

BLACKROCK Ltd DURATION INCOME TRUST
Form N-CSR
November 03, 2017

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 52nd Street, New York, NY 10055

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

Date of fiscal year end: 08/31/2017

Date of reporting period: 08/31/2017

Item 1 Report to Stockholders

ANNUAL REPORT

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

BlackRock Limited Duration Income Trust (BLW)

Not FDIC Insured May Lose Value No Bank Guarantee

The Markets in Review

Dear Shareholder,

In the 12 months ended August 31, 2017, risk assets, such as stocks and high-yield bonds, continued to deliver strong performance. These markets showed great resilience during a period with big surprises, including the aftermath of the U.K.'s vote to leave the European Union and the outcome of the U.S. presidential election, which brought only brief spikes in equity market volatility. These expressions of isolationism and discontent were countered by the closely watched and less surprising elections in France, the Netherlands and Australia.

Interest rates rose, which worked against high-quality assets with more interest rate sensitivity. As a result, longer-term U.S. Treasuries posted negative returns, as rising energy prices, modest wage increases, and steady job growth led to expectations of higher inflation and anticipation of interest rate increases by the U.S. Federal Reserve (the Fed).

Market prices began to reflect reflationary expectations toward the end of 2016, as investors sensed that a global recovery was afoot. And those expectations have been largely realized in 2017, as many countries throughout the world experienced sustained and synchronized growth for the first time since the financial crisis. Growth rates and inflation are still relatively low, but they are finally rising together.

The Fed responded to these positive developments by increasing interest rates three times and setting expectations for additional interest rate increases. The Fed also appears to be approaching the implementation of its plan to reduce the vast balance sheet reserves that provided liquidity to the global economy in the aftermath of the financial crisis in 2008. Also, growing skepticism about the near-term likelihood of significant U.S. tax reform and infrastructure spending has tempered reflationary expectations in the United States.

By contrast, the European Central Bank and the Bank of Japan reiterated their commitments to economic stimulus and balance sheet expansion despite nascent signs of sustained economic growth in both countries. The Eurozone also benefited from the relatively stable political environment, which is creating momentum for economic reform and pro-growth policies.

Financial markets and to an extent the Fed have adopted a wait-and-see approach to the economic data and potential fiscal stimulus. Escalating tensions with North Korea and our nation's divided politics are significant concerns. Nevertheless, benign credit conditions, modest inflation, and the positive outlook for growth in the world's largest economies have kept markets relatively tranquil.

However, the capacity for rapid global growth is restrained by structural factors, including an aging population in developed countries, low productivity growth, and excess savings. Cyclical factors, such as the Fed moving toward the normalization of monetary policy and the length of the current expansion, also limit economic growth. Tempered economic growth and high valuations across most assets have laid the groundwork for muted returns going forward. At current valuation levels, potential equity gains will likely be closely tied to the pace of earnings growth, which has remained solid thus far in 2017.

In this environment, investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit blackrock.com for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

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Total Returns as of August 31, 2017

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	5.65%	16.23%
U.S. small cap equities (Russell 2000® Index)	2.04	14.91
International equities (MSCI Europe, Australasia, Far East Index)	12.14	17.64
Emerging market equities (MSCI Emerging Markets Index)	18.02	24.53
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.40	0.62
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	3.10	(3.26)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	2.74	0.49
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.51	0.92
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	3.03	8.62

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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Fund Summary as of August 31, 2017

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 managed 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 at the time of investment or, if unrated, are considered by the investment adviser to be of comparable quality. The Fund may invest directly in floating rate debt securities or synthetically through the use of derivatives.

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

Fund Information

Symbol on New York Stock Exchange (NYSE)	FRA
Initial Offering Date	October 31, 2003
Current Distribution Rate on Closing Market Price as of August 31, 2017 (\$14.10) ¹	5.19%
Current Monthly Distribution per Common Share ²	\$0.0610
Current Annualized Distribution per Common Share ²	\$0.7320
Economic Leverage as of August 31, 2017 ³	30%

¹ Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. Past performance does not guarantee future results.

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

³ Represents bank borrowings 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.

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$14.10	\$13.70	2.92%	\$14.85	\$13.36
Net Asset Value	\$14.93	\$14.78	1.01%	\$15.11	\$14.76

Market Price and Net Asset Value History For the Past Five Years

Performance and Portfolio Management Commentary

Returns for the period ended August 31, 2017 were as follows:

	Average Annual Total Returns		
	1 Year	3 Years	5 Years
Fund at NAV ^{1,2}	6.93%	4.92%	6.16%
Fund at Market Price ^{1,2}	8.95	5.57	4.65
S&P/LSTA Leveraged Loan Index ³	5.80	3.53	4.24

¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices. Performance results reflect the Fund's use of leverage.

² The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.

³ An unmanaged market value-weighted index (the Reference Benchmark) designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

Beginning with this reporting period, FRA is presenting the Reference Benchmark to accompany fund performance. The Reference Benchmark is presented for informational purposes only, as the Fund is actively managed and does not seek to track or replicate the performance of the Reference Benchmark or any other index. The portfolio investments of the Fund may differ substantially from the securities that comprise the indices within the Reference Benchmark, which may cause the Fund's performance to differ materially from that of the Reference Benchmark. The Fund employs leverage as part of its investment strategy, which may change over time at the discretion of BlackRock Advisors, LLC (the Manager) as market and other conditions warrant. In contrast, the Reference Benchmark is not adjusted for leverage. Therefore, leverage generally may result in the Fund outperforming the Reference Benchmark in rising markets and underperforming in declining markets. The Board considers additional factors to evaluate the Fund's performance, such as the performance of the Fund relative to a peer group of funds, a leverage-adjusted benchmark and/or other information provided by the Manager.

More information about the Fund's historical performance can be found in the Closed End Funds section of <http://www.blackrock.com>.

The following discussion relates to the Fund's absolute performance based on NAV:

What factors influenced performance?

Floating rate loan interests (bank loans) benefited from a strong appetite for credit over much of the 12-month period. The largest contributors to performance over the annual period included the electric, consumer cyclical services, and pharmaceuticals sectors, while more modest contributions came from government-related, real estate investment trust, and environmental loans. The Fund's allocation to B-rated names was a significant contributor, along with the BB-rated portion of the portfolio and unrated names. In terms of asset allocation, high yield bonds and equities were substantial contributors to performance.

On the downside, holdings within technology, metals & mining, and oil field services were the largest detractors. Names rated CCC and below detracted over the annual period. Finally, the Fund's risk-management strategies detracted slightly over the period.

Describe recent portfolio activity.

Early in the period, the Fund maintained an overall focus on the higher quality segments of the loan market. As the period progressed, the Fund moderately added risk as the broad leveraged finance markets displayed strength. The Fund added to its high yield bond position as relative value for the segment became more appealing with the bank loan universe trading at a premium to par value. At the same time, the Fund's net equity long exposure was reduced and the Fund added to positions within the wirelines and cable & satellite sectors. By contrast, the Fund reduced broad energy exposure and shifted its focus to higher quality issuers within the space. While the Fund's broad credit positioning remained consistent over the annual period, the BBB-rated allocation was slightly trimmed in favor of CCC-rated names.

Describe portfolio positioning at period end.

At period end, the Fund held the majority of its portfolio in floating rate bank loans, with a meaningful position in high yield corporate bonds as well. The Fund maintained its highest concentration in higher coupon BB-rated loans of select issuers, while limiting exposure to both higher quality loans with less compelling risk/reward profiles and lower-rated loans with more equity-like profiles and greater downside risk, should credit sentiment weaken. The Fund's largest positions were within the technology, health care, and consumer cyclical services sectors. In addition, the Fund avoided certain retailers and leisure issuers, where fundamentals continued to deteriorate. Within energy, the Fund favored higher quality issuers within the independent energy sector, while avoiding more cyclical names within oil field services. The Fund also remained focused on industries and companies with stable business profiles and consistent cash flow, while avoiding areas of the markets with longer-term concerns and/or deteriorating fundamental trends.

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.

Overview of the Fund's Total Investments

Portfolio Composition	8/31/17	8/31/16
Floating Rate Loan Interests	93%	93%
Corporate Bonds	6	4
Asset-Backed Securities	1	3
Common Stocks ¹		
Short-Term Securities ¹		
Other	2	3

¹ Representing less than 1% of the Fund's total investments.

² Includes a less than 1% holding in each of the following investment types: Options Purchased, Other Interests, Preferred Securities, Rights and Warrants.

³ Includes a less than 1% holding in each of the following investment types: Investment Companies, Non-Agency Mortgage-Backed Securities, Options Purchased, Other Interests, Preferred Securities and Warrants.

Credit Quality Allocation ^{4,5}	8/31/17	8/31/16
A ¹		
BBB/Baa	9%	11%
BB/Ba	42	44
B	40	39
CCC/Caa	5	3
N/R	4	3

⁴ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

⁵ Excludes Options Purchased and Short-Term Securities.

Fund Summary as of August 31, 2017

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, asset-backed securities and U.S. Government and agency securities;

senior, secured floating rate loans made to corporate and other business entities; and

U.S. dollar-denominated securities of U.S. and non-U.S. issuers rated below investment grade at the time of investment or unrated and deemed by the investment adviser to be of comparable quality and, to a limited extent, non-U.S. dollar denominated securities of non-U.S. issuers rated below investment grade or unrated and deemed by the investment adviser to be of comparable quality.

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.

Fund Information

Symbol on NYSE	BLW
Initial Offering Date	July 30, 2003
Current Distribution Rate on Closing Market Price as of August 31, 2017 (\$15.99) ¹	5.97%
Current Monthly Distribution per Common Share ²	\$0.0795
Current Annualized Distribution per Common Share ²	\$0.9540
Economic Leverage as of August 31, 2017 ³	29%

¹ Current Distribution Rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate may consist of income, net realized gains and/or a tax return of capital. 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 10.

Market Price and Net Asset Value Per Share Summary

	8/31/17	8/31/16	Change	High	Low
Market Price	\$ 15.99	\$ 15.74	1.59%	\$ 16.14	\$ 14.75

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Net Asset Value	\$ 17.02	\$ 16.84	1.07%	\$ 17.11	\$ 16.54
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Market Price and Net Asset Value History For the Past Five Years

ANNUAL REPORT

AUGUST 31, 2017

7

Performance and Portfolio Management Commentary

Returns for the period ended August 31, 2017 were as follows:

	Average Annual Total Returns		
	1 Year	3 Years	5 Years
Fund at NAV ^{1,2}	9.62%	6.46%	7.86%
Fund at Market Price ^{1,2}	10.18	6.89	5.78
Reference Benchmark ³	5.27	3.37	4.14
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index ⁴	8.62	4.79	6.47
S&P/LSTA Leveraged Loan Index ⁵	5.80	3.53	4.24
BATS S Benchmark ⁶	1.48	1.73	1.70

- ¹ All returns reflect reinvestment of dividends and/or distributions at actual reinvestment prices. Performance results reflect the Fund's use of leverage.
- ² The Fund's discount to NAV narrowed during the period, which accounts for the difference between performance based on market price and performance based on NAV.
- ³ The Reference Benchmark is comprised of the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index (33.33%), the S&P/LSTA Leveraged Loan Index (33.33%), and the BATS S Benchmark (33.34%). The Reference Benchmark's index content and weightings may have varied over past periods.
- ⁴ An unmanaged index comprised of issuers that meet the following criteria: at least \$150 million par value outstanding; maximum credit rating of Ba1; at least one year to maturity; and no issuer represents more than 2% of the index.
- ⁵ An unmanaged market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments.
- ⁶ A composite index comprised of Bloomberg Barclays ABS 1-3 Year AAA Rated ex Home Equity Index, Bloomberg Barclays Corporate 1-5 year Index, Bloomberg Barclays CMBS Investment Grade 1-3.5 Yr. Index, Bloomberg Barclays MBS 15 Yr Index and Bloomberg Barclays Credit Ex-Corporate 1-5 Yr Index.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

Past performance is not indicative of future results.

Beginning with this reporting period, BLW is presenting the Reference Benchmark to accompany fund performance. The Reference Benchmark is presented for informational purposes only, as the Fund is actively managed and does not seek to track or replicate the performance of the Reference Benchmark or any other index. The portfolio investments of the Fund may differ substantially from the securities that comprise the indices within the Reference Benchmark, which may cause the Fund's performance to differ materially from that of the Reference Benchmark. The Fund employs leverage as part of its investment strategy, which may change over time at the discretion of the Manager as market and other conditions warrant. In contrast, the Reference Benchmark is not adjusted for leverage. Therefore, leverage generally may result in the Fund outperforming the Reference Benchmark in rising markets and underperforming in declining markets. The Board considers additional factors to evaluate the Fund's performance, such as the performance of the Fund relative to a peer group of funds, a leverage-adjusted benchmark and/or other information provided by the Manager.

More information about the Fund's historical performance can be found in the "Closed End Funds" section of <http://www.blackrock.com>.

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The following discussion relates to the Fund's absolute performance based on NAV:

What factors influenced performance?

The largest contributors to the Fund's performance over the period were its allocations to high yield bonds, leveraged loans, asset-backed securities (ABS), capital securities and investment grade credit. The Fund's allocations to emerging market debt, foreign sovereign debt, foreign currency exposure obtained through currency derivatives and commercial mortgage-backed securities (CMBS) also aided returns.

The largest detractor from the Fund's performance was its stance with respect to duration and yield curve positioning. (Duration is the portfolio's sensitivity to changes in the level of rates while yield curve positioning is the portfolio's sensitivity to changes in the shape of the yield curve.)

Describe recent portfolio activity.

Given the trend of tighter yield spreads across the fixed-income spectrum, the Fund's trading activity during the period was focused on sector and sub-sector rotation. Allocations to ABS and investment grade corporate issues were reduced and rotated into residential mortgage-backed securities (RMBS), which have lagged the rally seen in other spread sectors and therefore appear to be relatively attractively valued. Further, the investment adviser believes that interest rate volatility will likely remain low, a backdrop which typically is supportive of MBS returns. Within CMBS, concerns regarding big box retailers resulted in spreads for lower quality issues widening, leading the Fund to increase its allocation to BBB-rated issues. The Fund's allocation within emerging market debt also was increased, as a stable global growth environment, fundamental recovery in several emerging market economies and attractive yields increased the appeal of the sector. From the standpoint of duration and corresponding interest rate sensitivity, the Fund moved to lower duration, with increased exposure to the front end of the yield curve, on the view that interest rates are likely to rise by the end of 2017.

Describe portfolio positioning at period end.

At period end, the Fund maintained a diversified exposure to non-government spread sectors including high yield corporate bonds, senior loans, investment grade corporate credit, CMBS, ABS, agency and non-agency residential MBS, emerging market debt and foreign sovereign debt.

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.

Overview of the Fund's Total Investments

Portfolio Composition	8/31/17	8/31/16
Corporate Bonds	45%	42%
Floating Rate Loan Interests	27	26
Asset-Backed Securities	9	10
Preferred Securities	8	8
Non-Agency Mortgage-Backed Securities	6	8
Foreign Agency Obligations	4	4
U.S. Government Sponsored Agency Securities	1	1
U.S. Treasury Obligations	¹	1
Other	2	³

¹ Representing less than 1% of the Fund's total investments.

² Includes a less than 1% holding in each of the following investment types: Common Stocks, Options Purchased, Options Written, Other Interests, Rights, Short-Term Securities and Warrants.

³ Includes a less than 1% holding in each of the following investment types: Common Stocks, Investment Companies, Options Purchased, Options Written, Other Interests, Short-Term Securities and Warrants.

Credit Quality Allocation ^{4,5}	8/31/17	8/31/16
AAA/Aaa ⁶	4%	4%
AA/Aa	1	1
A	6	7
BBB/Baa	19	19
BB/Ba	33	32
B	29	25
CCC/Caa	4	4
N/R	4	8

⁴ For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

⁵ Excludes Options Purchased, Options Written and Short-Term Securities.

⁶ The investment adviser evaluates the credit quality of not-rated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors, individual investments and/or issuer. Using this approach, the investment adviser has deemed U.S. Government Sponsored Agency Securities and U.S. Treasury Obligations as AAA/Aaa.

The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by a Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Funds (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Funds' shareholders 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.

To illustrate these concepts, assume a Fund's capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, a Fund's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by a Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Fund's financing cost of leverage is significantly lower than the income earned on a Fund's longer-term investments acquired from such leverage proceeds, and therefore the holders of Common Shares (Common Shareholders) are the beneficiaries of the incremental net income.

However, in order to benefit shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Funds' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Funds had not used leverage. 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 value of the

Funds' obligations under their respective leverage arrangements generally

does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that the Funds' intended leveraging strategy will be successful.

The use of leverage also generally causes greater changes in each Fund's NAV, market price and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Fund's shares than if the Fund were not leveraged. In addition, the Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Funds to incur losses. The use of leverage may limit a Fund's ability to invest in certain types of securities or use certain types of hedging strategies. Each Fund incurs expenses in connection with the use of leverage, all of which are borne by shareholders and may reduce income to the shareholders. Moreover, to the extent the calculation of the Funds' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Funds' investment adviser will be higher than if the Funds did not use leverage.

Each Fund may utilize leverage through a credit facility or reverse repurchase agreements as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act), each Fund is permitted to issue debt up to $\frac{3}{3}$ 3% of its total managed assets. A Fund may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Fund may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by its credit facility, which may be more stringent than those imposed by the 1940 Act.

If a Fund segregates or designates on its books and records cash or liquid assets having a value not less than the value of a Fund's obligations under the reverse repurchase agreement (including accrued interest), then such transaction is not considered a senior security and is not subject to the foregoing limitations and requirements imposed by the 1940 Act.

Derivative Financial Instruments

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The Funds may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other asset without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and 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 instrument. The Funds' successful use of a derivative financial instrument depends on the investment adviser's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

Consolidated Schedule of Investments August 31,
2017

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

(Percentages shown are based on Net Assets)

	Shares	Value
Common Stocks		
Chemicals 0.0%		
GEO Specialty Chemicals, Inc. (a)(b)	167,777	\$ 53,689
Diversified Financial Services 0.1%		
Kcad Holdings I Ltd. (a)(b)	309,827,230	424,463
Health Care Management Services 0.0%		
New Millennium HoldCo, Inc. (b)	14,906	15,845
Semiconductors & Semiconductor Equipment 0.0%		
SunPower Corp.	1,860	16,443
Specialty Retail 0.0%		
Things Remembered, Inc. (a)(b)	932,803	9
Total Common Stocks 0.1%		510,449

	Par (000)	Value
Asset-Backed Securities		
ALM Loan Funding, Series 2012-5A, Class BR, (3 mo. LIBOR US + 3.000%), 4.30%, 10/18/27 (c)(d)	USD 250	250,765
ALM VII R Ltd., Series 2013-7RA, Class BR, (3 mo. LIBOR US + 2.700%), 4.00%, 10/15/28 (c)(d)	250	252,456
ALM XIV Ltd., Series 2014-14A, Class C, (3 mo. LIBOR US + 3.450%), 4.76%, 7/28/26 (c)(d)	463	464,857
ALM XVII Ltd., Series 2015-17A, Class C1, (3 mo. LIBOR US + 4.150%), 5.45%, 1/15/28 (c)(d)	500	504,996
AMMC CLO Ltd., Series 2014-15A, Class D, (3 mo. LIBOR US + 4.200%), 5.52%, 12/09/26 (c)(d)	250	253,783
Ares CLO Ltd., Series 2016-40A, Class C, (3 mo. LIBOR US + 3.700%), 5.00%, 10/15/27 (c)(d)	250	252,112
Ares XXXII CLO Ltd., Series 2014-32A, Class CR, (3 mo. LIBOR US + 3.450%), 4.77%, 11/15/25 (c)(d)	1,000	1,000,102
Ares XXXIII CLO Ltd., Series 2015-1A, Class A2R, (3 mo. LIBOR US + 1.950%), 3.27%, 12/05/25 (c)(d)	450	453,680
Atlas Senior Loan Fund VI Ltd., Series 2014-6A, Class DR, (3 mo. LIBOR US + 3.600%), 4.90%, 10/15/26 (c)(d)	750	751,163
Atrium X, Series 10A, Class DR, (3 mo. LIBOR US + 3.000%), 4.30%, 7/16/25 (c)(d)	250	249,903
Atrium XII, Series 12A, Class D, (3 mo. LIBOR US + 3.900%), 5.21%, 10/22/26 (c)(d)	250	250,448
Benefit Street Partners CLO IV Ltd., Series 2014-IVA, Class A2R, (3 mo. LIBOR US + 2.050%), 3.36%, 1/20/29 (c)(d)	500	504,832
Benefit Street Partners CLO VIII, Ltd., Series 2015-8A (c)(d): Class B, (3 mo. LIBOR US + 3.000%), 4.31%, 1/20/28	500	502,398

	Par (000)	Value
Asset-Backed Securities		
Benefit Street Partners CLO VIII, Ltd., Series 2015-8A (c)(d) (continued): Class C, (3 mo. LIBOR US + 3.900%), 5.21%, 1/20/28	USD 500	\$ 500,296
CIFC Funding Ltd. (c)(d): Series 2013-4A, Class DR, (3 mo. LIBOR US + 3.350%), 4.67%, 11/27/24	250	250,717
Series 2014-2A, Class A3LR, (3 mo. LIBOR US + 2.250%), 3.57%, 5/24/26	280	280,376
Dryden Senior Loan Fund, Series 2014-36A, Class CR, (3 mo. LIBOR US + 2.800%), 4.10%, 1/15/28 (c)(d)	250	252,947
Goldentree Loan Management US CLO 1 Ltd., Series 2017-1A, Class C, (3 mo. LIBOR US + 2.200%), 3.51%, 4/20/29 (c)(d)	250	250,136
Grippen Park CLO Ltd., Series 2017-1A, Class C, (3 mo. LIBOR US + 2.300%), 3.55%, 1/20/30 (c)(d)	280	280,201
LCM XVIII LP, Series 18A, Class INC, 0.00%, 4/20/27 (d)	1,000	653,166
Sound Point CLO III, Ltd., Series 2013-2A, Class DR, (3 mo. LIBOR US + 3.350%), 4.65%, 7/15/25 (c)(d)	250	250,005
TCI-Cent CLO Ltd., Series 2016-1A, Class A2, (3 mo. LIBOR US + 2.200%), 3.52%, 12/21/29 (c)(d)	300	302,772
	1,400	1,402,505

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Treman Park CLO LLC, Series 2015-1A, Class D, (3 mo. LIBOR US + 3.860%), 5.17%, 4/20/27 (c)(d)		
Venture XIX CLO Ltd., Series 2014-19A, Class BR, (3 mo. LIBOR US + 2.000%), 3.30%, 1/15/27 (c)(d)	250	251,868
Webster Park CLO Ltd., Series 2015-1A, Class C, (3 mo. LIBOR US + 4.050%), 5.36%, 1/20/27 (c)(d)	500	504,883
Total Asset-Backed Securities 2.0%		10,871,367

Corporate Bonds

Airlines 0.5%		
US Airways Pass-Through Trust, Series 2012-2, Class C, 5.45%, 6/03/18	2,605	2,662,831
Banks 0.0%		
CIT Group, Inc., 5.00%, 8/01/23	135	146,644
Capital Markets 0.3%		
Blackstone CQP Holdco LP (d):		
6.50%, 3/20/21	1,536	1,583,263
6.00%, 8/18/21	249	248,708
		1,831,971

Portfolio Abbreviations

ABS	Asset-Backed Security
AUD	Australian Dollar
CAD	Canadian Dollar
CHF	Swiss Franc
CLO	Collateralized Loan Obligation
DIP	Debtor-In-Possession
ETF	Exchange-Traded Fund
EUR	Euro
EURIBOR	Euro Interbank Offered Rate
GBP	British Pound
IDR	Indonesian Rupiah
JPY	Japanese Yen
LIBOR	London Interbank Offered Rate
NOK	Norwegian Krone
NZD	New Zealand Dollar
OTC	Over-the-Counter
PIK	Payment-In-Kind
S&P	S&P Global Ratings
SEK	Swedish Krona
USD	U.S. Dollar

See Notes to Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Corporate Bonds		
Chemicals 0.6%		
GEO Specialty Chemicals, Inc., 7.50%, 10/30/18 (a)	USD 1,779	\$ 2,513,176
Momentive Performance Materials, Inc., 3.88%, 10/24/21	1,083	1,085,708
		3,598,884
Communications Equipment 0.2%		
Avaya, Inc., 7.00%, 4/01/19 (b)(d)(e)	1,347	1,134,847
Consumer Finance 0.1%		
Ally Financial, Inc., 8.00%, 11/01/31	300	386,250
Containers & Packaging 1.0%		
Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc., 7.25%, 5/15/24 (d)	300	330,930
Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC, (3 mo. LIBOR US + 3.500%), 4.80%, 7/15/21 (c)(d)	5,360	5,460,500
		5,791,430
Diversified Consumer Services 0.1%		
Prime Security Services Borrower LLC/Prime Finance, Inc., 9.25%, 5/15/23 (d)	300	331,500
Electric Utilities 0.0%		
Texas Competitive Electric Holdings Co. LLC/TCEH Finance, Inc., 11.50%, 10/01/20 (a)	1,061	
Environmental, Maintenance, & Security Service 0.1%		
Tervita Escrow Corp., 7.63%, 12/01/21 (d)	540	542,700
Health Care Providers & Services 0.4%		
CHS/Community Health Systems, Inc., 5.13%, 8/01/21	1,540	1,541,925
Envision Healthcare Corp., 6.25%, 12/01/24 (d)	259	279,073
HCA, Inc., 5.25%, 6/15/26	325	349,781
		2,170,779
Hotels, Restaurants & Leisure 0.2%		
Scientific Games International, Inc., 7.00%, 1/01/22 (d)	1,160	1,238,300
Internet Software & Services 0.1%		
Symantec Corp., 5.00%, 4/15/25 (d)	280	293,216
Media 1.3%		
Altice Financing SA (d):		
6.63%, 2/15/23	550	581,625
7.50%, 5/15/26	875	958,300
Altice US Finance I Corp., 5.50%, 5/15/26 (d)	350	370,344
Clear Channel Worldwide Holdings, Inc.:		
6.50%, 11/15/22	800	824,000
Series B, 7.63%, 3/15/20	545	542,956
CSC Holdings LLC, 10.88%, 10/15/25 (d)	410	504,300
SFR Group SA (d):		
6.00%, 5/15/22	842	887,241
7.38%, 5/01/26	1,857	2,005,597
Virgin Media Secured Finance PLC, 5.25%, 1/15/26 (d)	350	364,000
		7,038,363
Metals & Mining 1.3%		
Constellium NV, 6.63%, 3/01/25 (d)	300	315,000
Freeport-McMoRan, Inc.:		
2.38%, 3/15/18	2,021	2,021,000
3.88%, 3/15/23	625	618,750
	Par (000)	Value
Corporate Bonds		
Metals & Mining (continued)		
Novelis Corp., 6.25%, 8/15/24 (d)	USD 1,460	\$ 1,542,125
Teck Resources Ltd., 3.75%, 2/01/23	3,058	3,079,253

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		7,576,128
Oil, Gas & Consumable Fuels 1.4%		
Cheniere Corpus Christi Holdings LLC, 7.00%, 6/30/24	670	762,125
CONSOL Energy, Inc., 5.88%, 4/15/22	2,262	2,262,000
Great Western Petroleum LLC/Great Western Finance, Inc., 9.00%, 9/30/21 (d)	995	990,025
Halcon Resources Corp., 6.75%, 2/15/25 (d)	1,175	1,180,875
MEG Energy Corp., 6.50%, 1/15/25 (d)	1,866	1,733,047
NGPL PipeCo LLC (d):		
4.38%, 8/15/22	590	606,225
4.88%, 8/15/27	415	427,450
		7,961,747
Real Estate Investment Trusts (REITs) 0.1%		
MGM Growth Properties Operating Partnership LP/MGP Finance Co-Issuer, Inc., 5.63%, 5/01/24	510	554,625
Software 0.1%		
Solera LLC/Solera Finance, Inc., 10.50%, 3/01/24 (d)	520	592,150
Wireless Telecommunication Services 0.1%		
Sprint Communications, Inc., 7.00%, 8/15/20	325	356,281
Total Corporate Bonds 7.9%		44,208,646
Floating Rate Loan Interests		
Aerospace & Defense 2.5%		
Accudyne Industries LLC, 2017 Term Loan, (2 mo. LIBOR + 3.750%, 1.00% Floor), 5.01%, 8/02/24 (f)	3,490	3,488,918
DAE Aviation Holdings, Inc., 2017 1st Lien Term Loan, 7/07/22 (i)	510	511,275
Engility Corp. (f):		
Term Loan B1, (1 mo. LIBOR + 2.750%), 3.99%, 8/12/20	329	329,403
Term Loan B2, (PRIME + 2.750%, 1.00% Floor), 4.49%, 8/12/23	594	598,190
GTCR Valor Companies, Inc., 2017 Term Loan B1, (3 mo. LIBOR + 4.250%), 5.50%, 6/16/23 (f)	772	777,512
TransDigm, Inc. (f):		
2015 Term Loan E, (1 mo. LIBOR + 3.000%), 4.24%, 5/14/22	861	861,785
2016 Extended Term Loan F, (1 mo. LIBOR + 3.000%), 4.24%, 6/09/23	6,319	6,326,579
Term Loan D, (3 mo. LIBOR + 3.000%), 4.30%, 6/04/21	1,131	1,132,141
		14,025,803
Air Freight & Logistics 1.6%		
Avolon TLB Borrower 1 (Luxembourg) Sarl, Term Loan B2, (1 mo. LIBOR + 2.750%), 3.98%, 3/20/22 (f)	6,299	6,315,800
CEVA Group PLC, Letter of Credit, (3 mo. LIBOR + 5.500%, 1.00% Floor), 6.50%, 3/19/21 (f)	733	684,973
CEVA Intercompany BV, Dutch Term Loan, (3 mo. LIBOR + 5.500%, 1.00% Floor), 6.81%, 3/19/21 (f)	749	704,818

See Notes to Financial Statements.

Consolidated Schedule of Investments (continued)

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

	Par (000)	Value
Floating Rate Loan Interests		
Air Freight & Logistics (continued)		
CEVA Logistics Canada ULC, Canadian Term Loan, (3 mo. LIBOR + 5.500%, 1.00% Floor), 6.81%, 3/19/21 (f)	USD 129	\$ 121,522
CEVA Logistics US Holdings, Inc., Term Loan, (3 mo. LIBOR + 5.500%, 1.00% Floor), 6.81%, 3/19/21 (f)	997	938,745
		8,765,858
Airlines 0.1%		
Northwest Airlines, Inc., Term Loan, (6 mo. LIBOR + 1.230%), 2.65%, 9/10/18 (a)(f)	359	355,326
Auto Components 1.0%		
Anchor Glass Container Corp., 2016 2nd Lien Term Loan, (1 mo. LIBOR + 7.750%), 8.98%, 12/07/24 (f)	395	400,265
Dayco Products LLC, 2017 Term Loan B, (3 mo. LIBOR + 5.000%), 6.32%, 5/19/23 (a)(f)	1,027	1,029,994
FPC Holdings, Inc., 1st Lien Term Loan, (3 mo. LIBOR + 4.000%), 5.30%, 11/19/19	987	970,942
Goodyear Tire & Rubber Co., 2nd Lien Term Loan, (1 mo. LIBOR + 2.000%), 3.23%, 4/30/19	582	582,394
GPX International Tire Corp. (i), Term Loan (a)(b)(e): 3/30/12	1,098	
PIK, 3/30/12 (g)	18	
TKC Holdings, Inc., 2017 2nd Lien Term Loan, (1 mo. LIBOR + 8.000%, 1.00% Floor), 9.24%, 2/01/24 (f)	1,337	1,337,000
USI, Inc., 2017 Term Loan B, (3 mo. LIBOR + 3.000%, 1.00% Floor), 4.31%, 5/16/24 (f)	1,305	1,297,118
		5,617,713
Automobiles 0.3%		
CH Hold Corp. (f):		
1st Lien Term Loan, (1 mo. LIBOR + 3.000%, 1.00% Floor), 4.24%, 2/01/24	1,284	1,288,332
2nd Lien Term Loan, (1 mo. LIBOR + 7.250%, 1.00% Floor), 8.49%, 2/01/25	245	249,900
		1,538,232
Building Materials 0.5%		
Allied Universal HoldCo LLC, 2015 Term Loan, (3 mo. LIBOR + 3.750%, 1.00% Floor), 5.05%, 7/28/22 (f)	1,869	1,867,313
USAGM HoldCo LLC, 2015 2nd Lien Term Loan, (3 mo. LIBOR + 8.500%, 1.00% Floor), 9.81%, 7/28/23 (f)		