

BLACKROCK LTD DURATION INCOME TRUST
Form N-CSRS
July 03, 2008

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

FORM N-CSRS

**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: Donald C. Burke, Chief Executive Officer, BlackRock Limited Duration Income Trust, 800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

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

Date of fiscal year end: 10/31/2008

Date of reporting period: 11/01/2007 04/30/2008

[EQUITIES](#)

[FIXED INCOME](#)

[REAL ESTATE](#)

[LIQUIDITY](#)

[ALTERNATIVES](#)

[BLACKROCK SOLUTIONS](#)

Semi-Annual Report

APRIL 30, 2008 | (UNAUDITED)

[BlackRock Broad Investment Grade 2009 Term Trust Inc. \(BCT\)](#)

[BlackRock Core Bond Trust \(BHK\)](#)

[BlackRock High Yield Trust \(BHY\)](#)

[BlackRock Income Opportunity Trust \(BNA\)](#)

[BlackRock Income Trust Inc. \(BKT\)](#)

[BlackRock Limited Duration Income Trust \(BLW\)](#)

[BlackRock Preferred and Equity Advantage Trust \(BTZ\)](#)

[BlackRock Strategic Bond Trust \(BHD\)](#)

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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A Letter to Shareholders

THIS PAGE NOT PART OF YOUR FUND REPORT

Dear Shareholder

Over the past several months, financial markets have been buffeted by the housing recession, the credit market unraveling and related liquidity freeze and steadily rising commodity prices. Counterbalancing these difficulties were booming export activity, a robust non-financial corporate sector and, notably, aggressive and timely monetary and fiscal policy actions.

Amid the market tumult, the Federal Reserve Board (the Fed) intervened with a series of moves to bolster liquidity and ensure financial market stability. Since September 2007, the central bank slashed the target federal funds rate 325 basis points (3.25%), bringing the rate to 2.0% as of period-end. Of greater magnitude, however, were the Fed's other policy decisions, which included opening the discount window directly to broker dealers and investment banks and backstopping the unprecedented rescue of Bear Stearns.

The Fed's response to the financial crisis helped to improve credit conditions and investor mood. After hitting a low point on March 17 (coinciding with the collapse of Bear Stearns), equity markets found a welcome respite in April, when the S&P 500 Index of U.S. stocks posted positive monthly performance for the first time since October 2007. International markets, which outpaced those of the U.S. for much of 2007, saw a reversal in that trend, as effects of the credit crisis and downward pressures on growth were far-reaching.

In contrast to equity markets, Treasury securities rallied (yields fell as prices correspondingly rose), as a broad flight-to-quality theme persisted. The yield on 10-year Treasury issues, which touched 5.30% in June 2007 (its highest level in five years), fell to 4.04% by year-end and to 3.77% by April 30. Treasury issues relinquished some of their gains in April, however, as investor appetite for risk returned and other high-quality fixed income sectors outperformed.

Problems within the monoline insurance industry and the failure of auctions for auction rate securities plagued the municipal bond market, driving yields higher and prices lower across the curve. However, in conjunction with the more recent shift in sentiment, the sector delivered strong performance in the final month of the reporting period.

Overall, the major benchmark indexes generated results that generally reflected heightened investor risk aversion:

Total Returns as of April 30, 2008	6-month	12-month
U.S. equities (S&P 500 Index)	-9.64%	-4.68%
Small cap U.S. equities (Russell 2000 Index)	-12.92	-10.96
International equities (MSCI Europe, Australasia, Far East Index)	-9.21	-1.78
Fixed income (Lehman Brothers U.S. Aggregate Index)	+4.08	+6.87
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+1.47	+2.79
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Capped Index)	-0.73	-0.80

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only.

You cannot invest directly in an index.

As you navigate today's volatile markets, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more up-to-date commentary on the economy and financial markets, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Rob Kapito
President, BlackRock Advisors, LLC

Trust Summary as of April 30, 2008

BlackRock Broad Investment Grade 2009 Term Trust Inc.

Investment Objective

BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT) (the Trust) seeks to manage a portfolio of fixed income securities that will return \$15 per share (the initial public offering price per share) to investors on or about December 31, 2009 while providing high monthly income.

Performance

For the six months ended April 30, 2008, the Trust returned -8.39% based on market price, with dividends reinvested. The Trust's return based on net asset value (NAV) was +2.97%, with dividends reinvested. For the same period, the Lipper U.S. Mortgage Funds category of closed-end funds posted an average return of -2.00% on a NAV basis. The Trust's effective duration of 0.15 years was much shorter than its Lipper peers and thus, was beneficial to relative performance. The Trust's market price premium versus its NAV narrowed substantially during the period.

Trust Information

Symbol on American Stock Exchange	BCT
Initial Offering Date	June 17, 1993
Yield on Closing Market Price as of April 30, 2008 (\$13.58) ¹	4.33%
Current Monthly Distribution per Share ²	\$0.049
Current Annualized Distribution per Share ²	\$0.588

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. A portion of the distribution may be deemed a tax return of capital or net realized gain.

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

	4/30/08	10/31/07	Change	High	Low
Market Price	\$ 13.58	\$ 15.15	(10.36%)	\$ 15.24	\$ 12.55
Net Asset Value	\$ 13.48	\$ 13.38	0.75%	\$ 13.51	\$ 13.17

The following chart shows the portfolio composition of the Trust's long-term investments:

Portfolio Composition

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	4/30/08	10/31/07
Non-Government Agency Mortgage-Backed Securities	53%	23%
U.S. Government Agency		
Mortgage-Backed Securities Collateralized Mortgage Obligations	27	47
Municipal Bonds	11	18
Corporate Bonds	7	9
U.S. Government Agency Mortgage-Backed Securities	2	3

Trust Summary as of April 30, 2008

BlackRock Core Bond Trust

Investment Objective

BlackRock Core Bond Trust (BHK) (the Trust) seeks to provide high current income with the potential for capital appreciation.

Performance

For the six months ended April 30, 2008, the Trust returned +3.73% based on market price, with dividends reinvested. The Trust's return based on NAV was +1.40%, with dividends reinvested. For the same period, the Lipper Corporate Debt Funds BBB-Rated category of closed-end funds posted an average return of -1.04% on a NAV basis. In an environment of credit market turmoil, the Trust's high average credit quality enhanced performance relative to the Lipper peer group. More than 55% of the Trust's net assets were invested in securities rated AA and above.

Trust Information

Symbol on New York Stock Exchange	BHK
Initial Offering Date	November 27, 2001
Yield on Closing Market Price as of April 30, 2008 (\$12.30) ¹	6.05%
Current Monthly Distribution per Share ²	\$0.062
Current Annualized Distribution per Share ²	\$0.744
Leverage as of April 30, 2008 ³	30%

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. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ As a percentage of managed assets, which is the total assets of the Trust minus the sum of accrued liabilities (other than debt representing financial leverage).

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

	4/30/08	10/31/07	Change	High	Low
Market Price	\$ 12.30	\$ 12.23	0.57%	\$ 12.68	\$ 11.26
Net Asset Value	\$ 13.40	\$ 13.63	(1.69%)	\$ 13.77	\$ 13.12

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

Portfolio Composition

	4/30/08	10/31/07
Corporate Bonds	47%	42%
U.S. Government Agency Mortgage-Backed Securities	17	38
Non-Government Agency Mortgage-Backed Securities	13	9
U.S. Government Obligations	10	4
Asset-Backed Securities	6	4
U.S. Government Agency Mortgage-Backed Securities Collateralized Mortgage Obligations	3	1
Preferred Securities	3	2
Foreign Government Obligations	1	

Corporate Bond Breakdown⁴

Credit Rating	4/30/08	10/31/07
AAA/Aaa	51%	6%
AA/Aa	13	24
A/A	13	21
BBB/Baa	10	20
BB/Ba	2	7
B/B	6	16
CCC/Caa	2	6
Not Rated	3	

⁴ Using the higher of Standard & Poor's or Moody's Investor Services ratings.

Trust Summary as of April 30, 2008

BlackRock High Yield Trust

Investment Objective

BlackRock High Yield Trust (BHY) (the Trust) seeks to provide high current income and, to a lesser extent, capital appreciation.

Performance

For the six months ended April 30, 2008, the Trust returned +3.40% based on market price, with dividends reinvested. The Trust's return based on NAV was -4.11%, with dividends reinvested. For the same period, the Lipper High Current Yield Funds (Leveraged) category of closed-end funds posted an average return of -9.95% on a NAV basis. In a difficult market for high yield securities, the Trust maintained a low leverage position (averaging less than 20% of net assets) relative to its Lipper peer group, which aided performance. Conversely, a small allocation to bank loans, which underperformed high yield issues, detracted from the relative return.

Trust Information

Symbol on New York Stock Exchange	BHY
Initial Offering Date	December 23, 1998
Yield on Closing Market Price as of April 30, 2008 (\$6.83) ¹	8.96%
Current Monthly Distribution per Share ²	\$.051
Current Annualized Distribution per Share ²	\$.612
Leverage as of April 30, 2008 ³	10%

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. A portion of the distribution may be deemed a tax return of capital or net realized gain.

³ As a percentage of managed assets, which is the total assets of the Trust minus the sum of accrued liabilities (other than debt representing financial leverage).

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

	4/30/08	10/31/07	Change	High	Low
Market Price	\$ 6.83	\$ 6.92	(1.30%)	\$ 7.21	\$ 5.65
Net Asset Value	\$ 7.24	\$ 7.91	(8.47%)	\$ 7.91	\$ 6.88

The following charts show the corporate portfolio composition and credit quality allocations of the Trust's corporate bond investments:

Corporate Portfolio Composition⁴

	4/30/08	10/31/07
Media	14%	17%
Oil, Gas & Consumable Fuels	9	8
Hotels, Restaurants & Leisure	7	6
Wireless Telecommunication Services	5	5
Diversified Telecommunication Services	5	4
Independent Power Producers & Energy Traders	4	6
Specialty Retail	4	4
Metals & Mining	4	3
Commercial Services & Supplies	4	4
Chemicals	4	5

⁴ For Trust compliance purposes, the Trust'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 Trust management. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Corporate Bond Breakdown⁵

Credit Rating	4/30/08	10/31/07
A/A	1%	%
BBB/Baa	5	4
BB/Ba	22	21
B	51	51
CCC/Caa	17	21
Not Rated	4	3

⁵ Using the higher of Standard & Poor's or Moody's Investor Services ratings.