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Form N-CSR
November 07, 2011

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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 52nd Street, New York, NY 10055

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Date of fiscal year end: 08/31/2011

Date of reporting period: 08/31/2011

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)

Not FDIC Insured • No Bank Guarantee • May Lose Value

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Dear Shareholder

Market volatility has been extraordinary in recent months. Government debt and deficit issues in both the US and Europe have taken a toll on investor sentiment while weaker-than-expected US economic data raised concerns of another recession. Political instability and concerns that central banks have nearly exhausted their stimulus measures have further compounded investor uncertainty.Although markets remain volatile and conditions are highly uncertain, BlackRock remains focused on finding opportunities in this environment.

The pages that follow reflect your fund's reporting period ended August 31, 2011.Accordingly, the following discussion is intended to provide you with additional perspective on the performance of your investments during that period.

One year ago, the global economy appeared to solidly be in recovery mode and investors were optimistic given the anticipated second round of quantitative easing from the US Federal Reserve (the "Fed"). Stock markets rallied despite the ongoing sovereign debt crisis in Europe and inflationary pressures looming over emerging markets. Fixed income markets, however, saw yields move sharply upward (pushing prices down) especially on the long end of the historically steep yield curve.While high yield bonds benefited from the risk rally, most fixed income sectors declined in the fourth quarter.The tax-exempt municipal market faced additional headwinds as it became evident that the Build America Bond program would not be extended and municipal finance troubles abounded.

The new year brought spikes of volatility as political turmoil swept across the Middle East/North Africa region and as prices of oil and other commodities soared. Natural disasters in Japan disrupted industrial supply chains and concerns mounted over US debt and deficit issues. Equities generally performed well early in the year, however, as investors chose to focus on the continuing stream of strong corporate earnings and positive economic data. Credit markets were surprisingly resilient in this environment and yields regained relative stability in 2011.The tax-exempt market saw relief from its headwinds and steadily recovered from its fourth-quarter lows. Equities, commodities and high yield bonds outpaced higher-quality assets as investors increased their risk tolerance.

However, longer-term headwinds had been brewing. Inflationary pressures intensified in emerging economies, many of which were overheating, and the European debt crisis continued to escalate. Markets were met with a sharp reversal in May when political unrest in Greece pushed the nation closer to defaulting on its debt.This development rekindled fears about the broader debt crisis and its further contagion among peripheral European countries. Concurrently, it became evident that the pace of global economic growth had slowed as higher oil prices and supply chain disruptions finally showed up in economic data. By mid-summer, confidence in policymakers was tarnished as the prolonged US debt ceiling debate revealed the degree of polarization in Washington, DC.The downgrade of the US government's credit rating on August 5 was the catalyst for the recent turmoil in financial markets. Extreme volatility persisted as Europe's debt and banking crisis deepened and US economic data continued to weaken. Investors fled from riskier assets, pushing stock and high yield bond indices into negative territory for the six-month period ended August 31, while lower-risk investments including US Treasuries, municipal securities and investment grade corporate bonds posted gains.Twelve-month returns on all asset classes remained positive. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

"BlackRock remains focused on managing risk and finding opportunities in all market environments."

Rob Kapito
President, BlackRock Advisors, LLC

Total Returns as of August 31, 2011

	6-month	12-month
US large cap equities (S&P 500® Index)	(7.23)%	18.50%
US small cap equities (Russell 2000® Index)	(11.17)	22.19
International equities (MSCI Europe, Australasia, Far East Index)	(11.12)	10.01
Emerging market equities (MSCI Emerging Markets Index)	(5.11)	9.07
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.08	0.15
US Treasury securities (BofA Merrill Lynch 10-Year US Treasury Index)	13.04	6.21
US investment grade bonds (Barclays Capital US Aggregate Bond Index)	5.49	4.62
Tax-exempt municipal bonds (Barclays Capital Municipal Bond Index)	6.39	2.66
US high yield bonds (Barclays Capital US Corporate High Yield 2% Issuer Capped Index)	(1.57)	8.32

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

Fund Summary as of August 31, 2011 BlackRock Defined Opportunity Credit Trust

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

•For the 12 months ended August 31, 2011, the Fund returned 4.17% based on market price and 2.93% based on net asset value ("NAV"). For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% 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.

What factors influenced performance?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as "recession-resistant" and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund's exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore, the Fund's limited exposure to low-quality credits negatively impacted returns. The Fund uses foreign currency exchange contracts to manage currency risk in the portfolio. The net effect of the contracts during the period was negative.

Describe recent portfolio activity.

•During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

•At period end, the Fund held 86% of its total portfolio in floating rate loan interests (bank loans) and 11% in corporate bonds, with the remainder in asset-backed securities, other interests and common stocks. The Fund ended the period with leverage at 27% of its total managed assets.

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

Fund Information

Symbol on New York Stock Exchange ("NYSE")	BHL
Initial Offering Date	January 31, 2008
Yield on Closing Market Price as of August 31, 2011 ($12.65)[1]	6.26%
Current Monthly Distribution per Common Share[2]	$0.0660
Current Annualized Distribution per Common Share[2]	$0.7920
Leverage as of August 31, 2011[3]	27%

[1] Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
[2] The distribution rate is not constant and is subject to change.
[3] Represents 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 theFund, please see The Benefits and Risks of Leveraging
on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	$12.65	$12.86	(1.63)%	$15.71	$11.77
Net Asset Value	$13.17	$13.55	(2.80)%	$14.37	$12.93

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

Portfolio Composition

	8/31/11	8/31/10
Floating Rate Loan Interests	86%	83%
Corporate Bonds	11	15
Asset-Backed Securities	2	—
Other Interests	1	1
Common Stocks	—	1

Credit Quality Allocations[4]

	8/31/11	8/31/10
BBB/Baa	12%	11%
BB/Ba	33	44
B	55	44
CCC/Caa	—	1

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

("Moody's") ratings.

Fund Summary as of August 31, 2011 BlackRock Diversified Income Strategies Fund, Inc.

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

•For the 12 months ended August 31, 2011, the Fund returned 0.91% based on market price and 4.30% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as "recession-resistant" and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund's exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore, the Fund's limited exposure to low-quality credits negatively impacted returns. The Fund uses foreign currency exchange contracts to manage currency risk in the portfolio. The net effect of the contracts during the period was negative.

Describe recent portfolio activity.

•During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

•At period end, the Fund held 80% of its total portfolio in floating rate loan interests (bank loans) and 14% in corporate bonds, with the remainder in asset-backed securities, common stocks and other interests. The Fund ended the period with leverage at 27% of its total managed assets.

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BlackRock Diversified Income Strategies Fund, Inc.

Fund Information	
Symbol on NYSE	DVF
Initial Offering Date	January 31, 2005
Yield on Closing Market Price as of August 31, 2011 ($9.84)[1]	7.13%
Current Monthly Distribution per Common Share[2]	$0.0585
Current Annualized Distribution per Common Share[2]	$0.7020
Leverage as of August 31, 2011[3]	27%

[1] Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
[2] The distribution rate is not constant and is subject to change.
[3] Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	$ 9.84	$10.45	(5.84)%	$12.02	$ 8.97
Net Asset Value	$10.19	$10.47	(2.67)%	$11.09	$10.05

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

Portfolio Composition		
	8/31/11	8/31/10
Floating Rate Loan Interests	80%	76%
Corporate Bonds	14	20
Asset-Backed Securities	2	—
Other Interests	2	2
Common Stocks	2	2

Credit Quality Allocations[4]		
	8/31/11	8/31/10
BBB/Baa	8%	4%
BB/Ba	30	32
B	47	46
CCC/Caa	8	11
CC/Ca	—	1

Not Rated	7	6

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

Fund Summary as of August 31, 2011 BlackRock Floating Rate Income Strategies Fund, Inc.

Investment Objective

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

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

Portfolio Management Commentary

How did the Fund perform?

•For the 12 months ended August 31, 2011, the Fund returned (2.91)% based on market price and 4.04% based on NAV. For the same period, the closed-end Lipper Loan Participation Funds category posted an average return of 1.16% based on market price and 3.79% based on NAV. 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.

What factors influenced performance?

•Positive Fund performance was predominantly driven by security selection within the higher-quality tiers of the market. Security selection continued to reflect the higher-quality bias the Fund has employed over the last two years, which has focused on sectors classified as “recession-resistant” and not heavily reliant on a strong consumer, such as chemicals and non-captive diversified (industrials). The Fund’s exposure to high yield bonds was another contributor to performance as the asset class performed well over the period.

•Toward the end of 2010, the market was priced for slow-but-modest growth. Credit fundamentals had materially improved and refinancing was easier for non-investment grade issuers given a robust capital market. Default activity was muted and expected to remain benign throughout 2011. In this environment, lower-quality loans staged a significant rally and managed to outperform their higher-quality counterparts. Therefore, the Fund’s limited exposure to low-quality credits negatively impacted returns.

Describe recent portfolio activity.

•During the period, the Fund did not deviate from its higher quality bias in terms of loan structure, overall credit quality and liquidity. This focus was even more pressing in 2011, when loans traded close to par and gave investors no incentive to forgo credit quality in order to pick up yield. Prior to the correction in the last month of the period, when fund management believed market conditions were weakening, fund management sold some of the Fund's lower-quality securities, therefore raising the cash reserve level. Becoming more conservative overall, fund management continued to navigate the market for deals, targeting issuers with superior credit fundamentals (i.e., stable income streams and attractive downside protection).

Describe portfolio positioning at period end.

•At period end, the Fund held 81% of its total portfolio in floating rate loan interests (bank loans) and 15% in corporate bonds, with the remainder in asset-backed securities, other interests and common stocks. The Fund ended the period with leverage at 26% of its total managed assets.

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

BlackRock Floating Rate Income Strategies Fund, Inc.

Fund Information	
Symbol on NYSE	FRA
Initial Offering Date	October 31, 2003
Yield on Closing Market Price as of August 31, 2011 ($13.33)[1]	6.93%
Current Monthly Distribution per Common Share[2]	$0.0770
Current Annualized Distribution per Common Share[2]	$0.9240
Leverage as of August 31, 2011[3]	26%

[1] Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
[2] The distribution rate is not constant and is subject to change.
[3] Represents loan outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowings) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	$13.33	$14.61	(8.76)%	$16.42	$12.66
Net Asset Value	$14.04	$14.36	(2.23)%	$15.31	$13.80

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

Portfolio Composition	8/31/11	8/31/10
Floating Rate Loan Interests	81%	76%
Corporate Bonds	15	22
Asset-Backed Securities	3	—
Other Interests	1	1
Common Stocks	—	1

Credit Quality Allocations[4]	8/31/11	8/31/10
BBB/Baa	9%	5%
BB/Ba	36	33
B	49	50
CCC/Caa	3	6
CC/Ca	—	1

Not Rated	3	5

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

Fund Summary as of August 31, 2011 BlackRock Limited Duration Income Trust

Investment Objective

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

- intermediate duration, investment grade corporate bonds, mortgage-related securities 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.

Portfolio Management Commentary

How did the Fund perform?

- For the 12 months ended August 31, 2011, the Fund returned 2.77% based on market price and 5.85% based on NAV. For the same period, the closed-end Lipper High Current Yield Funds (Leveraged) category posted an average return of 11.37% based on market price and 9.65% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

What factors influenced performance?

- The Fund invests in high yield bonds, floating rate loan interests and investment grade bonds, whereas most funds in the Lipper category invest primarily in high yield bonds. The largest detractor from performance for the period was the Fund's allocation to bank loans and investment grade bonds, both of which underperformed high yield bonds for the 12-month period. During the period, the Fund maintained leverage at an average of 23%, which was below the average level for the Lipper category. This lower average leverage detracted from Fund performance, as would be expected in a rising market.

- Lower-quality and higher-beta segments (those with higher sensitivity to market volatility) outperformed higher-quality and lower-beta segments for the period, despite a sharp reversal in August 2011. The Fund's limited exposure to high yield credits near the high end of the quality range helped performance over the period, although an underexposure to lower-quality credits slightly detracted.

Describe recent portfolio activity.

•During the first half of the period, the Fund shifted its overall positioning from a more conservative stance to one that was more consistent with a gradually improving economy. As the US economic outlook worsened and the potential for contagion from the continued debt crisis in Europe increased, Fund positioning once again became more conservative. Specifically, the Fund reduced positions in more cyclical credits and increased exposure to market sectors with stronger assets and more stable cash flows. These adjustments detracted from performance initially but were positive for performance in the August sell-off.

Describe portfolio positioning at period end.

•At period end, the Fund held 40% of its total portfolio in high yield bonds, 31% in floating rate loan interests (bank loans), 11% in US Government sponsored agency securities and 10% in non-agency mortgage-backed securities. The remainder of the portfolio was invested in asset-backed securities, taxable municipal bonds, common stocks and other interests, while the Fund's cash position was negligible. The Fund ended the period with leverage at 29% of its total managed assets.

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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 August 31, 2011 ($16.01)[1]	7.68%
Current Monthly Distribution per Common Share[2]	$0.1025
Current Annualized Distribution per Common Share[2]	$1.2300
Leverage as of August 31, 2011[3]	29%

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

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

[3] Represents reverse repurchase agreements outstanding as a percentage of total managed assets, which is the total assets of the Fund (including any assets attributable to borrowing) minus the sum of liabilities (other than borrowings representing financial leverage). For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 12.

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

	8/31/11	8/31/10	Change	High	Low
Market Price	$16.01	$16.76	(4.47)%	$18.40	$14.30
Net Asset Value	$16.52	$16.79	(1.61)%	$17.75	$16.34

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

Portfolio Composition	8/31/11	8/31/10
Corporate Bonds	40%	34%
Floating Rate Loan Interests	31	39
US Government Sponsored Agency Securities	11	