

BLACKROCK LTD DURATION INCOME TRUST
Form N-CSR
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Washington, D.C. 20549

FORM N-CSR

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

Investment Company Act file number 811-21349

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 08/31/2010

Date of reporting period: 08/31/2010

Item 1 Report to Stockholders

Annual Report

BlackRock Defined Opportunity Credit Trust (BHL)

BlackRock Diversified Income Strategies Fund, Inc. (DVF)

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

BlackRock Limited Duration Income Trust (BLW)

BlackRock Senior Floating Rate Fund, Inc.

BlackRock Senior Floating Rate Fund II, Inc.

August 31, 2010

Not FDIC Insured No Bank Guarantee May Lose Value

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2 ANNUAL REPORT

AUGUST 31, 2010

Dear Shareholder

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

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

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

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

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

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

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

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

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

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

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

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

large caps year-to-date.

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

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

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

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

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

the relative safety of Treasuries.

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

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

extended period.

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

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

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

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

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

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

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

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

THIS PAGE NOT PART OF YOUR FUND REPORT

Fund Summary as of August 31, 2010

BlackRock Defined Opportunity Credit Trust

Fund Overview

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

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

Performance

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

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

Fund Information

Symbol on New York Stock Exchange (NYSE)

BHL

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

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

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

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

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

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

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

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

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

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AUGUST 31, 2010

Fund Summary as of August 31, 2010

BlackRock Diversified Income Strategies Fund, Inc.

Fund Overview

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

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

Performance

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

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Fund Information

Symbol on NYSE

DVF

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

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

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

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

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

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

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

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

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

ANNUAL REPORT

AUGUST 31, 2010

Fund Summary as of August 31, 2010

BlackRock Floating Rate Income Strategies Fund, Inc.

Fund Overview

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

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

Performance

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

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Fund Information

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

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

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

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

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

	8/31/10	8/31/09	Change	High	Low
Market Price	\$14.61	\$12.26	19.17%	\$16.96	\$12.15
Net Asset Value	\$14.36	\$12.93	11.06%	\$14.67	\$12.93

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

Portfolio Composition	Credit Quality Allocations ⁴				
	8/31/10	8/31/09		8/31/10	8/31/09
Floating Rate Loan Interests	76%	75%	BBB/Baa	5%	12%
Corporate Bonds	22	24	BB/Ba	33	15
Other Interests	1		B	50	46
Common Stocks	1	1	CCC/Caa	6	21
			CC/Ca	1	
			D		4
			Not Rated	5	2

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

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AUGUST 31, 2010

Fund Summary as of August 31, 2010

BlackRock Limited Duration Income Trust

Fund Overview

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

intermediate duration, investment grade corporate bonds, mortgage-related securities and asset-backed securities and US Government and agency securities;
senior, secured floating rate loans made to corporate and other business entities; and
US dollar-denominated securities of US and non-US issuers rated below investment grade, and to a limited extent, in non-US dollar denominated securities of non-US issuers rated below investment grade.

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

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

Performance

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

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

Fund Information

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

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

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

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

³ Represents reverse repurchase agreements and the Term Asset-Backed Securities Loan Facility (TALF) loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

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

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

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

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

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

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

ANNUAL REPORT

AUGUST 31, 2010

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Fund Summary as of August 31, 2010

BlackRock Senior Floating Rate Fund, Inc.

Fund Overview

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

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

Performance

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

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

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

Fund Information¹

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

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

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

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

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

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