |         |     |     |       | <b>\$ 687,258</b> |

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

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

Interest rate swaps outstanding as of February 28, 2013 were as follows:

| Fixed Rate         | Floating Rate   | Counterparty/Exchange | Expiration Date | Notional Amount (000) | Unrealized Depreciation |
|--------------------|---|-----------------------|-----------------|-----------------------|-------------------------|
| 1.10% <sup>3</sup> | 3-month LIBOR   | Deutsche Bank AG      | 5/14/17         | USD 14,500            | \$ (219,310)            |
|                    | <sup>3</sup> Fund pays the fixed rate and receives the floating rate. |                       |                 |                       |                         |

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. These definitions may not apply for purposes of this

report, which may combine such industry sub-classifications for reporting ease.

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

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities that the Fund has the ability to access

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

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

See Notes to Financial Statements.

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## BlackRock Limited Duration Income Trust (BLW)

## Consolidated Schedule of Investments (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period.

The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investment and derivative financial instrument and is not necessarily an indication of the risks associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and derivative financial instruments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy as of February 28, 2013:

|                       | Level 1            | Level 2               | Level 3             | Total                  |
|-----------------------|--------------------|-----------------------|---------------------|------------------------|
| <b>Assets:</b>        |                    |                       |                     |                        |
| Investments:          |                    |                       |                     |                        |
| Long-Term             |                    |                       |                     |                        |
| Investments:          |                    |                       |                     |                        |
| Asset-Backed          |                    |                       |                     |                        |
| Securities            |                    | \$ 31,649,123         | \$27,924,393        | \$ 59,573,516          |
| Common Stocks         |                    | 2,474,286             | 3,774,315           | 6,248,601              |
| Corporate Bonds       |                    | 464,854,049           | 7,850,062           | 472,704,111            |
| Floating Rate Loan    |                    |                       |                     |                        |
| Interests             |                    | 288,929,192           | 41,742,378          | 330,671,570            |
| Non-Agency            |                    |                       |                     |                        |
| Mortgage-Backed       |                    |                       |                     |                        |
| Securities            |                    | 75,124,644            | 1,338,313           | 76,462,957             |
| Other Interests       |                    |                       | 912,943             | 912,943                |
| Preferred Securities  | \$3,229,511        | 1,306,669             |                     | 4,536,180              |
| Taxable Municipal     |                    |                       |                     |                        |
| Bonds                 |                    | 1,853,036             |                     | 1,853,036              |
| US Government         |                    |                       |                     |                        |
| Sponsored Agency      |                    |                       |                     |                        |
| Securities            |                    | 51,632,349            |                     | 51,632,349             |
| Short-Term Securities | 2,366,919          |                       |                     | 2,366,919              |
| <b>Total</b>          | <b>\$5,596,430</b> | <b>\$ 917,823,348</b> | <b>\$83,542,404</b> | <b>\$1,006,962,182</b> |
|                       | <b>Level 1</b>     | <b>Level 2</b>        | <b>Level 3</b>      | <b>Total</b>           |

Derivative Financial  
Instruments<sup>1</sup>



**Assets:**

|                                     |            |              |            |
|-------------------------------------|------------|--------------|------------|
| Interest rate contracts             | \$ 160,762 |              | \$ 160,762 |
| Foreign currency exchange contracts |            | \$ 2,824,995 | 2,824,995  |
| Credit contracts                    |            | 690,705      | 690,705    |

**Liabilities:**

|                                     |            |              |              |
|-------------------------------------|------------|--------------|--------------|
| Interest rate contracts             |            | (219,310)    | (219,310)    |
| Foreign currency exchange contracts |            | (47,438)     | (47,438)     |
| Credit contracts                    |            | (86,990)     | (86,990)     |
| <b>Total</b>                        | \$ 160,762 | \$ 3,161,962 | \$ 3,222,724 |

Derivative financial instruments are swaps, financial futures contracts and foreign currency exchange contracts.

<sup>1</sup> Swaps, financial futures contracts and foreign currency exchange contracts are valued at the unrealized appreciation/depreciation on the instrument and options are shown at value.

Certain of the Fund's assets and liabilities are held at carrying amount or face value, which approximates fair value for financial statement purposes. As of February 28, 2013, such assets and liabilities are categorized within the disclosure hierarchy as follows:

|  | Level 1   | Level 2          | Level 3 | Total            |
|--|-----------|------------------|---------|------------------|
| <b>Assets:</b>   |           |                  |         |                  |
| Cash pledged as collateral for financial futures contracts | \$ 15,500 |                  |         | \$ 15,500        |
| <b>Liabilities:</b>  |           |                  |         |                  |
| Bank overdraft   |           | \$ (940,679)     |         | (940,679)        |
| Bank overdraft on foreign currency at value                |           | (1,618,646)      |         | (1,618,646)      |
| Cash received as collateral for swaps                      |           | (1,200,000)      |         | (1,200,000)      |
| Reverse repurchase agreements                              |           | (311,588,502)    |         | (311,588,502)    |
| <b>Total</b>   | \$ 15,500 | \$ (315,347,827) |         | \$ (315,332,327) |

There were no transfers between Level 1 and Level 2 during the six months ended February 28, 2013. See Notes to Financial Statements.

## BlackRock Limited Duration Income Trust (BLW)

## Consolidated Schedule of Investments (concluded)

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

|   | Asset-Backed Securities | Common Stocks | Corporate Bonds | Floating Rate Loan Interests | Non-Agency Mortgage Backed | Other Interests | Total        |
|---|-------------------------|---------------|-----------------|------------------------------|----------------------------|-----------------|--------------|
| Balance, as of 2012   | \$9,845,241             | \$2,007,283   | \$1,727         | \$38,594,979                 |                            | \$1,608,923     | \$52,069,953 |
| Transferred into Level 3 <sup>1</sup>                       |                         | 22,945        | 9,145,125       | 6,470,114                    |                            |                 | 15,638,184   |
| Transferred out of Level 3 <sup>2</sup>                     |                         |               |                 | (7,121,367)                  |                            |                 | (7,121,367)  |
| Discounts/premiums  | (470,911 )              |               | (17,982 )       | 65,449                       |                            | 18,810          | (404,634)    |
| Net gain (loss)   | 65,279                  |               | 11,578          | (108,690 )                   |                            |                 | (31,833)     |
| Change in unrealized appreciation/depreciation <sup>3</sup> | 1,072,279               | 1,474,842     | (2,203,610)     | 962,859                      | \$16,283                   | 136,210         | 1,458,853    |
|   | 18,975,721              | 269,245       | 1,175,000       | 11,423,588                   | 1,322,030                  | 10,000          | 33,175,584   |
|   | (1,563,216 )            |               | (261,776 )      | (8,544,554 )                 |                            | (861,000 )      | (11,190,546) |
| Balance, as of 2013   | \$27,924,393            | \$3,774,315   | \$7,850,062     | \$41,742,378                 | \$1,338,313                | \$912,943       | \$83,642,304 |

As of August 31, 2012, the Fund used observable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used significant unobservable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$7,121,367 transferred from Level 2 to Level 3 in the disclosure hierarchy.

<sup>2</sup>As of August 31, 2012, the Fund used significant unobservable inputs in determining the value of certain investments. As of February 28, 2013, the Fund used observable inputs in determining the value of the same investments. As a result, investments with a beginning of period value of \$15,638,184 transferred from Level 3 to Level 2 in the disclosure hierarchy.

<sup>3</sup>Included in the related net change in unrealized appreciation/depreciation in the Statements of Operations. The change in unrealized appreciation/depreciation on investments still held as of February 28, 2013 was \$1,096,578.

The following table summarizes the valuation techniques used and unobservable inputs developed by the Global Valuation Committee to determine the value of certain of the Fund's Level 3 investments as of February 28, 2013. The table does not include Level 3 investments with values derived utilizing third party pricing information without adjustment. A significant change in third party pricing information could result in a significantly lower or higher value of such Level 3 investments. The value of Level 3 investments derived using third party pricing information is \$72,727,794.

|                | Value        | Valuation Techniques | Unobservable Inputs <sup>4</sup> | Range of Unobservable Inputs Utilized |
|----------------|--------------|----------------------|----------------------------------|---------------------------------------|
| <b>Assets:</b> |              |                      |                                  |                                       |
| Common Stocks  | \$ 2,594,787 |                      |                                  | 6.56x                                 |

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|                              |                      |  |                                  |       |
|------------------------------|----------------------|--|----------------------------------|-------|
| Corporate Bonds              | 1,727                | Market Comparable Companies<br>Estimated Final Distribution<br>Cost <sup>5</sup> | EBITDA Multiple<br>Recovery Rate | 0.05% |
| Floating Rate Loan Interests | 3,293,096            | Discounted Cash Flow<br>Cost <sup>5</sup>  | N/A<br>Yield                     | 9.50% |
| <b>Total</b>                 | <b>\$ 10,814,610</b> |  |                                  |       |

<sup>4</sup>A change to the unobservable input may result in significant change to the value of the investment as follows:

| <b>Unobservable Input</b> | <b>Impact to Value if Input Increases</b> | <b>Impact to Value if Input Decreases</b> |
|---------------------------|---|---|
| EBITDA Multiple           | Increase                                  | Decrease                                  |
| Recovery Rate             | Increase                                  | Decrease                                  |
| Yield                     | Decrease                                  | Increase                                  |

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

See Notes to Financial Statements.

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## Statements of Assets and Liabilities

| <b>February 28, 2013 (Unaudited)</b>                           | <b>BlackRock<br/>Defined<br/>Opportunity<br/>Credit Trust<br/>(BHL)</b> | <b>BlackRock<br/>Floating Rate<br/>Income<br/>Strategies<br/>Fund, Inc.<br/>(FRA)<sup>1</sup></b> | <b>BlackRock<br/>Limited<br/>Duration<br/>Income Trust<br/>(BLW)<sup>1</sup></b> |
|--|---|---|--|
| <b>Assets</b>  |   |   |  |
| Investments at value unaffiliated                              | \$ 195,768,037  | \$ 857,521,624  | \$ 1,004,595,263   |
| Investments at value affiliated                                | 4,275,893   | 14,430,590  | 2,366,919  |
| Cash   |   | 1,844,191   |  |
| Cash pledged as collateral for financial futures contracts     |   |   | 15,500   |
| Cash pledged as collateral for swaps                           |   | 620,000   |  |
| Investments sold receivable                                    | 5,597,631   | 24,518,124  | 31,944,064   |
| Principal paydown receivable                                   | 1,367,275   | 2,437,814   | 3,009,233  |
| Interest receivable  | 984,724   | 4,463,851   | 9,455,794  |
| Unrealized appreciation on foreign currency exchange contracts | 156,557   | 616,559   | 2,824,995  |
| Foreign currency at value <sup>4</sup>                         | 141,316   | 12,535  |  |
| Unrealized appreciation on swaps                               | 66,901  | 372,158   | 690,705  |
| Swaps receivable   | 8,062   | 47,187  | 214,966  |
| Unrealized appreciation on unfunded loan commitments           | 180   | 777   |  |
| Variation margin receivable                                    |   |   | 909  |
| Swap premiums paid   |   |   | 29   |
| Prepaid expenses   | 3,510   | 7,070   | 34,234   |
| Income tax refund receivable                                   |   | 18,024  |  |
| Other assets   |   |   | 799,178  |
| <b>Total assets</b>  | <b>208,370,086</b>  | <b>906,910,504</b>  | <b>1,055,951,789</b>   |
| <b>Liabilities</b>   |   |   |  |
| Bank overdraft   | 313,625   |   | 940,679  |
| Reverse repurchase agreements                                  |   |   | 311,588,502  |
| Loan payable   | 48,000,000  | 208,000,000   |  |
| Investments purchased payable                                  | 28,933,304  | 124,472,087   | 75,753,058   |
| Swap premiums received   | 245,055   | 1,351,778   | 2,146,236  |
| Bank overdraft on foreign currency <sup>4</sup>                |   |   | 1,618,646  |
| Cash received as collateral for swaps                          |   |   | 1,200,000  |
| Investment advisory fees payable                               | 136,848   | 451,308   | 405,372  |
| Interest expense payable                                       | 35,371  | 137,005   | 213,489  |
| Officers and Directors fees payable                            | 742   | 10,500  | 240,363  |
| Unrealized depreciation on swaps                               | 682   | 2,961   | 306,300  |
| Swaps payable  |   |   | 62,649   |
| Unrealized depreciation on foreign currency exchange contracts |   | 14,902  | 47,438   |
| Deferred capital gains tax payable                             |   | 18,096  |  |
| Income dividends payable                                       |   |   | 11   |
| Reorganization costs payable                                   |   | 298,422   |  |
| Other accrued expenses payable                                 | 153,558   | 495,895   | 291,447  |

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|   |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
| Total liabilities   | 77,819,185            | 335,252,954           | 394,814,190           |
| <b>Net Assets</b>   | <b>\$ 130,550,901</b> | <b>\$ 571,657,550</b> | <b>\$ 661,137,599</b> |
| <b>Net Assets Consist of</b>                                  |                       |                       |                       |
| Paid-in capital <sup>5,6,7</sup>                              | \$ 128,180,168        | \$ 633,990,230        | \$ 703,095,036        |
| Undistributed net investment income                           | 1,564,291             | 825,502               | 4,181,077             |
| Accumulated net realized loss                                 | (2,931,966)           | (68,255,838)          | (66,262,971)          |
| Net unrealized appreciation/depreciation                      | 3,738,408             | 5,097,656             | 20,124,457            |
| <b>Net Assets</b>   | <b>\$ 130,550,901</b> | <b>\$ 571,657,550</b> | <b>\$ 661,137,599</b> |
| Net asset value per share                                     | \$ 14.45              | \$ 15.37              | \$ 17.87              |
| <sup>1</sup> Consolidated Statement of Assets and Liabilities |                       |                       |                       |
| <sup>2</sup> Investments at cost affiliated                   | \$ 4,275,893          | \$ 14,430,590         | \$ 2,366,919          |
| <sup>3</sup> Investments at cost unaffiliated                 | \$ 192,279,003        | \$ 853,531,682        | \$ 987,827,761        |
| <sup>4</sup> Foreign currency at cost                         | \$ 143,436            | \$ 12,749             | \$ (1,623,727)        |
| <sup>5</sup> Par value per share                              | \$ 0.001              | \$ 0.10               | \$ 0.001              |
| <sup>6</sup> Shares outstanding                               | 9,034,519             | 37,196,872            | 36,988,668            |
| <sup>7</sup> Shares authorized                                | unlimited             | 200 million           | unlimited             |
| See Notes to Financial Statements.                            |                       |                       |                       |

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## Statements of Operations

| <b>Six Months Ended February 28, 2013 (Unaudited)</b>    | <b>BlackRock<br/>Defined<br/>Opportunity<br/>Credit Trust<br/>(BHL)</b> | <b>BlackRock<br/>Floating Rate<br/>Income<br/>Strategies<br/>Fund, Inc.<br/>(FRA)<sup>1</sup></b> | <b>BlackRock<br/>Limited<br/>Duration<br/>Income Trust<br/>(BLW)<sup>1</sup></b> |
|--|---|---|--|
| <b>Investment Income</b>                                 |   |   |  |
| Interest   | \$ 5,244,389  | \$ 21,028,649   | \$ 28,195,437  |
| Dividends unaffiliated                                   |   |   | 6,000  |
| Dividends affiliated                                     | 492   | 1,622   | 4,226  |
| Total income   | 5,244,881   | 21,030,271  | 28,205,663   |
| <b>Expenses</b>  |   |   |  |
| Investment advisory                                      | 872,674   | 2,582,894   | 2,605,732  |
| Custodian  | 38,840  | 119,369   | 97,178   |
| Professional   | 36,671  | 68,922  | 62,276   |
| Borrowing costs <sup>2</sup>                             | 32,562  | 122,569   |  |
| Accounting services                                      | 18,878  | 50,910  | 59,563   |
| Transfer agent   | 12,145  | 39,725  | 39,936   |
| Reorganization   |   | 67,096  |  |
| Officer and Directors                                    | 5,687   | 17,042  | 39,668   |
| Registration   | 4,677   | 9,146   | 6,268  |
| Printing   | 2,617   | 30,058  | 13,473   |
| Miscellaneous  | 12,611  | 51,058  | 27,008   |
| Total expenses excluding interest expense and income tax | 1,037,362   | 3,158,789   | 2,951,102  |
| Interest expense   | 219,735   | 887,229   | 713,564  |
| Income tax   |   | 60,285  |  |
| Total expenses   | 1,257,097   | 4,106,303   | 3,664,666  |
| Less fees waived by Manager                              | (227)   | (730)   | (2,252)  |
| Total expenses after fees waived                         | 1,256,870   | 4,105,573   | 3,662,414  |
| Net investment income                                    | 3,988,011   | 16,924,698  | 24,543,249   |
| <b>Realized and Unrealized Gain (Loss)</b>               |   |   |  |
| Net realized gain (loss) from:                           |   |   |  |
| Investments  | 1,759,796   | 7,130,780   | 11,759,735   |
| Investments affiliated                                   |   |   | 115  |
| Financial futures contracts                              |   |   | (468,285)  |
| Foreign currency transactions                            | (348,994)   | (953,853)   | (2,466,231)  |
| Options written  |   |   | 75,600   |
| Swaps  | (117,714)   | (183,697)   | (898,791)  |
|  | 1,293,088   | 5,993,230   | 8,002,143  |
| Net change in unrealized appreciation/depreciation on:   |   |   |  |
| Investments  | 1,223,657   | 4,271,556 <sup>3</sup>  | 8,658,250  |
| Financial futures contracts                              |   |   | 240,726  |
| Foreign currency translations                            | 314,797   | 947,370   | 3,121,043  |
| Options written  |   |   | (3,222)  |
| Swaps  | 132,539   | 515,904   | 864,664  |

|   |                     |                      |                      |
|---|---------------------|----------------------|----------------------|
| Unfunded loan commitments                                   | 180                 | 777                  |                      |
|   | 1,671,173           | 5,735,607            | 12,881,461           |
| Total realized and unrealized gain                          | 2,964,261           | 11,728,837           | 20,883,604           |
| <b>Net Increase in Net Assets Resulting from Operations</b> | <b>\$ 6,952,272</b> | <b>\$ 28,653,535</b> | <b>\$ 45,426,853</b> |

<sup>1</sup> Consolidated Statement of Operations.

<sup>2</sup> See Note 6 of the Notes to Financial Statements for details of short-term borrowings.

<sup>3</sup> Net of capital gain tax of \$18,096.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

|  | <b>BlackRock Defined<br/>Opportunity Credit Trust (BHL)</b>           |   |
|--|---|---|
|  | <b>Six Months<br/>Ended<br/>February 28,<br/>2013<br/>(Unaudited)</b> | <b>Year Ended<br/>August 31,<br/>2012</b> |
| <b>Increase (Decrease) in Net Assets:</b>            |   |   |
| <b>Operations</b>                                    |   |   |
| Net investment income                                | \$ 3,988,011  | \$ 7,715,971                              |
| Net realized gain                                    | 1,293,088   | 341,628                                   |
| Net change in unrealized appreciation/depreciation   | 1,671,173   | 7,717,270                                 |
| Net increase in net assets resulting from operations | 6,952,272   | 15,774,869                                |
| <b>Dividends to Shareholders From</b>                |   |   |
| Net investment income                                | (3,963,060)   | (7,217,171) <sup>1</sup>                  |
| <b>Capital Share Transactions</b>                    |   |   |
| Reinvestment of dividends                            | 107,096   |   |
| <b>Net Assets</b>                                    |   |   |
| Total increase in net assets                         | 3,096,308   | 8,557,698                                 |
| Beginning of period                                  | 127,454,593   | 118,896,895                               |
| End of period  | \$ 130,550,901  | \$ 127,454,593                            |
| Undistributed net investment income                  | \$ 1,564,291  | \$ 1,539,340                              |

<sup>1</sup> Dividends are determined in accordance with federal income tax regulations.  
See Notes to Financial Statements.

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## Consolidated Statements of Changes in Net Assets

|   | BlackRock Floating Rate Income<br>Strategies Fund, Inc. (FRA) |                                  | BlackRock Limited Duration<br>Income Trust (BLW)           |                                  |
|---|---|----------------------------------|--|----------------------------------|
|   | Six Months<br>Ended<br>February 28,<br>2013<br>(Unaudited)    | Year Ended<br>August 31,<br>2012 | Six Months<br>Ended<br>February 28,<br>2013<br>(Unaudited) | Year Ended<br>August 31,<br>2012 |
| <b>Increase (Decrease) in Net Assets:<br/>Operations</b>              |   |                                  |  |                                  |
| Net investment income   | \$ 16,924,698   | \$ 17,932,502                    | \$ 24,543,249  | \$ 48,532,143                    |
| Net realized gain (loss)  | 5,993,230   | (4,997,420)                      | 8,002,143  | (1,700,000)                      |
| Net change in unrealized<br>appreciation/depreciation                 | 5,735,607   | 21,658,016                       | 12,881,461   | 34,080,000                       |
| Net increase in net assets resulting<br>from operations               | 28,653,535  | 34,593,098                       | 45,426,853   | 80,912,143                       |
| <b>Dividends to Shareholders From</b>                                 |   |                                  |  |                                  |
| Net investment income   | (17,732,665)  | (17,066,400) <sup>1</sup>        | (27,283,003)   | (48,930,000)                     |
| <b>Capital Share Transactions</b>                                     |   |                                  |  |                                  |
| Proceeds issued resulting from<br>reorganization                      | 283,047,261   |                                  |  |                                  |
| Reinvestment of dividends   | 699,419   | 258,718                          | 602,467  | 590,000                          |
| Net increase in net assets derived<br>from capital share transactions | 283,746,680   | 258,718                          | 602,467  | 590,000                          |
| <b>Net Assets</b>   |   |                                  |  |                                  |
| Total increase in net assets  | 294,667,550   | 17,785,416                       | 18,746,317   | 32,572,143                       |
| Beginning of period   | 276,990,000   | 259,204,584                      | 642,391,282  | 609,810,000                      |
| End of period   | \$ 571,657,550  | \$ 276,990,000                   | \$ 661,137,599   | \$ 642,382,143                   |
| Undistributed net investment income                                   | \$ 825,502  | \$ 1,633,469                     | \$ 4,181,077   | \$ 6,920,000                     |

<sup>1</sup> Dividends are determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

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## Statements of Cash Flows

|   | <b>BlackRock<br/>Defined<br/>Opportunity<br/>Credit Trust<br/>(BHL)</b> | <b>BlackRock<br/>Floating Rate<br/>Income<br/>Strategies<br/>Fund, Inc.<br/>(FRA)<sup>1</sup></b> | <b>BlackRock<br/>Limited<br/>Duration<br/>Income Trust<br/>(BLW)<sup>1</sup></b> |
|---|---|---|--|
| <b>Six Months Ended February 28, 2013</b>   |   |   |  |
| <b>Cash Provided by Operating Activities</b>  |   |   |  |
| Net increase in net assets resulting from operations  | \$ 6,952,272  | \$ 28,624,527   | \$ 45,426,853  |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities: |   |   |  |
| Decrease in interest receivable   | 169,325   | 176,165 <sup>2</sup>  | 280,590  |
| Increase in swap receivable   | (8,062)   | (47,187)  | (195,014)  |
| Increase in income tax refund receivable  |   | (18,024)  |  |
| Increase in cash pledged as collateral for swaps  |   | (620,000)   |  |
| Decrease in variation margin receivable   |   |   | 4,066  |
| Decrease in cash pledged as collateral for financial futures contracts  |   |   | 430,000  |
| Decrease in cash received as collateral for reverse repurchase agreements   |   |   | (1,137,000)  |
| Increase in cash received as collateral for swaps   |   |   | 1,200,000  |
| Decrease in other assets  |   |   | 2,276  |
| Increase in prepaid expenses  | (2,486)   | (1,791) <sup>2</sup>  | (8,369)  |
| Decrease in investment advisory fees payable  | (13,175)  | (97,188) <sup>2</sup>   | (16,278)   |
| Increase (decrease) in interest expense payable   | (5,097)   | 47,279 <sup>2</sup>   | (80,657)   |
| Increase (decrease) in other accrued expenses payable   | (42,015)  | 16,191 <sup>2</sup>   | (62,560)   |
| Decrease in swaps payable   | (17,243)  | (38,143)  | (97,586)   |
| Decrease in reorganization costs payable  |   | (416,536) <sup>2</sup>  |  |
| Increase in deferred capital gains tax payable  |   | 18,096  |  |
| Increase (decrease) in Officers and Directors fees payable  | (301)   | (7,876) <sup>2</sup>  | 96,162   |
| Net periodic and termination payments of swaps  | 222,997   | 1,379,683   | 1,853,123  |
| Net realized and unrealized gain on investments   | (3,257,574)   | (12,325,095)  | (21,957,598)   |
| Amortization of premium and accretion of discount on investments  | (292,813)   | (1,018,667)   | 489,463  |
| Proceeds from sales of long-term investments  | 80,894,890  | 343,971,292   | 335,657,178  |
| Purchases of long-term investments  | (71,908,318)  | (310,963,706)   | (353,195,605)  |
| Net proceeds from sales (purchases) of short-term securities  | (1,949,452)   | (4,070,471)   | (43,652)   |
| Cash provided by operating activities   | 10,742,948  | 44,608,549  | 8,645,392  |
| <b>Cash Used for Financing Activities</b>   |   |   |  |

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|   |              |               |              |
|---|--------------|---------------|--------------|
| Cash receipts from borrowings                   | 56,000,000   | 223,000,000   |              |
| Cash payments on borrowings                     | (63,000,000) | (249,000,000) |              |
| Net borrowings of reverse repurchase agreements |              |               | 15,112,867   |
| Cash dividends paid to shareholders             | (3,925,300)  | (17,033,246)  | (26,680,525) |
| Increase in bank overdraft                      | 313,625      |               | 2,559,325    |
| Cash used for financing activities              | (10,611,675) | (43,033,246)  | (9,008,333)  |

**Cash Impact from Foreign Exchange Fluctuations**

|  |         |         |         |
|--|---------|---------|---------|
| Cash impact from foreign exchange fluctuations | (2,249) | (3,352) | (1,658) |
|--|---------|---------|---------|

**Cash and Foreign Currency**

|  |            |              |           |
|--|------------|--------------|-----------|
| Net increase (decrease) in cash and foreign currency | 129,024    | 1,571,951    | (364,599) |
| Cash and foreign currency at beginning of period     | 12,292     | 284,775      | 364,599   |
| Cash and foreign currency at end of period           | \$ 141,316 | \$ 1,856,726 |           |

**Cash Flow Information**

|  |            |            |            |
|--|------------|------------|------------|
| Cash paid during the period for interest | \$ 224,832 | \$ 839,950 | \$ 794,221 |
|--|------------|------------|------------|

**Non-cash Financing Activities**

|   |            |                |            |
|---|------------|----------------|------------|
| Fair value of investments acquired through reorganization |            | \$ 426,639,591 |            |
| Capital shares issued in reorganization                   |            | \$ 283,047,261 |            |
| Capital shares issued in reinvestment of dividends        | \$ 107,096 | \$ 699,419     | \$ 602,467 |

<sup>1</sup> Consolidated Statement of Cash Flows.

<sup>2</sup> Includes assets and liabilities acquired in reorganization. See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Defined Opportunity Credit Trust (BHL)

|  | Six Months<br>Ended<br>February 28,<br>2013<br>(Unaudited) |                     | Year Ended August 31, |                     |                     |                          | Period<br>January 31,<br>2008 <sup>1</sup><br>to August 31,<br>2008 |
|--|--|---------------------|-----------------------|---------------------|---------------------|--------------------------|---|
|  |  | 2012                | 2011                  | 2010                | 2009                |                          |   |
| <b>Per Share Operating Performance</b>             |  |                     |                       |                     |                     |                          |   |
| Net asset value, beginning of period               | \$ 14.12   | \$ 13.17            | \$ 13.55              | \$ 12.53            | \$ 14.31            | \$ 14.33 <sup>2</sup>    |   |
| Net investment income <sup>3</sup>                 | 0.44   | 0.85                | 0.86                  | 0.85                | 0.87                | 0.47                     |   |
| Net realized and unrealized gain (loss)            | 0.33   | 0.90                | (0.45)                | 0.87                | (1.55)              | 0.21                     |   |
| Net increase (decrease) from investment operations | 0.77   | 1.75                | 0.41                  | 1.72                | (0.68)              | 0.68                     |   |
| Dividends and distributions from:                  |  |                     |                       |                     |                     |                          |   |
| Net Investment income                              | (0.44)   | (0.80) <sup>4</sup> | (0.79) <sup>4</sup>   | (0.70) <sup>4</sup> | (1.09) <sup>4</sup> | (0.62) <sup>4</sup>      |   |
| Tax return of capital                              |  |                     |                       |                     | (0.01) <sup>4</sup> | (0.06) <sup>4</sup>      |   |
| Total dividends and distributions                  | (0.44)   | (0.80)              | (0.79)                | (0.70)              | (1.10)              | (0.68)                   |   |
| Capital changes with respect to issuance of shares |  |                     |                       |                     |                     |                          | (0.02)  |
| Net asset value, end of period                     | \$ 14.45   | \$ 14.12            | \$ 13.17              | \$ 13.55            | \$ 12.53            | \$ 14.31                 |   |
| Market price, end of period                        | \$ 14.75   | \$ 13.94            | \$ 12.65              | \$ 12.86            | \$ 11.03            | \$ 12.66                 |   |
| <b>Total Investment Return<sup>5</sup></b>         | <b>5.55%<sup>6</sup></b>                                   | <b>13.94%</b>       | <b>2.93%</b>          | <b>14.39%</b>       | <b>(2.16)%</b>      | <b>4.79%<sup>6</sup></b> |   |

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Based on  
net asset  
value

Based on  
market price

9.13%<sup>6</sup> 17.12% 4.17% 23.33% (2.65)% (11.44)%<sup>6</sup>

**Ratios to Average Net Assets**

|   |                      |                    |       |       |       |                    |
|---|----------------------|--------------------|-------|-------|-------|--------------------|
| Total expenses  | 1.96% <sup>7</sup>   | 1.91%              | 2.02% | 1.91% | 2.39% | 1.78% <sup>7</sup> |
| Total expenses after fees waived and paid indirectly                                | 1.96% <sup>7</sup>   | 1.91%              | 2.02% | 1.90% | 2.39% | 1.78% <sup>7</sup> |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 1.62% <sup>7,8</sup> | 1.61% <sup>8</sup> | 1.71% | 1.65% | 1.94% | 1.48% <sup>7</sup> |
| Net investment income   | 6.23% <sup>7</sup>   | 6.24%              | 6.10% | 6.40% | 8.11% | 5.52% <sup>7</sup> |

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                         | \$ 130,551 | \$ 127,455 | \$ 118,897 | \$ 122,062 | \$ 112,862 | \$ 127,695 |
| Borrowings outstanding, end of period (000)             | \$ 48,000  | \$ 55,000  | \$ 43,000  | \$ 24,000  | \$ 27,000  | \$ 38,500  |
| Average borrowings outstanding, during the period (000) | \$ 46,967  | \$ 39,077  | \$ 36,369  | \$ 24,633  | \$ 31,141  | \$ 13,788  |
| Portfolio turnover                                      | 46%        | 53%        | 91%        | 102%       | 41%        | 18%        |
| Asset coverage, end of period per \$1,000               | \$ 3,720   | \$ 3,317   | \$ 3,765   | \$ 6,086   | \$ 5,180   | \$ 4,317   |

<sup>1</sup> Commencement of operations.

<sup>2</sup>

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.

<sup>3</sup> Based on average shares outstanding.

<sup>4</sup> Dividends and distributions are determined in accordance with federal income tax regulations.

<sup>5</sup> Total investment returns based on market price, 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.

<sup>6</sup> Aggregate total investment return.

<sup>7</sup> Annualized.

<sup>8</sup> For the six months ended February 28, 2013 and the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.57% and 1.52%, respectively. See Notes to Financial Statements.

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## Financial Highlights

BlackRock Floating Rate Income Strategies Fund, Inc. (FRA)  
Year Ended August 31,

|  | Six Months<br>Ended<br>February 28,<br>2013 <sup>1</sup><br>(Unaudited) | 2012 <sup>1</sup>   | 2011                | 2010                | 2009                | 2008                |
|--|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Per Share Operating Performance</b>             |   |                     |                     |                     |                     |                     |
| Net asset value, beginning of period               | \$ 14.98  | \$ 14.04            | \$ 14.36            | \$ 12.93            | \$ 16.12            | \$ 18.25            |
| Net investment income <sup>2</sup>                 | 0.50  | 0.97                | 0.96                | 0.91                | 1.14                | 1.45                |
| Net realized and unrealized gain (loss)            | 0.46  | 0.90                | (0.36)              | 1.48                | (3.04)              | (2.03)              |
| Net increase (decrease) from investment operations | 0.96  | 1.87                | 0.60                | 2.39                | (1.90)              | (0.58)              |
| Dividends and distributions from:                  |   |                     |                     |                     |                     |                     |
| Net investment income                              | (0.57)  | (0.93) <sup>3</sup> | (0.86) <sup>3</sup> | (0.94) <sup>3</sup> | (1.29) <sup>3</sup> | (1.55) <sup>3</sup> |
| Tax return of capital                              |   |                     | (0.06) <sup>3</sup> | (0.02) <sup>3</sup> |                     |                     |
| Total dividends and distributions                  | (0.57)  | (0.93)              | (0.92)              | (0.96)              | (1.29)              | (1.55)              |
| Net asset value, end of period                     | \$ 15.37  | \$ 14.98            | \$ 14.04            | \$ 14.36            | \$ 12.93            | \$ 16.12            |
| Market price, end of period                        | \$ 16.47  | \$ 15.20            | \$ 13.33            | \$ 14.61            | \$ 12.26            | \$ 14.49            |
| <b>Total Investment Return<sup>4</sup></b>         |   |                     |                     |                     |                     |                     |
| Based on net asset value                           | 6.53% <sup>5</sup>  | 13.91%              | 4.04%               | 18.91%              | (8.88)%             | (2.56)%             |
| Based on market price                              | 12.50% <sup>5</sup>   | 21.74%              | (2.91)%             | 27.59%              | (3.88)%             | (4.28)%             |

**Ratios to Average Net Assets**

|  |                        |                       |       |       |        |       |
|--|------------------------|-----------------------|-------|-------|--------|-------|
| Total expenses   | 1.63% <sup>6,7</sup>   | 1.67% <sup>8</sup>    | 1.60% | 1.45% | 1.96%  | 2.61% |
| Total expenses after fees waived and paid indirectly   | 1.63% <sup>6,7</sup>   | 1.67% <sup>8</sup>    | 1.60% | 1.45% | 1.96%  | 2.60% |
| Total expenses after fees waived and paid indirectly and excluding interest expense and income tax | 1.25% <sup>6,7,9</sup> | 1.35% <sup>8,10</sup> | 1.30% | 1.22% | 1.31%  | 1.18% |
| Net investment income  | 6.72% <sup>6</sup>     | 6.67%                 | 6.44% | 6.43% | 10.18% | 8.49% |

**Supplemental Data**

|   |            |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|------------|
| Net assets, end of period (000)                         | \$ 571,629 | \$ 276,900 | \$ 259,205 | \$ 264,379 | \$ 237,160 | \$ 295,005 |
| Borrowings outstanding, end of period (000)             | \$ 208,000 | \$ 117,000 | \$ 93,000  | \$ 53,000  | \$ 38,000  | \$ 101,500 |
| Average borrowings outstanding, during the period (000) | \$ 189,558 | \$ 88,197  | \$ 79,195  | \$ 48,258  | \$ 50,591  | \$ 102,272 |
| Portfolio turnover                                      | 51%        | 53%        | 91%        | 96%        | 58%        | 49%        |
| Asset coverage, end of period per \$1,000               | \$ 3,748   | \$ 3,367   | \$ 3,787   | \$ 5,988   | \$ 7,241   | \$ 3,906   |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Dividends and distributions are determined in accordance with federal income tax regulations.

<sup>4</sup> Total investment returns based on market price, 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.

<sup>5</sup> Aggregate total investment return.



<sup>6</sup> Annualized.

<sup>7</sup> Includes reorganization costs associated with the Fund's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.60%, 1.60%, and 1.23%, respectively.

<sup>8</sup> Includes reorganization costs associated with the Fund's merger. Without these costs, total expenses, total expenses after fees waived and paid indirectly, and total expenses after fees waived and paid indirectly and excluding interest expense would have been 1.61%, 1.61%, and 1.29%, respectively.

<sup>9</sup> For the six months ended February 28, 2013, the total expense ratio after fees waived and paid indirectly and excluding interest expense, borrowing costs and income tax was 1.20%.

<sup>10</sup> For the year ended August 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense and borrowing costs was 1.26%.

See Notes to Financial Statements.

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## Financial Highlights

## BlackRock Limited Duration Income Trust (BLW)

|  | Six Months Ended February 28, 2013 <sup>1</sup><br>(Unaudited) |                     | Year Ended August 31, |                     |                     |  | Period November 1, 2007 to August 31, 2008 | Year Ended October 31, 2008 |
|--|--|---------------------|-----------------------|---------------------|---------------------|--|--|-----------------------------|
|  |  | 2012 <sup>1</sup>   | 2011                  | 2010                | 2009                |  |  |                             |
| <b>Per Share Operating Performance</b>             |  |                     |                       |                     |                     |  |  |                             |
| Net asset value, beginning of period               | \$ 17.38   | \$ 16.52            | \$ 16.79              | \$ 14.95            | \$ 16.71            | \$ 18.52                                     | \$   |                             |
| Net investment income                              | 0.66 <sup>2</sup>  | 1.31 <sup>2</sup>   | 1.34 <sup>2</sup>     | 1.12 <sup>2</sup>   | 1.01 <sup>2</sup>   | 1.14 <sup>2</sup>                            |  |                             |
| Net realized and unrealized gain (loss)            | 0.57   | 0.88                | (0.37)                | 1.62                | (1.61)              | (1.76)                                       |  |                             |
| Net increase (decrease) from investment operations | 1.23   | 2.19                | 0.97                  | 2.74                | (0.60)              | (0.62)                                       |  |                             |
| Dividends and distributions from:                  |  |                     |                       |                     |                     |  |  |                             |
| Net investment income                              | (0.74)   | (1.33) <sup>3</sup> | (1.24) <sup>3</sup>   | (0.90) <sup>3</sup> | (1.16) <sup>3</sup> | (1.19) <sup>3</sup>                          |  |                             |
| Net realized gain                                  |  |                     |                       |                     |                     |  |  |                             |
| Tax return of capital                              |  |                     |                       |                     |                     |  |  |                             |
| Total dividends and distributions                  | (0.74)   | (1.33)              | (1.24)                | (0.90)              | (1.16)              | (1.19)                                       |  |                             |
| Net asset value, end of period                     | \$ 17.87   | \$ 17.38            | \$ 16.52              | \$ 16.79            | \$ 14.95            | \$ 16.71                                     | \$   |                             |
| Market price, end of period                        | \$ 18.84   | \$ 18.00            | \$ 16.01              | \$ 16.76            | \$ 14.09            | \$ 14.57                                     | \$   |                             |
| <b>Total Investment Return<sup>4</sup></b>         |  |                     |                       |                     |                     |  |  |                             |
| Based on net asset value                           | 7.17% <sup>5</sup><br>9.10% <sup>5</sup>                       | 13.86%<br>21.68%    | 5.85%<br>2.77%        | 19.00%<br>26.04%    | (1.57)%<br>6.40%    | (2.60)% <sup>5</sup><br>(5.70)% <sup>5</sup> |  | (4.00)% <sup>5</sup>        |

Based on  
market price

### Ratios to Average Net Assets

|   |                    |       |       |       |       |                    |
|---|--------------------|-------|-------|-------|-------|--------------------|
| Total expenses  | 1.13% <sup>6</sup> | 1.05% | 1.01% | 0.82% | 0.72% | 1.39% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly                                | 1.13% <sup>6</sup> | 1.05% | 1.00% | 0.81% | 0.71% | 1.38% <sup>6</sup> |
| Total expenses after fees waived and paid indirectly and excluding interest expense | 0.91% <sup>6</sup> | 0.89% | 0.87% | 0.73% | 0.69% | 0.76% <sup>6</sup> |
| Net investment income   | 7.58% <sup>6</sup> | 7.82% | 7.75% | 6.90% | 7.42% | 7.84% <sup>6</sup> |

### Supplemental Data

|   |            |            |                   |                   |                   |                    |      |
|---|------------|------------|-------------------|-------------------|-------------------|--------------------|------|
| Net assets, end of period (000)                         | \$ 661,138 | \$ 642,391 | \$ 609,818        | \$ 619,381        | \$ 551,505        | \$ 616,393         | \$ 6 |
| Borrowings outstanding, end of period (000)             | \$ 311,589 | \$ 296,476 | \$ 244,120        | \$ 123,233        |                   | \$ 64,538          | \$ 1 |
| Average borrowings outstanding, during the period (000) | 302,037    | \$ 242,396 | \$ 191,303        | \$ 44,160         | \$ 11,705         | \$ 120,295         | \$ 1 |
| Portfolio turnover                                      | 38%        | 54%        | 106% <sup>7</sup> | 248% <sup>8</sup> | 287% <sup>9</sup> | 191% <sup>10</sup> |      |
| Asset coverage, end of period per \$1,000               | \$ 3,122   | \$ 3,167   | \$ 3,498          | \$ 6,026          |                   | \$ 10,551          | \$   |

<sup>1</sup> Consolidated Financial Highlights.

<sup>2</sup> Based on average shares outstanding.

<sup>3</sup> Dividends and distributions are determined in accordance with federal income tax regulations.

<sup>4</sup> Total investment returns based on market price, 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.

<sup>5</sup> Aggregate total investment return.

<sup>6</sup> Annualized.

<sup>7</sup> Includes mortgage dollar roll and to-be-announced ( TBA ) transactions. Excluding these transactions, the portfolio turnover would have been 87%.

<sup>8</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 113%.

<sup>9</sup> Includes mortgage dollar roll transactions. Excluding these transactions, the portfolio turnover would have been 79%.

<sup>10</sup> Includes TBA transactions. Excluding these transactions, the portfolio turnover would have been 24%.

See Notes to Financial Statements.

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Notes to Financial Statements (Unaudited)

**1. Organization and Significant Accounting Policies:**

BlackRock Defined Opportunity Credit Trust ( BHL ), BlackRock Floating Rate Income Strategies Fund, Inc. ( FRA ) and BlackRock Limited Duration Income Trust ( BLW ) (collectively, the Funds or individually as a Fund ) are registered under the 1940 Act, as diversified, closed-end management investment companies. BHL and BLW are organized as Delaware Statutory trusts. FRA is organized as Maryland corporation. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ( US GAAP ), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Boards of Directors and the Boards of Trustees of the Funds are collectively referred to throughout this report as the Board of Directors or the Board , and the directors/trustees thereof are collectively referred to throughout this report as Directors . The Funds determine and make available for publication the NAV of their Common Shares on a daily basis.

**Reorganization:** The Board and shareholders of FRA and the Board and shareholders of each of BlackRock Diversified Strategies Fund, Inc. ( DVF ) and BlackRock Floating Rate Income Strategies Fund II, Inc., ( FRB ) (individually, a Target Fund and collectively the Target Funds ) approved the reorganization of its respective Target Fund into FRA pursuant to which FRA acquired substantially all of the assets and substantially all of the liabilities of each Target Fund in exchange for an equal aggregate value of newly-issued shares of FRA.

Each shareholder of a Target Fund received shares of FRA in an amount equal to the aggregate NAV of such shareholder's Target Fund shares, as determined at the close of business on October 5, 2012. Cash was distributed for any fractional shares.

The reorganizations were accomplished by a tax-free exchange of shares of FRA in the following amounts and at the following conversion ratios:

| Target Fund | Shares Prior to Reorganization | Conversion Ratio | Shares of FRA |
|-------------|--------------------------------|------------------|---------------|
| FRB         | 10,585,281                     | 0.91462449       | 9,681,549     |
| DVF         | 12,405,453                     | 0.72423797       | 8,984,499     |

Each Target Fund's net assets and composition of net assets on October 5, 2012, the date of the reorganization, were as follows:

|  | Target Funds    |                 |
|--|-----------------|-----------------|
|  | FRB             | DVF             |
| Net assets   | \$ 145,503,247  | \$ 135,026,897  |
| Paid-in capital  | \$ 199,061,613  | \$ 228,382,252  |
| Undistributed (distributions in excess of) net investment income | \$ (164,508)    | \$ (88,960)     |
| Accumulated net realized loss                                    | \$ (54,909,880) | \$ (89,378,206) |
| Net unrealized appreciation (depreciation)                       | \$ 1,516,022    | \$ (3,888,189)  |

For financial reporting purposes, assets received and shares issued by FRA were recorded at fair value. However, the cost basis of the investments being received from the Target Funds were carried forward to align ongoing reporting of FRA's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets of FRA before the acquisition were \$278,016,037. The aggregate net assets of FRA immediately after the acquisition amounted to \$558,546,181. Each Target Fund's fair value and cost of investments prior to the reorganization were as follows:

| Target Fund | Fair Value of Investments | Cost of Investments |
|-------------|---------------------------|---------------------|
|-------------|---------------------------|---------------------|

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|     |               |               |
|-----|---------------|---------------|
| FRB | \$220,588,307 | \$219,010,017 |
| DVF | \$206,051,284 | \$209,710,937 |

The purpose of these transactions was to combine three funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. Each reorganization was a tax-free event and was effective on October 5, 2012.

Assuming the acquisition had been completed on September 1, 2012 the beginning of the fiscal reporting period of FRA, the pro forma results of operations for the six months ended February 28, 2013, are as follows:

Net investment income: \$18,393,758

Net realized and change in unrealized gain/loss on investments: \$14,776,513

Net increase/decrease in net assets resulting from operations: \$33,170,271

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in FRA's Statement of Operations since October 5, 2012.

Reorganization costs incurred in connection with the reorganization were expensed by FRA.

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

**Basis of Consolidation:** The accompanying consolidated financial statements include the accounts of FRA Subsidiary, LLC and BLW Subsidiary, LLC (the Taxable Subsidiaries), all of which are wholly owned taxable subsidiaries of each Fund. The Taxable Subsidiaries enable the Funds to hold investments in operating companies and still satisfy Regulated Investment Company (RIC) tax requirements. Income earned and gains realized on the investments held by the Taxable Subsidiaries are taxable to such subsidiaries. A tax provision for income, if any, is shown as income tax in the Consolidated Statements of Operations. A tax provision for income from realized and unrealized gains, if any, is included as a reduction of realized and unrealized gain (loss) in the Consolidated Statements of Operations. Each Fund may invest up to 25% of their total

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Notes to Financial Statements (continued)

assets in the Taxable Subsidiary. Intercompany accounts and transactions have been eliminated. The Taxable Subsidiary is subject to the same investment policies and restrictions that apply to the Funds.

**Valuation:** US GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The Global Valuation Committee is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Funds for all financial instruments.

The Funds value their bond investments on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the 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. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop 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. Swap agreements are valued utilizing quotes received daily by the Funds pricing service or through brokers, which are derived using daily swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades and values of the underlying reference instruments. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. 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 and information with respect to various relationships between investments.

Equity investments traded on a recognized securities exchange or the NASDAQ Global Market System ( NASDAQ ) 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 (long positions) or ask (short positions) price. If no bid or ask 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.

Securities and other assets and liabilities denominated in foreign currencies are translated into US dollars using exchange rates determined as of the close of business on the New York Stock Exchange ( NYSE ). Foreign currency exchange contracts are valued at the mean between the bid and ask prices and are determined as of the close of business on the NYSE. Interpolated values are derived when the settlement date of the contract is an interim date for which quotations are not available.

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 (long positions) or ask (short positions) price. If no bid or ask price is available, the prior day s price will be used, unless it is determined that the prior day s price no longer reflects the fair value of the option. Over-the-counter ( OTC ) 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 instruments.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ( Fair Value Assets ). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, 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 Global Valuation Committee deem relevant consistent with the principles of fair value measurement, which include the market approach, income approach and/or in the case of recent investments, the cost approach, as appropriate. A market approach generally consists of using comparable market transactions. The income approach generally is used to discount future cash flows to present value and adjusted for liquidity as appropriate. These factors include but are not limited to: (i) attributes specific to the investment or asset; (ii) the principal market for the

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investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, recovery rates, liquidation amounts and/or default rates. Due to the inherent uncertainty of valuations of such investments, the fair values may differ from the values that would have been used had an active market existed. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Funds' pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

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### Notes to Financial Statements (continued)

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of business on the NYSE. Occasionally, events affecting the values of such instruments may occur between the foreign market close and the close of business on the NYSE that may not be reflected in the computation of the Funds' net assets. If events (for example, a company announcement, market volatility or a natural disaster) occur during such periods that are expected to affect the value of such instruments materially, those instruments may be Fair Value Assets and be valued at their fair value, as determined in good faith by the Global Valuation Committee using a pricing service and/or policies approved by the Board.

**Foreign Currency:** The Funds' books and records are maintained in US dollars. Purchases and sales of investment securities are recorded at the rates of exchange prevailing on the respective date of such transactions. Generally, when the US dollar rises in value against a foreign currency, the Funds' investments denominated in that currency will lose value because that currency is worth fewer US dollars; the opposite effect occurs if the US dollar falls in relative value.

The Funds do not isolate the portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of investments held or sold for financial reporting purposes. Accordingly, the effects of changes in foreign currency exchange rates on investments are not segregated on the Statement of Operations from the effects of changes in market prices of those investments but are included as a component of net realized and unrealized gain (loss) from investments. The Funds report realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

**Asset-Backed and Mortgage-Backed Securities:** The 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. In addition, a Fund may have to subsequently reinvest the proceeds at lower interest rates. 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 Ginnie Mae are guaranteed as to the timely payment of principal and interest by Ginnie Mae and such guarantee is backed by the full faith and credit of the United States. However, mortgage-related securities issued by Freddie Mac and Fannie Mae, including Freddie Mac and Fannie Mae guaranteed mortgage pass-through certificates, which are solely the obligations of Freddie Mac and Fannie Mae, are not backed by or entitled to the full faith and credit of the United States but are supported by the right of the issuer to borrow from the Treasury.

**Collateralized Debt Obligations:** Certain Funds may invest in collateralized debt obligations ( CDOs ), which include collateralized bond obligations ( CBOs ) and collateralized loan obligations ( CLOs ). CBOs and CLOs, are types of asset-backed securities. A CDO is a bankruptcy remote entity, which is backed by a diversified pool of debt securities (CBOs) or syndicated bank loans (CLOs). The cash flows of the CDO can be split into multiple segments, called tranches , which will vary in risk profile and yield. The riskiest segment is the subordinated or equity tranche. This tranche bears the greatest risk of defaults from the underlying assets in the CDO and serves to protect the other, more senior, tranches from default in all but the most severe circumstances. Since it is shielded from defaults by the more junior tranches, a senior tranche will typically have higher credit ratings and lower yields than their underlying securities, and often receive investment grade ratings from one or more of the nationally recognized rating agencies. Despite the protection from the more junior tranches, senior tranches can experience substantial losses due to actual defaults, increased sensitivity to future defaults and the disappearance of one or more protecting tranches as a result of changes in the credit profile of the underlying pool of assets.

**Multiple Class Pass-Through Securities:** Certain Trusts may invest in multiple class pass-through securities, including collateralized mortgage obligations ( CMOs ) and commercial mortgage-backed securities. These multiple class securities may be issued by Ginnie Mae, US government agencies or instrumentalities or by trusts formed by private originators of, or investors in, mortgage loans. In general, CMOs are debt obligations of a legal entity that are collateralized by, and multiple class pass-through securities represent direct ownership interests in, a pool of residential or commercial mortgage loans or mortgage pass-through securities (the Mortgage Assets ), the payments on which are used to make payments on the CMOs or multiple pass-through

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securities. Classes of CMOs include interest only ( IOs ), principal only ( POs ), planned amortization classes and targeted amortization classes. IOs and POs are stripped mortgage-backed securities representing interests in a pool of mortgages, the cash flow from which has been separated into interest and principal components. IOs receive the interest portion of the cash flow while POs receive the principal portion. IOs and POs can be extremely volatile in response to changes in interest rates. As interest rates rise and fall, the value of IOs tends to move in the same direction as interest rates. POs perform best when prepayments on the underlying mortgages rise since this increases the rate at which the principal is returned and the yield to

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Notes to Financial Statements (continued)

maturity on the PO. When payments on mortgages underlying a PO are slower than anticipated, the life of the PO is lengthened and the yield to maturity is reduced. If the underlying Mortgage Assets experience greater than anticipated pre-payments of principal, the Trusts may not fully recoup their initial investment in IOs.

**Stripped Mortgage-Backed Securities:** Certain Trusts may invest in stripped mortgage-backed securities issued by the US government, its agencies and instrumentalities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest (IOs) and principal (POs) distributions on a pool of Mortgage Assets. The Trusts also may invest in stripped mortgage-backed securities that are privately issued.

**Zero-Coupon Bonds:** The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

**Capital Trusts:** Certain Trusts may invest in capital trusts. These securities are typically issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated business trust of a corporation, generally in the form of beneficial interests in subordinated debentures or similarly structured securities. The securities can be structured as either fixed or adjustable coupon securities that can have either a perpetual or stated maturity date. Dividends can be deferred without creating an event of default or acceleration, although maturity cannot take place unless all cumulative payment obligations have been met. The deferral of payments does not affect the purchase or sale of these securities in the open market. Payments on these securities are treated as interest rather than dividends for federal income tax purposes. These securities generally are rated below that of the issuing company's senior debt securities.

**Preferred Stock:** Certain Funds may invest in preferred stock. 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 Loan Interests:** The Funds may invest in floating rate loan interests. The floating rate loan interests the Funds hold are typically issued to companies (the borrower) by banks, other financial institutions, and privately and publicly offered corporations (the lender). Floating rate loan interests are generally non-investment grade, often involve borrowers whose financial condition is troubled or uncertain and companies that are highly leveraged. The Funds may invest in obligations of borrowers who are in bankruptcy proceedings. Floating rate loan interests may include fully funded term loans or revolving lines of credit. Floating rate loan interests are typically senior in the corporate capital structure of the borrower. Floating rate loan interests 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 the lending rate offered by one or more European banks, such as the London Interbank Offered Rate (LIBOR), the prime rate offered by one or more US banks or the certificate of deposit rate. Floating rate loan interests may involve foreign borrowers, and investments may be denominated in foreign currencies. The Funds consider these investments to be investments in debt securities for purposes of its investment policies.

When a Fund purchases a floating rate loan interest it may receive a facility fee and when it sells a floating rate loan interest 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 amount of a floating rate loan interest. Facility and commitment fees are typically amortized to income over the term of the loan or term of the commitment, respectively. Consent and amendment fees are recorded to income as earned. Prepayment penalty fees, which may be received by the Funds upon the prepayment of a floating rate loan interest by a borrower, are recorded as realized gains. 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 loan interests are usually freely callable at the borrower's option. The Funds may invest in such loans in the form of participations in loans (Participations) or assignments (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, nor any rights of offset

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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' investment in loan participation interests involves 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 a general creditor of the lender and may not benefit from any offset between the lender and the borrower. Assignments typically result in the Funds having a direct contractual relationship with the borrower, and the Funds may enforce compliance by the borrower with the terms of the loan agreement.

**Forward Commitments and When-Issued Delayed Delivery Securities:** The 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

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## Notes to Financial Statements (continued)

sale commitment is made. The Funds may purchase securities under such conditions 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 Funds are not entitled to any of the interest earned prior to 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 appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

**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 agrees to repurchase the same securities at a mutually agreed upon date and price. Securities sold under reverse repurchase agreements are recorded as a liability in the Statement of Assets and Liabilities at face value including accrued interest. Due to the short-term nature of the reverse repurchase agreements, face value approximates fair value. During the term of the reverse repurchase agreement, the Funds continue to receive the principal and interest payments on these securities. Certain agreements have no stated maturity and can be terminated by either party at any time. 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 of the agreement may be restricted while the other party, or its trustee or receiver, determines whether or not to enforce the Funds' obligation to repurchase the securities.

**Segregation and Collateralization:** In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ( SEC ) require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts, foreign currency exchange contracts and swaps), or certain borrowings (e.g., reverse repurchase agreements and loan payable), the Funds 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 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 to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment 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 are informed of the ex-dividend date. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

**Dividends and Distributions:** Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates. The portion of dividends and distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, may be treated as a tax return of capital. Distributions in excess of a Fund's taxable income and net capital gains, but not in excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. Capital losses carried forward from years beginning before 2011 do not reduce earnings and profits, even if such carried forward losses offset current year realized gains. The character and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP.

**Income Taxes:** It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, 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.

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 each of the four years ended August 31, 2012. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the

jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

**Recent Accounting Standards:** In December 2011, the Financial Accounting Standards Board (the FASB ) issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements, which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. In January 2013, the FASB issued guidance that clarifies which investments and transactions are subject to the offsetting disclosure requirements. The scope of the disclosure requirements for offsetting will be limited to derivative instruments, repurchase agreements and reverse

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repurchase agreements, and securities borrowing and securities lending transactions. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

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

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Deferred compensation liabilities are included in officers' and directors' fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

**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.

The Funds have an arrangement with the custodian whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodian imposes fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

## 2. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge, or protect, their exposure to certain risks such as credit risk, equity risk, interest rate risk, foreign currency exchange rate risk. These contracts may be transacted on an exchange or OTC.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. The Funds' maximum risk of loss from counterparty credit risk on OTC derivatives is generally the aggregate unrealized gain netted against any collateral pledged by/posted to the counterparty. For OTC options purchased, the Funds bear the risk of loss in the amount of the premiums paid plus the positive change in market values net of any collateral received on the options should the counterparty fail to perform under the contracts. Options written by the Funds do not give rise to counterparty credit risk, as options written obligate the Funds and not the counterparty to perform. Counterparty risk related to exchange-traded financial futures contracts and options and centrally cleared swaps is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

The Funds may mitigate counterparty risk by procuring collateral and through netting provisions included within an International Swaps and Derivatives Association, Inc. master agreement (ISDA Master Agreement) implemented between a Fund and each of its respective counterparties. An ISDA Master Agreement allows each Fund to offset with each separate counterparty certain derivative financial instruments' payables and/or receivables with collateral held. The amount of collateral moved to/from applicable counterparties is generally 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. In addition, the Funds manage counterparty risk by entering into agreements only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Funds' net assets decline by a stated percentage or the Funds fail to meet the terms of its ISDA Master Agreements, which would cause the Funds to accelerate payment of any net liability owed to the counterparty.

**Financial Futures Contracts:** The Funds 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). Financial futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. 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 variation margin and are recorded by the Funds as unrealized appreciation or depreciation. 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 contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest or foreign currency exchange rates and the underlying assets.

**Foreign Currency Exchange Contracts:** The Funds enter into foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to foreign currencies (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 the Funds, help to manage the overall

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## Notes to Financial Statements (continued)

exposure to the currencies in which some of the investments held by the Funds are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the contract is closed, the Funds record 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 the value of a foreign currency exchange contract changes unfavorably due to movements in the value of the referenced foreign currencies and the risk that the counterparty to the contract does not perform its obligations under the agreement.

**Options:** The Funds purchase and write call and put options to increase or decrease their exposure to underlying instruments (equity and/or interest rate risk) and/or, in the case of options written, to generate gains from options premiums. A call option gives the purchaser (holder) of the option the right (but not the obligation) to buy, and obligates the seller (writer) to sell (when the option is exercised), the underlying instrument at the exercise or strike 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 or strike price at any time or at a specified time during the option period. When the Funds purchase (write) an option, an amount equal to the premium paid (received) by the Funds is reflected as an asset (liability). 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 the Funds enter into a closing transaction), the Funds realize 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 premiums received or paid). When the Funds write a call option, such option is covered, meaning that the Funds holds the underlying instrument subject to being called by the option counterparty. When the Funds write a put option, such option is covered by cash in an amount sufficient to cover the obligation.

Options on swaps (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 or credit default swap agreement (interest rate risk and/or credit risk) at any time before the expiration of the option.

In purchasing and writing options, the Funds bear the risk of an unfavorable change in the value of the underlying instrument 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 option could result in the Funds purchasing or selling a security at a price different from the current market value.

**Swaps:** The Funds enter into swap agreements, in which the Funds and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are privately negotiated in the OTC market and may be entered into as a bilateral contract or centrally cleared (centrally cleared swaps). In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is novated to a central counterparty (the CCP) and the Funds face the CCP through a future commission merchant. Unlike a bilateral swap agreement, for centrally cleared swaps, the Funds have no credit exposure to the counterparty as the CCP stands between the Funds and the counterparty. These payments received or made by the Funds are recorded in the Statements of Operations as realized gains or losses, respectively. Any upfront fees paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown as swap premiums paid and swap premiums received, respectively in the Statements of Assets and Liabilities and amortized over the term of the swap. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of centrally cleared swaps, if any, is recorded as a receivable or payable for variation margin in the Statements of Assets and Liabilities. When the swap is terminated, the Funds will record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Funds' basis in the contract, if any. Generally, the basis of the contracts is the premium received or paid. Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in 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** The Funds 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 swap 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 it is not otherwise exposed (as seller of protection). The Funds may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers 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 with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on

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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, if an underlying credit event occurs, the Funds 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 the index or receive a net settlement of cash equal to the notional amount of

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the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Funds 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 the 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 the index.

**Interest rate swaps** The Trusts enter into interest rate swaps to gain or reduce exposure to interest rates or 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 stream of interest payments, either fixed or floating, for another party's stream of interest payments, either fixed or floating, on the same notional 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.

**Derivative Financial Instruments Categorized by Risk Exposure:****Fair Values of Derivative Financial Instruments as of February 28, 2013**

| <b>Asset Derivatives</b>                             |  |            |              |              |
|--|--|------------|--------------|--------------|
|  |  | <b>BHL</b> | <b>FRA</b>   | <b>BLW</b>   |
| <b>Statements of Assets and Liabilities Location</b> | <b>Value</b>   |            |              |              |
| Interest rate contracts                              | Net unrealized appreciation/depreciation <sup>1</sup> ;        |            |              | \$ 160,762   |
| Foreign currency exchange contracts                  | Unrealized appreciation on foreign currency exchange contracts | \$ 156,557 | \$ 616,559   | 2,824,995    |
| Credit contracts                                     | Unrealized appreciation on swaps <sup>1</sup> ;                | 66,901     | 372,158      | 690,734      |
| Total  |  | \$ 223,458 | \$ 988,717   | \$ 3,676,491 |
| <b>Liability Derivatives</b>                         |  |            |              |              |
|  |  | <b>BHL</b> | <b>FRA</b>   | <b>BLW</b>   |
| <b>Statements of Assets and Liabilities Location</b> | <b>Value</b>   |            |              |              |
| Interest rate contracts                              | Net unrealized appreciation/depreciation <sup>1</sup> ;        |            |              | \$ 219,130   |
| Foreign currency exchange contracts                  | Unrealized depreciation on swaps <sup>1</sup>                  |            |              | \$ 219,130   |
| Foreign currency exchange contracts                  | Unrealized depreciation on foreign currency exchange contracts |            | \$ 14,902    | 47,438       |
| Credit contracts                                     | Unrealized depreciation on swaps <sup>1</sup> ;                | \$ 245,737 | 1,354,739    | 2,233,226    |
| Total  |  | \$ 245,737 | \$ 1,369,641 | \$ 2,499,794 |

<sup>1</sup> Includes cumulative appreciation/depreciation on financial futures contracts and centrally cleared swaps, if any, as reported in the Schedules of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

**The Effect of Derivative Financial Instruments in the Statements of Operations  
Six Months Ended February 28, 2013**

|  |  | <b>Net Realized Gain (Loss) From</b> |            |            |
|--|--|--------------------------------------|------------|------------|
|  |  | <b>BHL</b>                           | <b>FRA</b> | <b>BLW</b> |
|  |  |                                      |            |            |

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|                                      |              |                |                |
|--------------------------------------|--------------|----------------|----------------|
| Interest rate contracts:             |              |                |                |
| Financial futures contracts          |              |                | \$ 6,891       |
| Foreign currency exchange contracts: |              |                |                |
| Foreign currency transactions        | \$ (345,936) | \$ (975,272)   | (2,576,120)    |
| Credit contracts:                    |              |                |                |
| Swaps                                | (117,714)    | (183,697)      | (898,791)      |
| Equity contracts:                    |              |                |                |
| Financial futures contracts          |              |                | (475,176)      |
| Options <sup>2</sup>                 |              |                | (242,400)      |
| Total                                | \$ (463,650) | \$ (1,158,969) | \$ (4,185,596) |

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## Notes to Financial Statements (continued)

**Net Change in Unrealized  
Appreciation/Depreciation on**

|                                      | <b>BHL</b>        | <b>FRA</b>          | <b>BLW</b>          |
|--------------------------------------|-------------------|---------------------|---------------------|
| Interest rate contracts:             |                   |                     |                     |
| Financial futures contracts          |                   |                     | \$ (48,162)         |
| Swaps                                |                   |                     | 40,933              |
| Foreign currency exchange contracts: |                   |                     |                     |
| Foreign currency translations        | \$ 288,455        | \$ 823,650          | 3,912,751           |
| Credit contracts:                    |                   |                     |                     |
| Swaps                                | 132,539           | 515,904             | 823,731             |
| Equity contracts:                    |                   |                     |                     |
| Financial futures contracts          |                   |                     | 288,888             |
| Options <sup>2</sup>                 |                   | (23,466)            | (2,103)             |
| <b>Total</b>                         | <b>\$ 420,994</b> | <b>\$ 1,316,088</b> | <b>\$ 5,016,038</b> |

<sup>2</sup> Options purchased are included in the net realized gain (loss) from investments and net change in unrealized appreciation/depreciation on investments.

For the six months ended February 28, 2013, the average quarterly balances of outstanding derivative financial instruments were as follows:

|  | <b>BHL</b>   | <b>FRA</b>    | <b>BLW</b>                |
|--|--------------|---------------|---------------------------|
| Financial future contracts:                          |              |               |                           |
| Average number of contracts purchased                |              |               | 69                        |
| Average number of contracts sold                     |              |               | 20                        |
| Average notional value of contracts purchased        |              |               | \$ 12,524,934             |
| Average notional value of contracts sold             |              |               | \$ 3,410,550              |
| Foreign currency exchange contracts:                 |              |               |                           |
| Average number of contracts US dollars purchased     | 6            | 6             | 16                        |
| Average number of contracts US dollars sold          | 2            | 4             | 4                         |
| Average US dollar amounts purchased                  | \$ 5,981,367 | \$ 19,441,470 | \$ 72,124,929             |
| Average US dollar amounts sold                       | \$ 770,116   | \$ 3,434,348  | \$ 2,502,768              |
| Options:   |              |               |                           |
| Average number of option contracts purchased         |              | 44            | 46                        |
| Average number of option contracts written           |              |               | 6,000 <sup>1</sup>        |
| Average notional value of option contracts purchased |              | \$ 41,486     | \$ 43,372                 |
| Average notional value of option contracts written   |              |               | \$ 7,950,000 <sup>1</sup> |
| Credit default swaps:                                |              |               |                           |
| Average number of contracts buy protection           |              |               | 4                         |
| Average number of contracts sell protection          | 5            | 4             | 12                        |

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|                             |                 |            |              |               |
|-----------------------------|-----------------|------------|--------------|---------------|
| Average notional value      | buy protection  |            |              | \$ 12,543,000 |
| Average notional value      | sell protection | \$ 470,780 | \$ 2,661,797 | \$ 11,613,292 |
| Interest rate swaps:        |                 |            |              |               |
| Average number of contracts | pays fixed rate |            |              | 1             |
| Average notional value      | pays fixed rate |            |              | \$ 14,500,000 |

<sup>1</sup> Actual contract amount shown due to limited activity

**3. Investment Advisory Agreement and Other Transactions with Affiliates:**

The PNC Financial Services Group, Inc. ( PNC ) is the largest stockholder and an affiliate, for 1940 Act purposes, of BlackRock, Inc. ( BlackRock ).

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the Manager ), the Funds investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and 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, each Fund pays the Manager a monthly fee based on a percentage of each Fund s average daily net assets at the following annual rates, plus the proceeds of any outstanding borrowings used for leverage as follows:

|     |       |
|-----|-------|
| BHL | 1.00% |
| FRA | 0.75% |
| BLW | 0.55% |

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Fund s investment in other affiliated investment companies, if any. These amounts are included in, fees waived by Manager in the Statements of Operations.

The Manager provides investment management and other services to the Taxable Subsidiaries. The Manager does not receive separate compensation from the Taxable Subsidiaries for providing investment management or administrative services. However, each Fund pays the Manager based on the Fund s net assets which includes the assets of the Taxable Subsidiaries.

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Notes to Financial Statements (continued)

The Manager entered into a sub-advisory agreement with BlackRock Financial Management, Inc. ( BFM ), an affiliate of the Manager. The Manager pays BFM, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Manager.

Certain officers and/or Directors of the Funds are officers and/or Directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds' Chief Compliance Officer, which is included in officer and directors in the Statements of Operations.

**4. Investments:**

Purchases and sales of investments including paydowns and excluding short-term securities and US government securities for the six months ended February 28, 2013, were as follows:

|     | Purchases      | Sales          |
|-----|----------------|----------------|
| BHL | \$ 95,015,208  | \$ 86,554,331  |
| FRA | \$ 389,340,846 | \$ 364,351,206 |
| BLW | \$ 415,779,704 | \$ 366,522,355 |

Purchases and sales of US government securities for BLW for the six months ended February 28, 2013 were \$0 and \$1,745,676, respectively.

Transactions in options written for the six months ended February 28, 2013 were as follows:

| BLW                                    | Puts      |                   |                      |
|--|-----------|-------------------|----------------------|
|  | Contracts | Notional<br>(000) | Premiums<br>Received |
| Outstanding options, beginning of year | 6,000     |                   | \$ 75,600            |
| Options written                        |           |                   |                      |
| Options exercised                      |           |                   |                      |
| Options expired                        | (6,000)   |                   | (75,600)             |
| Outstanding options, end of year       |           |                   |                      |

**5. Income Tax Information:**

As of August 31, 2012, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires August 31,              | BHL                 | FRA                  | BLW                  |
|---------------------------------|---------------------|----------------------|----------------------|
| 2013                            |                     | \$ 691,829           |                      |
| 2016                            |                     | 475,453              | \$ 21,882,229        |
| 2017                            |                     | 20,954,032           | 9,996,868            |
| 2018                            | \$ 3,695,649        | 43,990,722           | 37,509,275           |
| 2019                            |                     | 2,206,081            |                      |
| No expiration date <sup>1</sup> |                     | 4,931,753            | 4,356,066            |
| <b>Total</b>                    | <b>\$ 3,695,649</b> | <b>\$ 73,249,870</b> | <b>\$ 73,744,438</b> |

<sup>1</sup> Must be utilized prior to losses subject to expiration.

As of February 28, 2013, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| BHL | FRA | BLW |
|-----|-----|-----|
|-----|-----|-----|

|                               |                |                |                |
|-------------------------------|----------------|----------------|----------------|
| Tax cost                      | \$ 196,810,430 | \$ 867,114,867 | \$ 988,955,528 |
| Gross unrealized appreciation | \$ 4,169,700   | \$ 19,322,594  | \$ 38,037,425  |
| Gross unrealized depreciation | (936,200)      | (14,485,247)   | (20,030,771)   |
| Net unrealized appreciation   | \$ 3,233,500   | \$ 4,837,347   | \$ 18,006,654  |

**6. Borrowings:**

Effective March 3, 2011, the BHL and FRA were party to 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 Funds have granted a security interest in substantially all of their assets to SSB. The SSB Agreement allowed for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| BHL | \$ 63,300,000                 |
| FRA | \$137,200,000                 |

Advances were made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

Effective March 2, 2012, the SSB Agreement was renewed for an additional 364 days. The SSB Agreement allows for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| BHL | \$ 63,300,000                 |
| FRA | \$137,200,000                 |

Advances were made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 0.75% above the Fed Funds rate and (ii) 0.75% above the Overnight LIBOR or (b) 0.75% above 7-day, 30-day, 60-day or 90-day LIBOR.

On March 1, 2013, the SSB Agreement was renewed and amended from a 364-day revolving line of credit to a 360-day rolling facility whereby SSB may elect to terminate its commitment upon 360-days written notice to the Funds at any time after February 24, 2014. The SSB Agreement allows for the following maximum commitment amounts:

|     | <b>Commitment<br/>Amounts</b> |
|-----|-------------------------------|
| BHL | \$ 63,300,000                 |
| FRA | \$137,200,000                 |



Notes to Financial Statements (continued)

Advances will be made by SSB to the Funds, at the Funds' option of (a) the higher of (i) 0.80% above the Fed Funds rate and (ii) 0.80% above the Overnight LIBOR or (b) 0.80% above 7-day, 30-day, 60-day or 90-day LIBOR.

In addition, the Funds pay a facility fee and utilization fee (based on the daily unused portion of the commitments). The commitment fees are waived if the Funds meet certain conditions. The fees associated with each of the agreements are included in the Statements of Operations as borrowing costs. Advances to the Funds as of February 28, 2013 are shown in the Statements of Assets and Liabilities as loan payable. Based on the short-term nature of the borrowings under the line of credit and the variable interest rate, the carrying amount of the borrowings approximates fair value.

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 six months ended February 28, 2013, the daily weighted average interest rates for Funds with loans under the revolving credit agreements were as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BHL | 0.94%   |
| FRA | 0.94%   |

For the six months ended February 28, 2013, the daily weighted average interest rate for BLW with borrowings, which include reverse repurchase agreements was as follows:

|     | <b>Daily Weighted<br/>Average<br/>Interest Rate</b> |
|-----|---|
| BLW | 0.48%   |

**7. Commitments:**

The Funds may invest in floating rate loan interests. In connection with these investments, the Funds may also enter into unfunded floating rate loan interests ( commitments ). 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 included in interest income in the Statements of Operations, is recognized ratably over the commitment period. Unfunded floating rate loan interests are marked-to-market daily, and any unrealized appreciation or depreciation is included in the Statements of Assets and Liabilities and Statements of Operations. As of February 28, 2013, the Funds had the following unfunded floating rate loan interests:

|     | <b>Borrower</b>               | <b>Unfunded<br/>Floating<br/>Rate<br/>Loan<br/>Interest</b> | <b>Value of<br/>Underlying<br/>Floating<br/>Rate Loan<br/>Interest</b> | <b>Unrealized<br/>Appreciation</b> |
|-----|-------------------------------|---|--|------------------------------------|
| BHL | Leslie's<br>Poolmart,<br>Inc. | \$11,949  | \$ 12,080  | \$ 180                             |
| FRA | Leslie's<br>Poolmart,<br>Inc. | \$51,672  | \$ 52,240  | \$ 777                             |

**8. Concentration, Market and Credit Risk:**

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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 (issuer 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 issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Fund manages counterparty credit risk by entering into transactions only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in Statements of Assets and Liabilities, less any collateral held by the Funds.

The Funds invests a significant portion of its 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.

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Notes to Financial Statements (concluded)

**9. 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. FRA is 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 reclassify any unissued Common Shares without approval of Common Shareholders.

For the periods shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

| <b>Six Months<br/>Ended<br/>February 28,<br/>2013</b> | <b>Year Ended<br/>August 31,<br/>2012</b> |
|---|---|
| BHL 7,413   |   |
| FRA 18,712,185 <sup>1</sup>                           | 17,388                                    |
| BLW 33,959  | 34,642                                    |

<sup>1</sup> Includes 18,666,048 shares issued from the reorganization.

**10. Subsequent Events:**

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following item was noted:

Each Fund paid a net investment income dividend in the following amounts per share on March 28, 2013 to Common Shareholders of record on March 15, 2013:

|     | <b>Common<br/>Dividend<br/>Per Share</b> |
|-----|--|
| BHL | \$0.0685                                 |
| FRA | \$0.0770                                 |
| BLW | \$0.1095                                 |

Additionally, the Funds declared a net investment income dividend on April 1, 2013 payable to Common Shareholders of record on April 15, 2013 for the same amounts noted above.

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## Officers and Directors

Richard E. Cavanagh, Chairman of the Board and Director  
Karen P. Robards, Vice Chairperson of the Board,  
Chairperson of the Audit Committee and Director  
Paul L. Audet, Director  
Michael J. Castellano, Director and Member of the Audit  
Committee  
Frank J. Fabozzi, Director and Member of the Audit  
Committee  
Kathleen F. Feldstein, Director  
James T. Flynn, Director and Member of the Audit Committee  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director and Member of the Audit Committee  
John M. Perlowski, President and Chief Executive Officer  
Anne Ackerley, Vice President  
Brendan Kyne, Vice President  
Robert W. Crothers, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer and  
Anti-Money Laundering Officer  
Janey Ahn, Secretary

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisor**

BlackRock Financial Management, Inc.  
New York, NY 10055

### **Custodian and Accounting Agent**

State Street Bank and Trust Company  
Boston, MA 02110

### **Transfer Agent**

#### **Common Shares**

Computershare Trust Company, N.A.  
Canton, MA 02021

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Boston, MA 02116

### **Legal Counsel**

Skadden, Arps, Slate,  
Meagher & Flom LLP  
New York, NY 10036

### **Address of the Funds**

100 Bellevue Parkway  
Wilmington, DE 19809

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## Additional Information

**Proxy Results**

At a special meeting of all shareholders of BlackRock Floating Rate Income Strategies Fund, Inc. held on September 13, 2012, the results were as follows:

With respect to the Proposals, the shares of the Fund were voted as follows:

|   | <b>Votes<br/>For</b> | <b>Votes<br/>Against</b> | <b>Abstain</b> |
|---|----------------------|--------------------------|----------------|
| To approve the issuance of additional shares of common stock of the Fund in connection with the Agreement and Plan of Reorganization among BlackRock Floating Rate Income Strategies Fund II, Inc., FRA Merger Subsidiary and the Fund. | 10,225,182           | 503,452                  | 253,747        |
| To approve the issuance of additional shares of common stock of the Fund in connection with the Agreement and Plan of Reorganization among BlackRock Diversified Income Strategies Fund, Inc., FRA Merger Subsidiary and the Fund.      | 10,097,723           | 628,903                  | 255,755        |

**Regulation Regarding Derivatives**

Effective December 31, 2012, the Commodity Futures Trading Commission ( CFTC ) adopted certain regulatory changes that subject registered investment companies and advisers to registered investment companies to regulation by the CFTC if a fund invests more than a prescribed level of its net assets in CFTC-regulated futures, options and swaps ( CFTC Derivatives ), or if the fund markets itself as providing investment exposure to such instruments. To the extent a Fund uses CFTC-regulated futures, options and swaps, it intends to do so below such prescribed levels and will not market itself as a commodity pool or a vehicle for trading such instruments. Accordingly, BlackRock Advisors, LLC has claimed an exclusion from the definition of the term commodity pool operator under the Commodity Exchange Act ( CEA ) pursuant to Rule 4.5 under the CEA. BlackRock Advisors, LLC is not, therefore, subject to registration or regulation as a commodity pool operator under the CEA in respect of each Fund.

A Fund may also have investments in underlying funds not advised by BlackRock (which for purposes of the no-action letter referenced below may include certain securitized vehicles and/or mortgage REITS that may invest in CFTC Derivatives). BlackRock Advisors, LLC has no transparency into the holdings of these underlying funds because they are not advised by BlackRock. To address this issue of lack of transparency, the CFTC staff issued a no-action letter on November 29, 2012 permitting the adviser of a fund that invests in such underlying funds and that would otherwise have filed a claim of exclusion pursuant to Rule 4.5, to delay registration as a commodity pool operator until June 30, 2013 or six months from the date in which the CFTC issues additional guidance on the treatment of CFTC Derivatives held by underlying funds. BlackRock Advisors, LLC, the adviser of the Funds, has filed a claim with the CFTC to rely on this no-action relief.

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Additional Information (continued)

**Dividend Policy**

Each Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The portion of dividend distributions that exceeds a Fund's current and accumulated earnings and profits, which are measured on a tax basis, will constitute a nontaxable return of capital. Dividend distributions in excess of a Fund's taxable income and net capital gains, but not in excess of a Fund's earnings and profits, will be taxable to shareholders as ordinary income and will not constitute a nontaxable return of capital. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

**General Information**

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

During the period, there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

**Electronic Delivery**

Electronic copies of most financial reports are available on the Funds' web-sites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

**Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:**

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

**Householding**

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call the Funds at (800) 882-0052.

**Availability of Quarterly Schedule of Investments**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on how to access documents on the SEC's website without charge may be obtained by calling (800) SEC-0330. The Funds' Forms N-Q may also be obtained upon request and without charge by calling (800) 882-0052.





Additional Information (concluded)

**General Information (concluded)**

**Availability of Proxy Voting Policies and Procedures**

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 882-0052; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

**Availability of Proxy Voting Record**

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 882-0052 and (2) on the SEC's website at <http://www.sec.gov>.

**Availability of Fund Updates**

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com> as well as certain other material information as necessary from time to time. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

**Section 19(a) Notice**

These reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment experience during the year and may be subject to changes based on the tax regulations. Each Fund will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

**February 28, 2013**

|     | Total Fiscal Year-to-Date<br>Cumulative Distributions by Character |                                     |                         | Percentage of Fiscal Year-to-Date<br>Cumulative Distributions by Character |                                     |                         |                                 |
|-----|--|-------------------------------------|-------------------------|--|-------------------------------------|-------------------------|---------------------------------|
|     | Net<br>Investment<br>Income  | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Net<br>Investment<br>Income  | Net<br>Realized<br>Capital<br>Gains | Return<br>of<br>Capital | Total<br>Per<br>Common<br>Share |
| FRA | \$0.570000   |                                     |                         | 100%   | 0%                                  | 0%                      | 100%                            |

**BlackRock Privacy Principles**

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, Clients) and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

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BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of Common Shares, and the risk that fluctuations in short-term interest rates may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

CEFT-BK3-2/13-SAR

Item 2 – Code of Ethics – Not Applicable to this semi-annual report

Item 3 – Audit Committee Financial Expert – Not Applicable to this semi-annual report

Item 4 – Principal Accountant Fees and Services – Not Applicable to this semi-annual report

Item 5 – Audit Committee of Listed Registrants – Not Applicable to this semi-annual report

Item 6 – Investments

(a) The registrant’s Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – Not Applicable to this semi-annual report

Item 8 – Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes in any of the portfolio managers identified in the most recent annual report on Form N-CSR.

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable

Item 10 – Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.

Item 11 – Controls and Procedures

(a) – The registrant’s principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) – There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

Item 12 – Exhibits attached hereto

(a)(1) – Code of Ethics – Not Applicable to this semi-annual report

(a)(2) – Certifications – Attached hereto

(a)(3) – Not Applicable

(b) – Certifications – Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Limited Duration Income Trust

By: /s/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of

BlackRock Limited Duration Income Trust

Date: May 1, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of

BlackRock Limited Duration Income Trust

Date: May 1, 2013

By: /s/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of

BlackRock Limited Duration Income Trust

Date: May 1, 2013